



THE PREMIER INSURANCE & SURETY CORPORATION

Room 301, Travellers Life Building
490 T. M. Kalaw St., Ermita, Manila

PRESIDENT'S REPORT

INTRODUCTION

In 2019, the Philippines' economy grew by 5.9%. The country's GDP is at 6.4% in the fourth quarter of 2019, higher than the previous year's GDP of 5.2%, an indication of an improving economy.

The Philippine Insurance Industry belongs to the leading financial sectors in the Philippines that contribute to the country's GDP, with steady growth in the last years. Nowadays, insurance plays a vital role in the lives of many consumers and more people realize its importance in the country. The purpose of taking insurance is to provide protection to an individual or coverage to the risks of future losses and damages to a specific business.

RESULTS OF OPERATION

The year 2019 was challenging for us, for a company that stopped operations for more than a year, and restated under new management only in March 2019, right after the Cease and Desist Order (CDO) was lifted by the Insurance Commission. For ten months remaining for year 2019, the company posted the following:

	2019 (in PhP)	% to Gross Premiums Earned
Gross Premiums Earned	35,286,505	100.00 %
Net Premiums Earned	34,646,329	98.19 %
Gross Underwriting Income	34,853,110	98.77 %
Total Underwriting Expenses	28,071,517	79.55 %
Losses Incurred	13,386,083	37.94 %
Commission Expense	6,237,509	17.68 %
General and Administrative Expenses	14,055,820	39.83 %
Net Income	3,179,516	9.01 %

	2019 (in PhP)	2018 (in PhP)	Increase (Decrease)	% Change
Total Assets	1,915,627,665	514,199,820	1,401,427,846	272.55 %
Total Liabilities	164,229,923	156,922,800	7,307,123	4.66 %
Total Stockholders' Equity	1,751,397,742	357,277,020	1,394,120,722	390.21 %

MILESTONES

During the year, the company acquired real properties located at Trece Martirez, Cavite, amounting to P800 million. The amount is inclusive of acquisition cost which will be used in developing the Trece Martirez Economic Zone. The Company has requested the approval of the Insurance Commission for the properties to be included in its admitted assets and consequently be considered in its compliance with statutory net worth and risk based capital requirements.

Also, during the year, a stockholder invested parcels of land located in San Marcelino, Malate, Manila. The value of the land is P140 million, taken up as deposit for his future subscription on Company's share. The Board of Directors approved the deposit net of the unpaid obligation of the property which the company assumed.

The Company, through its Board of Directors, approved the conversion of receivables from agents amounting to P150 million to loans receivable covered by promissory notes with 7% interest per annum, which commence on January 2020.

The increase of P1.39 billion in net worth by 2019 is in compliance of the P900 million minimum net worth requirements as of December 31, 2019, per Section 194 of Republic Act No. 10607 (Amended Insurance Code) and Insurance Commission Circular Letter No. 2015-15-A dated January 15, 2015.

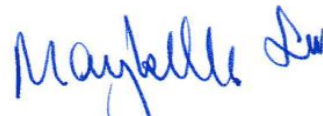
The Board of Directors approved the subscription of a shareholder payable beginning January 2020 until December 23, 2020 amounting to P133.55 million.

The deposit for future subscription account amounting to P341.24 million, consists of investment property and cash deposit made by stockholders to be applied on their subscriptions of shares in the future increase of Company's authorized shares.

We take this opportunity to thank our Board of Directors and our shareholders for their trust and confidence in us despite the challenges in 2019. We also thank and express appreciation to our customers and business partners for their support and patronage and of course our officers and employees for their dedication and hard work in pursuit of our company's objectives.

We are looking forward into engaging in many more years of fruitful insurance business.

Thank you.



MAYBELLE L. LIM
President and COO