

TRISCO



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TRAVELERS INSURANCE & SURETY (TRISCO) CORPORATION

2021 ANNUAL REPORT



TRISCO CENTER

YOUR KEY TO STABILITY.

YOUR PARTNER IN BUSINESS

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MISSION

To our Stakeholders, we create value by delivering a fair and reasonable return on investment, and guarantee funds to reinvest in research and training.

To our Clients, we provide high quality services through integrated specialty centers/branches, agencies managed by qualified Officers, Managers and Employees.

To our Employees, we provide fair compensation, a safe working environment and opportunities or continuous professional developments through training and seminars.

To our Community, we commit to support Corporate Social Responsibility by providing yearly outreach program for the less fortunate.

VISION

To become a world class Insurance Company in the Philippines recognized for its excellence in providing quality, safe and competent service by 2025.

CORPORATE PROFILE

TRISCO is a non-life insurance corporation duly organized and existing under Philippine laws and regulated by the Department of Finance-Insurance Commission. It has been a stronghold and dominant player in the non-life insurance market with clientele and reinsures both here and abroad.

It is operated by a dynamic management under an established name, reputation and solidity.

Engaged in the business of fire, marine, bonds, casualty insurance, contractor's all risk, fidelity guarantee, commercial blanket bonds and floater policies among others. (Authority to become a surety, as per administrative order No. 119 dated April 04, 1965)

BOARD OF DIRECTORS PROFILE



SAMUEL U. LEE
Chairman of the Board

58, Filipino, is the **Chairman** of TRISCO and was first elected to the Board on May 2013. Concurrently, he serves as the Chairman, CEO, CFO and/or Director of various sister companies and affiliates of TRISCO. A licensed Mechanical Engineer and a graduate of De La Salle University Manila, he brings to the board his varied expertise in insurance, finance and logistics.

MAYBELLE L. LIM
Vice Chairman/CEO

63, Filipino, has been elected **Vice Chairperson and CEO** of TRISCO since June 2014. She was the first woman to have been elected as Chairperson of TRISCO from 2010 until 2013. She also spearheads the Executive Committee of the company. Mrs. Lim earned her degree in Bachelor of Elementary Education from University of the East Manila.



BOARD OF DIRECTORS PROFILE



EDGARDO P. DAVID *President and General Manager*

72, Filipino, **President and General Manager** of TRISCO and was first elected to the Board on July 2005. He was the former President of the Rotary Club of Makati Poblacion. He is a member of the Philippine Institute of Certified Accountant; Philippine Insurers Club; Insurance Institute of Asia and the Pacific; Philippine Insurance & Reinsurance Association; Collection

Assistance of Surety & Insurance Companies; PCA Golf Association; U.P. Tee Jots; Amateur Golfers & Associates and Philippine Association of Surety Underwriters, Inc.

His humble career started as an Insurance Agent of RICO General Insurance Corporation in 1971. After passing the CPA Board Exam in 1976, he became the Accountant of RICO Commercial Enterprises, Inc. with a main task focused on handling of investment portfolio, credit and collection and bank negotiator. In the same year, he joined Interphil Laboratories, Inc. as a Cost Accountant. He became the Chief Accountant of RICO General Insurance Corporation from 1976 until 1978 in charged of handling investment portfolio, Credit and Collection Department and posed as a company representative to all government agencies.

Prior to joining TRISCO, he was previously an AVP and Accounting Manager of Tokio Marine Malayan Insurance Co., Inc. from 1978 until 1989. From 1989 until 2003, he joined Philippine Phoenix Surety & Insurance, Inc. and served as VP for Marketing/Comptroller then promoted as SVP/Comptroller of the company.

Mr. David has over 53 years of experience in the insurance industry, of which the past 46 years held senior management positions and in those positions he was exposed to corporate business across all sectors. A CPA and Non-Life Company Underwriter (All Lines), Mr. David holds a Bachelor's Degree in Accounting from Philippine College of Commerce (now Polytechnic University of the Philippines) and MBA from Ateneo De Manila University, and a Special Course from Asian Institute of Management.

BOARD OF DIRECTORS PROFILE

MARIANTO G. FARAL *SVP-Comptroller*



69, Filipino, was elected Director of TRISCO on July 2005. He is currently the *Senior Vice President- Comptroller* of TRISCO since July 2014. He is a member of Philippine Institute of Certified Accountant and Association of Insurance Accountants of the Philippines. Having been with the insurance industry for over 40 years, Mr. Faral's accounting expertise and financial auditing played a big role in the company. From 1972 to 1980, he was the Assistant Vice President, Internal Auditor of Travellers Life Assurance of the Philippines, Inc. and became the Vice President, Comptroller from 1981 until its acquisition by the new management in 2003. From 2003 until 2014 he served as Vice President, Comptroller of TRISCO. Mr. Faral, a CPA, earned his Bachelor's degree in Accounting from Golden Gate Colleges.

BOARD OF DIRECTORS PROFILE



SANDRA L. ANG

SVP-Treasurer

55, Filipino, was elected Director of TRISCO on December 2003. She is the current SVP-Treasurer of the company and additionally oversees TRISCO Claims Department. Mrs. Ang is an incumbent Director of The Premier Life and General Assurance Corporation. A licensed Doctor of Dentistry, she obtained her Bachelor of Science in Dentistry at University of the East Manila.

FLORINDA R. CALLO

VP-Finance

54, Filipino, was elected Director of TRISCO on June 8, 2016. At present, she is the VP for Finance of TRISCO. Concurrently, she handles finance of the following affiliates 1. *Con-Pac Warehousing Inc.*, 2. *CWI Warehousing and Logistics Corp.*, and 3. *Southeast Asia Renewable Power Corp.* She is also the Chief Financial Officer of Safeway Warehousing Inc. Ms. Callo holds the degree of Bachelor in Accountancy from Polytechnic University of the Philippines.



BOARD OF DIRECTORS PROFILE



NORMITA C. TEE,

Director

61, Filipino, and was an Independent Director of TRISCO for nine (9) years until 2016. She currently sits as a Director of TRISCO Board. She is also an incumbent Director of The Premier Life and General Assurance Corporation. Ms. Tee is a Certified Public Accountant and a cum laude graduate of Bachelor of Science in Commerce Major in Accounting from University of Sto. Tomas, with Masteral Units in Business Administration from Ateneo de Manila University.

PHILLIP GABRIEL C. LEE

SVP-Finance

26, Filipino, was elected Director of TRISCO on July 27, 2021. He obtained a bachelor's degree in Honours Economics and Accounting at Wilfrid Laurier University in Toronto, Canada; a successful CFE writer and a Certified Public Accountant (CPA). He served as a Financial Analyst of Ink Entertainment in 2017 and acting Senior Corporate Accountant of Timbercreek Property Serv. He currently holds the position of SVP-Finance of TRISCO.



BOARD OF DIRECTORS PROFILE

ATTY. NORMANDY D. BALDOVINO

Independent Director

53, Filipino, was elected Independent Director of TRISCO on June 8, 2016. He currently serves as a director of Lukban Telephone System, Inc. A law practitioner since 1994, he heads The Law Firm of Normandy D. Baldovino, Jr. with expertise on criminal, civil and corporate laws. His clientele includes Splash Corporation; World Partners Bank; Pagoda Philippines, Inc.; Macro Funders and Development Corporation; RRB Garments, Inc.; Meycauyan Central Realty Corporation; Prototype Contact Pads Ent.; HMDCC Development Corp.; and Immigrant Visa Center. He was part of the law firms of Sumndad Reyes and Acacio Law Offices; Linsangan & Linsangan Law Offices; and Abad and Associates Law Offices. Before putting up his own firm, he became an Associate Partner, Junior Partner and Managing Partner of Creencia Carillo & Baldovino Law Offices from 1998 to 2004. He became a Senior Partner of the same firm from 2005 until 2010. He is also a member of PLDT Triathlon Team; Austism Society Philippines; San Beda Law Alumni Association; Integrated Bar of the Philippines Quezon City Chapter; and Lambda Rho Beta Fraternity where he served as the Grand Whip in 1993. Atty. Baldovino, Jr. holds the degrees of Bachelor of Arts in Behavioral Science from University of Santo Tomas and Bachelor of Laws from San Beda College.



BOARD OF DIRECTORS PROFILE



ROBERT M. YOUNG
Independent Director

66, Filipino, was elected Independent Director of TRISCO on June 8, 2016. He currently sits as President of Context International Manila. He is also the Chairman of Foreign Buyers Association of the Philippines; Vice Chairman of Philippine Customs & Industry Consultative Council and sits as Director of the following companies:

Integrated Foundation of the Philippines; Jackbuilt Concrete Blocks, Inc.; P & L Resources, Inc. Aruga Hotel; Love 14 Foundation; and Phil-China Asean Business Council. He was the former President of Love 14 Foundation and the founder of PTA Makati Hope Christian School, respectively. He is currently the Head of Business Support Group of Center for International Trade Mission. He is a member of Asia Pacific Economic Cooperation Business Council and sits as Manager of Dasmariñas Barangay Sports Division. Mr. Young holds a Bachelor of Arts and Science in Business Economics and Mathematics from San Beda College.

BOARD OF DIRECTORS PROFILE

ATTY. ERANIO L. PUNSALAN *Independent Director*



76, Filipino, and was elected Independent Director in 2017. He is a Certified Public Accountant and a lawyer. The founder and partner of E.L. Punsalan and Associates (law and accounting firm), General Management Executive with a unique blend of expertise in corporate management, taxation, and law, and a dedicated educator focused on corporate values formation, corporate governance and ethics. Atty. Punsalan holds the degrees of Master of Laws (Thesis-Corporate Governance) and Bachelor of Laws both from Ateneo de Manila University; Bachelor of Science in Accounting and Master in Business Administration both from University of the East; and a Professional Directors Program (Graduate) from the Institute of Corporate Directors.

THE CORPORATE SECRETARY



**ATTY. FLORENCE B.
CARANDANG**

Atty. Florence B. Carandang, is a graduate of Political Science at San Sebastian College Recoletos-Manila and subsequently earned her Bachelor of Laws degree in 2001 from the same collegiate institute, and eventually admitted to the Philippine Bar. She is an alumna of the Insurance School (Non-Life) of Japan, having completed the “39th Session of the ISJ General Course 2012 Program”. She likewise participated as one of the Philippine delegates in the “25th session of the ISJ Advance Course 2015 Program” held in Tokyo, Japan.

Atty. Carandang attended various significant trainings in corporate governance, insurance, continuing legal education and best practices in human resources which made her qualified as TRISCO’s Corporate Board Secretary since 2008. Actually, she was a catalyst to the 2012 Best in Corporate Governance Award of TRISCO awarded by the Philippine Insurers and Reinsurers Association (PIRA).

Atty. Carandang also spearheads TRISCO’s Legal Department as its Vice President for Legal. She was likewise appointed as VP-Legal and Corporate Secretary of The Premier Life and General Assurance Corporation (Formerly: The Premier Insurance & Surety Corporation), a sister company. Atty. Carandang is a corporate and labor law practitioner. She is also commissioned as Notary Public in the City of Manila since 2009.

EXECUTIVE OFFICERS

Samuel U. Lee
Maybelle L. Lim
Edgardo P. David
Sandra L. Ang
Phillip Gabriel C. Lee
Marianito G. Faral
Siegfredo D. Dagbay
Atty. Florence B. Carandang
Florinda R. Callo
Romeo P. Arzadon
Renato V. Apetrior
Arturo T. De Paz, Jr.
Antonio V. Batao
Rogelio T. Barboza
Atty. William V. Cabrera
Oscar P. Carlos
Maria Joelyn C. Batao
Allan V. Cabatay

Chairman of the Board
Vice-Chairman/CEO
President & General Manager
SVP-Treasurer
SVP-Finance
SVP-Comptroller
1ST VP-Operations
VP-Legal/Corp. Sec.
VP-Finance
VP-Underwriting/RI
VP for MIS
VP for Operations-Visayas
VP for Operations-Mindanao
VP for CAMANAVA
AVP-Legal
AVP-San Pablo
AVP-Davao
AVP-Cebu

2020-2021 BOARD OF DIRECTORS ATTENDANCE MATRIX

The table discloses the total percentage of attendance of meeting participated by each member of the Board from the first regular meeting of 2020 until the 2021 Annual Stockholders Meeting. There were only 8 regular board meetings convened in 2020 due to the pandemic while the 2021 Annual Meeting pushed through.

NAME	REGULAR BOARD MEETINGS								ANNUAL MTG	PERCENTAGE
	JAN	FEB	JUN	AUG	SEP	OCT	NOV	DEC	JUL	%
SUL										100%
MLL										100%
EPD										100%
SLA										100%
PGL	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		100%
MGF										100%
FRC										100%
NCT										100%
ELP										100%
RMY										100%
NDB										100%

** Legend*

SUL	Samuel U. Lee	Chairman of the Board
MLL	Maybelle L. Lim	Vice Chairman/CEO
EPD	Edgardo P. David	President/General Manager
SLA	Sandra L. Ang	SVP-Treasurer
PGL	Phillip Gabriel C. Lee	SVP-Finance <i>Been only elected in July, 2021</i>
FRC	Florinda R. Callo	VP-Finance
MGF	Marianito G. Faral	SVP-Comptroller
NDB	Normandy D. Baldovino	Independent Director
RMY	Robert M. Young	Independent Director
ELP	Eranio L. Punsalan	Independent Director

REPORT FROM THE OFFICE OF THE PRESIDENT

This report covers the operating results and financial condition of our Corporation for the year ending and as of December 31, 2021 with comparative figures for 2020.

REPORT FROM THE OFFICE OF THE PRESIDENT

I. RESULTS OF OPERATIONS



Our Gross Premiums Earned for the year 2021 amounting to Php701,962,872 was Php4,457,156 or .64% higher than last year's Php697,505,716. Motor Car with Php205.7M, Bonds with Php346.2M and CARI with Php98.3M were the lines which contributed mainly to the increase in gross premiums.



Our Premium Ceded decreased by Php8,015,797 or 18.81% from Php42,605,914 in 2020 to Php34,590,117 for the current year.

REPORT FROM THE OFFICE OF THE PRESIDENT

I. RESULTS OF OPERATIONS

Net Premium for 2021 of Php667,372,755 was higher than previous year's Php654,899,802 by Php12,472,953 or 1.90%.

Commissions Earned during the year of Php11,244,284 was lower than 2020's Php13,090,616 by Php1,846,332.

Gross Underwriting Income increased by Php10,626,621 from Php667,990,418 in 2020 to Php678,617,039 in 2021.

REPORT FROM THE OFFICE OF THE PRESIDENT

II. UNDERWRITING DEDUCTIONS

Underwriting Deductions consisted of the following:

	<u>2021</u>	<u>2020</u>	<u>Increase/ Decrease</u>	<u>%</u>
Losses and loss adjustment expenses	P 54,765,570	P 74,264,370	P (19,498,800)	(26.26)
Commission expenses	220,072,251	262,362,190	(42,289,939)	(16.12)
Other underwriting costs	225,199,008	205,572,251	8,394,329	4.08
TOTAL	P 500,036,829	P 542,198,811	P (42,161,982)	(7.78)

REPORT FROM THE OFFICE OF THE PRESIDENT

II. UNDERWRITING DEDUCTIONS

C. Net Underwriting Income

The Net Underwriting Income for the year 2021 amounted to Php178,580,210 which is higher by Php52,788,603 or 41.97% than the previous year's Php125,791,607.

D. Investments and Other Income

Our Investment and Other Income increased by Php2,537,016 from Php28,551,941 in 2020 to Php31,088,957 in 2021.

E. Operating Expenses

Our Operating Expenses during the year amounted to **Php105,723,344** compared to **Php78,990,238** in 2020, an increase of **Php26,733,106** or **33.84%**. The following accounts contributed mainly on the increase of operating expenses, depreciation expense, interest expense, legal and documentation expense and employees privileges.

F. Net Income

Our Net Income of Php86,804,021 during the year was **Php32,199,677** higher than last Year's **Php54,604,344**.

REPORT FROM THE OFFICE OF THE PRESIDENT

III. Financial Condition as of December 31, 2021 & 2020

A. Our TOTAL ASSETS AS OF DECEMBER 31, 2021 amounted to Php3,308,398,779 compared to Php2,406,800,484 as of December 31, 2020.

Total Investments (Real Estate, Treasury Bills, Bonds and Shares of Stocks) amounted to Php1,883,424,235 as of December 31, 2021 and Php1,583,935,779 as of December 31, 2020.

B. Our Total Liabilities as of end of 2021 amounting to Php1,028,504,879 was Php125,522,106 higher than Php902,982,773 as of end of 2020.

C. Our Stockholders' Equity increased by Php776,076,189 from Php1,503,817,711 as of end of 2020 to Php2,279,893,900 as of end of 2021.



MR. EDGARDO P. DAVID

MESSAGE OF THE PRESIDENT

“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.”

Thank you.

EXCERPTS OF THE 2021 AUDITED FINANCIAL STATEMENT

Please refer to **2021 Audited FS of TRISCO** for full-text preview



Independent Auditors' Report

The Board of Directors and Stockholders
TRAVELLERS INSURANCE & SURETY (TRISCO) CORPORATION
10th Floor G.E. Antonino Building
T.M. Kalaw Ermita Manila

Report on the Audits of the Parent Company Financial Statements

Opinion

We have audited the Parent Company financial statements of **Travellers Insurance & Surety (TRISCO) Corporation** (the "Parent Company") which comprise the Parent Company statements of financial position as at December 31, 2021 and 2020, and the Parent Company statements of comprehensive income, Parent Company statements of changes in equity and Parent Company statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying Parent Company financial statements present fairly, in all material respects, the financial position of the Parent Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audits of the Parent Company Financial Statements* section of our report. We are independent of the Parent Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audits of the Parent Company financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Parent Company Financial Statements

Management is responsible for the preparation and fair presentation of these Parent Company financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of Parent Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Parent Company financial statements, management is responsible for assessing the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Parent Company's financial reporting process.

Global Reach, Global Quality

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Cebu Office : 5th Floor Cebu Holdings Building, Cebu Business Park, Mabolo, Cebu City 9000 Philippines • Phone: +63(32) 415 8108 - 10 / Fax: +63(32) 232 8028
Davao Office : 3rd Floor Building B Plaza De Luis, Ramon Magsaysay Avenue, Davao City 8000 Philippines • Phone/Fax: +63(82) 222 8938
Palawan Office : 2nd MRC Building, Pineda Road, Bigay, San Pedro, Puerto Princesa City, Palawan 5300 Philippines • Phone: +63(48) 716 1568
Website : www.dmdcpa.com.ph

EXCERPTS OF THE 2021 AUDITED FINANCIAL STATEMENT

Please refer to [2021 Audited FS of TRISCO](#) for full-text preview

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Auditors' Responsibilities for the Audits of the Parent Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Parent Company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Parent Company financial statements.

As part of an audit in accordance with PSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Parent Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Parent Company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Parent Company financial statements, including the disclosures, and whether the Parent Company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

EXCERPTS OF THE 2021 AUDITED FINANCIAL STATEMENT

Please refer to *2021 Audited FS of TRISCO for full-text preview*

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Report on Supplementary Information Required under Revenue Regulations 15-2010

Our audits were conducted for the purpose of forming an opinion on the basic Parent Company financial statements taken as a whole. The supplementary information in Note 37 to the Parent Company financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic Parent Company financial statements. Such information is the responsibility of **Travellers Insurance & Surety (TRISCO) Corporation**. The information has been subjected to the auditing procedures applied in our audits of the basic Parent Company financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic Parent Company financial statements taken as a whole.

Diaz Murillo Dalupan and Company

Tax Identification No. 003-294-822

BOA/PRC No. 0234, effective until August 4, 2023

SEC Accreditation No. 0234-SEC, Group A, issued on March 17, 2022

and valid for five years covering the audit of 2021 to 2025 financial statements

BIR Accreditation No. 08-001911-000-2022, effective until March 25, 2025



Ofelia S. Barriga

Partner

CPA Certificate No. 47189

SEC Accreditation No. 47189, Group A, issued on March 10, 2020

and valid for five years covering the audit of 2019 to 2023 financial statements

Tax Identification No. 104-576-733

PTR No. 8867324, January 17, 2022, Makati City

BIR Accreditation No. 08-001911-006-2022, effective until March 15, 2025

June 22, 2022

EXCERPTS OF THE 2021 AUDITED FINANCIAL STATEMENT

Please refer to 2021 Audited FS of TRISCO for full-text preview

TRAVELLERS INSURANCE & SURETY (TRISCO) CORPORATION Parent Company Statements of Financial Position

	December 31	
	2021	2020
ASSETS		
Cash and cash equivalents - note 4	P30,313,157	P36,905,034
Insurance receivables (net) - note 5	475,347,850	425,377,321
Reinsurance assets (net) - note 6	48,419,502	47,776,011
Other receivables (net) - note 7	537,376,806	57,568,996
Assets held for sale - note 12	52,416,527	52,416,527
Deferred acquisition costs (DAC) - note 10	172,532,891	159,820,267
Prepayments - note 11	3,106,691	8,363,725
Debt instruments at amortized cost - note 8	149,612,479	131,943,800
Financial assets at fair value through other comprehensive income (FVOCI) - note 9	4,554,307	3,710,003
Property and equipment (net) - note 13	869,108,806	658,984,805
Investment properties - note 14	14,995,418	14,995,418
Reclamation project - note 15	201,809,118	197,904,211
Investment in subsidiaries and associate - note 16	608,429,394	526,981,015
Deferred tax assets - note 30	14,269,344	15,106,884
Other assets (net) - note 17	126,106,489	68,946,467
TOTAL ASSETS	P3,308,398,779	P2,406,800,484
LIABILITIES AND EQUITY		
Liabilities		
Accounts payable and accrued expenses - note 18	P374,938,055	P332,250,636
Loans payable - note 19	3,260,903	3,398,184
Insurance contract liabilities - note 20	517,870,138	419,472,181
Due to reinsurers - note 21	39,958,114	49,971,036
Lease liability - note 34	3,465,511	6,592,430
Retirement benefits obligation - note 22	27,498,927	23,891,428
Deferred tax liabilities - note 30	61,513,231	67,406,878
	1,028,504,879	902,982,773
Equity		
Capital stock - note 24	1,861,421,700	600,000,000
Deposit for future stock subscription - note 24	-	5,900,000
Contingency surplus	831,660	831,660
Contributed surplus	-	567,530,000
Remeasurement gain on retirement benefits obligation	1,138,571	1,062,666
Revaluation increment on land	5,403,883	5,043,624
Revaluation reserve on financial assets at FVOCI - note 9	2,358,506	1,514,202
Retained earnings	408,739,580	321,935,559
	2,279,893,900	1,503,817,711
TOTAL LIABILITIES AND EQUITY	P3,308,398,779	P2,406,800,484

(The accompanying notes are an integral part of these Parent Company financial statements.)

EXCERPTS OF THE 2021 AUDITED FINANCIAL STATEMENT

Please refer to **2021 Audited FS of TRISCO** for full-text preview

TRAVELLERS INSURANCE & SURETY (TRISCO) CORPORATION Parent Company Statements of Comprehensive Income

	Years Ended December 31	
	2021	2020
UNDERWRITING INCOME		
Gross premium earned	₱701,962,872	₱697,505,716
Premium ceded	(34,590,117)	(42,605,914)
Net premiums on insurance - note 25	667,372,755	654,899,802
Commission income - note 10	11,244,284	13,090,616
GROSS UNDERWRITING INCOME	678,617,039	667,990,418
NET INSURANCE BENEFITS AND CLAIMS - note 27	54,765,570	74,264,370
DIRECT UNDERWRITING COSTS - note 28	445,271,259	467,934,441
TOTAL DIRECT COSTS	(500,036,829)	(542,198,811)
NET UNDERWRITING INCOME	178,580,210	125,791,607
OPERATING EXPENSES - note 29	(105,723,344)	(78,990,238)
INCOME FROM OPERATIONS	72,856,866	46,801,369
INVESTMENT AND OTHER INCOME, NET OF CHARGES - note 26	31,088,957	28,551,941
INCOME BEFORE INCOME TAX	103,945,823	75,353,310
INCOME TAX EXPENSE - note 30		
Current	21,761,745	14,536,750
Deferred	(4,619,943)	6,212,216
	17,141,802	20,748,966
NET INCOME	86,804,021	54,604,344
OTHER COMPREHENSIVE INCOME (LOSS)		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Unrealized fair value gain (loss) on financial assets at FVOCI - note 9	844,304	(804,430)
Remeasurement gain on retirement benefits obligation	75,905	-
Revaluation increment on land	360,259	-
	1,280,468	(804,430)
TOTAL COMPREHENSIVE INCOME	₱87,648,325	₱53,799,914

(The accompanying notes are an integral part of these Parent Company financial statements.)

EXCERPTS OF THE 2021 AUDITED FINANCIAL STATEMENT

Please refer to **2021 Audited FS of TRISCO** for full-text preview

TRAVELLERS INSURANCE & SURETY (TRISCO) CORPORATION Parent Company Statements of Changes in Equity

	Capital stock - note 24	Deposit for future stock subscription - note 24	Contingency surplus	Contributed surplus	Revaluation increment in land - notes 14 and 15	Revaluation reserve on financial assets at FVOCI - note 9	Remeasurement gain on retirement benefits - note 22	Retained earnings	Total
Balance, January 1, 2020	₱600,000,000	₱-	₱831,660	₱567,530,000	₱5,043,624	₱2,318,632	₱1,062,666	₱267,331,215	₱1,444,117,797
Transaction with owners									
Capital stock subscription	-	5,900,000	-	-	-	-	-	-	5,900,000
Total comprehensive income									
Net income for the year	-	-	-	-	-	-	-	54,604,344	54,604,344
Other comprehensive income									
Unrealized fair value gain on financial assets at FVOCI	-	-	-	-	-	(804,430)	-	-	(804,430)
Balance, December 31, 2020	600,000,000	5,900,000	831,660	567,530,000	5,043,624	1,514,202	1,062,666	321,935,559	1,503,817,711
Transaction with owners									
Capital stock subscription	687,991,700	-	-	-	-	-	-	-	687,991,700
Transfer of deposit to capital stock	5,900,000	(5,900,000)	-	-	-	-	-	-	-
Transfer of contributed surplus to capital stock	567,530,000	-	-	(567,530,000)	-	-	-	-	-
Total comprehensive income									
Net income for the year	-	-	-	-	-	-	-	86,804,021	86,804,021
Other comprehensive loss									
Unrealized fair value loss on financial assets at FVOCI	-	-	-	-	-	844,304	-	-	844,304
Remeasurement loss on retirement benefits obligation	-	-	-	-	-	-	75,905	-	75,905
Revaluation increment on land	-	-	-	-	360,259	-	-	-	360,259
Balance, December 31, 2021	₱1,861,421,700	₱-	₱831,660	₱-	₱5,403,883	₱2,358,506	₱1,138,571	₱408,739,580	₱2,279,893,900

(The accompanying notes are an integral part of these Parent Company financial statements.)

EXCERPTS OF THE 2021 AUDITED FINANCIAL STATEMENT

Please refer to **2021 Audited FS of TRISCO** for full-text preview

TRAVELLERS INSURANCE & SURETY (TRISCO) CORPORATION Parent Company Statements of Cash Flows

	Years Ended December 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P103,945,823	P75,353,310
Adjustments for:		
Depreciation and amortization - notes 13 and 17	26,171,159	7,233,507
Provision for ECLs - note 29	1,540,643	4,730,607
Retirement benefit costs - note 22	3,607,499	3,100,167
Interest expense - notes 19 and 34	6,887,423	3,074,836
Provision for IBNR losses and claims handling expenses with MfAD	(4,011,859)	2,053,898
Amortization of premium on bonds - note 8	900,103	485,624
Unrealized foreign exchange loss (gain)	(11,324)	112,378
Loss on sale of financial assets at FVPL - note 26	-	57,488
Interest income - note 26	(2,623,005)	(6,727,534)
Equity in net earnings of an associate - note 16	(2,478,379)	(2,722,039)
Provision for catastrophic losses - note 26	131,016	(77,122)
Recovery of receivables provided with ECL - note 26	(184,010)	(116,621)
Operating income before working capital changes	133,875,089	86,558,499
Decrease (increase) in:		
Insurance receivables	(51,369,984)	(268,984,949)
Other receivables	(14,327,594)	(12,071,632)
Reinsurance assets	(470,401)	6,998,660
Deferred acquisition costs	(12,712,624)	(39,151,159)
Prepayments	2,062,012	(4,498,070)
Increase (decrease) in:		
Accounts payable and accrued expenses	38,276,523	178,401,066
Insurance contract liabilities	102,278,799	86,456,808
Due to reinsurers	(10,012,922)	9,075,501
Cash generated from operations	187,598,898	42,784,724
Interest received on cash in banks and other receivables	348,738	496,238
Interest paid	(6,189,747)	(2,040,434)
Income tax paid	(14,155,826)	(8,272,177)
Net cash provided by operating activities	167,602,063	32,968,351
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash equivalents and debt instruments at amortized cost	2,274,267	6,231,296
Additional investments in:		
Debt instruments at amortized cost - note 8	(146,964,600)	(117,910,000)
Property and equipment - note 13	(218,385,635)	(57,507,784)
Investment in subsidiaries and associate - note 16	(78,970,000)	(64,500,000)
Reclamation project - note 15	(3,904,907)	(61,018,068)
Proceeds from:		
Sale of financial assets at FVPL	-	754,112
Matured investments - note 8	128,395,818	218,811,364
Payments in other assets	(72,578,116)	(837,328)
Advances to a related party - note 33	(3,708,340)	-
Net cash used in investing activities	(393,841,513)	(75,976,408)

(Forwarded)

EXCERPTS OF THE 2021 AUDITED FINANCIAL STATEMENT

Please refer to 2021 Audited FS of TRISCO for full-text preview

	Years Ended December 31	
	2021	2020
<i>(Continued)</i>		
CASH FLOWS FROM FINANCING ACTIVITIES		
Deposit for future stock subscription - note 24	-	5,900,000
Proceeds from issuance of capital stock - notes 7 and 24	226,100,000	42,921,000
Payment of lease liability	(3,824,595)	(2,554,723)
Payment of loans payable	(2,639,156)	(2,995,636)
Net cash provided by financing activities	219,636,249	43,270,641
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
	11,324	(112,378)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(6,591,877)	150,206
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	36,905,034	36,754,828
CASH AND CASH EQUIVALENTS AT END OF YEAR - note 4	₱30,313,157	₱36,905,034

(The accompanying notes are an integral part of these Parent Company financial statements.)

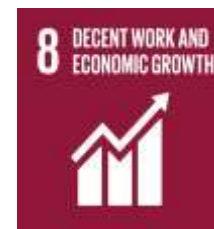
SUSTAINABILITY REPORT

In 2021, TRISCO adopts the **United Nations (UN)** initiatives for a long-term sustainable growth as proposed by the Securities and Exchange Commission (SEC). **Leaving No One Behind** becomes its guiding principle to come up with seventeen (17) Sustainable Development Goals (SDG) which individually focused to every social, economic and environmental issue, without compromising the ability of future generations to meet their own needs.

Although the company acknowledged that SDGs demand comprehensive efforts and planning, it believes that every contribution it can offer, adds up to the solutions in achieving these goals.

At present, TRISCO Corporate Social Responsibilities which are aligned to certain Sustainable Development Goals, are made available on its website.

<https://www.triscoph.com/corporate-governance/>



SUSTAINABILITY REPORT



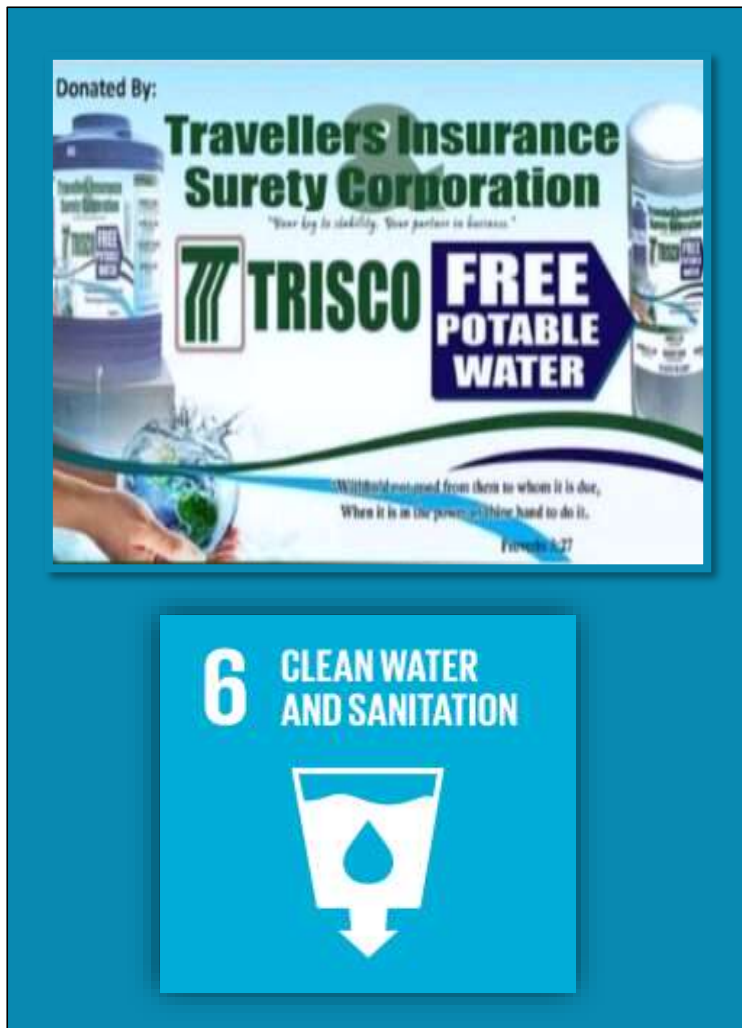
Brgy. San Lucas 2, San Pablo City 11 September 2021

TRISCO launched the “TRISCO Gives Back” program at Brgy. San Lucas 2, San Pablo City on September 11, 2021.

In coordination with Sangguniang Barangay of San Lucas 2, TRISCO, headed by Mr. Oscar Carlos (AVP for San Pablo Branch) and represented by Mr. Marjon Carlos (Assistant Branch Operations Head –San Pablo Branch) lead the giving program of *essential packs* for 100 families of the said community. This outreach program is motivated by SDG Numbers 1 and 2 which aimed to alleviate the poverty indicators in focused groups, build their resilience and ensure the mobilization of resources within their reach.

TRISCO acknowledges that it is impossible to reach out to everyone. However, focusing on a certain community is a baby step to achieve greater good.

SUSTAINABILITY REPORT



Agusan, del Norte 13 September 2021

A group of Higaonon-Banwaon suffered from lack of access to safe water due to their inability to acquire water utilities and services which was aggravated by the pandemic. This situation clearly shows that access to clean water and sanitation is a privilege that should not be underestimated.

In this activity,
TRISCO targeted the Sustainable Development Goal No. 6 which promotes sustainable management of water resources and access to safe water and sanitation.

On September 13, 2021, Travellers Insurance & Surety (TRISCO) Corporation-Butuan Branch headed by its Branch Manager, Mr. Jame Hermosada, in cooperation with District I, Brgy. Santa Ana, Nasipit, Agusan del Norte, launched **POTABLE WATER PROJECT**, an all-out solution to water-sourcing problem in the community.



TRISCO



Since 1964

Proposed Head Quarters Building for Groundbreaking in 2023 located at Kalaw St., Corner San Marcelino St., Barangay 660, Zone 71, Ermita Manila

10th Floor, G.E. Antonino Building, T.M. Kalaw cor. J. Bocobo St., Ermita Manila
www.triscoph.com