



BRANCH OFFICES

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BACOLOD

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DAVAO

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MAKATI

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ORTIGAS

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QUEZON CITY

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SAN FERNANDO

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MAPFRE ASIAN INSURANCE CORPORATION

2003
REPORT

2003 REPORT





MAPFRE ASIAN Insurance Corporation is one of the Philippines' more dynamic non-life insurance companies backed by seven decades of experience.

Adopting the technical expertise of its major stockholder, SISTEMA MAPFRE, a foremost provider of a wide range of financial services in Spain, MAPFRE ASIAN continuously gears its efforts towards being the country's most preferred insurance company. MAPFRE ASIAN envisions itself as a company known for its excellent customer service, enduring partnership with intermediaries, and highly professional way of conducting business.

Through the years, MAPFRE ASIAN has consistently ranked as one of the leading insurers in terms of gross revenues and premiums earned and established a solid reputation for being a financially stable insurance company.

100%	PERCENTAGE OF OWNERSHIP	100%
	Corporacion Mapfre of Spain	Others
	99.92%	0.08%

Background of Major Shareholder

Sistema Mapfre is the largest insurance conglomerate in Spain with revenues of 9.25 Billion Euros (about PhP 650 Billion) and a consolidated net income of 606 Million Euros (about PhP 42 Billion) in 2003. It has close to 3,000 branches in Spain and other countries, with about 18,000 employees and 45,000 agents worldwide. Sistema Mapfre is engaged in life and general insurance, reinsurance, banking and finance, property development, and other related services in Spain and 36 other countries.

Capitalization

Mapfre Asian has an authorized capital of PhP 400 million, PhP 300 million of which is paid-up. This substantial capital infusion, one of the highest in the local insurance industry, reflects the commitment of Mapfre Asian to provide reliable and quality service to its clientele by having more than sufficient financial resources.

Business Principles

Mapfre Asian believes in the following business principles espoused by its parent company:

- Bringing its products and services closer to its clients
- Encouraging technical and administrative specialization
- Cultivating a culture that is geared towards providing quality service
- Encouraging flexibility and structural adjustments in the Company to satisfy customer needs
- Developing products that respond to a wide range of needs
- Using information technology as a competitive edge
- Promoting professionalism, transparency, and fairness in all its undertakings and transactions

BALANCE SHEETS

December 31	2003	2002
ASSETS		
Cash and Cash Equivalents	120,876,562	103,457,886
Insurance Balances Receivable		
Premiums receivable	44,842,508	50,640,194
Due from brokers and agents	32,362,861	26,080,263
Due from ceding companies	18,366,155	22,613,201
Reinsurance recoverable on outstanding losses	58,609,598	28,026,161
Allowance for doubtful accounts	(3,219,245)	(3,219,245)
Deferred Reinsurance Premiums	83,418,131	49,191,199
Deferred Acquisition Costs	55,978,918	43,935,972
Deferred Income Tax	7,961,215	995,646
Accounts Receivable	15,048,082	15,511,523
Investments		
Government securities and bonds	264,107,808	207,172,549
Shares of stock	73,126,395	79,041,768
Loans	41,873,021	62,158,413
Property and Equipment - net	94,764,456	103,746,195
Investment Properties - net	28,844,535	
Other Assets	5,886,097	9,946,677

942,847,097 799,298,402

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES		
Accts. payable and accrued expenses	25,892,829	25,306,051
Reserve for unearned premiums	245,207,225	190,374,984
Deferred reinsurance commissions	14,891,857	8,725,304
Claims payable	113,448,443	78,685,430
Due to reinsurers	9,018,889	16,698,241
Funds held for reinsurers	18,236,592	18,048,581
Premium deposit fund	-	1,087,481
Legal policy reserves	-	22,813,993
	426,695,835	361,740,065

STOCKHOLDERS' EQUITY		
Capital stock	300,000,000	300,000,000
Capital paid in excess of par value	2,805,850	2,805,850
Contributed surplus	100,000,000	100,000,000
Retained earnings	152,696,200	115,495,756
Reserve for fluctuation in investments in shares of stock	(39,350,788)	(80,743,269)
	516,151,262	437,558,337

942,847,097 799,298,402

STATEMENTS OF INCOME

Years Ended December 31	2003	2002
PREMIUMS - Net of Returns	490,524,379	410,856,938
REINSURANCE PREMIUMS	158,433,126	111,087,691
PREMIUMS RETAINED	332,091,253	299,769,247

INCREASE IN RESERVE FOR UNEARNED PREMIUMS		
- Net of Deferred Reinsurance Premiums	20,605,309	9,033,375
PREMIUMS EARNED	311,485,944	290,735,872
COMMISSIONS EARNED	27,525,523	24,405,531
GROSS UNDERWRITING INCOME	339,011,467	315,141,403
UNDERWRITING DEDUCTIONS		
Claims and losses - net of recoveries	136,278,902	141,295,488
Commissions	93,234,499	89,936,720
Provision for doubtful accounts	-	2,640,000
Others	4,056,129	3,499,295
	233,569,530	237,371,503

NET UNDERWRITING INCOME	105,441,937	77,769,900
INVESTMENT AND OTHER INCOME - Net	42,634,519	26,136,411
NET UNDERWRITING AND INVESTMENT INCOME	148,076,456	103,906,311
GENERAL EXPENSES	114,220,177	104,880,139
INCOME (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	33,856,279	(973,828)
INCOME BEFORE INCOME TAX FROM DISCONTINUED OPERATION	4,000,000	12,359,329
INCOME BEFORE INCOME TAX	37,856,279	11,385,501

BENEFIT FROM (PROVISION FOR) INCOME TAX		
Current	(7,549,427)	(7,380,600)
Deferred	6,893,592	24,724
	(655,835)	(7,355,876)

NET INCOME 37,200,444 4,029,625

