



## FINANCIAL STATUS STATE INSURANCE FUND As of June 30, 2018

### A. ASSETS

	As of June 30, 2018	% of Total	As at Dec. 31, 2017	% of Total	Peso Inc(dec)	% Inc(dec)
<b>SSS</b>	37,568,509,824.00	60%	37,616,923,572.00	60%	(48,413,748.00)	-0.13%
<b>GSIS</b>	24,766,786,603.00	40%	24,697,713,746.00	40%	69,072,857.00	0.28%
<b>Total</b>	<b>62,335,296,427.00</b>	<b>100%</b>	<b>62,314,637,318.00</b>	<b>100%</b>	<b>20,659,109.00</b>	<b>0.03%</b>

\*Data based on the unaudited FS submitted by the SSS and the GSIS. GSIS at restated 2017 FS.

As of June 30, 2018, total assets of the State Insurance Fund (SIF) amounts to Php62.33B; sixty percent (60%) or Php37.57B under the Social Security System (SSS) while forty percent (40%) or Php24.77B is under the Government Service Insurance System (GSIS). Assets have Php20.66 million increase from December 31, 2017 to June 30, 2018.

### B. RESERVES/NETWORTH

	As at June 30, 2018	% of Total	As at Dec. 31, 2017	% of Total	Peso Inc(dec)	% Inc(dec)
<b>SSS</b>	37,512,250,255.00	60%	37,616,545,332.00	60%	(104,295,077.00)	-0.28%
<b>GSIS</b>	24,714,323,827.00	40%	24,659,311,664.00	40%	55,012,163.00	0.22%
<b>Total</b>	<b>62,226,574,082.00</b>	<b>100%</b>	<b>62,275,856,996.00</b>	<b>100%</b>	<b>(49,282,914.00)</b>	<b>-0.08%</b>

\*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 Php62.23B which has Php49.28 million net decrease from December 31, 2017 to June 30, 2018.

As of June 30, 2018, total reserves of the SSS-managed SIF for future payment of EC claims in private sector amounted to Php37.51B. Total reserve is decreased by Php104.30 million from December 31, 2017 to June 30, 2018.

The GSIS SIF-managed fund total Net worth amounts to Php24.71B is broken down as follows:

Appropriated Surplus – ECIF	8,989,000,000.00
Unappropriated Surplus	16,629,105,354.00
Net unrealized losses on FVOCI Investment	(903,781,537.21)
<b>Total Network</b>	<b>24,714,323,827.00</b>

From Php23.12B in December 31, 2017 to Php24.71B as of June 30, 2018, the GSIS-ECIF total Net worth has increased by Php55.01 million.

From the GSIS ECIF Net worth of Php24.71B as of June 30, 2018, 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
<b>As of June 30, 2018</b>	<b>8,989.00</b>

## C. REVENUE

**Table C-1 Revenue Collected from January to June 30, 2018**

Particulars	SSS	% of Total	GSIS	% of Total	TOTAL	% of Total
Members Contribution	1,007,295,168.00	53%	1,297,965,285.00	98%	2,305,260,453.00	72%
Investment and Other Income	887,422,718.00	47%	20,811,613.00	2%	908,234,331.00	28%
<b>Total</b>	<b>1,894,717,886.00</b>	<b>100%</b>	<b>1,318,776,898.00</b>	<b>100%</b>	<b>3,213,494,784.00</b>	<b>100%</b>
		59%		41%		

From January to June 30, 2018, **SIF generated total revenue of Php3.21B**: seventy-two percent (72%) or Php2.305B came from the collection of members' contributions while twenty-eight percent (28%) or Php908.23 million from investment and other income.

Php1.89 billion or 59% of the total revenue came from the SSS while Php1.32 billion or 41% 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 June, 2017**

Particulars	SSS	% of Total	GSIS	% of Total	TOTAL	% of Total
Members Contribution	991,709,442.00	47%	1,383,882,850.00	70%	2,375,592,292.00	58%
Investment and Other Income	1,134,431,151.00	53%	589,352,526.00	30%	1,723,783,677.00	42%
<b>Total</b>	<b>2,126,140,593.00</b>	<b>100%</b>	<b>1,973,235,376.00</b>	<b>100%</b>	<b>4,099,375,969.00</b>	<b>100%</b>

**Table C-3 Comparative Net increase (decrease) in Revenues (June 30, 2018 and 2017)**

Particulars	Ph Increase (Decrease) Members' Contributions	% Inc(dec)	Ph Increase (Decrease) Investment & Other Income	% Inc (dec)	TOTAL	% Inc (dec)
<b>SSS</b>	15,585,726.00	1%	(247,008,433.00)	-12%	(231,422,707.00)	-11%
<b>GSIS</b>	(85,917,565.00)	-15%	(568,540,913.00)	-29%	(654,458,478.00)	-33%
<b>TOTAL</b>	<b>(70,331,839.00)</b>	<b>-2%</b>	<b>(815,549,346.00)</b>	<b>-20%</b>	<b>(885,881,185.00)</b>	<b>-22%</b>

Total Combined Revenue from January to June, 2018 has gone down by 22% or a net decrease of Php885.88 million compared to same period in 2017. *The total net decrease in collection of members' contribution amounts to Php70.33 million while Investment and Other Income has a net decrease of Php815.55 million..*

Total SSS revenue from January to June, 2018 has **gone down by 11% or Php231.42 million** and the total GSIS revenue has **gone down also by 33% or Php654.46 M** compared to the same period in 2017.

## D. INVESTMENT

### I. Investment and Investment Income of Public Sector SIF

As at June 30, 2018, the **Government Service Insurance System (GSIS)** has a total investment amounting to Php18.39B with an investment income of Php20.81 million. Investment has increased by 0.25% or Php46.697 million from the Php18.34B investment total at the end of 2017.

The table below shows the comparative details of investment as at June 30, 2018 and as at December 31, 2017:

Particulars	Jan to June, 2018	As at Dec. 31, 2017	Ph Inc (dec)	% Inc (dec)
<b>CURRENT INVESTMENT</b>				
Held to Maturity Investment				
High Yield Short-term placement	489,666,429.00	727,683,853.00	(238,017,424.00)	-33%
<b>NON-CURRENT INVESTMENT</b>				
Fair Value Through Profit or Loss (FVPL)				
ROP Notes & Bonds - FVOCI	11,334,388,629.00	11,024,396,000.00	309,992,629.00	3%
Corporate Bonds - FVOCI	3,455,618,507.00	3,095,599,962.00	360,018,545.00	100%
Stocks Traded	3,109,072,611.00	3,494,368,934.00	(385,296,323.00)	100%
Total Non-current Investments	17,899,079,747.00	17,614,364,896.00	284,714,851.00	2%
<b>TOTAL INVESTMENT</b>	<b>18,388,746,176.00</b>	<b>18,342,048,749.00</b>	<b>46,697,427.00</b>	<b>0.25%</b>
Return on Investment	0.11%	<b>1.55%</b>		

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

Of the total investment as at June 30, 2018, 94% or Php17.90B is placed under non-current investment particularly in ROP Notes, Corporate Bonds and Stocks Traded while Php489.67 million is placed under the High Yield Short-term Placement. Return on Investment is at 0.11%.

The table below shows the **comparative details of the investment income** from January to June 30, 2018 and 2017.

<b>PARTICULARS</b>	<b>January to June, 2018</b>	<b>January to June, 2017</b>	<b>Ph Inc (dec)</b>	<b>% Inc (dec)</b>
<b>CURRENT INVESTMENT</b>				
Held to Maturity Investment				
High Yield Short-term placement	8,612,394.00	3,081,991.00	5,530,403.00	179%
<b>NON-CURRENT INVESTMENT</b>				
Available for Sale Financial Assets/FVPL				
Gain (Loss) on Valuation - Stocks	(436,569,110.00)	206,101,057.00	(642,670,167.00)	312%
Gain (Loss) on Valuation - ROP Notes		9,768,899.00	(9,768,899.00)	100%
Gain (Loss) on Valuation - Corporate Bonds		(67,861.00)	67,861.00	100%
Dividend on Stocks - FVPL	43,535,823.00	29,929,020.00	13,606,803.00	45%
Interest on ROP Notes & Bonds -FVOCI	318,953,078.00	266,475,608.00	52,477,470.00	20%
Interest on Corporate Bonds - FVOCI	86,918,182.00	69,517,590.00	17,400,592.00	100%
Gain (Loss) on Sale of stocks - FVOCI	(638,755.00)	4,707,420.00	(5,346,175.00)	100%
<b>TOTAL INVESTMENT INCOME</b>	<b>20,811,612.00</b>	<b>589,513,724.00</b>	<b>(568,702,112.00)</b>	<b>-96%</b>
Return on investment	0.11%	3.29%		

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

The January to June, 2018 investment income is Php568.70M lower compared to the investment income earned during same period in 2017.

## **II. Investment of Private Sector SIF**

As at June 30, 2018, total investment of Private Sector SIF amounts to Ph35.61B. Investment is increased by 2.95% or Php1.05 billion from Php34.56B in December, 2017. Total Investment Income from January to June 30, 2018 amounts to Php860.32 million. Investment Income has 23 % or Php254.03 million decrease from Ph1.114 billion investment Income in the same period in 2017. Return on Investment is at 2.42%.

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 Ph20.15B comprised the highest rate (55%) of its investment under the Non-current Investment and generates total investment income in the amount of Php422.3 million from January to June, 2018. Total investment in Members' Loan in the amount of Php6.83B comprised the highest rate (19%) of the investment under loans and receivables and contributed Php267.08 million investment income.

#### *Cash Equivalent and Interest Income*

From January to June, 2018, the SIF at SSS has a total Cash and Cash Equivalent of Php1.58 billion which is placed under a savings and term deposits. Such cash and cash equivalent generates a total interest income of Php26.83M.

#### *Investment and other Income*

Investment and other Income from January to June 30, 2018 amounts to Php887.42 million is broken down as follows:

<b>Particulars</b>	<b>AMOUNT</b>
Investment Income	860,323,392.21
Other Income	
Interest Income –Cash in Bank/term deposits	26,834,037.36
Miscellaneous Income	265,288.33
Recovery of impairment loss	-
<b>Total Investment and Other Income</b>	<b>887,422,717.90</b>

## INVESTMENT AND INVESTMENT INCOME OF THE PRIVATE SECTOR SIF

Particulars	INVESTMENT January to June, 2018	% of total	INVESTMENT Jan to Dec. 2017	INVESTMENT	Income from Investment Jan. to June, 2018	Income from Investment Jan. to June, 2017
				% Inc. /-Dec		
<b>CURRENT INVESTMENT</b>						
Held to Maturity investments						
-Short term money placement -Int.					-	-
-Government Bonds	-		225,000,000.00			
Financial Assets at FVTPL						
Equity Securities	260,904,622.00				1,429,375.50	180,976.25
Dividend Income	-				-	-
Gain/(Loss) on fair value adjustment	-				(11,471,055.65)	1,772,712.25
Gain/(Loss) on sale/disposal	-				2,747,967.72	7,902,424.06
Investment Expenses	-				(734,549.84)	(431,263.21)
<b>Total Current Investments</b>	<b>260,904,622.00</b>	<b>1%</b>	<b>225,000,000.00</b>	<b>16%</b>	<b>(8,028,262.27)</b>	<b>9,424,849.35</b>
<b>NON-CURRENT INVESTMENTS</b>						
<b>Non-current Financial assets</b>						
<i>Available-for-Sale financial assets</i>						
- Marketable securities at FV	<b>6,967,764,144.23</b>	<b>20%</b>	<b>7,025,300,459.44</b>	<b>-1%</b>	<b>167,791,485.45</b>	<b>426,216,416.40</b>
<i>Held on Maturity Investments</i>						
- Government bonds	17,425,697,587.34		16,511,341,179.86	<b>5.54%</b>	354,171,982.63	304,117,055.10
- Corporate Bonds	2,382,000,000.00		2,182,000,000.00	<b>9.17%</b>	55,046,355.00	55,008,130.04
- Corporate notes	342,233,333.33		387,500,000.00	<b>-12%</b>	13,079,946.48	23,554,694.45
Total	<b>20,149,930,920.67</b>	<b>57%</b>	<b>19,080,841,179.86</b>	<b>5.60%</b>	<b>422,298,284.11</b>	<b>382,679,879.59</b>
<i>Loans and Receivables</i>						
Members Loan						

- Salary/education/calamity	6,623,173,056.66		6,560,586,244.22	1%	200,316,888.84	148,171,774.16
- Separated member loan	8,458,430.18		19,645,213.60	-57%	32,932,866.78	56,595,915.73
- Emergency loan	202,874,396.80		237,231,147.04	-14.5%	33,828,538.85	75,938,168.71
- Student Assistance loan	3,844.53		4,515.69	-14.9%	-	632.86
- Loan to Voc/tech students	15,748.06		15,748.06	0.0%	-	184.51
<b>Total</b>	<b>6,834,525,476.23</b>	<b>19%</b>	<b>6,817,482,868.61</b>	<b>0.2%</b>	<b>267,078,294.47</b>	<b>280,706,675.97</b>
National Home Mortgage						
Finance Corporation	1,256,927,894.52	4%	1,262,991,156.44	-0.5%	2,071,097.29	2,748,825.96
Home Development Mutual Fund	-		-		-	-
Housing loans						
- Real Estate loan	134,396,810.08	0.4%	143,751,859.08	-7%	9,102,702.01	12,551,548.32
Commercial and Industrial loans						
- Hospital financing program	-		-		-	-
- Dormitory/apartment loan prog.	4,267,471.93		4,267,471.93	0%	9,791.15	22,379.07
<b>Total</b>	<b>4,267,471.93</b>	<b>0.01%</b>	<b>4,267,471.93</b>	<b>0%</b>	<b>9,791.15</b>	<b>22,379.07</b>
<b>Total Loans and Receivables</b>	<b>8,230,117,652.76</b>	<b>23%</b>	<b>8,228,493,356.06</b>	<b>0%</b>	<b>278,261,884.92</b>	<b>296,029,429.32</b>
<b>Total Non-Current Investments</b>	<b>35,347,812,717.66</b>	<b>99%</b>	<b>34,334,634,995.36</b>	<b>3%</b>	<b>868,351,654.48</b>	<b>1,104,925,725.31</b>
<b>GRAND TOTAL</b>	<b>35,608,717,339.66</b>	<b>100%</b>	<b>34,559,634,995.36</b>	<b>3%</b>	<b>860,323,392.21</b>	<b>1,114,350,574.66</b>
<b>Return on Investment</b>					<b>2.42%</b>	<b>3.33%</b>

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



## E. EXPENDITURES

Particulars	SSS	% of Total	GSIS	% of Total	TOTAL	% of Total
Benefits Payments	596,016,736.00	96%	106,008,900.00	38%	702,025,636.00	78%
Operating Expenses	27,747,336.00	4%	165,946,762.00	59%	193,694,098.00	21%
Management fees	-	0%	7,263,882.00	3%	7,263,882.00	1%
<b>Total</b>	<b>623,764,072.00</b>	<b>100%</b>	<b>279,219,544.00</b>	<b>100%</b>	<b>902,983,616.00</b>	<b>100%</b>

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

Total expenditures as of June 30, 2018 amounting to Php902.98 million was spent by the Systems for benefits payments and operating expenses/management fee; Sixty-nine percent (69%) or Php623.76 million by the SSS while thirty-one (31%) or Php279.22 million by the GSIS.

**SSS spent Php596.02 million for the payment of 121,021 EC benefits claims in the private sector and Php27.75 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 Php106.01 million for payment of 19,676 EC benefits claims in the public sector and Management fee charged by the GSIS to SIF amounts to Php7.26M** 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 June 30, 2018:

Particulars	SSS		GSIS	
	NO. OF CLAIMS	AMOUNT	NO. OF CLAIMS	AMOUNT
DEATH AND PENSION	95,314	443,963,208.00	17,002	79,704,003.00
DISABILITY	9,841	76,589,467.00	831	5,366,504.00
SICKNESS	14,872	60,825,020.00	468	7,668,241.00
MEDICAL SERVICES	478	6,092,594.00	1241	10,638,409.00
FUNERAL BENEFITS	310	7,580,000.00	124	2,593,963.00
REHABILITATION SERVICES	206	966,447.00	10	37,780.00
<b>TOTAL</b>	<b>121,021</b>	<b>596,016,736.00</b>	<b>19,676</b>	<b>106,008,900.00</b>

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:**

	<b>SSS</b>		<b>GSIS</b>	
	<b>At June 30, 2018</b>	<b>At December 31, 2017</b>	<b>At June 30, 2018</b>	<b>At December 31, 2017</b>
<b>ASSETS</b>	37,568,509,824.00	37,616,923,572.00	24,766,786,603.00	24,697,713,746.00
<b>LIABILITIES</b>	56,259,569.00	376,240.00	52,462,776.00	38,402,083.00
<b>RESERVES</b>	37,512,250,255.00	37,616,545,332.00		
<b>NETWORTH *</b>	-	-	24,714,323,827.00	24,659,311,664.00
	<b>Jan. to June, 2018</b>	<b>Jan. to June, 2017</b>	<b>Jan. to June, 2018</b>	<b>Jan. to June, 2017</b>
<b>REVENUES</b>	1,918,208,384.00	2,127,015,209.00	1,318,765,145.00	1,973,235,376.00
<b>EXPENSES</b>	647,254,569.00	601,608,937.00	359,971,444.00	185,368,575.00
<b>NET REVENUES</b>	1,270,953,814.00	1,525,406,172.00	958,793,700.00	1,787,866,801.00
<b>Comprehensive Income**</b>	(86,901,101.00)	1,927,969,232.00	55,012,163.00	1,787,866,801.00
* GSIS - Networth -Surplus				
- Surplus Appropriated			8,989,000,000.00	8,989,000,000.00
- Surplus Unappropriated			16,629,105,364.00	15,670,311,664.00
**SSS/GSIS- Comprehensive Income				
-Realized gain on sale of FA	117,932,773.00	-	(903,781,537.00)	-
-Changes in FV of Investment	(1,475,787,689.00)	402,562,961.00	-	-

**Submitted by:**

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August 24, 2018