

TRISCO

2022 ANNUAL REPORT



"YOUR KEY TO
STABILITY,
YOUR PARTNER IN
BUSINESS"

TRISCO



Since 1964

Head Office Address: 10th Floor, G.E. Antonino Building,
T.M. Kalaw corner J. Bocobo St., Ermita, Manila

Mindanao Corporate Office/Davao Branch: 6, San Pedro
St., Barangay 2-A, Poblacion District, Davao City 8000.

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ABOUT TRISCO

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 consistent and dominant player in government project bonds with clientele and reinsurers, both here and abroad.

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

It is 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)



VISION

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

TRISCO's motivation for the next 3 years is to be recognized and acclaimed by its clients as the best non-life insurance provider in the country for cost-effective and reliable non-life insurance products.



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.

ABOUT TRISCO

Top of the Line Products



Fire/Lightning and Allied Products

- Protection against loss/damage to properties caused by fire or lightning, typhoon & flood and earthquake fire/shock



Motor Vehicle Comprehensive Insurance

- Own damage and theft
- Act of Nature
- Excess Bodily Injury
- Voluntary Property Damage
- Compulsory Third Party Liability
- Personal Accident to Unnamed Driver & Passengers



Bonds (Surety and Judicial)

Surety:

- Performance
- Surety
- Construction
- Customs Bond

judicial (Civil and Criminal cases):

- Administrators
- Attachment
- Replivin
- Heir's Bond
- Bail Bond



Marine (Hull/Cargo)

- Protection for losses which are incidental to marine hull and general cargoes by sea, air, or by land travel.



Personal Accident Insurance

- Accidental Death and Dismemberment
- Permanent Disablement
- Medical and Surgical Expense
- Unprovoked Murder and Assault



Other Products and Services

- Comprehensive General Liability
- Property/Equipment Floater
- Contractor's All Risk (CAR)
- Miscellaneous Casualty
- Property Insurance

ABOUT TRISCO

FINANCIAL HIGHLIGHTS

December 31, 2022

Rank 3 of 55

Non-Life Insurance Companies with highest **PAID-UP CAPITAL**, based on the submitted unaudited quarterly reports to the Insurance Commission (IC)

Rank 14 of 55

Non-Life Insurance Companies with the highest **NET-WORTH**, based on the submitted unaudited quarterly reports to the Insurance Commission (IC)

● **PHP 2,000,000,000**

Authorized Capital Stock

● **PHP 1,926,700,000**
Paid-Up Capital

PHP 3,850,925,267
Total Assets

PHP 2,668,065,563
Total Investments

PHP 2,679,302,065
Total Stockholders Equity

PHP 900,267,164
Gross Premiums

PHP 75,325,218
Net Income



THE PRESIDENT'S REPORT

Mr. Edgardo P. David



THE PRESIDENT'S REPORT

THIS REPORT COVERS THE OPERATING RESULTS AND FINANCIAL CONDITION OF OUR CORPORATION FOR THE YEAR ENDING AND AS OF DECEMBER 31, 2022 WITH COMPARATIVE FIGURES FOR 2021.



"First of all, I would like to thank the Stockholders, the members of the Board of Directors, the Regional Managers, the Branch Managers, the Employees, and our Agents as well as our Policyholders for their continued support, without them, we cannot achieve what we are now today."

Mr. Edgardo P. David
(President & General Manager)

Results of Operation

Underwriting Income

Our Gross Premiums Earned for the year 2022 amounting to Php900,267,164 was Php198,304,292 or 24.25% higher than last year's Php701,962,872. Motor Car with Php189.8M, Bonds with Php500.5M and CARL with Php133.1M were the lines which contributed mainly to the increase in gross premiums.

Our Premium Ceded increased by Php23,809,031 or 68.83% from Php34,590,117 in 2021 to Php58,399,148 for the current year.

Net Premium for 2022 of Php841,868,016 was higher than previous year's Php667,372,755 by Php174,495,261 or 26.15%.

Commissions Earned during the year of Php15,560,383 was higher than 2021's Php11,244,284 by Php4,316,099.

Gross Underwriting Income increased by Php178,811,360 from Php678,617,039 in 2021 to Php857,428,399 in 2022.



THE PRESIDENT'S REPORT

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Results of Operation

Underwriting Deductions

Underwriting Deductions Consisted of the Following:

	2022	2021	Increase/ Decrease	%
Losses and loss adjustment expenses	P 122,429,675	P 54,765,570	P 67,664,105	123.55
Commission expenses	309,035,642	220,072,251	88,963,391	40.42
Other underwriting costs	259,020,744	225,199,008	33,821,736	15.02
TOTAL	P 690,486,061	P 500,036,829	P 189,983,915	38.09

Underwriting Income

The Net Underwriting Income for the year 2022 amounted to Php166,942,338 which is lower by Php11,637,872 or 6.97% than the previous year's Php178,580,210.

Investment and Other Income

Our Investment and Other Income increased by Php31,680,531 from Php31,088,957 in 2021 to Php62,769,488 in 2022.

THE PRESIDENT'S REPORT

THIS REPORT COVERS THE OPERATING RESULTS AND FINANCIAL CONDITION OF OUR CORPORATION FOR THE YEAR ENDING AND AS OF DECEMBER 31, 2022 WITH COMPARATIVE FIGURES FOR 2021.

Results of Operation

Operating Expenses

Our Operating Expenses during the year amounted to Php130,869,299 compared to Php105,723,344 in 2021, an increase of Php25,145,955 or 23.78%. The following accounts contributed mainly on the increase of operating expenses, depreciation expense, interest expense, salaries and wages, and employees privileges.

Net Income

Our Net Income of Php75,325,218 during the year was Php11,478,803 lower than last Year's Php86,804,021.

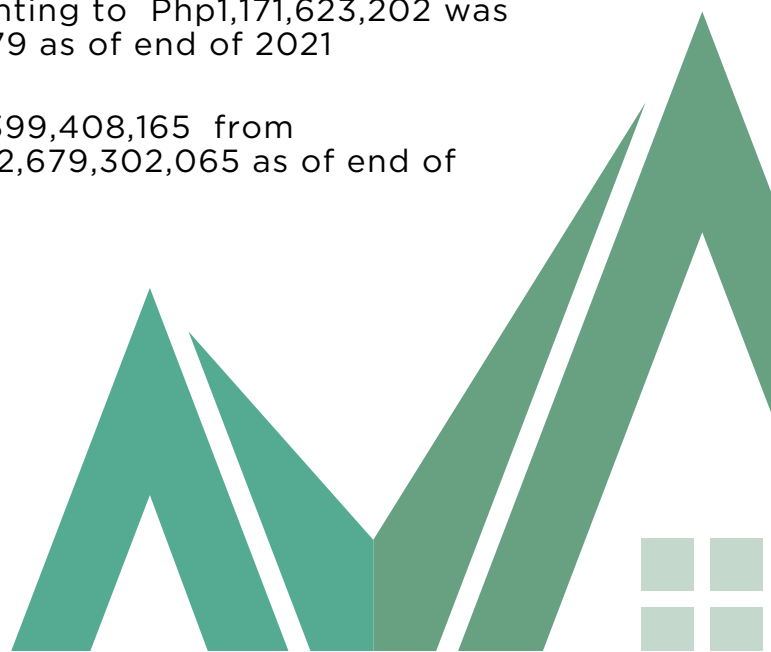
Financial Condition

Our **total assets as of 31 December 2022**, amounted to Php3,850,925,267 compared to Php3,308,398,779 as of December 31, 2021.

Total Investments (Real Estate, Treasury Bills, Bonds, and Shares of Stocks amounted to Php2,668,065,563 as of December 31, 2022, and Php1,883,424,235 as of December 31, 2021.

Our **total liabilities** as of end of 2022 amounting to Php1,171,623,202 was Php143,118,323 higher than Php1,028,504,879 as of end of 2021

Our **stockholders' equity** increased by Php399,408,165 from Php2,279,893,900 as of end of 2021 to Php2,679,302,065 as of end of 2022.



THE BOARD OF DIRECTORS



From left: Edgardo P. David (President & General Manager), Florinda R. Callo (VP-Finance), Normita C. Tee (Director), Sandra L. Ang (SVP-Treasurer), Samuel U. Lee (Chairman), Maybelle L. Lim (Vice-Chairwoman & CEO), Phillip Gabriel C. Lee (SVP-Finance), Marianito G. Faral (SVP-Comptroller)

TRISCO Independent Directors



From left: Atty. Normandy D. Baldovino, Jr., Atty. Eranio L. Punsalan, Mr. Robert M. Young

THE BOARD OF DIRECTORS



Samuel U. Lee

Chairman of the Board

- 59 years of age
- Appointed to the Board in May, 2013
- A graduate of Bachelor of Science in Mechanical Engineering at De La Salle University, Manila, in 1981
- Member of the Executive Committee
- Chairman and CEO of TRISCO's sister company, The Premier Life and General Assurance Corporation
- Chairman of Cedar Rapids Insurance and Reinsurance



Maybelle L. Lim

Vice-Chairwoman/CEO

- 64 years of age
- Appointed to the Board in June, 2014
- A graduate of Bachelor of Science in Elementary Education at University of the East in 1980
- Chairman of the Executive Committee
- Member of the Remuneration Committee
- President and Chief Operating Officer of TRISCO's sister company, The Premier Life and General Assurance Corporation

THE BOARD OF DIRECTORS



Edgardo P. David

President & General Manager

- 74 years of age
- Appointed to the Board in July, 2005
- A Certified Public Accountant
- A graduate of BSC Accounting at Polytechnic University of the Philippines, Manila
- Obtained a Masters's Degree in Business Administration at Ateneo de Manila University
- Chairman of Remuneration Committee
- Compliance Officer of TRISCO
- Member of the Board of Directors, The Premier Life and General Assurance Corporation
- Former officer of various insurance companies



Sandra L. Ang

SVP-Treasurer

- 57 years of age
- Appointed to the Board in December, 2003
- A licensed Doctor of Dentistry
- A graduate of Bachelor of Science in Dentistry at University of the East
- Member of the Executive Committee
- Member of the Board of Directors of The Premier Life and General Assurance Corporation, TRISCO's sister-company.

THE BOARD OF DIRECTORS



Marianito G. Faral

SVP-Comptroller

- 70 years of age
- Appointed to the Board in July, 2005
- A Certified Public Accountant (CPA)
- A graduate of BSC Accounting at Golden Gate Collage, Batangas City in 1963
- Member of Finance and Risk Management Committee
- Compliance Officer
- Member of the Board of Directors, The Premier Life and General Assurance Corporation
- Former Vice President and Comptroller of Travellers Life Assurance of the Philippines, Inc. in 1981



Phillip Gabriel C. Lee

SVP-Finance

- 28 years of age
- Appointed to the Board in July, 2021
- The youngest member of the board
- Successful CFE writer and CPA candidate
- A graduate of Bachelor of Arts, Honours (Honours Economics and Accounting) at Wilfrid Laurier University, Waterloo, Ontario, in 2016
- Member of the Remuneration Committee
- SVP-Finance of The Premier Life and General Assurance Corporation, TRISCO's sister-company

THE BOARD OF DIRECTORS



Florinda R. Callo

VP-Finance

- 55 years of age
- Appointed to the Board in December 2003
- A graduate of BSC Accounting at Polytechnic University of the Philippines in 1983
- Member of Finance and Risk Management Committee
- VP-Finance/Treasury of The Premier Life and General Assurance Corporation



Normita C. Tee

Director

- 62 years of age
- Appointed to the Board in 2021
- Certified Public Accountant
- A graduate of Bachelor of Science in Commerce Major in Accounting at the University of Santo Tomas
- Member of the Nomination Committee
- Member of the Board of Directors of The Premier Life and General Assurance Corporation, TRISCO's sister-company



Atty. Normandy D. Baldovino

Independent Director

- 54 years of age
- Appointed to the Board in June, 2016
- Member of the Integrated Bar of the Philippines
- Bachelor of Laws, San Beda University
- A graduate of Arts Major in Behavioral Science at the University of Santo Tomas
- Chairman of Nomination Committee
- Member of Audit Committee

THE BOARD OF DIRECTORS



Atty. Eranio L. Punsalan

Independent Director

- 78 years of age
- Appointed to the Board in 2017
- Certified Public Accountant
- Member of the Integrated Bar of the Philippines
- Bachelor of Laws at Ateneo de Manila University
- A graduate of Bachelor of Science in Accounting at University of the East, Manila
- Earned a Master's Degree in Business Administration at University of the East, Manila
- Chairman of Finance and Risk Management Committee
- Chairman of the Audit Committee
- Member of the Nomination Committee



Robert M. Young

Independent Director

- 67 years of age
- Appointed to the Board in June, 2016
- A graduate of Bachelor of Arts and Sciences Major in Business Economics, Minor in Mathematics at San Beda University
- A member of Asia Pacific Economic Cooperation Business Council
- Member of the Audit Committee
- Chairman of the Foreign Buyers Association of the Philippines
- Director of Phil-China ASEAN Business Council

THE BOARD OF DIRECTORS

ATTENDANCE MATRIX

Table 1: Board Meetings

TRUSTEES	JAN 10	FEB 7	MAR 14	APR 22	MAY 4	JUN 23	JUL 19	AUG 5	SEP 19	OCT 12	DEC 1	%
	<i>Reg</i>	<i>Reg</i>	<i>Reg</i>	<i>Reg</i>	<i>Reg</i>	<i>Reg</i>	<i>Reg</i>	<i>Reg</i>	<i>Reg</i>	<i>Reg</i>	<i>Reg</i>	
SUL	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
MLL	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
EPD	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
MGF	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
PGL	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
FRC	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
NCT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
RMY	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	100%
NDB	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	90%
ELP	✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	90%

The table discloses the total percentage of attendance of each member of the Board in the 2022 Regular Board Meetings. There were eleven (11) regular board meetings convened in 2022.

** 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
MGF	Marianito G. Faral	SVP-Comptroller
PGL	Phillip Gabriel C. Lee	SVP-Finance
FRC	Florinda R. Callo	VP-Finance
NCT	Normita C. Tee	Non-Executive Director
NDB	Atty. Normandy D. Baldovino	Independent Director
ELP	Atty. Eranio L. Punsalan	Independent Director
RMY	Robert M. Young	Independent Director



The Corporate Secretary

ATTY. FLORENCE B. CARANDANG

VP-Legal & Corporate Secretary



PROFILE

A Senior Executive with over **14 years of progressive experience** in the Insurance Industry, with proven performance in linking corporate vision with the delivery of desired results through empowerment, development and utilization of people, process and technology.

EXPERIENCE

June, 2008- Present

Travellers Insurance & Surety (TRISCO) Corporation

VP-Legal and Corporate Affairs/Corp. Secretary

- Responsible for the Legal Department which provides both legal advice and counsel to the company. Further functions to oversee the day-to-day legal affairs that include corporate works and nationwide litigation.
- Ensuring the integrity of the governance framework, being responsible for the efficient administration of a company, ensuring compliance with statutory and regulatory requirements, and implementing decisions made by the Board.

March, 2019- Present

The Premier Insurance and General Assurance Corporation

VP-Legal and Corp. Secretary

- Heads the legal and admin department inclusive of corporate works, and also a stockholder of PREMIER.
- Under Consultancy Agreement

CONTACT

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Office Address
10th Floor, G.E. Antonino Building,
Ermita, Manila

EDUCATION

Bachelor of Laws, San Sebastian College Recoletos-Manila
May, 2001

Bachelor of Arts in Political Science, San Sebastian College Recoletos-Manila
March, 1997

EXPERTISE

- Non-Life Operations
- Litigation
- Office Administration
- Corporate Procedures

PROFESSIONAL AFFILIATION

- Member of the Integrated Bar of the Philippines
- Alumna of the Insurance School (Non-Life) of Japan, 39th Session of the ISJ General Course 2012 Program
- Delegate in the 25th Session of the ISJ Advance Course 2015 Program, Tokyo, Japan

CORPORATE GOVERNANCE

GOOD GOVERNANCE IN TODAY'S TRISCO



In the context of **improved governance**, TRISCO is instituting significant system change in the business operation, **re-aligning the organizational structure**, and **overseeing service changes** have all been keen to understand how this will affect the way TRISCO organizations will be governed in the future.

1

This makes it clear that **accountability will rest on the committees themselves**. However, top management also has a key role in assessing quality alongside the committee itself. Management is not in place simply to defend the reputation of the company but has accountability to its employees and wider stakeholders.



3

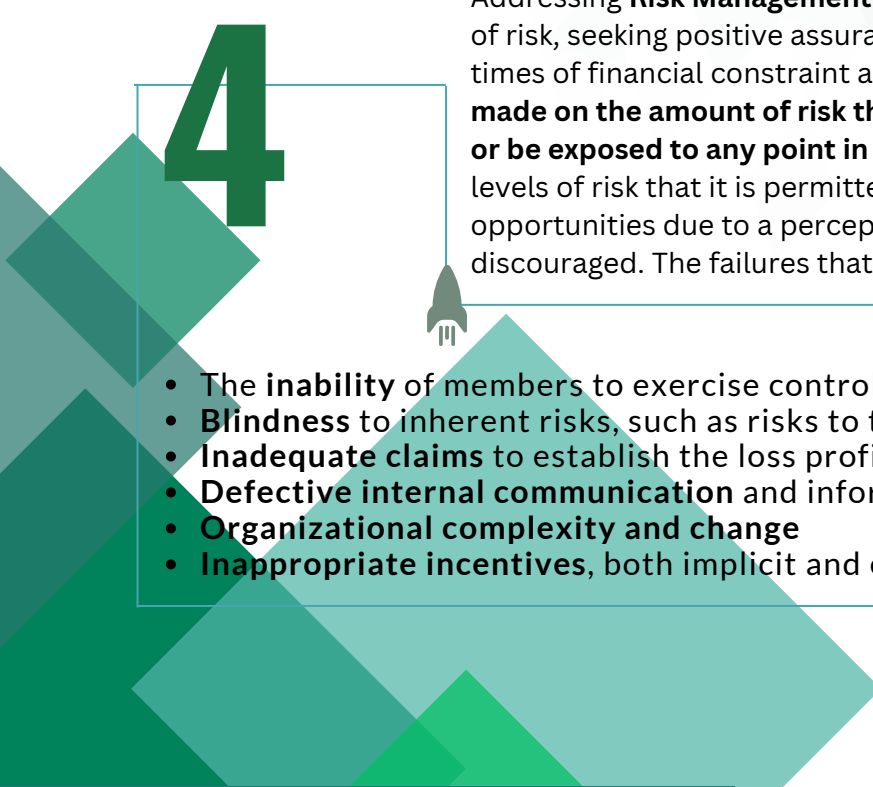
This builds on corporate practice in the business operations **where directors and committees have clear, balanced responsibilities to various stakeholders** and are not just there to assure the business success of the company concerned.



Addressing **Risk Management** increasingly needs to take an eclectic view of risk, seeking positive assurance that claims are valid. This is difficult in times of financial constraint and system upheaval. **Studies should be made on the amount of risk that TRISCO is prepared to accept, tolerate or be exposed to any point in time.** Without proper guidance on the levels of risk that it is permitted to take, or not seizing important opportunities due to a perception that taking on additional risk is discouraged. The failures that gave rise to each crisis:



- The **inability** of members to exercise control
- **Blindness** to inherent risks, such as risks to the business model or reputation
- **Inadequate claims** to establish the loss profile of assured
- **Defective internal communication** and information flow
- **Organizational complexity and change**
- **Inappropriate incentives**, both implicit and explicit



CORPORATE GOVERNANCE

1

TYPES OF GOVERNANCE



Mechanics of Governance. The main principle of the code is that every institution should be headed by an **effective board**, which is collectively responsible for the success of the organization. The board’s role is to provide leadership of the organization within a framework of prudent and effective controls which enables risk to be assessed and managed.

The board should operate in the round focusing on the business of the organization by:

- Constructive challenge and **shaping proposals on strategy**
- Scrutinizing the **performance of management** in meeting agreed goals and objectives and monitoring the reporting of performance
- Satisfying themselves that **services are safe and cost-effective**; on the integrity of financial information and that controls and systems of risk management are robust and defensible.
- There should be just **one governance**; the use of qualifying adjectives is unhelpful and perpetuates or encourages silos of governance however it is important for boards to understand what is meant by regulators and others introducing terms such as Quality, Clinical, Information, and Research Governance especially where **compliance is expected or required**.



- **Quality Governance.** Everyone expects to receive the highest standard of “Quality Governance: **The duty of each body/committee** to put and keep in place managements for the purpose of monitoring and improving the quality of good governance provided by and for that body and in part in response to the concept of Governance.

2

The programs of governance will change but this allows the board to ensure that:

- committees of the board are clear by when they must conclude business and scrutiny
- annual surveys of staff
- regulators and audit reports are prepared and presented in a timely manner
- the board can meet to receive and sign off key documents such as the annual accounts
- internal control, compliance against standards and the annual report
- boards and committees can revisit strategies and influence annual plans.

CORPORATE GOVERNANCE

3

Integrated Governance. Integrated governance was introduced as a response to a number of issues including the devolution of accountability to local services and commissioners and the view that boards are important but must be focused and add value. The separation of corporate governance led to a silo approach in many organizations, where issues were separated from finance, staffing and estates. Integrated governance was described not as a form of governance but rather a movement from uninterrupted to integrated. Integrated Governance provides the umbrella for all TRISCO governance approaches.



4

Information Governance. Information Governance is the way by which management handles all organizational information – in particular the personal and sensitive information of the company. It allows organizations and individuals to ensure that corporate information is dealt with legally, securely, efficiently and effectively.

5

Research Governance Research. Governance can be defined as the broad range of regulations, principles, and standards of good practice that exist to achieve, and continuously improve, research quality across all aspects of non-life insurance. By non-life insurance research, it is taken to mean any material goods/belongings/possessions research.



Staff Governance. Staff governance focuses on how staff are managed and feel they are managed by one of Non-Life Insurance company’s largest employers. Staff governance is the third pillar of the governance framework within which TRISCO Boards, must operate.

6

CORPORATE GOVERNANCE

RESPONSIBILITIES OF THE BOARD

To ensure **Good Governance**, TRISCO's Corporate Governance Handbook has identified the systems and supports that the Board and the rest of the officers of the corporation must observe. Generally, the Board must observe the following:

- **Annual Cycle of Business:** A planned program for the year ensuring board meetings cover the key annual events and anticipate critical decision taking. The cycle of business allows boards to plan their away day program to ensure they cover emerging issues and help to shape national and local strategies.
- **Board assurance framework:** A top down listing of key objectives with risks identified together with controls and assurance. Where there are gaps in controls or assurance, action plans will be identified.
- **Decision tracking systems:** that records decisions taken by the board, its sub committees and partnership boards.
- **Internal and external audit:** Audit plans will be drawn up with the internal and external auditors to ensure systems are working in all areas of activity and that there is a strategy for alignment with clinical audit that includes an annual plan addressing national and local priorities.
- **Board Assurance Prompts:** that identify key clinical and assurance areas that boards should address and provide some guidance on the kinds of questions that should be asked and what acceptable and unacceptable responses look like. In gaining an overall view of the organization, boards also need to consider the different themes and streams of governance.

TRAINING AND DEVELOPMENT

Under the company's Corporate Governance Handbook, the Corporation shall provide an orientation program for first-time directors and relevant annual continuing training for all directors to promote effective board performance and continuing qualification of the directors in carrying out their duties and responsibility.

The office of the Corporate Secretary will recommend to the Human Resources Department the necessary training and seminars that each member of the Board needs to take within a fiscal year.

BOARD COMMITTEES

- Executive Committee
- Nomination Committee
- Audit Committee
- Remuneration/Compensation Committee
- Finance and Risk Management Committee

CORPORATE GOVERNANCE

THE EXECUTIVE COMMITTEE



from left: Sandra L. Ang (Member), Samuel U. Lee (Member), Maybelle L. Lim (Chairman)

- Under TRISCO's By-Laws, the Executive Committee shall have and may exercise any and all the powers and attributes of the Board during the interval between its meeting, which may be lawfully delegated, subject to such limitations as may be provided by the resolution of the Board.
- The Executive Committee shall hold regular meetings at least once a month on such date and such time and place as may be made by the resolution of the Executive Committee without other or further notice than such resolution.
- Special meetings of the Executive Committee may be convened by order of the Chairman or the President or upon the written request of any two (2) members.

CORPORATE GOVERNANCE

NOMINATION COMMITTEE



**Normita C. Tee,
Member**



**Atty. Normandy D. Baldovino
(Independent Director)
Chairman**



**Atty. Eranio L. Punsalan
(Independent Director)
Member**

- It shall review and evaluate the qualification of all persons nominated to the Board as well as those nominated to other positions requiring appointment by the Board of Directors. It should prepare a description of the roles and capabilities required of a particular appointment.
- For the appointment of the Chairman, it should prepare job specifications, including an assessment of the time commitment expected of him, recognizing his availability in the event of a crisis. The Chairman's other significant commitments shall also be disclosed to the Board before his appointment and included in the annual report.
- The terms and conditions of the appointment of a non-executive director shall be made available for inspection. The letter of appointment shall specify the expected time commitment.
- The nomination Committee shall consider the following guidelines in the determination of the number of directorships for the Board:
 1. The nature of the business of the corporation where he is a director;
 2. Age of the Director
 3. Number of directorships/active membership and officership in other corporations or organizations; and
 4. Possible conflicts of interest.

CORPORATE GOVERNANCE

REMUNERATION/COMPENSATION COMMITTEE



Maybelle L. Lim,
Member



Edgardo P. David,
Chairman



Phillip Gabriel C. Lee,
Member

- It shall judge or make plans where to position the company relative to other companies. But such comparisons shall be used with caution in view of the risk of an upward ratchet of the level of remuneration with no corresponding improvement in performance.
- It shall delegate responsibilities for setting up remuneration for all executive directors and chairman including pension right or any compensation payments.
- It shall also recommend and monitor the level and structure of salaries including remuneration for senior management. The definition of senior management for this purpose shall be determined by the Board but would normally include first level management below Board level.

CORPORATE GOVERNANCE

AUDIT COMMITTEE



Atty. Normandy D. Baldovino
(Independent Director)
Member



Atty. Eranio L. Punsalan
(Independent Director)
Chairman



Robert M. Young
(Independent Director)
Member

- Provides oversight of the institution's internal and external auditors.]
- It shall be responsible for the setting-up of the internal audit department, and the appointment of the internal auditors as well as of independent external auditors.
- It shall monitor and evaluate the adequacy and effectiveness of the internal control system of the company.

CORPORATE GOVERNANCE

FINANCE AND RISK MANAGEMENT COMMITTEE



Florinda R. Callo,
Member



Atty. Eranio L. Punsalan
(Independent Director)
Chairman



Marianito G. Faral,
Member

- Assist the Board in its oversight responsibilities by reviewing and making recommendations to the Board, with respect to TRISCO's financial and investment policies;
- Provide strategic guidance to management as TRISCO'S capital structure, the allocation of capital to its businesses, methods of financing its businesses and other related strategic initiatives;
- Reports to and assists the board in overseeing and reviewing information regarding TRISCO's enterprise risk management, including the significant policies, procedures, and practices employed to manage liquidity risk, credit risk, market risk, operational risk, and insurance risk.

CORPORATE GOVERNANCE

BOARD DIVERSITY MATRIX

Table 2: Board Diversity

Name	SUL	MLL	EPD	SLA	MGF	PGL	FRC	NCT	NDB	RMV	ELP
Gender	M	F	M	F	M	M	F	F	M	M	M
Age	59	64	74	57	70	28	56	62	54	67	78
Corporate Governance	✓	✓	✓	✓			✓				✓
Risk Management			✓		✓		✓	✓		✓	✓
Management	✓		✓			✓	✓	✓	✓		✓
Innovation	✓		✓						✓	✓	
Audit/Accounting			✓		✓	✓	✓	✓			✓
Insurance	✓	✓	✓	✓		✓	✓	✓			
Technology	✓								✓		
Marketing			✓						✓	✓	
Law									✓		✓

These qualification standards are ensured through a balanced selection of expertise, competencies, gender, and age. In practice, TRISCO's Board of Directors have diversified business experiences in insurance, corporate governance, finance and risk management, accounting, marketing, technology and legal affairs.

*** 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
MGF	Marianito G. Faral	SVP-Comptroller
PGL	Phillip Gabriel C. Lee	SVP-Finance
FRC	Florinda R. Callo	VP-Finance
NCT	Normita C. Tee	Non-Executive Director
NDB	Atty. Normandy D. Baldovino	Independent Director
ELP	Atty. Eranio L. Punsalan	Independent Director
RMV	Robert M. Young	Independent Director



AUDITED FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

Report on the Audit 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 of December 31, 2022 and 2021, and the Parent Company statements of comprehensive income, Parent Company statements of changes in equity and 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 of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS).

BASIC 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 out 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 so. The charged with governance are responsible for overseeing the Parent Company's financial reporting process.

AUDITOR'S RESPONSIBILITY 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 auditor's 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 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 communicate which 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.

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Parent Company Financial Statements

REPORT ON SUPPLEMENTARY INFORMATION REQUIRED UNDER REVENUE REGULATIONS 15-2010

Our audits were conducted for the purpose of forming an opinion on the basis Parent Company financial statements taken as a whole. The supplementary information in Note 39 to the Parent Company financial statements is presented for purposes of filing with the Bureau of Internal Revenue (BIR) 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 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.

In our opinion, the accompanying Parent Company financial statements present fairly, in all material respects, the financial position of the Parent Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRS).

Diaz Murillo Dalupan and Company

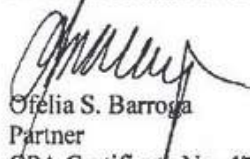
Tax Identification No. 003-294-822

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. Barroga

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.9573296, January 8, 2023, Makati City

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

July 4, 2023

FINANCIAL STATEMENTS

Report on the Audit of the Parent Company Financial Statements

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

	December 31	
	2022	2021
ASSETS		
Cash and cash equivalents - note 4	P45,066,519	P30,313,157
Short-term investments - note 5	663,345,500	-
Insurance receivables (net) - note 6	346,538,650	475,347,850
Reinsurance assets (net) - note 7	84,166,906	48,419,502
Other receivables (net) - note 8	53,610,777	537,376,806
Assets held for sale - note 13	152,351,200	52,416,527
Deferred acquisition cost (DAC) - note 11	138,375,740	172,532,891
Prepayments - note 12	1,792,859	3,106,691
Debt instruments at amortized cost - note 9	262,881,939	149,612,479
Financial assets at fair value through other comprehensive income (FVOCI) - note 10	6,461,269	4,554,307
Property and equipment (net) - note 14	730,343,091	869,108,806
Investment properties - note 15	16,150,868	14,995,418
Reclamation project - note 16	201,809,118	201,809,118
Investment in subsidiaries and associate - note 17	658,938,814	608,429,394
Deferred tax assets - note 32	17,302,584	14,269,344
Other assets (net) - note 18	471,789,433	126,106,489
TOTAL ASSETS	P3,850,925,267	P3,308,398,779
LIABILITIES AND EQUITY		
Accounts payable and other liabilities - note 19	P449,084,862	P366,424,197
Cash collaterals - note 20	8,317,858	8,513,858
Loans payable - note 21	3,504,724	3,260,903
Insurance contract liabilities - note 22	523,343,510	517,870,138
Due to reinsurers - note 23	82,275,391	39,958,114
Lease liability - note 36	12,660,075	3,465,511
Retirement benefits obligation - note 24	29,102,500	27,498,927
Deferred tax liabilities - note 32	63,334,282	61,513,231
	1,171,623,202	1,028,504,879
Equity		
Capital stock - note 26	2,000,000,000	1,861,421,700
Contingency surplus	831,660	831,660
Contributed surplus	181,226,700	-
Revaluation increment on land	5,403,883	5,403,883
Revaluation reserve on financial assets at FVOCI - note 10	4,265,468	2,358,506
Remeasurement gain on retirement benefits obligation	3,509,556	1,138,571
Retained earnings	484,064,798	408,739,580
	2,679,302,065	2,279,893,900
TOTAL LIABILITIES AND EQUITY	P3,850,925,267	P3,308,398,779

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

FINANCIAL STATEMENTS

Report on the Audit of the Parent Company Financial Statements

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

	Years Ended December 31	
	2022	2021
UNDERWRITING INCOME		
Gross premium earned	P900,267,164	P701,962,872
Premium ceded	(58,399,148)	(34,590,117)
Net premiums on insurance - note 27	841,868,016	667,372,755
Commission income - note 11	15,560,383	11,244,284
GROSS UNDERWRITING INCOME	857,428,399	678,617,039
NET INSURANCE BENEFITS AND CLAIMS - note 29	122,429,675	54,765,570
DIRECT UNDERWRITING COSTS - note 30	568,056,386	445,271,259
TOTAL DIRECT COSTS	(690,486,061)	(500,036,829)
NET UNDERWRITING INCOME	166,942,338	178,580,210
OPERATING EXPENSES - note 31	(130,869,299)	(105,723,344)
INCOME FROM OPERATIONS	36,073,039	72,856,866
INVESTMENT AND OTHER INCOME (CHARGES) - note 28	62,769,488	31,088,957
INCOME BEFORE INCOME TAX	98,842,527	103,945,823
INCOME TAX EXPENSE - note 32		
Current	25,519,826	21,761,745
Deferred	(2,002,517)	(4,619,943)
	23,517,309	17,141,802
NET INCOME	75,325,218	86,804,021
OTHER COMPREHENSIVE INCOME		
<i>Item that will not be reclassified subsequently to profit or loss:</i>		
Unrealized fair value gain on financial assets at FVOCI - note 10	1,906,962	844,304
Remeasurement gain on retirement benefits obligation - note 24	2,370,985	75,905
Revaluation increment on land	-	360,259
	4,277,947	1,280,468
TOTAL COMPREHENSIVE INCOME	P77,232,180	P87,648,325

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

FINANCIAL STATEMENTS

Report on the Audit of the Parent Company Financial Statements

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

	Years Ended December 31	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱98,842,527	₱103,945,823
Adjustments for:		
Depreciation and amortization - notes 14 and 18	36,685,111	26,171,159
Provision for ECLs - note 31	4,436,749	1,540,643
Retirement benefit costs - note 24	4,764,886	3,607,499
Interest expense - notes 19 and 34	622,757	6,887,423
Provision for IBNR losses and claims handling expenses with MfAD	1,888,014	(4,011,859)
Amortization of premium on bonds - note 9	3,974,671	900,103
Unrealized foreign exchange loss	(135,246)	(11,324)
Gain on sale of properties - note 28	(26,832,923)	-
Interest income - note 28	(5,624,041)	(2,623,005)
Equity in net earnings of an associate - note 17	(5,973,970)	(2,478,379)
Provision for catastrophic losses - note 28	699,288	131,016
Recovery of receivables provided with ECL - note 28	(2,455,538)	(184,010)
Operating income before working capital changes	110,892,285	133,875,089
Decrease (increase) in:		
Short-term investments	(663,345,500)	-
Insurance receivables	126,840,001	(51,369,984)
Other receivables	479,230,224	(14,327,594)
Reinsurance assets	(35,991,525)	(470,401)
Deferred acquisition costs	34,157,151	(12,712,624)
Prepayments	(1,686,116)	2,062,012
Increase (decrease) in:		
Accounts payable and other liabilities	104,798,476	38,276,523
Cash collaterals	(196,000)	-
Insurance contract liabilities	2,886,070	102,278,799
Due to reinsurers	42,317,277	(10,012,922)
Cash generated from operations	199,902,343	187,598,898
Interest received on cash in banks and other receivables	1,145,775	348,738
Interest paid	(343,011)	(6,189,747)
Income tax paid	(18,394,078)	(14,155,826)
Net cash provided by operating activities	182,311,029	167,602,063
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash equivalents, short-term investments and debt instruments at amortized cost	4,478,266	2,274,267
Additional investments in:		
Debt instruments at amortized cost - note 9	(260,314,449)	(146,964,600)
Property and equipment - note 14	(9,156,087)	(218,385,635)
Investment in subsidiaries and associate - note 17	(44,535,450)	(78,970,000)
Intangible assets - note 18	340,000	-
Reclamation project - note 16	-	(3,904,907)
Proceeds from:		
Sale of assets held for sale - note 13	46,466,389	-
Sale of investment properties - note 15	1,100,000	-
Matured investments - note 9	143,070,318	128,395,818
Increase in other assets	(368,720,165)	(72,578,116)
Advances to a related party - note 35	4,873,101	(3,708,340)
Net cash used in investing activities	(482,398,077)	(393,841,513)

(Forwarded)

	Years Ended December 31	
	2022	2021
<i>(Continued)</i>		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of capital stock - note 26	138,578,300	226,100,000
Additional contributed surplus - note 33	181,226,700	-
Payment of lease liability	(3,745,257)	(3,824,595)
Payment of loans payable	(1,354,579)	(2,639,156)
Net cash provided by financing activities	314,705,164	219,636,249
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		
AND CASH EQUIVALENTS	135,246	11,324
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,753,362	(6,591,877)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	30,313,157	36,905,034
CASH AND CASH EQUIVALENTS AT END OF YEAR - note 4	₱45,066,519	₱30,313,157

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

SUSTAINABILITY REPORT

[TRISCO Insurance Plus]

Your key to stability. Your partner in business.











What is TRISCO Plus?

TRISCO Plus is an advance web-based end-to-end insurance solution.

It automates processes across the policy lifecycle and provides users access to a fully digital platform with real-time and accurate results.

[TRISCO Plus]

NAVIGATION

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-  Underwriting ▼
-  IC Certificates
-  Reinsurance ▼
-  Reports ▼
-  Settings ▼
-  Memos/Circulars
-  Resources

TRISCO: PLUS SYSTEM

TRISCO Plus is an advanced web-based end-to-end insurance solution. It automates processes across the policy lifecycle and provides users access to a fully digital platform with real-time and accurate results.

The rapid advancement of technology has provided us with the tools to minimize our environmental footprint and create a sustainable future.

TRISCO Plus' aim of going paperless is one such transformative practice that can significantly reduce our impact on the environment. By adopting paperless solutions in various aspects of the business, such as the basic documents routing and supplies requisition, we can conserve natural resources, reduce greenhouse gas emissions, and preserve ecosystems.

DATA PRIVACY AND SECURITY

We value our customers and respect their right to privacy. We know that you purchase our products and services because you trust that we stand behind our promises. It is our responsibility and our commitment in ensuring that the personal information you give us is secured and will take all reasonable precautions to prevent unauthorized access to that information.

- **Personal Identification Information:**

The personal information we collect includes your name, identification number, address, date of birth, and contact details (for example phone and email), social security number, credit card information in the payment gateway. We will collect personal identification information from you only if you voluntarily submit such information to us.



SUSTAINABILITY REPORT

- **How long will we keep your personal information?**

We will only hold your personal information for as long as is necessary for the purposes described in this Privacy Statement or for legal or business purposes.

- **Sharing your personal information**

We may share general demographic information not linked to any personal information regarding visitors and users with our business partners, trusted affiliates, and advertisers for the purposes outlined above. But we do NOT sell, rent, or trade your personal information to others.

- **Getting in touch with us via the Internet:**

Our website enables you to communicate with us electronically using the Internet. We need your email address in order to respond to your communications with us. We keep the content of the email correspondence you have with us as it will help us understand your needs and provide you with assistance..



ANTI-SEXUAL HARRASMENT IN THE WORKPLACE

TRISCO provides and maintains a work environment, free from harassment specifically on any sexual advances which may occur in the workplace. As part of continuous effort to maintain a productive workforce, sexual harassment may be defined as unwelcome, one-sided attention, sexual advances, requests for sexual favors, other unwanted verbal or physical conduct of a sexual nature that may come from supervisors, managers, co-workers or clients or other individuals in the workplace or at any TRISCO's sponsors activities, program, party or trip whether at the work site or not and regardless of the gender of the parties involved. The offenders shall be dealt in accordance with the existing company rules and regulations and on the severity of sexual harassment committed by the harasser.

DRUG AND ALCOHOL IN THE WORKPLACE POLICY

The company has the responsibility to provide quality services to its clients in a timely and effective manner. Employees at any and all levels in the organization who have drugs or alcohol in their systems may impair their ability to perform their duties and responsibilities at their fullest capabilities...

Misuse of alcohol and or drugs may have detrimental effects on the employee's attendance, and work performance where the interest of both the company and the employees are invoked. Degree of penalty for this policy guideline shall be in accordance to the existing company rules and regulations and based on the labor standards on health and safety.

SUSTAINABILITY REPORT



TRISCO EMPLOYEES BIRTHDAY CELEBRATION

One way to appreciate all our employees is to make them feel special and loved on their special days. Every quarter of each year, TRISCO organizes a meaningful birthday celebration for its employees, celebrating life and journey as a family.



2022 MENTAL HEALTH DEVELOPMENT PROGRAM AND TREE-PLANTING ACTIVITY

On June 25, 2022, TRISCO celebrates its 58th Anniversary and the best way to commemorate it is to be one with nature, after two years of pandemic. Hence, a 3-day “Mental Health Development Program and Corporate Social Responsibility” event at a forest resort located at Nagcarlan, Laguna, in coordination with TRISCO-San Pablo Branch. An inspirational spiritual talk by Rev. Caleb Dignadice, fun team-building games, and tree planting as its culminating activity for its CSR, made it a success as reflected in the relaxed aura and smiles of its participants.



SUSTAINABILITY REPORT



MENTAL HEALTH DEVELOPMENT PROGRAM AND CSR

in celebration of

TRISCO 58th ANNIVERSARY

JUNE 10-12, 2022
NAGCARLAN FOREST RESORT
LAGUNA CITY



TRISCO made sure that its employees had time to unwind, reflect, and bond with colleagues because the company believes in the importance of mental health awareness as exemplified by the spiritual speaker it assigned purposely for the event. Also, the CSR with a “Grow with TRISCO” theme was fitting to the need to protect our environment, and the tree planting at the foot of Mt. Banahaw, a rainforest protected area, was the cherry on top for its 58th anniversary celebration.



2022 TRISCO EVENTS



2022 IIAP AWARDEE

TRISCO ranks 3rd in the 303rd Basic Non-Life Insurance Course (BNL) of the Insurance Institute for Asia and the Pacific, Inc. (IIAP) which lasted from May 11 to 30, 2022. The awarding ceremony was held on 23 February 2023, at IIAP Function Hall, attended by Ms. Kimberly Ascotia, the awardee, and was joined by Atty. Florence B. Carandang, TRISCO's VP-Legal and Corporate Secretary.



TRISCO MINDANAO OFFICE INAUGURATION CEREMONY

On October 17, 2022, the inauguration of TRISCO-Mindanao corporate office, which also houses TRISCO-Davao Branch, located at Barangay 2-A, Poblacion District, Davao City was celebrated. This is the 2nd company building of TRISCO, to date. TRISCO Executives from the Head Office were present, and the event was hosted by Vice-President-Operations for Mindanao, Mr. Antonio V. Batao, and Ms. Joelyn C. Batao, TRISCO's AVP for Davao Branch.

The new workspace has a modern vibe and can properly accommodate its employees and clients. Thus, providing a better service to the insuring public while cementing our name as one of the strongholds in Davao, if not, the Mindanao area.

It is the building on the main cover of the 2022 TRISCO Annual Report.



2022 TRISCO EVENTS



2022 MANAGERS CONFERENCE

The long wait is over. In 2022, the traditional face-to-face TRISCO Year-End Conference was held after the 2-year COVID restrictions. All Branch and Regional Managers came to Manila for the 2-day-Year-End Conference, held at Rizal Park Hotel, from December 7 to 9, 2022. TRISCO officers had the opportunity to discuss their business plans for the year 2023 and to conclude all business matters for 2022. The top-performing branches were also recognized during the conference. CAMANAVA branch as the Top 1, followed by San Pablo and Davao branch. The two-day conference was indeed, a meaningful and fruitful gathering for all.



SUSTAINABILITY REPORT



AKO SI TRISCO : 2022 AGENTS NIGHT

"AKO si TRISCO" is the official title of the 2022 TRISCO Agents Night. This is a celebration dedicated to the valued agents and clients of TRISCO for their resilience in the midst of pandemic. The same was held on December 9, 2022, at Rizal Park, Hotel, with a Filipino-inspired theme-attire for all guests.

AKO si TRISCO pageant was the highlight of the event, participated by six candidates from different TRISCO branches and offices, modelling their respective National Costumes. The panel of judges was comprised of TRISCO Independent Directors and Stockholder.





10th Floor, G.E. Antonino Building, T.M.
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www.triscoph.com



Travellers Insurance & Surety Corporation

TRISCO



Since 1964