

**ANNUAL REPORT**  
**December 31, 2015**



**ASIA INSURANCE (PHILIPPINES)  
CORPORATION**

# CONTENTS

Topics	Page No.
Our mission	2
Our vision	2
Strategic Corporate Objective	2
Corporate Policy	3
Company History	4
Addresses	8
Our People- Board of Directors	9
- Stockholders	20
- Management Team	21
- Employees	21
Key Risks	22
Other Information	23
Affiliates	26
Structure and Management	27
Auditor's Report	28
Financial Statements	30
- Statement of Financial Position	
- Statement of Total Comprehensive Income	
- Statement of Changes in Equity	
Financial Performance Indicators	31
Non-financial Performance Indicators	31
Contact Us	32

## **OUR MISSION**

To deliver quality insurance products  
and customer services at competitive prices;

To build a quality workforce;

To be a caring employer;

To be a good corporate citizen;

To be a reputable organization;

## **OUR VISION**

To satisfy our customers by providing them first class protection  
and responsive claims services, so that Asia Insurance (Philippines)  
Corporation becomes a company of choice.

The Board of Directors has monitored and oversaw the  
implementation of the corporate strategy and has reviewed the  
vision and mission in the last financial year.

## **STRATEGIC CORPORATE OBJECTIVE**

To expand the profitable business portfolio by competing for  
increased share of the desirable market segments in order to  
increase the growth in Gross Premium Income and the good  
underwriting profit achieved in 2015.

## CORPORATE POLICY

The following principles will serve as the main guidelines in operating ASIA INSURANCE (Philippines) to produce profits and business growth satisfactory to the stockholders.

1. Professional Management System will be applied in operating **ASIA INSURANCE** emphasizing cooperation and teamwork in performing activities/projects to achieve company objectives.
2. Employees will be regarded as very important assets and it is primary management responsibility to select, train and develop good and loyal staff, provide good working conditions to encourage productivity, and create opportunities for advancement within the company.
3. **ASIA INSURANCE** will endeavor to give customers the best attention and satisfaction at all times especially in the processing and payment of claims. The management and staff shall promote **ASIA INSURANCE** as a service-oriented organization with a good reputation based on professional, friendly, responsive and reliable insurance protection and service.
4. **ASIA INSURANCE** will promote a strong marketing organization applying sound and prudent underwriting techniques. Subject to proper controls, cooperation with selected agents and brokers will be developed to generate profitable business.
5. Re-insurers will be regarded as essential partners. Maintaining the re-insurers trust and confidence is most important and necessary for **ASIA INSURANCE** to be able to pursue its operating objective.

## COMPANY HISTORY

**ASIA INSURANCE (Philippines) CORPORATION** is one of the oldest Insurance companies in the Philippines.

Over the years, **ASIA INSURANCE - Philippines** has established for itself an excellent reputation. Its philosophy and tradition is one of meeting the social and business needs of the market. Offering a comprehensive range of insurance services to meet the unique needs of the individual policyholders and corporate clients, **ASIA INSURANCE - Philippines** quotes competitive premium rates and provides good and efficient service.

Its operations are computerized to better service its valued clients. Continued efforts are being made to further upgrade its computer facilities and systems to match changing needs.

**ASIA INSURANCE (Philippines) Corporation** majority owned and managed by the Asian Insurance International Group. The Principal companies of the Group are long established and leading general insurers in Hong Kong, Singapore, Thailand and Indonesia, namely:

Asia Insurance Co., Ltd – Hong Kong  
The Asia Insurance Co., Ltd – Singapore  
Bangkok Insurance PCL – Thailand  
PT Asuransi Central Asia – Indonesia

The Asian Insurance International Group together with Bangkok Bank, the largest commercial bank in Thailand, invested additional funds which increased the paid-up capital and surplus of **ASIA INSURANCE – Philippines** to over Php 200 million which is one of the highest capitalization for insurers in the Philippines.

**ASIA INSURANCE – Philippines** can provide reliable insurance protection and service fully supported by the financial strength, management expertise and reinsurance backing of the Asian Insurance International Group.

**ASIA INSURANCE – Philippines** was originally established by Filipino entrepreneurs as Traders Insurance Surety Company on March 20, 1946 until June 7, 1979, when the fusion of an alliance with the Asian Insurance International Group joined the founding Filipino stockholders and strengthened the Company with increased capital, professional management and reinsurance support through its tie ups with Asia Insurance Company Limited, Singapore and the Asia Insurance Company Limited, Hong Kong. The Asia Group currently operates in 10 countries in the region, namely Singapore, Malaysia, Brunei, Thailand, Philippines, Indonesia, Hong Kong, Taiwan, Vietnam and China.

The new corporate name, **ASIA INSURANCE (Philippines) Corporation** which was approved in June 2004, signifies the commitment of the Group to promote the healthy development of their Philippine Company.

**ASIA INSURANCE - Philippines** enjoys strong support from the first class reinsurance companies operating in the local as well as those in the international markets. The Corporation continues to build enduring relationships with many of the leading insurance companies in the various markets.

As a demonstration of its commitment to the industry, **ASIA INSURANCE – Philippines** purchased its own office premises at the Tytana Centre Condominium. Occupying a floor area of 665 square meters, the Corporation is well positioned to provide its products, services and expertise to its agent, brokers and valued clients.

## ABOUT US

The majority owners of ASIA INSURANCE (PHILIPPINES) CORPORATION

are long-established and leading general insurance companies in Hong Kong,

Thailand and Indonesia, namely:

Asia Insurance Co., Ltd.- Hong Kong

Bangkok Insurance PCL- Thailand

PT Asuransi Central Asia- Indonesia

Asia Insurance Co., Ltd is a leading general insurer registered in Hong Kong. The company's financial strength and solid business profile as a reputable insurer in

Hong Kong, Macau, Taiwan and China is recognized by Standard & Poor's Strong "A" rating.

Bangkok Insurance Public Company Limited is the largest non-life insurance company in Thailand and its financial reliability is highly rated "A- (Strong /Stable)" by Standard & Poor's, the best rating for insurance companies in Thailand. The Company's annual premium income exceeds Baht 15 billion (Php20 billion).

PT Asuransi Central Asia is one of three largest private non-life insurance companies in Indonesia producing an annual premium income of over Rupiah 1,490 billion (Php7.5 billion). The company has a track record of good operating performance.

These professional insurance companies established the Asian Insurance International Group (Asia Group) and during the past 15 years expanded their

operations in Asia including the Philippines. In 1998, Asia Group took over majority ownership and management of ASIA INSURANCE (PHILIPPINES) CORPORATION.

Bangkok Bank PCL, the largest commercial bank in Thailand, is a significant shareholder in ASIA INSURANCE (PHILIPPINES) CORPORATION.

The financial strength, management and expertise and reinsurance support derived from the Asia Group provided ASIA INSURANCE (PHILIPPINES) CORPORATION the capability to serve its growing portfolio of profitable business.

The Company was originally established by Filipino entrepreneurs as Traders Insurance & Surety Company. The Asia Group joined the founding Filipino stockholders and strengthened the Company with increased capital, professional management and reinsurance support in 1998. The new corporate name registered on June 23, 2004, signifies the commitment of the Asia Group to promote the healthy development of ASIA INSURANCE (PHILIPPINES) CORPORATION.

The Corporation now writes a gross premium of Php 524 million. With stockholders fund of Php 749 million and assets of Php 1,435 million. **ASIA INSURANCE – Philippines** offers first class security to its valued clients and friends in the Philippines and abroad through Asia Group's Insurance Network.



Authorized Lines of Business : All non-life insurances including Fire, Marine, Motor Vehicle, Accident Liability, Engineering, Casualty, and Surety Bonds.

Manila Office : 15<sup>th</sup> Floor, Tytana Plaza  
Plaza Lorenzo Ruiz  
Binondo, Manila  
Telephone No. : 241-5201 (10 trunk lines)  
Fax No. : 241-6257  
e-mail address : [aipc@asiains.com.ph](mailto:aipc@asiains.com.ph)

Makati Office : 15<sup>th</sup> Floor, Chatham House  
116 Valero St., cor. V.A. Rufino St.  
Salcedo Village, Makati City  
Telephone No. : 845-3223 (4 trunk lines)  
Fax No. : 888-2309  
e-mail address: [exm@asiains.com.ph](mailto:exm@asiains.com.ph)

Angeles City : 2<sup>nd</sup> Floor, Room I-1 Excelsior Building  
No. 314 McArthur Highway, C.M. Recto  
Angeles City  
Telefax No. (045) 625-0123

Auditors : Isla Lipana & Co.  
(member of Price Waterhouse Coopers)

## OUR PEOPLE

<b>BOARD OF DIRECTORS</b>	<b>POSITION</b>
Chai Sophonpanich	Chairman
Bernard C. Chan	Vice-Chairman
Teddy Hailamsah	Director
Wong Kok Ho	Director
Michael James Limpe	Director
Maragarete Isleta	Independent Director
Apolinario de los Santos	Independent Director

# Mr. CHAI SOPHONPANICH

Chairman

Age: 72 years old

## Education/Training

- BSc., University of Colorado, U.S.A
- Advanced Management Program, the Wharton School
- The Joint State-Private Sectors Class 6, the National Defense College of Thailand

## Thai Institute of Directors Association (ICD) Training Program

- Director Certification Program (DCP) Class 16/2002
- Chairman 2000 Class 10/2004

## Work Experiences

### Positions in Listed Companies

- Chairman, Bangkok Insurance Public Co., Ltd.  
(Aug. 2, 1978- present)
- Chairman and Chief Executive Officer, Bangkok Insurance Public Co., Ltd.  
(2010-2015)
- Chief Executive Officer, Bangkok Insurance Public Co., Ltd. (2010-2015)
- President, Bangkok Insurance Public Co., Ltd. (1976-2009)
- Director, Bangkok Insurance Public Co., Ltd. (April 25, 1968- July 1978)
- Chairman, Thai Reinsurance Public Co., Ltd. (Feb. 25, 2016- present)
- Vice-Chairman, Thai Reinsurance Public Co., Ltd. (1991-Feb. 25, 2015)
- Chairman, Furukawa Metal (Thailand) Public Co., Ltd. (1988- present)
- Chairman, Charoong Thai Wire & Cable Public Co., Ltd. (1986-present)
- Chairman, Bumrungrad Hospital Public Co., Ltd. (1979-present)
- Director, Bangkok Life Assurance Public Co., Ltd. (1968-Mar. 17, 2016)

### Positions in Non-Listed Companies

- Chairman, The Federation of Thai Insurance Organization (2006-2008)
- President, The Thai General Insurance Association (1984-1986, 1989-1991, 1997-2001, 2005-2007)
- Director, International Insurance Society, Inc. New York, U.S.A (2009-2015)
- Chairman, Asean Reinsurance Corp. Ltd. Singapore (1988-1992)
- Chairman, Asean Insurance Council, Jakarta (1987-1989)
- President, The East Asian Insurance Congress (1984-1986, 2004-2006)

# **BERNARD CHAN**

Age: 51 y/o

## Education

- Pomona College, California, U.S.A

## Positions held

- Executive director and President, Asia Insurance
- Member, Remuneration Committee, Nomination Committee, and Compliance Committee
- Chairman, AFH Charitable Foundation Limited
- Non-executive director of City e-Solutions Limited
- Independent non-executive director of Yau Lee Holdings Limited
- Chen Hsong Holdings Limited and China Resources Beer (Holdings) Company Limited (formerly known as China Resources Enterprise, Limited)
- Currently director of PICC Life Insurance Company Limited
- Director of Claremont Capital Holdings Ltd.
- Deputy to The National People's Congress of the People's Republic of China
- Non-official member of the Executive Council of HKSAR

## Other Positions Held

- Chairman of the Advisory Committee on Revitalisation of Historic Buildings
- Standing Committee on Judicial Salaries and Conditions of Service
- The Committee on Reduction of Salt and Sugar in Food, the Steering Committee on Restored Landfill Revitalisation Funding Scheme and Hong Kong Thailand Business Council
- Trustee of Pomona College, California U.S.A
- Chairperson of the Hong Kong Council of Social Service



Name : **Teddy Hailamsah**  
BoD/Place : Palembang, 16 March 1951  
Address : PT. Asuransi Central Asia  
12<sup>th</sup> Floor, Wisma Asia  
Jl. Letjend S. Parman Kav. 79  
Jakarta 11420  
Status : Married with 3 children

#### **EDUCATION**

- a. 1957 – 1965 : Elementary School at Palembang
- b. 1965 – 1967 : Junior High School at Seventh Day Adventist  
High School Palembang
- c. 1969 – 1972 : Senior High School at Seventh Day Adventist  
High School  
Singapore
- d. 1972 – 1976 : South East Asian Union Collage Singapore

#### **JOB EXPERIENCE**

<b>Year</b>	<b>Company</b>	<b>Position</b>
1976 - now	PT. Asuransi Central Asia	1976 – 1977 General Staff
1977 – 1978	Underwriting Staff	
1978 1980	helped to organize CAR Life	
1978 – 1982	Marketing Dept. Head	
1982– 1983	Property Dept. Head	
1983–1986	Marketing Division – GM	
1986 – 1987	Technical Division – GM	
1987 – 1988	Deputy Managing Director	
1988 – 1996	Managing Director	

1996 – now          President Director

## **SEMINARS ATTENDED**

- a. 1977                    : Life Insurance (Kyoei Life)
- b. 1978                    : Marine Insurance (J.H. Minet)
- c. 1979                    : Fire Protection (Munich Re)
- d. 1980                    : General Insurance (Chiyoda)
- e. 1981                    : Reinsurance (United Nation)
- f. 1982                    : Loss of Profit Insurance – Difference between  
Gross                    Earning Form and  
British Loss of Profit by DAI-PT (Asuransi Cigna Indonesia)
- g. 1983                    : Insurance In Japan for Construction Works  
by DAI-PT Asuransi Taisho &  
Taisho Marine& Fire Insurance Co., Ltd.
- h. 1984                    : International Insurance Seminar by  
International Insurance Society, Seoul
- i. 1985 –now                :attend many seminar, Conference  
domestic and overseas forum
- j. 2009 –now                : as a speaker on many international  
and/or domestic Insurance seminar

## **OTHER POSITIONS HELD:**

- 1. President Director of PT. Asuransi Central Asia
- 2. President of East Asia Insurance Congress for year 2010 - 2012
- 3. Secretary-General of ASEAN Insurance Council (AIC) for year 1999 – 2011
- 4. One of the Founders of Indonesian Insurance Apprenticeship (Magang asuransi Indonesia)
- 5. One of the Founders of Indonesia Rendezvous
- 6. Executive Board Member of East Asia Insurance Congress for year 2004
- 7. Member of Indonesian General Architecture Team for year 2005
- 8. Member of Board of Advisory of the Indonesian Insurance day 2006 Committee
- 9. One of Founders and former Chairman of Indonesia High End Club from 2004 – 2009, now he sit as the Chairman of the Advisory Board
- 10. Member of AD Hoc Committee for FAIR Nat-Cat Pool, 2008 - now
- 11. Chairman of the Organizing Committee for 25<sup>th</sup> East Asian Insurance Congress, 2010
- 12. Vice Chairman of the Organizing Committee for 51<sup>st</sup> FAIR Executive Committee and Board Meeting 2010
- 13. In February 2012, The Prime Minister of Cambodia give a honour of Sahametrei Medal, on his contribution of Insurance Development in Cambodia

# WONG KOK HO

Director

Age: 68

Education:

Hong Kong and Deakin University

Melbourne, Australia

- fellow member of The Chartered Insurance Institute, London

Positions held:

- Executive director and Chief Executive Officer of Asia Insurance and director of several other subsidiaries
- Director, AFH Charitable Foundation Limited
- AR Consultant Service (HK) Limited
- Independent non-executive director, Sompo Japan Nipponkoa Insurance (Hong Kong) Company Limited

Other positions held:

- councillor of the Employees Compensation Insurer Insolvency Bureau (ECIIB)
- member of the General Committee of the Insurance Claims Complaints Bureau
- councilor of General Insurance Council of the Hong Kong Federation of Insurers ("HKFI") and the Council of Motor Insurer's Bureau of Hong Kong ("MIB")
- previously chairman of ECIIB, General Insurance Council and the MIB
- member, governing committee of the HKFI
- President, Insurance Institute of Hong Kong
- Member, insurance subsector of the Election Committee (2011)



# **MICHAEL JAMES LIMPE**

Director

Address: 122 L.P. Leviste St., Makati City  
Home Phone: 525-2775  
Email address: [mklimpe@hotmail.com](mailto:mklimpe@hotmail.com)  
Date of Birth: April 27, 1969  
Place of Birth: Manila  
Age: 48 years old  
Sex: Male  
Citizenship: Filipino  
Height : 5'7  
165 lbs.  
Language & Dialects: Filipino, English, Chinese  
Spoken/Written

## **EDUCATION**

University of Southern California  
Los Angeles, California  
1987-1991

Major Subject: Business Management  
Minor Subject: Marketing

Xavier School Manila  
Philippines  
1983-1986  
Secondary Level

Xavier School Manila  
Philippines  
1977-1983  
Elementary Level

## **JOB EXPERIENCE**

### Present Employment

New Dynasty Int'l. (GSA China Airlines) Director	27 <sup>th</sup> Floor Unit HIJ Burgundy Corporate Tower # 252 Sen, Gil Puyat Ave. Makati City
BST Traders Marketing Corporation Exec. Vice-President	1767 Taft Ave., Pasay City
JTL Realty Corporation Director	1767 Taft Ave., Pasay City
Asia Insurance (Philippines) Corporation Director	15 <sup>th</sup> Floor Tytana Plaza Plaza Lorenzo Ruiz Binondo, Manila

### **Past Employment**

Excel Glass Inc. Managing Director	1835 Taft Avenue, Pasay City 2000 – 2002
Metro Badminton Courts President	#2 Pioneer St., Mandaluyong City 2006-2011
ARCYA Trading Corporation Vice-President	Malate, Manila 1994-2000
White Rose Industries Asst. Vice-President	Malate, Manila 1991-1994

## **MARGARETE R. ISLETA**

Independent Director

Address: 63 McKinley Hill Drive, McKinley Hill Village, Taguig City  
Home Phone: 799-9424  
Email address: meggra68@yahoo.com  
Date of Birth: June 15, 1968  
Place of Birth: Manila  
Age: 48 years old  
Sex: Female  
Citizenship: Filipino  
Height :

### EDUCATION:

Ateneo de Manila University  
AB Communications  
1985-1989

Glasgow Caledonian University  
Diploma in Insurance (ACII)

University of the Philippines  
Diliman, Quezon City  
MA Broadcast Communication  
(finishing about 18 units but did not complete degree)

### Others:

Certificate in School of Ministry (2-Year Study)  
Every Nation Leadership Institute, Every Nation Building  
Fort Bonifacio Global City  
Taguig City

## JOB EXPERIENCE

Gotuaco del Rosario Insurance Brokers, Inc.

Account Manager 1992

Vintage Enterprises, Inc.

Production Assistant April 1989 to Jan 1990

Scriptwriter/Radio Production Coordinator

Creative Unit Producer January 1990 to May 1991

## OUR STOCKHOLDERS

NAME OF STOCKHOLDER	SHARE	AMOUNT
Asia Insurance International (Holdings) Ltd.	20%	PhP 70,000,000
Albert del Rosario	11.142%	38,998,900
APIC Holdings, Inc.	11%	38,500,000
Bangkok Bank Public Co., Ltd.	10%	35,000,000
Limpe's Family	10%	35,000,000
Asia Insurance Co., Ltd.	7%	24,500,000
Tokio Marine Insurance Singapore Ltd.	5.203%	18,210,500
Bangkok Insurance PCL	5%	17,500,000
PT Asuransi Central Asia	5%	17,500,000
Robina International Group Limited	5%	17,500,000
Santiago Navarro	5%	17,500,000
Fong's Family	4.511%	15,791,500
Teddy Hailamsah	1.143%	3,998,900
Apolinario de los Santos		100
Margarete Isleta		100
Total	100.0000%	PhP350,000,000

<b>MANAGEMENT TEAM</b>	<b>POSITION</b>
Teddy Hailamsah	President & Director
Ernesto C. Mauricio	Sr. Exec. Vice-President & Chief Operating Officer
Rodelia P. Alfonso	Vice-President & Chief Financial Officer
Reynaldo B. Fong	Vice- President for Operations
Reynaldo T. Aguila	Sr Manager and Officer-In-Charge
Salvacion Ana R. Cruz	Sr. Manager- Accounting & Finance
Myrna P. Puzon	Sr. Underwriting Manager
Rogelio A. Indon	Marketing Services Manager
Leonides S. de Leon	Manager, Surety
Josephine C. Rodriguez	Motor Car Underwriting Manager
Benjamin B. Meris Jr.	Manager, Claims Department
Mitchell R. Butcon	Manager, Fire Underwriting
Adelyn Chin- de la Cruz	Asst. Manager- Collection Department
Florencia V. Gonzales	Asst. Manager- Accounting Department

### **OUR EMPLOYEES:**

As at December 31, 2015 and 2014. there are 76 and 75 employees, respectively, which include the management team. The management believes that there is a satisfactory relationship between and among employees.

Every year, the Company holds its annual Company Outing/Team Building to further motivate the employees, improve their well-being and develop rapport among employees. This year, this activity was held @ Catanauan Cove, Catanauan, Quezon on May 13-15, 2016.

## **KEY RISKS**

(as discussed in the Audited Financial Statements)

### **Insurance and financial risk and capital management**

This section summarizes the Company's insurance and financial risks and the way the Company manages them, including the Company's capital management objectives.

#### **1. Insurance risk**

Insurance is a form of contract whereby periodic payments (also known as insurance premiums) are made to an insurance company, in order to provide an individual or business compensation in the event of property loss or damage. The risk under any one insurance contract is the uncertainty about an unfavorable outcome in a given situation. Insurance risk is uncertainty over the likelihood of an insured event occurring, the quantum of the claim, or the time when claims payments will fall due.

The principal risk the Company is facing under insurance contracts is when the actual claims and benefit payments exceeds the carrying amount of the insurance liabilities. This could happen when there are numerous claims that occur in a particular period and the actual payment exceeds the estimated amount.

Factors that aggravate insurance risk include reduction in rates of premium, geographical location, and type of industry covered. One way of reducing insurance risk is by transfer and sharing of risk.

The Company has developed its insurance underwriting strategy to expand the type of insurance risk accepted in order to attain premium income growth and above-average underwriting profit.

#### **2. Financial risk**

The Company is exposed to financial risk through its financial assets and financial liabilities. The most important components of this financial risk are market risk, credit risk and liquidity risk.

#### **3. Market risk**

##### *Interest rate risk*

This is the type of risk that the Company primarily faces due to the nature of its financial assets and liabilities. The interest rate risk is the only financial risk that has a materially different impact across the assets and liabilities categorized in the Company's asset liability management framework.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to fair value interest rate risk because of debt securities held by the Company and classified on the statement of financial position as available-for-sale (Note 5). A sensitivity analysis was performed based on a reasonable possible shift in interest rate year on year on the Company's debt securities.

The Company's investments in government securities classified as held-to-maturity (Note 5) bear fixed interest rates and carried at amortized cost; and therefore the Company is not exposed to fair value and cash flow interest risk on these securities.

#### *Foreign currency risk*

The insurance business of the Company is mostly denominated in local currency. Currency exposures arise primarily from the holding of monetary assets and liabilities denominated in US Dollar. The Company does not enter into derivatives to manage foreign currency risks.

#### *Price risk*

The Company is exposed to price risk in respect of equity securities classified as available-for-sale securities. The Company manages such risk by setting and monitoring objectives and diversification plan. Net change in fair value of available-for-sale equity securities for the years ended December 31 would increase/decrease by P2,705,344 (2014 - P3,074,608) as a result of an increase/decrease of 14.30% (2014 - 22.76%) in market prices which is based on the average historical fluctuation in the stock price index year-on-year.

### **Credit risk**

#### *Credit risk management, risk limit and mitigation policies*

##### *(i) Insurance and reinsurance receivable balances*

The Company structures the levels of credit risk it accepts by placing limits on its exposure to a single counterparty, or group of counterparty, and to geographical and industry segments. Such risks are subject to an annual or more frequent review. Limits on the level of credit risk by category and territory are approved annually by the Board of Directors.



Reinsurance is used to manage insurance risk. This does not, however, discharge the Company's liability as primary insurer. If a reinsurer fails to pay a claim for any reason, the Company remains liable for the payment to the policyholder. The creditworthiness of reinsurers is considered on an annual basis by reviewing their financial strength prior to finalization of any contract. For facultative reinsurers, only approved companies are being used after taking into consideration their paying habit and reciprocal business.

Key areas where the Company is exposed to credit risk are:

- reinsurers' share of insurance liabilities;
- amounts due from reinsurers in respect of claims already paid;
- amounts due from insurance contract holders; and
- amounts due from insurance intermediaries.

## OTHER INFORMATION

The Board of Directors declares dividends annually after the annual board of directors meeting which is normally held in June of every year. Payment for the dividends is made after the approval of the Insurance Commission but no later than one month after receipt of the IC approval.

For the calendar year 2015, a 5% dividend based on Paid Up Capital of P350,000,000 is declared on June 10, 2015 which is equivalent to P17,500,000. The amount of P15,232,900.50 (which is net of withholding final tax of P2,267,099.50) was fully paid in 2015.

Each Board of Director is paid P50,000 each for each meeting attendance. Said fee is deducted corresponding withholding tax.

The independent directors are 'independent' of management and substantial shareholders and term expires after nine (9) years of holding the position.

The following are the members of the board who are present during the most recent meeting on \_\_\_\_\_ at \_\_\_\_\_. The meeting was presided over by the chairman, Mr. Chai Sophonpanich.

The Board of Directors through Mr. Ernesto C. Mauricio, Senior Exec. Vice-President and Chief Operating Officer, and Ms. Rodelia P. Alfonso, Vice-President/Chief Financial Officer has affirmed on the true and fair presentation of the audited financial statement.

During the course of business operations, the company has no engagement with non-audit services.

The Company is fully compliant with the Code of Corporate Governance as required by the Insurance Commission.

- separate CSR report/section or sustainability report/section (or in website)
- complaints section with dedicated phone number or email address
- policies and activities undertaken by the company with explicit explanation on what the company stands for over the stakeholder's right.
- Annual report released within 120 days from financial year end

## **OUR AFFILIATES (foreign insurance Companies)**

### **Asia Insurance Co., Ltd.- Hong Kong**

16<sup>th</sup> Floor, Worldwide House  
19 Des Voeux Road Central  
Hong Kong  
Tel. # (852) 2867-7988

### **Bangkok Insurance PCL- Thailand**

Bangkok Insurance Building  
25 South Sathom Road  
Bangkok 10120, Thailand  
Tel. # 285- 8888

### **PT Asuransi Central Asia- Indonesia**

Wisma Asia Building, 12<sup>th</sup>-14<sup>th</sup> Floor  
Jl. Jend. S. Parman Kav 79  
Jakarta 11420 Indonesia

## **STRUCTURE & MANAGEMENT**

**ASIA INSURANCE (PHILIPPINES) CORPORATION** is registered with the Securities & Exchange Commission (SEC) and is issued Certificate of Registration No. 1402 issued on March 22, 1946. It is also issued a Certificate of License by the Insurance Commission on June 30, 2016 and will expire on December 31, 2019.

## AUDITOR'S REPORT

Independent Auditor's Report  
To the Board of Directors and Shareholders of  
Asia Insurance (Philippines) Corporation  
Page 2


### *Opinion*

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Asia Insurance (Philippines) Corporation as at December 31, 2015 and 2014, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

### ***Report on Bureau of Internal Revenue Requirements***

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 23 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

### **Isla Lipana & Co.**

  
Imelda Dela Vega-Mangundaya  
Partner  
CPA Cert. No. 0090670  
PTR No. 0024586, issued on January 6, 2016, Makati City  
SEC A.N. (individual) as general auditors 0668-AR-2, Category A; effective until March 3, 2017  
SEC A.N. (firm) as general auditors 0009-FR-4, Category A; effective until July 15, 2018  
TIN 152-015-124  
BIR A.N. 08-000745-47-2016, issued on February 15, 2016; effective until February 14, 2019  
BOA/PRC Reg. No. 142, effective until December 31, 2016

Makati City  
April 29, 2016

## FINANCIAL STATEMENTS

### Asia Insurance (Philippines) Corporation

#### Statements of Financial Position

December 31, 2015 and 2014

(All amounts in Philippine Peso)

Notes	2015	2014
		<b>A S S E T S</b>
Cash and cash equivalents	3 201,990,456	236,387,346
Receivables, net	4 268,518,425	256,327,415
Available-for-sale securities	5 81,990,797	78,694,058
Held-to-maturity securities	5 516,328,752	462,796,585
Reinsurance recoverable on unpaid losses	6 127,493,790	112,169,133
Deferred reinsurance premiums	6 84,227,593	87,809,813
Deferred acquisition costs, net	6 79,584,112	73,128,642
Investment property, net	7 23,595,541	25,351,151
Property and equipment, net	8 17,531,404	14,134,550
Deferred income tax assets, net	9 19,178,185	16,394,241
Other assets	14,415,305	14,430,551
<b>Total assets</b>	<b>1,434,854,360</b>	<b>1,377,623,485</b>
Losses and claims payable	6 237,925,394	221,836,443
Reserve for unearned premiums	6 221,527,233	211,462,935
Due to reinsurers and ceding companies	17 121,550,997	104,489,694
Funds held for reinsurers	17 24,685,511	24,629,615
Commissions payable	12,740,299	20,009,020
Accounts payable and other liabilities	10 55,867,965	70,308,443
Income tax payable	11,857,319	16,163,704
<b>Total liabilities</b>	<b>686,154,718</b>	<b>668,899,854</b>
Share capital	11 350,000,000	350,000,000
Contributed surplus	11 500,000	500,000
Accumulated other comprehensive income	11 8,321,195	12,560,923
Retained earnings	389,878,447	345,662,708
<b>Total equity</b>	<b>748,699,642</b>	<b>708,723,631</b>
<b>Total liabilities and equity</b>	<b>1,434,854,360</b>	<b>1,377,623,485</b>

**Asia Insurance (Philippines) Corporation**

Statements of Total Comprehensive Income

For the years ended December 31, 2015 and 2014

(All amounts in Philippine Peso)

	Notes	2015	2014
UNDERWRITING INCOME			
Premiums written, net of returns		524,483,099	513,796,363
Reinsurance premiums ceded	17	(210,924,192)	(212,131,785)
Premiums retained		313,558,907	301,664,578
Increase in reserve for unearned premiums, net	6	(13,646,518)	(16,235,331)
Premiums earned		299,912,389	285,429,247
Commissions earned	17	44,988,563	44,252,346
Other underwriting income		430,094	5,433,601
GROSS UNDERWRITING INCOME		345,331,046	335,115,194
UNDERWRITING EXPENSES			
Commissions and other underwriting expenses	6,17	141,250,786	135,999,527
Losses and claims, net	6,17	110,075,595	105,659,695
		251,326,381	241,659,222
NET UNDERWRITING INCOME		94,004,665	93,455,972
INVESTMENT AND OTHER INCOME			
Interest income	12	28,436,856	26,577,918
Foreign exchange gain, net	21	18,006,301	1,817,212
Gain on sale of investments	5	285,329	177,174
Rent	7	4,428,719	4,281,394
Dividend	5	997,530	940,785
Miscellaneous		638,213	567,455
		52,792,948	34,361,938

NET UNDERWRITING AND INVESTMENT INCOME		146,797,613	127,817,910
GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and employee benefits	13	38,727,034	34,592,241
Occupancy and equipment-related costs		8,385,628	7,575,311
Representation and entertainment		3,294,858	2,564,045
Taxes, licenses and fees		2,977,850	2,424,940
Transportation and travel		3,967,108	4,374,868
Printing, stationery and supplies		1,836,416	1,972,007
Communication and postage		1,128,122	1,217,466
Association dues		1,257,258	1,220,904
Professional and directors' fees	17	1,278,148	980,487
Advertising and promotion		47,000	583,090
Miscellaneous		3,422,476	3,961,860
		66,321,898	61,467,219
INCOME BEFORE INCOME TAX		80,475,715	66,350,691
PROVISION FOR INCOME TAX	9,15	(18,759,976)	(24,039,714)
NET INCOME FOR THE YEAR		61,715,739	42,310,977
OTHER COMPREHENSIVE INCOME			
Item that will be subsequently reclassified to profit or loss			
Net change in fair value of available-for-sale securities		(3,364,838)	(2,347,190)
Item that will not be subsequently reclassified to profit or loss			
Remeasurement (loss) gain on retirement benefit obligation, net of tax		(874,890)	138,143
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>57,476,011</b>	<b>40,101,930</b>



**Asia Insurance (Philippines) Corporation**

Statements of Changes in Equity

For the years ended December 31, 2015 and 2014

(All amounts in Philippine Peso)

Share capital	Contributed surplus		Accumulated other comprehensive income		Retained earnings
				Total equity	
Balances at January 1, 2014	350,000,000	500,000	14,769,970	318,351,731	683,621,701
Comprehensive income					
Net income for the year	-	-	-	42,310,977	42,310,977
Other comprehensive income	-	-	(2,209,047)	-	(2,209,047)
Total comprehensive income for the year	-	-	(2,209,047)	42,310,977	40,101,930
Transactions with owners					
Cash dividend	-	-	-	(15,000,000)	(15,000,000)
Balances at December 31, 2014	350,000,000	500,000	12,560,923	345,662,708	708,723,631
Comprehensive income					
Net income for the year	-	-	-	61,715,739	61,715,739
Other comprehensive income	-	-	(4,239,728)	-	(4,239,728)
Total comprehensive income for the year	-	-	(4,239,728)	61,715,739	57,476,011
Transactions with owners					
Cash dividend	-	-	-	(17,500,000)	(17,500,000)
Balances at December 31, 2015	11 350,000,000	500,000	8,321,195	389,878,447	748,699,642

## **FINANCIAL PERFORMANCE INDICATORS**

	2015	2014
Loss Ratio	37%	37%
Retention Ratio	60%	59%
GAE Ratio	11%	11%
Net Commission Ratio	28%	27%
Gen. Expense to Net Premiums	19%	18%
Return on Asset	4%	3%
Return on Equity	8%	7%

## **NON-FINANCIAL PERFORMANCE INDICATORS**

The financial performance indicators measure the internal results of the business. However, other than the financial performance indicators mentioned above, the company's core business advantage is its quality service to customers. To be competitive, and for longer stability and solvency, other factors such as customer satisfaction and competitors' actions, which are all external must be also considered.

Customer satisfaction via speedy claims (valid) settlement is what the company guarantees to its policyholders. As long as there is complete, accurate and proper documentation for the claims being reported, claimants are assured of compensatory payment for any damage or loss suffered.

COMMENTS? COMPLAINTS? SUGGESTIONS?

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