



FINANCIAL STATUS STATE INSURANCE FUND As of December 31, 2015

A. ASSETS

| | 2015 | % of Total | 2014 | % of Total | Peso Inc(dec) | % Inc(dec) |
|--------------|--------------------------|-------------|--------------------------|-------------|-------------------------|------------|
| SSS | 33,124,126,268.00 | 65% | 31,414,482,160.00 | 67% | 1,709,644,108.00 | 5% |
| GSIS | 17,586,555,647.00 | 35% | 15,749,382,071.00 | 33% | 1,837,173,576.00 | 12% |
| Total | 50,710,681,915.00 | 100% | 47,163,864,231.00 | 100% | 3,546,817,684.00 | 8% |

*Data based on the unaudited FS submitted by the SSS and the GSIS

As of December 31, 2015, total assets of the State Insurance Fund (SIF) amounts to Ph50.71B; sixty-five percent (65%) or Ph33.12B under the Social Security System (SSS) while thirty-five percent (35%) or Ph17.59B is under the Government Service Insurance System (GSIS). Assets have 8% or Ph3.55 billion increases from December 31, 2014 to December 31, 2015.

B. RESERVES/NETWORTH

| | 2015 | % of Total | 2014 | % of Total | Peso Inc(dec) | % Inc(dec) |
|---------------|--------------------------|-------------|--------------------------|-------------|-------------------------|------------|
| SSS* | 32,912,307,683.00 | 65% | 31,414,429,013.00 | 67% | 1,497,878,670.00 | 5% |
| GSIS** | 17,557,510,004.00 | 35% | 15,710,690,719.00 | 33% | 1,846,819,285.00 | 12% |
| Total | 50,469,817,687.00 | 100% | 47,125,119,732.00 | 100% | 3,344,697,955.00 | 7% |

*Data based on the unaudited FS submitted by the SSS and the GSIS

*Reserves

** Net worth

Total Reserves for future payment of EC claims in both private and public sector amounts to Ph50.47B which has five percent (7%) or Ph3.34 billion increases from December 31, 2014 to December 31, 2015.

As of December 31, 2015, total reserves of the SSS-managed SIF for future payment of EC claims in private sector amounted to Ph32.91B. Total reserve is increased by 5% or Ph1.497 billion from December 31, 2014 to December 31, 2015.

The GSIS SIF-managed fund total Net worth amounts to Ph17.58B is broken down as follows:

| | |
|-----------------------------|--------------------------|
| Appropriated Surplus – ECIF | 7,780,000.00 |
| Unappropriated Surplus | 9,777,510,004.00 |
| Other comprehensive Income | - |
| Total Network | 17,557,510,004.00 |

From Ph15.71B in 2014 to Ph17.56B as of December 31, 2015, the GSIS-ECIF total Net worth was increased by 12% or Ph1.846 billion.

From the GSIS ECIF Net worth of Ph17.56B as of December 31, 2015, a total amount of Ph7.78B is appropriated for payment of future claims, claims pending settlement, rehabilitation services, ECC and OSHC operating fund and for contingencies. Appropriations for years are as follows:

| Years | Amount (in millions) |
|-------|----------------------|
| 2010 | 613.96 |
| 2011 | 633.40 |
| 2012 | 1,095.95 |
| 2013 | 6,125.00 |
| 2014 | 7,045.00 |
| 2015 | 7,780.00 |

C. REVENUE

Table C-1 Revenue Collected from January to December 31, 2015

| Particulars | SSS | % of Total | GSIS | % of Total | TOTAL | % of Total |
|--|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| Members Contribution Investment and Other Income | 1,828,701,491.00 | 64% | 1,924,670,706.00 | 92% | 3,753,372,197.00 | 76% |
| | 1,026,998,283.00 | 36% | 178,559,175.00 | 8% | 1,205,557,458.00 | 24% |
| Total | 2,855,699,774.00 | 100% | 2,103,229,881.00 | 100% | 4,958,929,655.00 | 100% |
| | | 57.6% | | 42.4% | | |

From January to December 31, 2015, **SIF generated total revenue of Ph4.95B:** Seventy-sixpercent (76%) or Ph3.75Bcame from the collection of members' contributions whiletwenty-fourpercent (24%) or Ph1.205billionfrom investment and other income.

Ph2.86B or58% of the total revenue came from the SSS while Ph2.103B or 42%from the GSIS.

The table below shows the details of the members Contribution and Investment and other income.

Table C-2 Revenue Collected from January toDecember 31, 2014

| Particulars | SSS | % of Total | GSIS | % of Total | TOTAL | % of Total |
|-----------------------------|-------------------------|-------------|-------------------------|-------------|-------------------------|-------------|
| Members Contribution | 1,711,204,185.00 | 69% | 2,060,609,591.00 | 82% | 3,771,813,776.00 | 76% |
| Investment and Other Income | 754,089,455.00 | 31% | 443,026,640.00 | 18% | 1,197,116,095.00 | 24% |
| Total | 2,465,293,640.00 | 100% | 2,503,636,231.00 | 100% | 4,968,929,871.00 | 100% |
| | | 50% | | 50% | | |

Table C-3 Comparative Net increase (decrease) in Revenues (December 31, 2014 and 2015)

| Particulars | Ph Increase (Decrease) Members' Contributions | % Inc(dec) | Ph Increase (Decrease) Investment & Other Income | % Inc (dec) | TOTAL | % Inc (dec) |
|--------------|---|------------|--|-------------|------------------------|-------------|
| SSS | 117,497,306.00 | 16% | 272,908,828.00 | 11% | 390,406,134.00 | 16% |
| GSIS | (135,938,885.00) | -31% | (264,467,465.00) | -11% | (400,406,350.00) | -16% |
| TOTAL | (18,441,579.00) | 0% | 8,441,363.00 | 0% | (10,000,216.00) | 0% |

Total Combined Revenue from January to December 31, 2015 has a net decrease of **Ph10 million**compared to same period of **2014**.Total net decrease in collection of members' contribution amounts to *Ph18.44 Million* while Investment and Other Income has a net increase *Ph8.44M*.

Total SSS revenue from January to December 31, 2015 has **gone up by 16% or Ph390.41 million**.However, the total GSIS revenue has **gone down by 16% or Ph400.41 million**compared to the same period in 2014.

D. INVESTMENT

I. Investment and Investment Income of Public Sector SIF

As of December 31, 2015, the **Government Service Insurance System (GSIS)** has a total investment amounting to Ph12.996B with an investment income of Ph428.16M. Investment has increase by 19% or Ph2.05B from the Ph10.95B investment total at the end of 2014.

The table below shows the comparative details of investment as at December 31, 2015 and 2014:

| Particulars | Jan. to Dec. 2015 | Jan. to Dec. 2014 | Ph Inc (dec) | % Inc (dec) |
|--|--------------------------|--------------------------|-------------------------|----------------|
| CURRENT INVESTMENT | | | | |
| Held to Maturity Investment | | | | |
| High Yield Short-term placement | 261,221,694.00 | 128,933,053.00 | 132,288,641.00 | 103% |
| NON-CURRENT INVESTMENT | | | | |
| Fair Value Through Profit or Loss (FVPL) | | | | |
| ROP Notes & Bonds AFS-Peso | 10,509,130,847.00 | 9,208,162,937.00 | 1,300,967,910.00 | 14% |
| Corporate Bonds | 1,677,483,300.00 | 1,145,281,500.00 | 532,201,800.00 | 100% |
| Stocks Traded | 548,378,475.00 | 467,503,890.00 | 80,874,585.00 | 100% |
| Total Non-current Investments | 12,734,992,622.00 | 10,820,948,327.00 | 1,914,044,295.00 | 18% |
| TOTAL INVESTMENT | 12,996,214,316.00 | 10,949,881,380.00 | 2,046,332,936.00 | 19% |
| Return on Investment (ROI) | 3.29% | 4% | | |

Of the total investment, 98% or Ph12.73B is placed under non-current investment particularly in ROP Notes, Stocks and Bonds while Ph261.22M is placed under the Held to Maturity Investment particularly on High Yield Short-term Placement. Return on Investment is at 3.29%.

The table below shows the comparative details of the investment income from January to December 31, 2014 and 2015.

| PARTICULARS | Jan. to Dec. 2015 | Jan to Dec 2014 | Ph Inc (dec) | % Inc (dec) |
|---|------------------------------|----------------------------|-------------------------|------------------------|
| CURRENT INVESTMENT | | | | |
| Held to Maturity Investment | | | | |
| High Yield Short-term placement | 2,241,235.00 | 3,212,851.00 | (971,616.00) | -30% |
| NON-CURRENT INVESTMENT | | | | |
| Available for Sale Financial Assets | | | | |
| Gain (Loss) on Valuation - Stocks | (12,271,524.00) | 45,206,384.00 | | |
| Gain (Loss) on Valuation - ROP Notes | (285,500,681.00) | (25,540,027.00) | | |
| Gain (Loss) on Valuation - Corporate Bonds | 32,201,800.00 | (52,464,000.00) | | |
| Gain on Sale of Stocks | 4,530.00 | | | |
| Dividend on Stocks | 20,818,380.00 | 17,375,125.00 | | |
| Interest on ROP Notes & Bonds AFS-Peso | 481,033,463.00 | 418,314,723.00 | 62,718,740.00 | 15% |
| Gain(Loss) on Sale of Bonds | 105,440,880.00 | | | |
| Interest on Corporate Bonds - AFS | 84,190,167.00 | 39,894,088.00 | 44,296,079.00 | 100% |
| Total Investment Income | 428,158,250.00 | 445,999,144.00 | (17,840,894.00) | -4% |
| | | | | |

The January to December 31, 2015 investment income is 4% or Ph 17.84M lower compared to the investment income earned during same period in 2014.

II. Investment of Private Sector SIF

As of December 31, 2015, total investment of Private Sector SIF amounts to Ph 28.09B. Investment is increased by 62% or Ph 10.71B from Ph 17.38B in December 31, 2014. Total Investment Income from January to December, 2015 amounts to Ph 786.27 million. Investment Income has 57% or Ph 284.35M increase from Ph 501.92M investment Income in 2014. Return on Investment (ROI) is at 2.80%.

Only two percent (2%) or Ph 570.93M of the total Investment is placed under the Current Investment particularly on Short-term money Placement, Corporate Notes, and loans receivables while ninety-seven percent (97%) or Ph 27.52B is placed under the non-current investments. The table below shows the details of these non-current investments.

Total investment in Held on Maturity Investment in the amount of Ph17.26B comprised the highest rate (61%) of its investment under the Non-current Investment and generates total investment income in the amount of Ph318.07M from January to December 31, 2015. Total investment in Members' Loan in the amount of Ph6.51B comprised the highest rate (23%) of its investment under loans and receivables and contributed Ph377.34M investment income.

Cash Equivalent and Interest Income

From January to December 31, 2015, the SIF at SSS has a total Cash and Cash Equivalent of Ph4.72B which includes Savings Deposit-current at Ph4.72B and Special Savings Deposit in the amount of Ph2.83M. Such cash and cash equivalent generates a total interest income of Ph221.58M.

Investment and other Income

Investment and other Income from January to December 31, 2015 amounts to Ph1.026B broken down as follows:

| Particulars | AMOUNT |
|---|-------------------------|
| Investment Income | 786,265,393.80 |
| Other Income | |
| Interest Income –Cash in Bank/term deposits | 221,581,610.87 |
| Miscellaneous Income | 1,726,378.16 |
| Recovery of impairment loss | 17,424,899.94 |
| Total Investment and Other Income | 1,026,998,282.77 |

| Particulars | INVESTMENT As of Dec. 2015 | % of total | Income from Investment Jan. to Dec. 2015 | INVESTMENT As of Dec. 2014 | % Inc. /-Dec Investment | Income from Investment Jan to Dec. 2014 |
|--|----------------------------------|---------------|--|----------------------------------|-------------------------------|---|
| CURRENT INVESTMENT | | | | | | |
| Held to Maturity investments | | | | | | |
| -Short term money placement | 1,123,697.91 | | 51,595,181.62 | 7,092,680,244.53 | -100% | 61,363,878.71 |
| -Corporate Note | 498,511,389.60 | | - | | | |
| Held for Trading Financial Assets (FV) | - | | 1,128,613.79 | | | |
| Loans and Receivables | | | | | | |
| -NHMFC | 71,130,128.83 | | - | 74,233,288.37 | -4% | - |
| -Commercial and Industrial loans -Dormitory/apartment loan program | 170,730.40 | | - | 244,301.55 | -30% | - |
| Total Current Investments | 570,935,946.74 | 2% | 52,723,795.41 | 7,167,157,834.45 | -92% | 61,363,878.71 |
| NON-CURRENT INVESTMENTS | | | | | | |
| Non-current Financial assets | | | | | | |
| <i>Available-for-Sale financial assets</i> | | | | | | |
| - Marketable securities at FV net | 1,920,069,936.50 | 7% | 15,237,570.41 | - | 0% | - |
| <i>Held on Maturity Investments</i> | | | | | | |
| -Corporate Notes | 387,500,000.00 | | 12,948,961.56 | - | 0% | - |
| -Corporate Bonds | 14,764,618,934.55 | | 27,667,038.79 | - | | - |
| -Government Bonds | 2,112,112,000.00 | | 277,450,553.73 | 2,031,464,784.51 | 0% | 19,665,065.38 |
| Total | 17,264,230,934.55 | 61% | 318,066,554.08 | 2,031,464,784.51 | 750% | 19,665,065.38 |
| <i>Loans and Receivables</i> | | | | | | |
| Members Loan | | | | | | |
| - Salary/education/calamity | | | | | 5% | 340,748,482.81 |

| | | | | | | |
|---|--------------------------|-------------|-----------------------|--------------------------|------------|-----------------------|
| | 6,194,141,420.87 | | 325,672,011.40 | 5,876,360,938.48 | | |
| - Separated member loan | 39,964,937.01 | | 27,586,305.15 | 94,443,029.39 | -58% | 15,491,631.95 |
| - Emergency loan | 276,620,444.59 | | 24,101,493.29 | 348,115,512.59 | -21% | 49,375,055.39 |
| - Student Assistance loan | - | | (15,420.26) | 2,399,572.48 | -100.00% | (1,746.38) |
| - Loan to Voc/tech students | 16,397.16 | | - | 16,397.16 | 0% | 1,283.85 |
| Total | 6,510,743,199.63 | 23% | 377,344,389.58 | 6,321,335,450.10 | 3% | 405,614,707.62 |
| National Home Mortgage Finance Corporation | 1,513,224,257.67 | 5% | 2,768,193.00 | 1,526,749,828.12 | -1% | 4,669,980.14 |
| Home Development Mutual Fund Housing loans | - | | - | - | 0% | - |
| - Real Estate loan | 309,019,890.92 | 1% | 20,067,400.71 | 325,877,722.17 | -5% | 10,512,116.63 |
| Commercial and Industrial loans - Hospital financing program | - | | - | - | 0% | - |
| - Dormitory/apartment loan prog. | 4,467,659.65 | | 57,490.61 | 4,421,187.23 | 1% | 93,981.70 |
| Total | 4,467,659.65 | 0% | 57,490.61 | 4,421,187.23 | 1% | 93,981.70 |
| Total Loans and Receivables | 8,337,455,007.87 | 30% | 400,237,473.90 | 8,178,384,187.62 | -2% | 420,890,786.09 |
| Total Non-Current Investments | 27,521,755,878.92 | 98% | 733,541,598.39 | 10,209,848,972.13 | 1% | 440,555,851.47 |
| TOTAL INVESTMENT/ INCOME | 28,092,691,825.66 | 100% | 786,265,393.80 | 17,377,006,806.58 | 62% | 501,919,730.18 |
| Return on Investment (ROI) | | | 2.80% | | | 2.89% |

Note: Ph284.35M or 57% increase in Investment Income over the same period in 2014

E. EXPENDITURES

| Particulars | SSS | % of Total | GSIS | % of Total | TOTAL | % of Total |
|--------------------|-------------------------|-------------|-----------------------|-------------|-------------------------|-------------|
| Benefits Payments | 1,071,659,324.00 | 93% | 177,289,631.00 | 93% | 1,248,948,955.00 | 93% |
| Operating Expenses | 84,040,618.00 | 7% | 737,675.00 | 0% | 84,778,293.00 | 6% |
| Management fees | - | | 12,096,622.00 | 6% | 12,096,622.00 | 1% |
| Total | 1,155,699,942.00 | 100% | 190,123,928.00 | 100% | 1,345,823,870.00 | 100% |
| | | 86% | | 14% | | |

Total expenditures as of December 31, 2015 amounting to P1.345B was spent by the Systems for benefits payments and operating expenses/management fee; Eighty-six percent (86%) or Ph1.155B by the SSS while fourteen percent (14%) or Ph190.12M by the GSIS.

SSS spent Ph1.072B for the payment of 248,295 EC benefits claims in the private sector and Ph84.04M for its operating expenses. The Operating Expenses is computed using the benefit payment ratio re the percentage of the total ECC benefit payments over the combined SSS and ECC benefit payments from the total PS and MOOE of the entire SSS (Benefit payment ratio).

The **GSIS spent Ph177.29M for payment of 31,029 EC benefits claims in the public sector** (with prior period adjustments), **Management fee charged by the GSIS to SIF amounts to Ph12.096M** computed also using the Benefit Payment ratio. Operating expenses include Investment fees and others expenses amounting to Ph737,675.00.

F. EC BENEFITS CLAIMS AND PAYMENTS

The table below shows the breakdown of the number of claims and benefits payments made by the Systems from January to December 31, 2015:

| Particulars | SSS | | GSIS | |
|-------------------------|----------------|-------------------------|---------------|-----------------------|
| | NO. OF CLAIMS | AMOUNT | NO. OF CLAIMS | AMOUNT |
| DEATH AND PENSION | 201,781 | 835,457,609.00 | 26,940 | 150,472,127.00 |
| DISABILITY | 18,392 | 110,383,532.00 | 1,838 | 10,751,532.00 |
| SICKNESS | 25,970 | 100,820,456.00 | 326 | 1,954,662.00 |
| MEDICAL SERVICES | 1,299 | 15,973,343.00 | 1795 | 12,149,143.00 |
| FUNERAL BENEFITS | 435 | 7,800,000.00 | 114 | 1,905,713.00 |
| REHABILITATION SERVICES | 418 | 1,224,384.00 | 16 | 56,454.00 |
| TOTAL | 248,295 | 1,071,659,324.00 | 31,029 | 177,289,631.00 |

Note: GSIS – with prior years' reversal

Death and pension benefits comprised the highest share in the EC benefit payments made both by the SSS in the private sector and the GSIS (survivorship pension) in the public sector.

COMPARATIVE FINANCIAL POSITION:

| | SSS | | GSIS | |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|
| | As at Dec. 31, 2015 | As at Dec. 31, 2014 | As at Dec. 31, 2015 | As at Dec. 31, 2014 |
| ASSETS | 33,124,126,268.00 | 31,414,482,160.00 | 17,586,555,647.00 | 15,749,382,071.00 |
| LIABILITIES | 211,818,585.00 | 53,147.00 | 29,145,643.00 | 38,691,352.00 |
| RESERVES | 32,912,307,683.00 | 31,414,429,013.00 | | |
| NETWORTH * | | | 17,557,510,004.00 | 15,710,690,719.00 |
| REVENUES | 2,855,699,774.00 | 2,465,293,640.00 | 2,103,229,881.00 | 2,503,636,231.00 |
| EXPENSES | 1,155,699,941.00 | 1,183,713,331.00 | 256,410,596.00 | 427,931,712.00 |
| NET REVENUES | 1,699,999,833.00 | 1,281,580,309.00 | 1,846,819,285.00 | 2,075,704,520.00 |
| Comprehensive Income** | 1,652,547,564.00 | 1,281,580,309.00 | 1,846,819,285.00 | 2,075,704,520.00 |
| * GSIS - Surplus | | | | |
| - Appropriated | | | 7,780,000,000.00 | 7,044,670,000.00 |
| - Unappropriated | | | 9,777,510,004.00 | 8,666,020,719.00 |
| **SSS - Comprehensive Income | | | | |
| Loss on fair value adjustment | | | | |
| Ph47,452,269.00 | | | | |