



FINANCIAL STATUS STATE INSURANCE FUND As of September 30, 2018

A. ASSETS

	As at Sept. 30, 2018	% of Total	As at Dec. 31, 2017	% of Total	Peso Inc(dec)	% Inc(dec)
SSS	38,300,737,054.00	62%	37,616,923,572.00	60%	683,813,482.00	2%
GSIS	23,303,096,358.00	38%	24,697,713,746.00	40%	(1,394,617,388.00)	-6%
Total	61,603,833,412.00	100%	62,314,637,318.00	100%	(710,803,906.00)	-1%

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

As of September 30, 2018, total assets of the State Insurance Fund (SIF) amounts to Php61.60B; sixty-two percent (62%) or Php38.30B under the Social Security System (SSS) while thirty-eight percent (38%) or Php23.30B is under the Government Service Insurance System (GSIS). Assets have Php710.80 million decrease from December 31, 2017 to September 30, 2018.

B. RESERVES/NETWORTH

	As at Sept.30, 2018	% of Total	As at Dec. 31, 2017	% of Total	Peso Inc(dec)	% Inc(dec)
SSS	38,299,797,210.00	62%	37,616,545,332.00	60%	683,251,878.00	2%
GSIS	23,248,997,663.00	38%	24,659,311,664.00	40%	(1,410,314,001.00)	-6%
Total	61,548,794,873.00	100%	62,275,856,996.00	100%	(727,062,123.00)	-1%

*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 Php61.55B which has Php727.06 million net decrease from December 31, 2017 to September 30, 2018.

As of September 30, 2018, total reserves of the SSS-managed SIF for future payment of EC claims in private sector amounted to Php38.30B. Total reserve is increased by Php683.25 million from December 31, 2017 to September 30, 2018.

The GSIS SIF-managed fund total Net worth amounts to Php23.25B is broken down as follows:

Appropriated Surplus – ECIF	8,989,000,000.00
Unappropriated Surplus	15,864,802,117.00
Net unrealized losses on FVOCI Investment	(1,604,804,454.00)
Total Network	23,248,997,663.00

From Php24.66B in December 31, 2017 to Php23.25B as of September 30, 2018, the GSIS-ECIF total Net worth has decreased by Php1.41 billion.

From the GSIS ECIF Net worth of Php23.25B as of September 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
As of September 30, 2018	8,989.00

C. REVENUE

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

Particulars	SSS	% of Total	GSIS	% of Total	TOTAL	% of Total
Members Contribution	1,601,428,223.00	54%	1,969,046,533.00	88%	3,570,474,756.00	68%
Investment and Other Income	1,365,217,945.00	46%	280,269,073.00	12%	1,645,487,018.00	32%
Total	2,966,646,168.00	100%	2,249,315,606.00	100%	5,215,961,774.00	100%

57%

43%

From January to September 30, 2018, **SIF generated total revenue of Php5.215B:** Sixty-eight percent (68%) or Php3.57B came from the collection of members' contributions while thirty-two percent (32%) or Php1.645 billion from investment and other income.

Php2.97 billion or 57% of the total revenue came from the SSS while Php2.25 billion or 43% 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 September 2017

Particulars	SSS	% of Total	GSIS	% of Total	TOTAL	% of Total
Members Contribution	1,556,699,217.00	46%	1,921,772,255.00	69%	3,478,471,472.00	57%
Investment and Other Income	1,799,901,257.00	54%	871,295,029.00	31%	2,671,196,286.00	43%
Total	3,356,600,474.00	100%	2,793,067,284.00	100%	6,149,667,758.00	100%

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

Particulars	Ph Increase (Decrease) Members' Contributions	% Inc(dec)	Ph Increase (Decrease) Investment & Other Income	% Inc (dec)	TOTAL	% Inc (dec)
SSS	44,729,006.00	2%	(434,683,312.00)	-13%	(389,954,306.00)	-12%
GSIS	47,274,278.00	5%	(591,025,956.00)	-21%	(543,751,678.00)	-19%
TOTAL	92,003,284.00	1%	(1,025,709,268.00)	-17%	(933,705,984.00)	-15%

Total Combined Revenue from January to September, 2018 has gone down by 15% or a net decrease of Php933.71 million compared to same period in 2017. *The total net increase in collection of members' contribution amounts to Php92 million while Investment and Other Income has a net decrease of Php1.025 billion..*

Total SSS revenue from January to September, 2018 has **gone down by 12% or Php389.95 million**. Likewise, the total GSIS revenue has **gone down also by 19% or Php543.75 M** compared to the same period in 2017.

D. INVESTMENT

I. Investment and Investment Income of Public Sector SIF

As at September 30, 2018, the **Government Service Insurance System (GSIS)** has a total investment amounting to Php18.59B with an investment income of Php280.27 million. Investment has increased by 1.35% or Php247.94 million from the Php18.34B investment total at the end of 2017.

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

Particulars	Jan to Sept 2018	As at Dec. 31, 2017	Ph Inc (dec)	% Inc (dec)
CURRENT INVESTMENT				
Held to Maturity Investment				
High Yield Short-term placement	539,067,452.00	727,683,853.00	(188,616,401.00)	-26%
NON-CURRENT INVESTMENT				
Fair Value Through Profit or Loss (FVPL)				
ROP Notes & Bonds - FVOCI	11,297,402,930.00	11,024,396,000.00	273,006,930.00	2%
Corporate Bonds - FVOCI	3,625,361,085.00	3,095,599,962.00	529,761,123.00	100%
Stocks Traded	3,128,157,141.00	3,494,368,934.00	(366,211,793.00)	100%
Total Non-current Investments	18,050,921,156.00	17,614,364,896.00	436,556,260.00	2%
TOTAL INVESTMENT	18,589,988,608.00	18,342,048,749.00	247,939,859.00	1.35%
Return of Investment	1.51%	1.55%		

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

Of the total investment as at September 30, 2018, 94% or Php18.59B is placed under non-current investment particularly in ROP Notes, Corporate Bonds and Stocks Traded while Php539.07 million is placed under the High Yield Short-term Placement. Return on Investment is at 1.51%.

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

PARTICULARS	January to Sept.	January to Sept.	Ph	%
	2018	2017	Inc (dec)	Inc (dec)
CURRENT INVESTMENT				
Held to Maturity Investment				
High Yield Short-term placement	11,601,502.00	4,669,805.00	6,931,697.00	148%
NON-CURRENT INVESTMENT			-	
Available for Sale Financial Assets			-	
Gain (Loss) on Valuation - Stocks	(417,484,579.00)	308,382,595.00	(725,867,174.00)	-235%
Gain (Loss) on Valuation - ROP Notes & Bonds		(23,501,980.00)	23,501,980.00	-100%
Gain (Loss) on Valuation - Corporate Bonds		25,372,849.00	(25,372,849.00)	-100%
Gain on Sale of Stocks		5,785,924.00	(5,785,924.00)	
Dividend on Stocks	58,910,632.00	44,479,705.00	14,430,927.00	32%
Interest on ROP Notes & Bonds AFS- Peso	497,390,023.00	398,322,519.00	99,067,504.00	25%
Interest on Corporate Bonds - AFS	139,478,378.00	107,954,914.00	31,523,464.00	100%
Gain(Loss) on sale of Bonds	(9,625,983.00)	(212,192.00)	(9,413,791.00)	100%
TOTAL INCOME FROM INVESTMENTS	280,269,973.00	871,254,139.00	(590,984,166.00)	-68%

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

The January to September, 2018 investment income is Php590.98 million or 68% lower compared to the investment income earned during same period in 2017.

II. Investment of Private Sector SIF

As at September 30, 2018, total investment of Private Sector SIF amounts to Ph36.64B. Investment is increased by 6% or Php2.08 billion from Php34.56B in December, 2017. Total Investment Income from January to September 30, 2018 amounts to Php1.32 billion. Investment Income has 25% or Php446.36 million decrease from Ph1.77 billion investment Income in the same period in 2017. Return on Investment is at 3.62%.

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 Ph20.905 billion comprised the highest rate (57%) of its investment under the Non-current Investment and generates total investment income in the amount of Php654,67 million from January to September, 2018. Total investment in Members' Loan in the amount of Php7.0 billion comprised the highest rate (19%) of the investment under loans and receivables and contributed Php453.19 million investment income.

Cash Equivalent and Interest Income

From January to September, 2018, the SIF at SSS has a total Cash and Cash Equivalent of Php1.31 billion which is placed under a savings and term deposits. Such cash and cash equivalent generates a total interest income of Php37.27M.

Investment and other Income

Investment and other Income from January to September 30, 2018 amounts to Php1.37 billion is broken down as follows:

Particulars	AMOUNT
Investment Income	1,324,784,804.03
Other Income	
Interest Income –Cash in Bank/term deposits	37,274,465.03
Miscellaneous Income	1,959,078.09
Recovery of impairment loss	1,199,597.62
Total Investment and Other Income	1,365,217,944.77

INVESTMENT AND INVESTMENT INCOME OF THE PRIVATE SECTOR SIF

Particulars	INVESTMENT January to Sept. 2018	% of total	INVESTMENT Jan to Dec. 2017	INVESTMENT	Income from Investment Jan. to Sept. 2018	Income from Investment Jan. to Sept, 2017
				% Inc. /-Dec		
CURRENT INVESTMENT						
Held to Maturity investments						
-Short term money placement -Int.					-	-
-Government Bonds	-		225,000,000.00			
Financial Assets at FVTPL						
Equity Securities	217,809,228.92				-	180,976.25
Dividend Income	-				1,429,375.50	-
Gain/(Loss) on fair value adjustment	-				(15,756,128.96)	1,772,712.25
Gain/(Loss) on sale/disposal	-				19,422,052.79	7,937,253.71
Investment Expenses	-				(1,068,019.01)	(456,396.62)
Total Current Investments	217,809,228.92	1%	225,000,000.00	-3%	4,027,280.32	9,434,545.59
NON-CURRENT INVESTMENTS						
Non-current Financial assets						
<i>Available-for-Sale financial assets</i>						
- Marketable securities at FV	7,127,988,599.79	20%	7,025,300,459.44	1%	196,190,782.88	694,606,522.63
<i>Held on Maturity Investments</i>						
- Government bonds	18,044,007,275.70		16,511,341,179.86	9.28%	550,079,846.00	475,067,042.09
- Corporate Bonds	2,519,500,000.00		2,182,000,000.00	15.47%	85,894,776.06	80,838,118.94
- Corporate notes	342,233,333.33		387,500,000.00	-12%	18,690,411.57	29,984,825.69
Total	20,905,740,609.03	57%	19,080,841,179.86	9.56%	654,665,033.63	585,889,986.72

<i>Loans and Receivables</i>						
Members Loan						
- Salary/education/calamity	6,742,896,744.39		6,560,586,244.22	3%	333,643,657.52	240,123,341.11
- Separated member loan	27,106,420.48		19,645,213.60	38%	61,512,224.08	137,261,592.01
- Emergency loan	230,810,788.42		237,231,147.04	-2.7%	58,032,289.93	81,320,394.10
- Student Assistance loan	(147.63)		4,515.69	-103.3%	75.77	632.86
- Loan to Voc/tech students	15,748.06		15,748.06	0.0%	-	184.51
Total	7,000,829,553.72	19%	6,817,482,868.61	2.7%	453,188,247.30	458,706,144.59
National Home Mortgage						
Finance Corporation	1,253,391,853.83	3%	1,262,991,156.44	-0.8%	2,071,097.29	4,078,944.92
Home Development Mutual Fund	-		-		-	-
Housing loans						
- Real Estate loan	130,569,159.39	0.4%	143,751,859.08	-9%	14,626,620.57	18,406,520.87
Commercial and Industrial loans						
- Hospital financing program	-		-		-	-
- Dormitory/apartment loan prog.	4,267,471.93		4,267,471.93	0%	15,742.34	19,965.44
Total	4,267,471.93	0.01%	4,267,471.93	0%	15,742.34	19,965.44
Total Loans and Receivables	8,389,058,038.87	23%	8,228,493,356.06	2%	469,901,707.50	481,211,575.82
Total Non-Current Investments	36,422,787,247.69	99%	34,334,634,995.36	6%	1,320,757,524.01	1,761,708,085.17
GRAND TOTAL	36,640,596,476.61	100%	34,559,634,995.36	6%	1,324,784,804.33	1,771,142,630.76
Return of Investment					3.62%	3.33%

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

E. EXPENDITURES

Particulars	SSS	% of Total	GSIS	% of Total	TOTAL	% of Total
Benefits Payments	897,970,363.00	95%	158,915,215.00	47%	1,056,885,578.00	83%
Operating Expenses	42,457,048.00	5%	165,931,836.00		208,388,884.00	16%
Management fees	-		10,360,553.00	53%	10,360,553.00	1%
Total	940,427,411.00	100%	335,207,604.00	100%	1,275,635,015.00	100%
		74%		26%		

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

Total expenditures as of September 30, 2018 amounting to Php1.275 billion was spent by the Systems for benefits payments and operating expenses/management fee; Seventy-four percent (74%) or Php940.43 million by the SSS while twenty-six (26%) or Php335.21 million by the GSIS.

SSS spent Php897.97 million for the payment of 183,199 EC benefits claims in the private sector and Php42.46 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 Php158.915 million for payment of 29,341 EC benefits claims in the public sector and Management fee charged by the GSIS to SIF amounts to Php10.36M** 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 September 30, 2018:

Particulars	SSS		GSIS	
	NO. OF CLAIMS	AMOUNT	NO. OF CLAIMS	AMOUNT
DEATH AND PENSION	142,898	660,074,758.00	25,299	120,987,833.00
DISABILITY	14,905	117,810,862.00	1,286	8,369,634.00
SICKNESS	23,958	98,514,599.00	671	10,828,031.00
MEDICAL SERVICES	795	9,308,042.00	1908	15,300,450.00
FUNERAL BENEFITS	435	11,280,000.00	164	3,409,846.00
REHABILITATION SERVICES	208	982,102.00	13	19,421.00
TOTAL	183,199	897,970,363.00	29,341	158,915,215.00

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.

COMPARATIVE FINANCIAL POSITION:

	SSS		GSIS	
	At Sept. 30, 2018	At December 31, 2017	At Sept. 30, 2018	At December 31, 2017
ASSETS	38,300,737,054.00	37,616,923,572.00	23,303,096,358.00	24,697,713,746.00
LIABILITIES	939,844.00	376,240.00	5,409,865.00	38,402,083.00
RESERVES	38,299,797,210.00	37,616,545,332.00		
NETWORTH *	-	-	23,248,997,663.00	24,659,311,664.00
	Jan. to Sept. 2018	Jan. to Sept. 2017	Jan. to Sept. 30, 2018	Jan. to Sept. 30, 2017
REVENUES	3,011,354,903.00	3,358,041,187.00	2,249,316,506.00	2,793,067,285.00
EXPENSES	985,136,146.00	911,016,588.00	405,598,951.00	234,009,219.00
NET REVENUES	2,026,218,757.00	2,447,024,598.00	1,833,357,002.00	2,549,563,406.00
COMPREHENSIVE INCOME	827,835,640.00	2,900,323,238.00	228,552,548.00	2,549,563,406.00
* GSIS - Networth - Surplus				
- Surplus Appropriated			8,989,000,000.00	8,989,000,000.00
- Surplus Unappropriated			15,684,802,117.00	15,670,311,664.00

November 22, 2018