



Republic of the Philippines
Department of Finance
INSURANCE COMMISSION
1071 United Nations Avenue, Manila



2 December 2024

MR. JUSTIN T. LIU
President
THE MERCANTILE INSURANCE CO., INC.
Mercantile Insurance Building
Corner General Luna and Beaterio Streets
Intramuros, Manila
jvurcia@mici.com.ph
rrdeguzman@mici.com.ph

SUBJECT: Approval of the 2023 Annual Statement

Dear Mr. Liu:

This refers to your letter dated 15 October 2024 regarding the Company's updated Stock and Transfer Book and payment of the ₱3,000.00 penalty.

In view of the Company's compliance with the minimum net worth and risk-based capital ratio requirements, and directives of the Commission, its 2023 AS is **APPROVED**. For reference, attached is the synopsis of said AS.

We refer you to the pertinent provisions of the Amended Insurance Code of the Philippines and Circular Letter No. 2016-34 for the publication requirement of the synopsis.

Thank you.

Very truly yours,


REYNALDO A. REGALADO
Insurance Commissioner



THE MERCANTILE INSURANCE CO., INC.
SYNOPSIS OF ANNUAL STATEMENT
31 December 2023

ADMITTED ASSETS

Cash and Cash Items	P 432,509,428.54
Premiums Receivable	865,312,967.40
Due from Ceding Companies	26,019,274.17
Funds Held by Ceding Companies	4,530,622.16
Amounts Recoverable from Reinsurers	1,524,781,498.81
Financial Assets at Fair Value Through Profit or Loss	121,447,800.00
Held-to-Maturity (HTM) Investments	145,342,792.02
Loans and Receivables	1,223,438.86
Available-for-Sale (AFS) Financial Assets	740,334,871.33
Investments Income Due and Accrued	9,315,266.18
Property and Equipment	161,352,504.24
Investment Property	385,958,605.87
Security Fund Contribution	8,127.00
Deferred Acquisition Costs	308,617,565.19
Deferred Reinsurance Premiums	122,634,601.61
Other Assets	18,534,377.17
TOTAL ASSETS	P 4,867,923,740.55

LIABILITIES

Claims Liabilities	P 1,888,959,210.09
Premium Liabilities	1,269,776,795.99
Due to Reinsurers	87,603,779.30
Other Reinsurance Accounts Payable	791,392.49
Commissions Payable	178,565,325.65
Deferred Reinsurance Commissions	22,242,847.12
Taxes Payable	226,047,556.73
Accounts Payable	68,925,124.84
Pension Obligation	42,719,881.00
Deferred Tax Liability	37,137,792.46
Accrued Expenses	6,568,096.55
Other Liabilities	23,276,442.20
TOTAL LIABILITIES	P 3,852,614,244.42

NET WORTH

Capital Stock	P 981,442,400.00
Contributed Surplus	16,380,940.00
Contingency Surplus	22,659,244.32
Retained Earnings	(231,644,259.45)
Reserve Accounts:	
Reserve for AFS Securities	(1,018,689.76)
Reserve For Appraisal Increment - Property and Equipment	237,383,414.02
Remeasurement Gains (Losses) on Retirement Pension Asset (Obligation)	(9,893,553.00)
TOTAL NET WORTH	P 1,015,309,496.13 *
TOTAL LIABILITIES AND NET WORTH	P 4,867,923,740.55

ADDITIONAL INFORMATION

Capital Adequacy Ratio, as prescribed under existing regulations **318%**

**Net Worth deficiency covered in full*

This synopsis, prepared from the 2023 Annual Statement, approved by the Insurance Commissioner is published pursuant to Section 231 of the Amended Insurance Code (RA 10607).