

## **PRESIDENT'S REPORT**

**EDGARDO P. DAVID**

*President & General Manager*

### **INTRODUCTION**

This report covers the operating results and financial condition of our Corporation for the year ending and as of December 31, 2019 with comparative figures for 2018.

### **I. RESULTS OF OPERATIONS**

#### **A. Underwriting Income**

Our Gross Premiums Earned for the year 2019 amounting to Php698,653,417 was Php53,666,999 or 8.32% higher than last year's Php644,986,418. Motor Car with Php175.1M, Bonds with Php408.3M and CARL with Php101.7M were the lines which contributed mainly to the increase in gross premiums.

Our Premium Ceded increased by Php4,276,135 or 15.89% although our Net Retention Limit increased from Php100M to Php110M per risk.

Net Premium for 2019 of Php667,460,148 was higher than previous year's Php618,069,284 by Php49,390,864 or 7.99%.

Commissions Earned during the year of Php9,483,911 was higher than 2018's Php8,412,729 by Php1,071,182.

Gross Underwriting Income increased by Php50,462,046 from Php626,482,013 in 2018 to Php676,944,059 in 2019.

## **B. Underwriting Deductions**

Underwriting Deductions consisted of the following:

	<b>2019</b>	<b>2018</b>	<b>Increase (Decrease)</b>	<b>%</b>
<b>Losses and Loss</b>				
<i>Adjustment Expenses</i>	P78,210,784	P 66,515,704	P 11,695,080	17.58
<i>Commission expenses</i>	225,848,721	175,650,712	50,198,009	28.58
<i>Other Underwriting Costs</i>	239,334,605	171,465,106	67,869,499	39.58
<b>Total</b>	P543,394,110	P 413,631,522	P129,762,588	31.37

## **C. Net Underwriting Income**

The Net Underwriting Income for the year 2019 amounted to Php133,549,949 which is lower by Php79,300,542 or 37.26% than the previous year's Php212,850,491.

## **D. Investments and Other Income**

Our Investment and Other Income increased by Php19,187,412 from Php9,020,684 in 2018 to Php28,208,096 in 2019.

## **E. Operating Expenses**

Our Operating Expenses during the year amounted to Php95,597,817 compared to Php101,397.296 in 2018, a decrease of Php5,799,479 or 5.72%.

## **F. Net Income**

Our Net Income of Php61,882,314 during the year was Php24,504,985 lower than last Year's Php86,387,299.

## **II. Financial Condition as of December 31, 2019 and 2018**

**A.** Our TOTAL ASSETS AS OF DECEMBER 31, 2019 amounted to Php2,059,747,351 compared to Php1,591,328,248 as of December 31, 2018.

Total Investments (Real Estate, Treasury Bills, Bonds and Shares of Stocks amounted to php1,493,802,146 as of December 31, 2019 and Php915,618,509 as of December 31, 2018.

**B.** Our Total Liabilities as of end of 2019 amounting to Php615,629,554 was Php119,080,688 higher than Php496,548,866 as of end of 2018.

**C.** Our Stockholders' Equity increased by Php349,338,415 from Php1,094,779,382 as of end of 2018 to Php1,444,117,797 as of end of 2019.

I would like to thank the Stockholders, the members of the Board of Directors, the regional managers', the Branch Managers', employees and our agents as well as our policyholders for their continued support, without them, we cannot achieve what we are now today.

Thankyou.