



FINANCIAL STATUS STATE INSURANCE FUND As of December 31, 2017

A. ASSETS

	As at Dec. 31, 2017	% of Total	As at Dec. 31, 2016	% of Total	Peso Inc(dec)	% Inc(dec)
SSS	37,616,545,332.00	62%	34,563,004,693.00	63%	3,053,540,639.00	9%
GSIS	23,207,701,369.00	38%	20,214,971,785.00	37%	2,992,729,584.00	15%
Total	60,824,246,701.00	100%	54,777,976,478.00	100%	6,046,270,223.00	11%

*Data based on the unaudited FS submitted by the SSS and the GSIS. GSIS at restated 2016 FS.

As of December 31, 2017, total assets of the State Insurance Fund (SIF) amounts to Php60.82B; sixty-two percent (62%) or Php37.62B under the Social Security System (SSS) while thirty-eight percent (38%) or Php23.21B is under the Government Service Insurance System (GSIS). Assets have 11% or Php6.05 billion increase from December 31, 2016 to December 31, 2017.

B. RESERVES/NETWORTH

	As at Dec. 31, 2017	% of Total	As at Dec. 31, 2016	% of Total	Peso Inc(dec)	% Inc(dec)
SSS	37,616,545,332.00	62%	34,550,639,297.00	63%	3,065,906,035.00	9%
GSIS	23,169,299,287.00	38%	20,197,334,559.00	37%	2,971,964,728.00	15%
Total	60,785,844,619.00	100%	54,747,973,856.00	100%	6,037,870,763.00	11%

*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 Php60.79B which has eleven percent (11%) or Php6.04 billion increase from December 31, 2016 to December 31, 2017.

As of December 31, 2017, total reserves of the SSS-managed SIF for future payment of EC claims in private sector amounted to Php37.62B. Total reserve is increased by 9% or Php3.07 billion from December 31, 2016 to December 31, 2017.

The GSIS SIF-managed fund total Net worth amounts to Php23.17B is broken down as follows:

Appropriated Surplus – ECIF	8,989,000,000.00
Unappropriated Surplus	14,180,299,287.00
Total Network	23,169,299,287.00

From Php20.197B in December 31, 2016 to Php23.17B as of December 31, 2017, the GSIS-ECIF total Net worth was increased by 15% or Php2.97B.

From the GSIS ECIF Net worth of Php23.17B as of December 31, 2017, a total amount of Ph8.99B 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
2016	8,678.00
2017	8,989.00

C. REVENUE

Table C-1 Revenue Collected from January to December 31 2017

Particulars	SSS	% of Total	GSIS	% of Total	TOTAL	% of Total
Members Contribution	2,107,491,325.00	50%	2,632,199,790.00	78%	4,739,691,115.00	63%
Investment and Other Income	2,107,175,104.00	50%	728,148,864.00	22%	2,835,323,968.00	37%
Total	4,214,666,429.00	100%	3,360,348,654.00	100%	7,575,015,083.00	100%
		55.6%		44.4%		

From January to December 31, 2017, **SIF generated total revenue of Php7.58B**: sixty-three percent (63%) or Php4.74B came from the collection of members' contributions while thirty-seven percent (37%) or Php2.835B from investment and other income.

Php4.21 billion or 56% of the total revenue came from the SSS while Php3.36 billion or 44% came 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 to December, 2016

Particulars	SSS	% of Total	GSIS (Restated)	% of Total	TOTAL	% of Total
Members Contribution	1,913,619,552.00	55%	2,901,184,254.00	96%	4,814,803,806.00	74%
Investment and Other Income	1,578,487,617.00	45%	127,423,420.00	4%	1,705,911,037.00	26%
Total	3,492,107,169.00	100%	3,028,607,674.00	100%	6,520,714,843.00	100%

Table C-3 Comparative Net increase (decrease) in Revenues (December 31, 2017 and 2016)

Particulars	Ph Increase (Decrease) Members' Contributions	% Inc(dec)	Ph Increase (Decrease) Investment & Other Income	% Inc (dec)	TOTAL	% Inc (dec)
SSS	193,871,773.00	9%	528,687,487.00	13%	(722,559,260.00)	-17%
GSIS	(268,984,464.00)	-37%	600,725,444.00	18%	331,740,980.00	10%
TOTAL	(75,112,691.00)	-1%	1,129,412,931.00	15%	(390,818,280.00)	-5%

Total Combined Revenue from January to December, 2017 has gone down by 5% or a net decrease of **Php390.82 million compared to same period in 2016**. The total decrease in collection of members' contribution amounts to **Php75.11 million** while Investment and Other Income has a net increase of **Php1.13 billion**.

Total SSS revenue from January to December, 2017 has **gone down by 17% or Php722.56 million**. However, the total GSIS revenue has gone up **by 10% or Php331.74 M** compared to the same period in 2016.

D. INVESTMENT

I. Investment and Investment Income of Public Sector SIF

As at December 31, 2017, the **Government Service Insurance System (GSIS)** has a total investment amounting to Php17.61B with an investment income of Php871.25 million. Investment has increase by 11% or Php1.80 billion from the Php15.81B investment total at the end of 2016.

The table below shows the comparative details of investment as at December 31, 2017 and 2016:

Particulars	Jan. to Dec. 2017	Jan. to Dec. 2016	Ph Inc (dec)	% Inc (dec)
CURRENT INVESTMENT				
Held to Maturity Investment High Yield Short-term placement	727,683,853.00	212,079,778.00	515,604,075.00	243%
NON-CURRENT INVESTMENT				
Fair Value Through Profit or Loss (FVPL)				
ROP Notes & Bonds AFS- Peso	11,024,396,000.00	11,424,123,214.00	(399,727,214.00)	-3%
Corporate Bonds	3,095,599,962.00	2,750,868,670.00	344,731,292.00	100%
Stocks Traded	3,494,368,934.00	1,426,693,479.00	2,067,675,455.00	100%
Total Non-current Investments	17,614,364,896.00	15,601,685,363.00	2,012,679,533.00	13%
TOTAL INVESTMENT	18,342,048,749.00	15,813,765,141.00	2,528,283,608.00	16%
Return of Investment	3.97%	1.34%		

*Data based on the unaudited FS submitted by the GSIS.

Of the total investment as at December 31, 2017, 96% or Php17.61B is placed under non-current investment particularly in ROP Notes and Bonds AFS, Stocks Traded and Corporate Bonds while Php727.68 million is placed under the Held to Maturity Investment particularly on High Yield Short-term Placement. Return of Investment is at 3.97%.

The table below shows the **comparative details of the investment income** from January to December 31, 2017 and 2016.

PARTICULARS	Jan. to Dec. 2017	Jan. to Dec. 2016 (Restated)	Ph Inc (dec)	% Inc (dec)
CURRENT INVESTMENT				
Held to Maturity Investment				
High Yield Short-term placement	6,700,937.00	36,407,033.00	(29,706,096.00)	-82%
NON-CURRENT INVESTMENT				
Available for Sale Financial Assets				
Gain (Loss) on Valuation - Stocks	478,387,557.00	(101,099,298.00)	579,486,855.00	-573%
Gain (Loss) on Valuation - ROP Notes	(476,479,658.00)	(234,215,070.00)	(242,264,588.00)	103%
Gain (Loss) on Valuation - Corporate Bonds	(10,068,709.00)	(96,864,630.00)	86,795,921.00	-90%
Gain on Sale of Stocks	5,785,924.00	-	5,785,924.00	100%
Dividend on Stocks	47,893,632.00	28,623,016.00	19,270,616.00	67%
Interest on ROP Notes & Bonds AFS- Peso	529,699,502.00	426,966,859.00	102,732,643.00	24%
Gain(Loss) on Sale of Bonds	(212,192.00)	(42,143,003.00)	41,930,811.00	-99%
Interest on Corporate Bonds - AFS	146,416,610.00	110,007,067.00	36,409,543.00	33%
Total Investment Income	728,123,603.00	127,681,974.00	600,441,629.00	470%

*Data based on the unaudited FS submitted by the GSIS.

The January to December, 2017 investment income is Php600.44M higher compared to the investment income earned during same period in 2016. (Based on 2016 Restated amount per Financial Statement)

II. Investment of Private Sector SIF

As at December 31, 2017, total investment of Private Sector SIF amounts to Ph34.56B. Investment is increased by 2.61% or Php879.33 million from Php33.68B in December, 2016. Total Investment Income from January to December 31, 2017 amounts to Php2.03 billion. Investment Income has 32% or Php489.16 increase from Ph1.54B investment Income in the same period in 2016. Return of Investment is at 5.86%

Ninety-nine percent (99%) of the total Investment is placed under the Non-Current Investment. The table below shows the details of these non-current investments.

Total investment in Held on Maturity Investment in the amount of Ph19.08B comprised the highest rate (56%) of its investment under the Non-current Investment and generates total investment income in the amount of Php794.36M from January to

December, 2017. Total investment in Members' Loan in the amount of Php6.82B comprised the highest rate (20%) of the investment under loans and receivables and contributed Php569.19M investment income.

Cash Equivalent and Interest Income

From January to December 31, 2017, the SIF at SSS has a total Cash and Cash Equivalent of Php2.71 billion which is placed under a savings and term deposits. Such cash and cash equivalent generates a total interest income of Php39.86M.

Investment and other Income

Investment and other Income from January to December 31, 2017 amounts to Php80.34 million is broken down as follows:

Particulars	AMOUNT
Investment Income	2,026,838,028.95
Other Income	
Interest Income –Cash in Bank/term deposits	39,864,242.13
Miscellaneous Income	2,841,012.64
Recovery of impairment loss	37,631,820.65
Total Investment and Other Income	80,337,075.42

INVESTMENT AND INVESTMENT INCOME OF THE PRIVATE SECTOR SIF

Particulars	INVESTMENT As of Dec. 2017	% of total	Income from Investment Jan. to Dec. 2017	INVESTMENT As of Dec. 2016	% Inc. /-Dec Investment	Income from Investment Jan. to Dec. 2016
CURRENT INVESTMENT						
Held to Maturity investments						
-Short term money placement	-		-	-	0%	10,581,100.28
-Corporate Bonds	225,000,000.00			-	100%	
-Corporate Note	-			2,489,305,568.05	-100%	-
Held for Trading Financial Assets (FV)	-		9,434,545.59	66,778,188.00	100%	20,893,514.25
Loans and Receivables						
-NHMFC	-			72,344,685.78	-100%	-
-Commercial and Industrial loans						
-Dormitory/apartment loan program	-			128,565.34	-100%	-
Total Current Investments	225,000,000.00	1%	9,434,545.59	2,628,557,007.17	-91%	31,474,614.53
NON-CURRENT INVESTMENTS						
Non-current Financial assets						
<i>Available-for-Sale financial assets</i>						
- Marketable securities at FV net	7,025,300,459.44	20%	728,080,053.14	5,449,528,829.90	29%	543,071,800.37
<i>Held on Maturity Investments</i>						
-Corporate Notes	387,500,000.00		36,414,956.95	387,500,000.00	0%	81,648,059.44
-Corporate Bonds	2,182,000,000.00		107,325,243.93	2,204,112,000.00	-1%	106,910,444.90
-Government Bonds	16,511,341,179.86		650,616,063.66	14,710,994,017.29	12%	609,179,434.44
Total	19,080,841,179.86	55%	794,356,264.54	17,302,606,017.29	10%	797,737,938.78
<i>Loans and Receivables</i>						
Members Loan						

- Salary/education/calamity	6,560,586,244.22		335,694,820.06	6,505,924,550.57	1%	323,070,226.95
- Separated member loan	19,645,213.60		144,121,708.89	29,967,392.54	-34%	11,693,901.92
- Emergency loan	237,231,147.04		89,375,088.83	256,740,303.01	-8%	79,221,397.71
- Student Assistance loan	4,515.69		632.86	-	0.00%	231.00
- Loan to Voc/tech students	15,748.06		184.51	16,397.16	-4%	-
Total	6,817,482,868.61	20%	569,192,435.15	6,792,648,643.28	0%	413,985,757.58
National Home Mortgage Finance Corporation	1,262,991,156.44	4%	(11,775,602.54)	1,222,860,421.41	3%	(255,311,793.65)
Home Development Mutual Fund Housing loans	-		-	-	0%	-
- Real Estate loan	143,751,859.08	0%	(62,697,258.29)	279,787,159.59	-49%	6,138,590.43
Commercial and Industrial loans - Hospital financing program	-		-	-	0%	-
- Dormitory/apartment loan program.	4,267,471.93		247,591.06	4,315,350.17	-1%	582,061.41
Total	4,267,471.93	0%	247,591.06	4,315,350.17	-1%	582,061.41
Total Loans and Receivables	8,228,493,356.06	24%	494,967,165.38	8,299,611,574.45	-46%	165,394,615.77
Total Non-Current Investments	34,334,634,995.36	99%	2,017,403,483.06	31,051,746,421.64	11%	1,506,204,354.92
TOTAL INVESTMENT/ INCOME	34,559,634,995.36	100%	2,026,838,028.65	33,680,303,428.81	3%	1,537,678,969.45
Return on Investment			5.86%			4.57%

*Data based on the unaudited FS submitted by the SSS.

E. EXPENDITURES

Particulars	SSS	% of Total	GSIS	% of Total	TOTAL	% of Total
Benefits Payments	1,149,968,292.00	95%	220,846,378.00	72%	1,370,814,670.00	90%
Operating Expenses	63,754,194.00	5%	69,616,736.00	23%	133,370,930.00	9%
Management fees	-		17,094,168.00	6%	17,094,168.00	1%
Total	1,213,722,486.00	100%	307,557,282.00	100%	1,521,279,768.00	100%

80%

20%

*GSIS Operating Expenses – refer to Investment Fees and Other Expenses and Impairment Loss

Total expenditures as of December 31, 2017 amounting to Php1.52 billion was spent by the Systems for benefits payments and operating expenses/management fee; Eighty percent (80%) or Php1,213 billion by the SSS while twenty percent (20%) or 307.56 million by the GSIS.

SSS spent Php1.15 billion for the payment of 244,528 EC benefits claims in the private sector and Php63.75 million for its operating expenses. The Operating Expenses is computed using the Benefit Payment Ratio formula 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.

The **GSIS spent Php220.85 million for payment of 40,998 benefits claims in the public sector and Management fee charged by the GSIS to SIF amounts to Php17.09M** computed also using the Benefit Payment ratio. The GSIS adopted the Benefit Payment Ratio formula in the computation of its management fee since 2015.

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, 2017:

Particulars	SSS		GSIS	
	NO. OF CLAIMS	AMOUNT	NO. OF CLAIMS	AMOUNT
DEATH AND PENSION	193,731	851,189,751.00	35,135	161,339,631.00
DISABILITY	19,739	154,958,847.00	1,930	15,252,383.00
SICKNESS	28,924	121,294,959.00	1062	16,724,591.00
MEDICAL SERVICES	1,327	12,221,131.00	2553	21,369,506.00
FUNERAL BENEFITS	452	8,540,000.00	281	6,067,236.00
REHABILITATION SERVICES	355	1,763,604.00	27	93,031.00
TOTAL	244,528	1,149,968,292.00	40,988	220,846,378.00

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.

G. Loading Fund

Particulars	SSS	GSIS	TOTAL
Members Contribution	2,107,491,325.00	2,632,199,790.00	4,739,691,115.00
Investment Income	2,026,838,028.95	728,123,604.00	2,754,961,632.95
Total	4,134,329,353.95	3,360,323,394.00	7,494,652,747.95
12% Loading Fund Ceiling	496,119,522.47	403,238,807.28	899,358,329.75
OPERATING EXPENSES			
AGENCIES	SSS	GSIS	TOTAL
ECC*	77,396,200.00	33,169,800.00	110,566,000.00
OSHC*	111,024,900.00	47,582,100.00	158,607,000.00
GSIS - Management fee		17,094,168.00	86,710,904.00
Investment fees and others		69,616,736.00	
SSS	63,754,194.00		63,754,194.00
TOTAL	252,175,294.00	167,462,804.00	419,638,098.00

* ECC and OSHC approved COB co-shared at 70:30 by the SSS and the GSIS

The total operating expenses for CY 2017 is Php419.64 million which is forty-seven percent (47%) of the allowable 12% loading fund ceiling.

COMPARATIVE FINANCIAL POSITION:

	SSS		GSIS	
	At December 31, 2017	At December 31, 2016	At December 31, 2017	At December 31, 2016 (Restated)
ASSETS	37,616,923,572.00	345,563,004,693.00	23,207,701,369.00	20,214,971,785.00
LIABILITIES	376,240.00	12,365,396.00	38,402,083.00	17,597,650.00
RESERVES	37,616,545,332.00	34,550,639,297.00		-
NETWORTH *	-	-	23,169,299,287.00	20,197,374,135.00
	At December 31, 2017	At December 31, 2016	At December 31, 2017	At December 31, 2016 (Restated)
REVENUES	4,214,666,429.00	2,947,040,399.00	3,360,234,334.00	3,028,607,674.00
EXPENSES *	1,213,722,485.00	1,172,819,928.00	388,309,183.00	437,607,663.00
NET REVENUES	3,000,943,944.00	2,319,287,241.00	2,971,925,151.00	2,591,000,011.00
Total Comprehensive income**	3,226,570,910.00	1,652,547,564.00	-	-
* GSIS - Networth - Surplus				
- Surplus Appropriated			8,989,000,000.00	8,678,000,000.00
- Surplus Unappropriated			14,180,299,287.00	11,519,374,135.00
*GSIS- expenses inclusive of Management fee				
**SSS- Net Gain(Loss) on FV adjustment	₱ 225,626,966.00	₱ (504,811,127.00)		

Prepared by:

MARIA TERESA M. URBANO (SGD)
Chief, Finance Division

March 12, 2018