

PHILIPPINE CROP INSURANCE CORPORATION

Balance Sheet

As of December 31, 2008

(With Comparative Figures for 2007)

| | 2008 | 2007 As Restated | Increase (Decrease) |
|---------------------------------------|-----------------------------|-----------------------------|--------------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalent | 103,900,290 | 100,005,919 | 3,894,371 |
| Short-Term Investments | 675,360,690 | 623,553,310 | 51,807,380 |
| Receivables | 29,536,845 | 21,006,062 | 8,530,783 |
| Other Current Assets | 6,203,721 | 4,000,648 | 2,203,073 |
| | <u>815,001,545</u> | <u>748,565,939</u> | <u>66,435,606</u> |
| NON-CURRENT ASSETS | | | |
| Receivables,net | 343,974,925 | 374,366,393 | (30,391,468) |
| Investments | 2,043,900 | 2,043,900 | - |
| Property , Plant & Equipment | 13,835,107 | 9,427,761 | 4,407,346 |
| Other Assets | - | - | - |
| | <u>359,853,932</u> | <u>385,838,054</u> | <u>(25,984,122)</u> |
| TOTAL ASSETS | <u><u>1,174,855,477</u></u> | <u><u>1,134,403,993</u></u> | <u><u>40,451,484</u></u> |
| LIABILITIES & EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 40,542,159 | 49,102,558 | (8,560,399) |
| Inter-Agency Payable | 2,078,137 | 3,087,739 | (1,009,602) |
| Other Current Liabilities | 633,565 | 744,340 | (110,775) |
| | <u>43,253,861</u> | <u>52,934,637</u> | <u>(9,680,776)</u> |
| NON -CURRENT LIABILITIES | | | |
| Due to Other NGAs | 128,313,971 | 130,100,158 | (1,786,187) |
| Due to other Funds | 1,765,219 | 2,244,010 | (478,791) |
| Other Deferred Credits | 16,867,242 | 13,483,518 | 3,383,724 |
| Reserved for Unearned premiums | 40,535,307 | 19,056,801 | 21,478,506 |
| | <u>187,481,739</u> | <u>164,884,487</u> | <u>22,597,252</u> |
| TOTAL LIABILITITES | <u><u>230,735,600</u></u> | <u><u>217,819,124</u></u> | <u><u>12,916,476</u></u> |
| STOCKHOLDERS' EQUITY | | | |
| Paid-in Capital | 1,262,602,808 | 1,227,251,201 | 35,351,607 |
| Surplus Accounts | 159,451,430 | 159,451,430 | - |
| Retained Earnings-Unappropriated | (477,934,361) | (470,117,762) | (7,816,599) |
| EQUITY | <u><u>944,119,878</u></u> | <u><u>916,584,869</u></u> | <u><u>27,535,009</u></u> |
| TOTAL LIABILITIES & EQUITY | <u><u>1,174,855,477</u></u> | <u><u>1,134,403,993</u></u> | <u><u>40,451,484</u></u> |

PHILIPPINE CROP INSURANCE CORPORATION
STATEMENT OF INCOME
For the Twelve-Month Period Ended December 31, 2008
(With Comparative Figures For 2007)

| | 2008 | 2007 | Increase(Decrease) | |
|------------------------------------|---------------------|---------------------|--------------------|---------------|
| | | | Amount | % |
| INSURANCE PREMIUMS | 205,041,539 | 121,760,348 | 83,281,191 | 68.40 |
| LESS: Premium Reserve | 21,530,142 | 4,692,917 | 16,837,225 | 358.78 |
| Premium Refund | 71,130 | 56,326 | 14,804 | 26.28 |
| NET PREMIUMS | <u>183,440,268</u> | <u>117,011,105</u> | <u>66,429,163</u> | <u>56.77</u> |
| LESS: UNDERWRITING EXPENSES | | | | |
| Insurance benefits | 77,052,637 | 71,098,091 | 5,954,546 | 8.38 |
| Reinsurance premium ceded | | | | |
| treaty/facultative | 12,140,163 | 7,415,356 | 4,724,807 | 63.72 |
| Commission expense | 8,660,706 | 5,993,207 | 2,667,499 | |
| Premium discount | 536,040 | 234,344 | 301,696 | 128.74 |
| Death benefits | 240,000 | 180,000 | 60,000 | 33.33 |
| Honoraria/incentive to Agri. Tech. | 25,700 | 41,469 | (15,769) | 100.00 |
| Honoraria/incentive to Claims Adj. | 33,235 | 34,325 | (1,090) | -3.18 |
| | <u>98,688,480</u> | <u>84,996,792</u> | <u>13,691,688</u> | <u>16.11</u> |
| UNDERWRITING INCOME | <u>84,751,787</u> | <u>32,014,313</u> | <u>52,737,474</u> | <u>164.73</u> |
| LESS: OPERATING EXPENSES | | | | |
| Personal services | | | | |
| Salaries & wages | 43,522,543 | 41,812,785 | 1,709,758 | 4.09 |
| Other compensation | 17,058,352 | 16,680,740 | 377,612 | 2.26 |
| Personnel benefits cont | 5,803,523 | 5,566,527 | 236,996 | 4.26 |
| Other personnel benefit | 7,520,790 | 8,588,892 | (1,068,102) | (12.44) |
| | <u>73,905,208</u> | <u>72,648,944</u> | <u>1,256,264</u> | <u>1.73</u> |
| Maintenance and Other Operating | | | | |
| Expenses (MOOE) | | | | |
| Professional expenses | 13,795,597 | 12,828,888 | 966,709 | 7.54 |
| Rent expenses | 5,725,867 | 4,915,828 | 810,039 | 16.48 |
| Advertising expenses | 8,726,201 | 8,261,850 | 464,351 | 5.62 |
| Training and scholarship | 536,624 | 648,920 | (112,296) | -17.31 |
| Traveling expenses | 4,294,221 | 4,029,566 | 264,655 | 6.57 |
| Utility expenses | 2,700,399 | 2,486,612 | 213,787 | 8.60 |
| Depreciation expenses | 1,712,845 | 1,205,123 | 507,722 | 42.13 |
| Communication expense | 1,648,173 | 1,180,812 | 467,361 | 39.58 |
| Supplies and materials e | 1,746,629 | 1,150,801 | 595,828 | 51.78 |
| Other Mooe | 10,679,105 | 9,825,315 | 853,790 | 8.69 |
| | <u>51,565,662</u> | <u>46,533,715</u> | <u>5,031,947</u> | <u>10.81</u> |
| Financial Expenses | 1,094,723 | 1,377,563 | (282,840) | -20.53 |
| Total Operating Expenses | <u>126,565,592</u> | <u>120,560,222</u> | <u>6,005,370</u> | <u>4.98</u> |
| INCOME/(LOSS) FROM OPERATIONS | <u>(41,813,805)</u> | <u>(88,545,909)</u> | <u>46,732,104</u> | <u>-52.78</u> |
| ADD: INVESTMENT INCOME | 31,472,560 | 25,428,330 | 6,044,230 | 23.77 |
| NET INCOME/(LOSS) | <u>(10,341,245)</u> | <u>(63,117,579)</u> | <u>52,776,334</u> | <u>-83.62</u> |

PHILIPPINE CROP INSURANCE CORPORATION
Balance Sheet
As of December 31, 2009
(With Comparative Figures for 2008)

| | 2009 | 2008 | Increase (Decrease) |
|---------------------------------------|----------------------|----------------------|-------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalent | 88,039,053 | 103,900,290 | (15,861,236.29) |
| Short-Term Investments | 509,764,779 | 675,360,690 | (165,595,910.95) |
| Receivables | 78,028,250 | 29,536,845 | 48,491,405.24 |
| Other Current Assets | 5,171,749 | 6,203,721 | (1,031,971.89) |
| | <u>681,003,831</u> | <u>815,001,545</u> | <u>(133,997,713.89)</u> |
| NON-CURRENT ASSETS | | | |
| Receivables,net | 331,056,365 | 343,974,925 | (12,918,559.86) |
| Investments | 202,043,900 | 2,043,900 | 200,000,000.00 |
| Property , Plant & Equipment | 25,151,436 | 13,835,107 | 11,316,328.55 |
| Other Assets | 15,850 | - | 15,850.00 |
| | <u>558,267,551</u> | <u>359,853,932</u> | <u>198,413,618.69</u> |
| TOTAL ASSETS | <u>1,239,271,382</u> | <u>1,174,855,477</u> | <u>64,415,904.80</u> |
| LIABILITIES & EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 64,104,888 | 40,542,159 | 23,562,729.19 |
| Inter-Agency Payable | 3,281,955 | 2,078,137 | 1,203,818.03 |
| Other Current Liabilities | 604,723 | 633,565 | (28,842.31) |
| | <u>67,991,566</u> | <u>43,253,861</u> | <u>24,737,704.91</u> |
| NON -CURRENT LIABILITIES | | | |
| Due to Other NGAs | 134,671,056 | 128,313,971 | 6,357,085.00 |
| Due to other Funds | 2,468,393 | 1,765,219 | 703,174.43 |
| Other Deferred Credits | 17,251,675 | 16,867,242 | 384,433.78 |
| Reserved for Unearned premiums | 82,679,426 | 40,535,307 | 42,144,118.89 |
| | <u>237,070,551</u> | <u>187,481,739</u> | <u>49,588,812.10</u> |
| TOTAL LIABILITIES | <u>305,062,117</u> | <u>230,735,600</u> | <u>74,326,517.01</u> |
| STOCKHOLDERS' EQUITY | | | |
| Paid-in Capital | 1,300,454,415 | 1,262,602,808 | 37,851,607.27 |
| Surplus Accounts | 159,451,431 | 159,451,430 | 0.10 |
| Retained Earnings-Unappropriated | (525,696,581) | (477,934,361) | (47,762,219.58) |
| EQUITY | <u>934,209,265</u> | <u>944,119,878</u> | <u>(9,910,612.21)</u> |
| TOTAL LIABILITIES & EQUITY | <u>1,239,271,382</u> | <u>1,174,855,477</u> | <u>64,415,904.80</u> |

PHILIPPINE CROP INSURANCE CORPORATION
STATEMENT OF INCOME
For the Twelve-Month Period Ended December 31, 2009
(With Comparative Figures For 2008)

| | Actual 2009 | 2009 Budget | | 2008 | Increase(Decrease) | |
|------------------------------------|-----------------|----------------|------------------|-----------------|--------------------|---------|
| | | Amount | Inc./Dec. | | Amount | % |
| INSURANCE PREMIUMS | 375,721,161 | 445,201,274 | (69,480,113) | 205,041,539 | 170,679,622 | 83.24 |
| LESS: Premium Reserve | 42,335,489 | - | 42,335,489 | 21,530,142 | 20,805,347 | 96.63 |
| Premium Refund | 30,536 | 102,658 | (72,122) | 71,130 | (40,594) | -57.07 |
| NET PREMIUMS | 333,355,136 | 445,098,616 | (111,743,480) | 183,440,268 | 149,914,868 | 81.72 |
| LESS: UNDERWRITING EXPENSES | | | | | | |
| Insurance benefits | 208,451,957 | 137,813,139 | 70,638,818 | 77,052,637 | 131,399,320 | 170.53 |
| Reinsurance premium ceded | | | | | | |
| treaty/facultative | 11,596,539 | 47,297,988 | (35,701,449) | 12,140,163 | (543,624) | -4.48 |
| Commission expense | 11,756,327 | 18,454,275 | (6,697,948) | 8,660,706 | 3,095,621 | |
| Premium discount | 24,878,747 | - | 24,878,747 | 536,040 | 24,342,707 | 4541.21 |
| Death benefits | 490,000 | - | 490,000 | 240,000 | 250,000 | 104.17 |
| Honoraria/incentive to Agri. Tech. | 203,551 | - | 203,551 | 25,700 | 177,851 | 100.00 |
| Honoraria/incentive to Claims Adj. | 50,082 | - | 50,082 | 33,235 | 16,847 | 50.69 |
| | 257,427,203 | 203,565,402 | 53,861,801 | 98,688,480 | 158,738,723 | 160.85 |
| UNDERWRITING INCOME | 75,927,933 | 241,533,214 | (165,605,281) | 84,751,787 | (8,823,854) | -10.41 |
| LESS: OPERATING EXPENSES | | | | | | |
| Personal services | | | | | | |
| Salaries & wages | 47,575,736.00 | 68,358,818.00 | (20,783,082.00) | 43,522,543.45 | 4,053,192.55 | 9.31 |
| Other compensation | 17,880,267.00 | 23,078,837.00 | (5,198,570.00) | 17,058,351.96 | 821,915.04 | 4.82 |
| Personnel benefits contribution | 6,319,948.00 | 8,726,839.00 | (2,406,891.00) | 5,803,522.72 | 516,425.28 | 8.90 |
| Other personnel benefits | 8,617,936.00 | 25,113,146.00 | (16,495,210.00) | 7,520,789.66 | 1,097,146.34 | 14.59 |
| | 80,393,887.00 | 125,277,640.00 | (44,883,753.00) | 73,905,207.79 | 6,488,679.21 | 8.78 |
| Maintenance and Other Operating | | | | | | |
| Expenses (MOOE) | | | | | | |
| Professional expenses | 15,659,098.00 | 18,619,452.00 | (2,960,354.00) | 13,795,596.56 | 1,863,501.44 | 13.51 |
| Rent expenses | 5,534,728.00 | 6,365,274.00 | (830,546.00) | 5,725,866.83 | (191,138.83) | -3.34 |
| Advertising expenses | 12,670,641.00 | 14,077,950.00 | (1,407,309.00) | 8,726,201.03 | 3,944,439.97 | 45.20 |
| Training and scholarship expenses | 1,472,477.00 | 5,900,000.00 | (4,427,523.00) | 536,624.13 | 935,852.87 | 174.40 |
| Traveling expenses | 6,282,497.00 | 6,108,000.00 | 174,497.00 | 4,294,221.17 | 1,988,275.83 | 46.30 |
| Utility expenses | 2,429,163.00 | 3,247,100.00 | (817,937.00) | 2,700,398.68 | (271,235.68) | -10.04 |
| Depreciation expenses | 3,466,690.00 | - | 3,466,690.00 | 1,712,845.05 | 1,753,844.95 | 102.39 |
| Communication expenses | 2,010,883.00 | 2,774,800.00 | (763,917.00) | 1,648,173.39 | 362,709.61 | 22.01 |
| Supplies and materials expenses | 1,830,456.00 | 2,239,460.00 | (409,004.00) | 1,746,629.28 | 83,826.72 | 4.80 |
| Other Mooe | 21,082,372.00 | 21,000,160.00 | 82,212.00 | 10,679,105.49 | 10,403,266.51 | 97.42 |
| | 72,439,005.00 | 80,332,196.00 | (7,893,191.00) | 51,565,661.61 | 20,873,343.39 | 40.48 |
| Financial Expenses | 1,431,899.00 | 1,582,900.00 | (151,001.00) | 1,094,722.96 | 337,176.04 | 30.80 |
| Total Operating Expenses | 154,264,791.00 | 207,192,736.00 | (52,927,945.00) | 126,565,592.36 | 27,699,198.64 | 21.89 |
| INCOME/(LOSS) FROM OPERATIONS | (78,336,858.00) | 34,340,478.00 | (112,677,336.00) | (41,813,804.99) | (36,523,053.01) | 87.35 |
| ADD: INVESTMENT INCOME | 38,068,107.00 | 29,633,391.00 | 8,434,716.00 | 31,472,560.20 | 6,595,546.80 | 20.96 |
| NET INCOME/(LOSS) | (40,268,751.00) | 63,973,869.00 | (104,242,620.00) | (10,341,244.79) | (29,927,506.21) | 289.40 |

PHILIPPINE CROP INSURANCE CORPORATION
Balance Sheet
As of December 31, 2010
(With Comparative Figures for 2009)

| | 2010 | 2009 | Increase (Decrease) |
|---------------------------------------|----------------------|----------------------|------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalent | 106,158,809 | 88,039,053 | 18,119,756 |
| Short-Term Investments | 274,201,765 | 509,764,779 | (235,563,014) |
| Receivables | 154,040,124 | 78,028,250 | 76,011,873 |
| Other Current Assets | 9,243,713 | 5,171,749 | 4,071,964 |
| | <u>543,644,410</u> | <u>681,003,831</u> | <u>(137,359,421)</u> |
| NON-CURRENT ASSETS | | | |
| Receivables, net | 330,893,318 | 331,056,365 | (163,047) |
| Investments | 296,668,900 | 202,043,900 | 94,625,000 |
| Property , Plant & Equipment | 25,588,420 | 25,151,436 | 436,984 |
| Other Assets | - | 15,850 | (15,850) |
| | <u>653,150,638</u> | <u>558,267,551</u> | <u>94,883,087</u> |
| TOTAL ASSETS | <u>1,196,795,048</u> | <u>1,239,271,382</u> | <u>(42,476,334)</u> |
| LIABILITIES & EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 48,132,018 | 64,104,888 | (15,972,870) |
| Inter-Agency Payable | 2,751,270 | 3,281,955 | (530,685) |
| Other Current Liabilities | 619,684 | 604,723 | 14,962 |
| | <u>51,502,972</u> | <u>67,991,566</u> | <u>(16,488,593)</u> |
| NON -CURRENT LIABILITIES | | | |
| Due to Other NGAs | 140,184,014 | 134,671,056 | 5,512,958 |
| Due to other Funds | 3,267,347 | 2,468,393 | 798,954 |
| Other Deferred Credits | 13,523,518 | 17,251,675 | (3,728,157) |
| Reserved for Unearned premiums | 71,786,406 | 82,679,426 | (10,893,020) |
| | <u>228,761,285</u> | <u>237,070,551</u> | <u>(8,309,266)</u> |
| TOTAL LIABILITIES | <u>280,264,258</u> | <u>305,062,117</u> | <u>(24,797,859)</u> |
| STOCKHOLDERS' EQUITY | | | |
| Paid-in Capital | 1,330,454,415 | 1,300,454,415 | 30,000,000 |
| Surplus Accounts | 159,451,431 | 159,451,431 | - |
| Retained Earnings-Unappropriated | (573,375,056) | (525,696,581) | (47,678,475) |
| EQUITY | <u>916,530,790</u> | <u>934,209,265</u> | <u>(17,678,475)</u> |
| TOTAL LIABILITIES & EQUITY | <u>1,196,795,048</u> | <u>1,239,271,382</u> | <u>(42,476,334)</u> |

PHILIPPINE CROP INSURANCE CORPORATION
STATEMENT OF INCOME
For the Twelve-Month Period Ended December 31, 2010
(With Comparative Figures For 2009)

| | Actual 2010 | 2010 Budget | | 2009 | Increase(Decrease) | |
|------------------------------------|-----------------|-----------------|------------------|-----------------|--------------------|---------|
| | | Amount | Inc./(Dec.) | | Amount | % |
| INSURANCE PREMIUMS | 386,678,705.00 | 460,257,790.00 | (73,579,085.00) | 375,721,161.00 | 10,957,544.00 | 2.92 |
| LESS: Premium Reserve | (10,568,101.00) | - | (10,568,101.00) | 42,335,489.00 | (52,903,590.00) | -124.96 |
| Premium Refund | 279,199.00 | 38,827.00 | 240,372.00 | 30,536.00 | 248,663.00 | 814.33 |
| NET PREMIUMS | 396,967,607.00 | 460,218,963.00 | (63,251,356.00) | 333,355,136.00 | 63,612,471.00 | 19.08 |
| LESS: UNDERWRITING EXPENSES | | | | | | |
| Insurance benefits | 249,586,976.00 | 180,566,859.00 | 69,020,117.00 | 208,451,957.00 | 41,135,019.00 | 19.73 |
| Reinsurance premium ceded | | | | | | |
| treaty/facultative | 20,081,511.00 | 34,675,738.00 | (14,594,227.00) | 11,596,539.00 | 8,484,972.00 | 73.17 |
| Commission expense | 11,779,025.00 | 18,207,822.00 | (6,428,797.00) | 11,756,327.00 | 22,698.00 | |
| Premium discount | 33,528,145.00 | 24,561,294.00 | 8,966,851.00 | 24,878,747.00 | 8,649,398.00 | 34.77 |
| Death benefits | 620,000.00 | - | 620,000.00 | 490,000.00 | 130,000.00 | 26.53 |
| Honoraria/incentive to Agri. Tech. | 34,332.00 | - | 34,332.00 | 203,551.00 | (169,219.00) | 100.00 |
| Honoraria/incentive to Claims Adj. | 61,750.00 | - | 61,750.00 | 50,082.00 | 11,668.00 | 23.30 |
| | 315,691,739.00 | 258,011,713.00 | 57,680,026.00 | 257,427,203.00 | 58,264,536.00 | 22.63 |
| UNDERWRITING INCOME | 81,275,868.00 | 202,207,250.00 | (120,931,382.00) | 75,927,933.00 | 5,347,935.00 | 7.04 |
| LESS: OPERATING EXPENSES | | | | | | |
| Personal services | | | | | | |
| Salaries & wages | 56,072,332.00 | 78,843,240.00 | (22,770,908.00) | 47,575,736.00 | 8,496,596.00 | 17.86 |
| Other compensation | 18,738,185.00 | 24,056,560.00 | (5,318,375.00) | 17,880,267.00 | 857,918.00 | 4.80 |
| Personnel benefits cont | 7,207,895.00 | 10,092,860.00 | (2,884,965.00) | 6,319,948.00 | 887,947.00 | 14.05 |
| Other personnel benefit | 7,562,768.00 | 22,928,130.00 | (15,365,362.00) | 8,617,936.00 | (1,055,168.00) | -12.24 |
| | 89,581,180.00 | 135,920,790.00 | (46,339,610.00) | 80,393,887.00 | 9,187,293.00 | 11.43 |
| Maintenance and Other Operating | | | | | | |
| Expenses (MOOE) | | | | | | |
| Professional expenses | 16,109,301.00 | 18,897,467.00 | (2,788,166.00) | 15,659,098.00 | 450,203.00 | 2.88 |
| Rent expenses | 6,040,185.00 | 6,822,074.00 | (781,889.00) | 5,534,728.00 | 505,457.00 | 9.13 |
| Advertising expenses | 11,777,944.00 | 15,784,475.00 | (4,006,531.00) | 12,670,641.00 | (892,697.00) | -7.05 |
| Training and scholarship | 3,878,209.00 | 8,327,600.00 | (4,449,391.00) | 1,472,477.00 | 2,405,732.00 | 163.38 |
| Traveling expenses | 6,466,795.00 | 8,367,479.00 | (1,900,684.00) | 6,282,497.00 | 184,298.00 | 2.93 |
| Utility expenses | 3,059,112.00 | 3,030,735.00 | 28,377.00 | 2,429,163.00 | 629,949.00 | 25.93 |
| Depreciation expenses | 4,992,287.00 | - | 4,992,287.00 | 3,466,690.00 | 1,525,597.00 | 44.01 |
| Communication expense | 2,059,433.00 | 3,075,940.00 | (1,016,507.00) | 2,010,883.00 | 48,550.00 | 2.41 |
| Supplies and materials e | 2,367,080.00 | 2,236,356.00 | 130,724.00 | 1,830,456.00 | 536,624.00 | 29.32 |
| Other Mooe | 20,872,208.00 | 21,637,417.00 | (765,209.00) | 21,082,372.00 | (210,164.00) | -1.00 |
| | 77,622,554.00 | 88,179,543.00 | (10,556,989.00) | 72,439,005.00 | 5,183,549.00 | 7.16 |
| Financial Expenses | 1,492,530.00 | 1,582,900.00 | (90,370.00) | 1,431,899.00 | 60,631.00 | 4.23 |
| Total Operating Expenses | 168,696,264.00 | 225,683,233.00 | (56,986,969.00) | 154,264,791.00 | 14,431,473.00 | 9.36 |
| INCOME/(LOSS) FROM OPERATIONS | (87,420,396.00) | (23,475,983.00) | (63,944,413.00) | (78,336,858.00) | (9,083,538.00) | 11.60 |
| ADD: INVESTMENT INCOME | 36,221,358.00 | 31,864,290.00 | 4,357,068.00 | 38,068,107.00 | (1,846,749.00) | -4.85 |
| NET INCOME/(LOSS) | (51,199,038.00) | 8,388,307.00 | (59,587,345.00) | (40,268,751.00) | (10,930,287.00) | 27.14 |

PHILIPPINE CROP INSURANCE CORPORATION
Balance Sheet
As of December 31, 2011
(With Comparative Figures for 2010)

| | 2011 | 2010 | Increase (Decrease) |
|---------------------------------------|--------------------------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalent | 111,382,334.44 | 106,158,809.02 | 5,223,525.42 |
| Short-Term Investments | 7,694,486.76 | 274,201,764.68 | (266,507,277.92) |
| Receivables | 204,823,221.33 | 154,040,123.53 | 50,783,097.80 |
| Other Current Assets | 5,776,545.26 | 9,243,713.19 | (3,467,167.93) |
| | <u>329,676,587.79</u> | <u>543,644,410.42</u> | <u>(213,967,822.63)</u> |
| NON-CURRENT ASSETS | | | |
| Receivables, net | 332,641,130.53 | 330,893,318.14 | 1,747,812.39 |
| Investments | 396,668,900.00 | 296,668,900.00 | 100,000,000.00 |
| Property , Plant & Equipment | 22,802,081.98 | 25,588,419.52 | (2,786,337.54) |
| Other Assets | - | - | - |
| | <u>752,112,112.51</u> | <u>653,150,637.66</u> | <u>98,961,474.85</u> |
| TOTAL ASSETS | <u>1,081,788,700.30</u> | <u>1,196,795,048.08</u> | <u>(115,006,347.78)</u> |
| LIABILITIES & EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 75,454,218.44 | 48,132,018.27 | 27,322,200.17 |
| Inter-Agency Payable | 3,570,855.89 | 2,751,269.63 | 819,586.26 |
| Other Current Liabilities | 618,096.35 | 619,684.36 | (1,588.01) |
| | <u>79,643,170.68</u> | <u>51,502,972.26</u> | <u>28,140,198.42</u> |
| NON -CURRENT LIABILITIES | | | |
| Due to Other NGAs | 154,502,528.29 | 140,184,014.19 | 14,318,514.10 |
| Due to other Funds | 1,028,121.29 | 3,267,346.99 | (2,239,225.70) |
| Other Deferred Credits | 24,685,573.58 | 13,523,518.18 | 11,162,055.40 |
| Reserved for Unearned premiums | 79,694,419.92 | 71,786,406.02 | 7,908,013.90 |
| | <u>259,910,643.08</u> | <u>228,761,285.38</u> | <u>31,149,357.70</u> |
| TOTAL LIABILITIES | <u>339,553,813.76</u> | <u>280,264,257.64</u> | <u>59,289,556.12</u> |
| STOCKHOLDERS' EQUITY | | | |
| Paid-in Capital | 1,340,954,415.42 | 1,330,454,415.42 | 10,500,000.00 |
| Surplus Accounts | 159,451,430.53 | 159,451,430.53 | - |
| Retained Earnings-Unappropriated | (758,170,959.41) | (573,375,055.51) | (184,795,903.90) |
| EQUITY | <u>742,234,886.54</u> | <u>916,530,790.44</u> | <u>(174,295,903.90)</u> |
| TOTAL LIABILITIES & EQUITY | <u>1,081,788,700.30</u> | <u>1,196,795,048.08</u> | <u>(115,006,347.78)</u> |

PHILIPPINE CROP INSURANCE CORPORATION
STATEMENT OF INCOME
For the Twelve-Months Ended December 31, 2011
(With Comparative Figures For 2010)

| | Actual 2011 | 2010 | Increase(Decrease) | |
|--------------------------------------|-------------------------|------------------------|-------------------------|-----------------|
| | | | Amount | % |
| INSURANCE PREMIUMS | 466,649,942.40 | 386,678,705.27 | 79,971,237.13 | 20.68 |
| LESS: Premium Reserve | 8,206,338.64 | (10,568,101.31) | 18,774,439.95 | (177.65) |
| Premium Refund | 272,262.56 | 279,198.94 | (6,936.38) | (2.48) |
| NET PREMIUMS | 458,171,341.20 | 396,967,607.64 | 61,203,733.56 | 15.42 |
| LESS: UNDERWRITING EXPENSES | | | | |
| Insurance benefits | 401,018,312.88 | 249,586,975.54 | 151,431,337.34 | 60.67 |
| Reinsurance premium ceded | | | | |
| treaty/facultative | 6,752,406.42 | 20,081,510.57 | (13,329,104.15) | (66.38) |
| Commission expense | 15,728,863.98 | 11,779,024.55 | 3,949,839.43 | |
| Premium discount | 62,652,507.43 | 33,528,144.62 | 29,124,362.81 | 86.87 |
| Death benefits | 770,000.00 | 620,000.00 | 150,000.00 | 24.19 |
| Honoraria/incentive to Agri. Tec | 11,568.00 | 34,332.00 | (22,764.00) | 100.00 |
| Honoraria/incentive to Claims A | 120,131.50 | 61,750.00 | 58,381.50 | 94.54 |
| | 487,053,790.21 | 315,691,737.28 | 171,362,052.93 | 54.28 |
| UNDERWRITING INCOME | (28,882,449.01) | 81,275,870.36 | (110,158,319.37) | (135.54) |
| LESS: OPERATING EXPENSES | | | | |
| Personal services | | | | |
| Salaries & wages | 60,392,020.89 | 56,072,331.96 | 4,319,688.93 | 7.70 |
| Other compensation | 19,774,382.31 | 18,738,185.25 | 1,036,197.06 | 5.53 |
| Personnel benefits contd | 7,961,356.43 | 7,207,895.40 | 753,461.03 | 10.45 |
| Other personnel benefit | 11,766,452.87 | 7,562,767.95 | 4,203,684.92 | 55.58 |
| | 99,894,212.50 | 89,581,180.56 | 10,313,031.94 | 11.51 |
| Maintenance and Other Operating | | | | |
| Expenses (MOOE) | | | | |
| Professional expenses | 22,773,090.72 | 16,109,300.62 | 6,663,790.10 | 41.37 |
| Rent expenses | 5,975,943.62 | 6,040,184.56 | (64,240.94) | (1.06) |
| Advertising expenses | 19,227,582.34 | 11,777,943.78 | 7,449,638.56 | 63.25 |
| Training and scholarship | 2,465,379.04 | 3,878,208.99 | (1,412,829.95) | (36.43) |
| Traveling expenses | 8,046,841.45 | 6,466,794.55 | 1,580,046.90 | 24.43 |
| Utility expenses | 3,509,228.13 | 3,059,111.84 | 450,116.29 | 14.71 |
| Depreciation expenses | 5,549,277.61 | 4,992,286.98 | 556,990.63 | 11.16 |
| Communication expense | 2,186,499.64 | 2,059,433.48 | 127,066.16 | 6.17 |
| Supplies and materials e | 2,604,681.49 | 2,367,080.13 | 237,601.36 | 10.04 |
| Other Mooe | 14,257,284.57 | 20,872,208.49 | (6,614,923.92) | (31.69) |
| | 86,595,808.61 | 77,622,553.42 | 8,973,255.19 | 11.56 |
| Financial Expenses | 1,441,202.19 | 1,492,529.80 | (51,327.61) | (3.44) |
| Total Operating Expenses | 187,931,223.30 | 168,696,263.78 | 19,234,959.52 | 11.40 |
| INCOME/(LOSS) FROM OPERATIONS | (216,813,672.31) | (87,420,393.42) | (129,393,278.89) | 148.01 |
| ADD: INVESTMENT INCOME | 32,925,538.97 | 36,221,358.10 | (3,295,819.13) | (9.10) |
| NET INCOME/(LOSS) | (183,888,133.34) | (51,199,035.32) | (132,689,098.02) | 259.16 |

PHILIPPINE CROP INSURANCE CORPORATION
Balance Sheet
As of December 31, 2012
(With Comparative Figures for 2011)

| | 2012 | 2011 | Increase (Decrease) |
|---------------------------------------|--------------------------------|--------------------------------|------------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash and Cash Equivalent | 352,114,910.80 | 111,382,334.44 | 240,732,576.36 |
| Short-Term Investments | - | 7,694,486.76 | (7,694,486.76) |
| Receivables | 160,725,659.57 | 204,823,221.33 | (44,097,561.76) |
| Other Current Assets | 4,915,439.57 | 5,776,545.26 | (861,105.69) |
| | <u>517,756,009.94</u> | <u>329,676,587.79</u> | <u>188,079,422.15</u> |
| NON-CURRENT ASSETS | | | |
| Receivables,net | 334,360,544.79 | 332,641,130.53 | 1,719,414.26 |
| Investments | 396,668,900.00 | 396,668,900.00 | - |
| Property , Plant & Equipment | 22,386,957.86 | 22,802,081.98 | (415,124.12) |
| Other Assets | 9,974.04 | - | 9,974.04 |
| | <u>753,426,376.69</u> | <u>752,112,112.51</u> | <u>1,314,264.18</u> |
| TOTAL ASSETS | <u>1,271,182,386.63</u> | <u>1,081,788,700.30</u> | <u>189,393,686.33</u> |
| LIABILITIES & EQUITY | | | |
| CURRENT LIABILITIES | | | |
| Accounts Payable | 103,931,412.37 | 75,454,218.44 | 28,477,193.93 |
| Inter-Agency Payable | 2,894,730.52 | 3,570,855.89 | (676,125.37) |
| Other Current Liabilities | 666,011.80 | 618,096.35 | 47,915.45 |
| | <u>107,492,154.69</u> | <u>79,643,170.68</u> | <u>27,848,984.01</u> |
| NON -CURRENT LIABILITIES | | | |
| Due to Other NGAs | 167,537,884.99 | 154,502,528.29 | 13,035,356.70 |
| Due to other Funds | 953,008.57 | 1,028,121.29 | (75,112.72) |
| Other Deferred Credits | 32,692,535.96 | 24,685,573.58 | 8,006,962.38 |
| Reserved for Unearned premiums | 85,020,162.01 | 79,694,419.92 | 5,325,742.09 |
| | <u>286,203,591.53</u> | <u>259,910,643.08</u> | <u>26,292,948.45</u> |
| TOTAL LIABILITIES | <u>393,695,746.22</u> | <u>339,553,813.76</u> | <u>54,141,932.46</u> |
| STOCKHOLDERS' EQUITY | | | |
| Paid-in Capital | 1,350,954,415.42 | 1,340,954,415.42 | 10,000,000.00 |
| Surplus Accounts | 159,451,430.53 | 159,451,430.53 | - |
| Retained Earnings-Unappropriated | (632,919,205.54) | (758,170,959.41) | 125,251,753.87 |
| EQUITY | <u>877,486,640.41</u> | <u>742,234,886.54</u> | <u>135,251,753.87</u> |
| TOTAL LIABILITIES & EQUITY | <u>1,271,182,386.63</u> | <u>1,081,788,700.30</u> | <u>189,393,686.33</u> |

PHILIPPINE CROP INSURANCE CORPORATION
STATEMENT OF INCOME
For the Twelve-Months Ended December 31, 2012
(With Comparative Figures For 2011)

| | Actual 2012 | 2012 Budget | | 2011 | Increase(Decrease) | |
|---|----------------|----------------|------------------|------------------|--------------------|----------|
| | | Amount | Inc./ (Dec.) | | Amount | % |
| INSURANCE PREMIUMS | 559,319,145.90 | 763,923,069.00 | (204,603,923.10) | 466,649,942.40 | 92,669,203.50 | 19.86 |
| LESS: Premium Reserve | (879,812.52) | - | (879,812.52) | 8,206,338.64 | (9,086,151.16) | (110.72) |
| Premium Refund | 473,941.12 | - | 473,941.12 | 272,262.56 | 201,678.56 | 74.08 |
| NET PREMIUMS | 559,725,017.30 | 763,923,069.00 | (204,198,051.70) | 458,171,341.20 | 101,553,676.10 | 22.16 |
| LESS: UNDERWRITING EXPENSES | | | | | | |
| Insurance benefits | 227,103,791.17 | 388,408,565.00 | (161,304,773.83) | 401,018,312.88 | (173,914,521.71) | (43.37) |
| 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) | (32.76) |
| 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) | (94.50) |
| Death benefits | 745,000.00 | - | 745,000.00 | 770,000.00 | (25,000.00) | (3.25) |
| Honoraria/incentive to Agri. Tech. | 7,785.00 | - | 7,785.00 | 11,568.00 | (3,783.00) | 100.00 |
| Honoraria/incentive to Claims Adj. | 94,303.28 | - | 94,303.28 | 120,131.50 | (25,828.22) | (21.50) |
| | 254,655,564.92 | 419,901,833.00 | (165,246,268.00) | 487,053,790.21 | (232,398,225.29) | (47.72) |
| UNDERWRITING INCOME | 305,069,452.38 | 344,021,236.00 | (38,951,783.70) | (28,882,449.01) | 333,951,901.39 | ##### |
| LESS: OPERATING EXPENSES | | | | | | |
| Personal services | | | | | | |
| Salaries & wages | 66,224,061.56 | 108,971,426.00 | (42,747,364.44) | 60,392,020.89 | 5,832,040.67 | 9.66 |
| Other compensation | 19,309,361.00 | 26,721,560.00 | (7,412,199.00) | 19,774,382.31 | (465,021.31) | (2.35) |
| Personnel benefits contribution | 8,404,099.22 | 12,435,740.00 | (4,031,640.78) | 7,961,356.43 | 442,742.79 | 5.56 |
| Other personnel benefits | 9,720,444.89 | 56,402,523.00 | (46,682,078.11) | 11,766,452.87 | (2,046,007.98) | (17.39) |
| | 103,657,966.67 | 204,531,249.00 | (100,873,282.33) | 99,894,212.50 | 3,763,754.17 | 3.77 |
| 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 | 19.02 |
| Rent expenses | 6,354,152.02 | 6,703,058.00 | (348,905.98) | 5,975,943.62 | 378,208.40 | 6.33 |
| Advertising expenses | 8,797,778.96 | 10,150,653.00 | (1,352,874.04) | 19,227,582.34 | (10,429,803.38) | (54.24) |
| Training and scholarship expenses | 3,004,993.21 | 6,851,650.00 | (3,846,656.79) | 2,465,379.04 | 539,614.17 | 21.89 |
| Traveling expenses | 10,287,900.13 | 10,366,384.00 | (78,483.87) | 8,046,841.45 | 2,241,058.68 | 27.85 |
| Utility expenses | 4,656,697.31 | 4,660,250.00 | (3,552.69) | 3,509,228.13 | 1,147,469.18 | 32.70 |
| Depreciation expenses | 4,983,869.95 | - | 4,983,869.95 | 5,549,277.61 | (565,407.66) | (10.19) |
| Communication expenses | 2,750,043.94 | 3,220,969.00 | (470,925.06) | 2,186,499.64 | 563,544.30 | 25.77 |
| Supplies and materials expenses | 3,485,559.02 | 4,029,622.00 | (544,062.98) | 2,604,681.49 | 880,877.53 | 33.82 |
| Other Mooe | 14,912,514.02 | 19,279,842.00 | (4,367,327.98) | 14,257,284.57 | 655,229.45 | 4.60 |
| | 86,337,923.38 | 93,317,727.00 | (6,979,803.62) | 86,595,808.61 | (257,885.23) | (0.30) |
| Financial Expenses | 1,404,669.90 | 1,620,400.00 | (215,730.10) | 1,441,202.19 | (36,532.29) | (2.53) |
| Total Operating Expenses | 191,400,559.95 | 299,469,376.00 | (108,068,816.05) | 187,931,223.30 | 3,469,336.65 | 1.85 |
| INCOME/(LOSS) FROM OPERATIONS | 113,668,892.43 | 44,551,860.00 | 69,117,032.43 | (216,813,672.31) | 330,482,564.74 | (152.43) |
| ADD: INVESTMENT INCOME | 29,270,899.62 | 22,228,251.00 | 7,042,648.62 | 32,925,538.97 | (3,654,639.35) | (11.10) |
| NET INCOME/(LOSS) | 142,939,792.05 | 66,780,111.00 | 76,159,681.05 | (183,888,133.34) | 326,827,925.39 | - |