

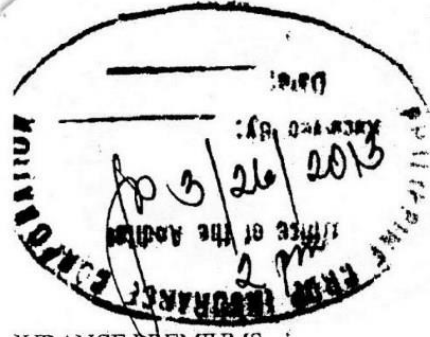
**PHILIPPINE CROP INSURANCE CORPORATION**

**STATEMENT OF INCOME**

For the Twelve-Months Ended December 31, 2012

(With Comparative Figures For 2011)

(FINAL)



|   | Actual<br>2012         | 2012 Budget            |                         | 2011                     | Increase(Decrease)     |  |
|---|------------------------|------------------------|-------------------------|--------------------------|------------------------|--|
|   |                        | Amount                 | Inc./(Dec.)             |                          | Amount                 |  |
| <b>INSURANCE PREMIUMS</b>                       | P559,319,145.90        | P763,923,069.00        | (P204,603,923.10)       | 466,649,942.40           | P92,669,203.50         |  |
| SS: Premium Reserve                             | (879,812.52)           | -                      | (P879,812.52)           | 8,206,338.64             | (P9,086,151.16)        |  |
| Premium Refund                                  | 473,941.12             | -                      | P473,941.12             | 272,262.56               | P201,678.56            |  |
| <b>NET PREMIUMS</b>                             | <b>P559,725,017.30</b> | <b>P763,923,069.00</b> | <b>(P204,198,052)</b>   | <b>P458,171,341</b>      | <b>P101,553,676.10</b> |  |
| <b>SS: UNDERWRITING EXPENSES</b>                |                        |                        |                         |                          |                        |  |
| Insurance benefits                              | 227,103,791.17         | 388,408,565.00         | (161,304,773.83)        | 401,018,312.88           | (173,914,521.71)       |  |
| Reinsurance premium ceded                       |                        |                        |                         |                          |                        |  |
| treaty/facultative                              | 4,540,475.08           | 16,915,386.00          | (12,374,910.92)         | 6,752,406.42             | (2,211,931.34)         |  |
| Commission expense                              | 18,717,757.91          | 14,577,882.00          | 4,139,875.91            | 15,728,863.98            | 2,988,893.93           |  |
| Premium discount                                | 3,446,452.48           | -                      | 3,446,452.48            | 62,652,507.43            | (59,206,054.95)        |  |
| Death benefits                                  | 745,000.00             | -                      | 745,000.00              | 770,000.00               | (25,000.00)            |  |
| Honoraria/incentive to Agri. Tech.              | 7,785.00               | -                      | 7,785.00                | 11,568.00                | (3,783.00)             |  |
| Honoraria/incentive to Claims Adj.              | 94,303.28              | -                      | 94,303.28               | 120,131.50               | (25,828.22)            |  |
|   | 254,655,564.92         | 419,901,833.00         | (165,246,268.00)        | 487,053,790.21           | (232,398,225.29)       |  |
| <b>UNDERWRITING INCOME</b>                      | <b>305,069,452.38</b>  | <b>344,021,236.00</b>  | <b>(38,951,783.70)</b>  | <b>(28,882,449.01)</b>   | <b>333,951,901.39</b>  |  |
| <b>SS: OPERATING EXPENSES</b>                   |                        |                        |                         |                          |                        |  |
| Personal services                               |                        |                        |                         |                          |                        |  |
| Salaries & wages                                | 66,224,061.56          | 108,971,426.00         | (42,747,364.44)         | 60,392,020.89            | 5,832,040.67           |  |
| Other compensation                              | 19,309,361.00          | 26,721,560.00          | (7,412,199.00)          | 19,774,382.31            | (465,021.31)           |  |
| Personnel benefits contributi                   | 8,404,099.22           | 12,435,740.00          | (4,031,640.78)          | 7,961,356.43             | 442,742.79             |  |
| Other personnel benefits                        | 9,720,444.89           | 56,402,523.00          | (46,682,078.11)         | 11,766,452.87            | (2,046,007.98)         |  |
|   | 103,657,966.67         | 204,531,249.00         | (100,873,282.33)        | 99,894,212.50            | 3,763,754.17           |  |
| Maintenance and Other Operating Expenses (MOOE) |                        |                        |                         |                          |                        |  |
| Professional expenses                           | 27,104,414.82          | 28,055,299.00          | (950,884.18)            | 22,773,090.72            | 4,331,324.10           |  |
| Rent expenses                                   | 6,354,152.02           | 6,703,058.00           | (348,905.98)            | 5,975,943.62             | 378,208.40             |  |
| Advertising expenses                            | 8,797,778.96           | 10,150,653.00          | (1,352,874.04)          | 19,227,582.34            | (10,429,803.38)        |  |
| Training and scholarship exp                    | 3,004,993.21           | 6,851,650.00           | (3,846,656.79)          | 2,465,379.04             | 539,614.17             |  |
| Traveling expenses                              | 10,287,900.13          | 10,366,384.00          | (78,483.87)             | 8,046,841.45             | 2,241,058.68           |  |
| Utility expenses                                | 4,656,697.31           | 4,660,250.00           | (3,552.69)              | 3,509,228.13             | 1,147,469.18           |  |
| Depreciation expenses                           | 4,983,869.95           | -                      | 4,983,869.95            | 5,549,277.61             | (565,407.66)           |  |
| Communication expenses                          | 2,750,043.94           | 3,220,969.00           | (470,925.06)            | 2,186,499.64             | 563,544.30             |  |
| Supplies and materials exper.                   | 3,485,559.02           | 4,029,622.00           | (544,062.98)            | 2,604,681.49             | 880,877.53             |  |
| Other Mooe                                      | 14,912,514.02          | 19,279,842.00          | (4,367,327.98)          | 14,257,284.57            | 655,229.45             |  |
|   | 86,337,923.38          | 93,317,727.00          | (6,979,803.62)          | 86,595,808.61            | (257,885.23)           |  |
| Financial Expenses                              | 1,404,669.90           | 1,620,400.00           | (215,730.10)            | 1,441,202.19             | (36,532.29)            |  |
| <b>Total Operating Expenses</b>                 | <b>191,400,559.95</b>  | <b>299,469,376.00</b>  | <b>(108,068,816.05)</b> | <b>187,931,223.30</b>    | <b>3,469,336.65</b>    |  |
| <b>COME/(LOSS) FROM OPERATIONS</b>              | <b>113,668,892.43</b>  | <b>44,551,860.00</b>   | <b>69,117,032.43</b>    | <b>(216,813,672.31)</b>  | <b>330,482,564.74</b>  |  |
| <b>ADD: INVESTMENT INCOME</b>                   | <b>29,270,899.62</b>   | <b>22,228,251.00</b>   | <b>7,042,648.62</b>     | <b>32,925,538.97</b>     | <b>(3,654,639.35)</b>  |  |
| <b>NET INCOME/(LOSS)</b>                        | <b>P142,939,792.05</b> | <b>P66,780,111.00</b>  | <b>P76,159,681.05</b>   | <b>(P183,888,133.34)</b> | <b>P326,827,925.39</b> |  |

Prepared by:

Reviewed by:

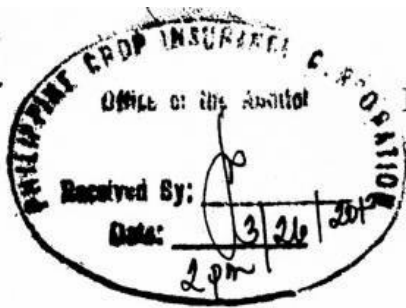
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ATTY JOVY C. BERNABE  
President



PHILIPPINE CROP INSURANCE CORPORATION

Balance Sheet

As of December 31, 2012

(With Comparative Figures for 2011)

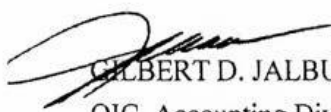
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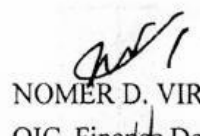
|                                       | 2012                           | 2011                           | Increase<br>(Decrease)   |
|---------------------------------------|--------------------------------|--------------------------------|--------------------------|
| <b>ASSETS</b>                         |                                |                                |                          |
| <b>CURRENT ASSETS</b>                 |                                |                                |                          |
| Cash and Cash Equivalent              | 352,114,910.80                 | 111,382,334.44                 | 240,732,57               |
| Short-Term Investments                | -                              | 7,694,486.76                   | (7,694,48                |
| Receivables                           | 160,725,659.57                 | 204,823,221.33                 | (44,097,56               |
| Other Current Assets                  | 4,915,439.57                   | 5,776,545.26                   | (861,10                  |
|                                       | <u>517,756,009.94</u>          | <u>329,676,587.79</u>          | <u>188,079,42</u>        |
| <b>NON-CURRENT ASSETS</b>             |                                |                                |                          |
| Receivables, net                      | 334,360,544.79                 | 332,641,130.53                 | 1,719,41                 |
| Investments                           | 396,668,900.00                 | 396,668,900.00                 |                          |
| Property, Plant & Equipment           | 22,386,957.86                  | 22,802,081.98                  | (415,12                  |
| Other Assets                          | 9,974.04                       | -                              | 9,97                     |
|                                       | <u>753,426,376.69</u>          | <u>752,112,112.51</u>          | <u>1,314,26</u>          |
| <b>TOTAL ASSETS</b>                   | <u><u>1,271,182,386.63</u></u> | <u><u>1,081,788,700.30</u></u> | <u><u>189,393,68</u></u> |
| <b>LIABILITIES &amp; EQUITY</b>       |                                |                                |                          |
| <b>CURRENT LIABILITIES</b>            |                                |                                |                          |
| Accounts Payable                      | 103,931,412.37                 | 75,454,218.44                  | 28,477,19                |
| Inter-Agency Payable                  | 2,894,730.52                   | 3,570,855.89                   | (676,12                  |
| Other Current Liabilities             | 666,011.80                     | 618,096.35                     | 47,91                    |
|                                       | <u>107,492,154.69</u>          | <u>79,643,170.68</u>           | <u>27,848,98</u>         |
| <b>NON -CURRENT LIABILITIES</b>       |                                |                                |                          |
| Due to Other NGAs                     | 167,537,884.99                 | 154,502,528.29                 | 13,035,35                |
| Due to other Funds                    | 953,008.57                     | 1,028,121.29                   | (75,11                   |
| Other Deferred Credits                | 32,692,535.96                  | 24,685,573.58                  | 8,006,96                 |
| Reserved for Unearned premiums        | 85,020,162.01                  | 79,694,419.92                  | 5,325,74                 |
|                                       | <u>286,203,591.53</u>          | <u>259,910,643.08</u>          | <u>26,292,94</u>         |
| <b>TOTAL LIABILITITES</b>             | <u><u>393,695,746.22</u></u>   | <u><u>339,553,813.76</u></u>   | <u><u>54,141,93</u></u>  |
| <b>STOCKHOLDERS' EQUITY</b>           |                                |                                |                          |
| Paid-in Capital                       | 1,350,954,415.42               | 1,340,954,415.42               | 10,000,00                |
| Surplus Accounts                      | 159,451,430.53                 | 159,451,430.53                 |                          |
| Retained Earnings-Unappropriated      | (632,919,205.54)               | (758,170,959.41)               | 125,251,75               |
| <b>EQUITY</b>                         | <u><u>877,486,640.41</u></u>   | <u><u>742,234,886.54</u></u>   | <u><u>135,251,75</u></u> |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <u><u>1,271,182,386.63</u></u> | <u><u>1,081,788,700.30</u></u> | <u><u>189,393,68</u></u> |

Prepared by:

Reviewed by:

Approved by:

  
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