

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

CERTIFICATION

I, **Veronica Mae A. Arce**, of legal age, Filipino citizen, and with office address at SyCip Gorres Velayo & Co., 6760 Ayala Avenue, Makati City, and an accredited External Auditor of the Insurance Commission (IC), after having been duly sworn to in accordance with law do hereby depose and say that:

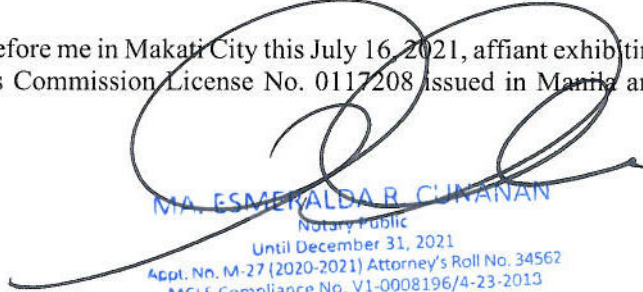
1. I am the signing partner/external auditor of SyCip Gorres Velayo & Co. for the audit of the financial statements of Gotuaco, Del Rosario Insurance Brokers Inc. for the year ended December 31, 2020.
2. Our audit was conducted in accordance with Philippine Standards on Auditing (PSA). These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free from material misstatements, whether due to fraud or error. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSA will always detect a material misstatement when it exists.
3. In compliance with Circular Letter No. 2019-39 dated August 8, 2019 issued by the IC, we are reporting that our audit of the financial statements of Gotuaco, Del Rosario Insurance Brokers Inc. as at and for the year ended December 31, 2020 did not result in the discovery of any of the cases enumerated in Section 4.3 (4.3.1) to (4.3.6) thereof during the year, except for the items discussed in Appendix A where we report our findings. This report is being rendered pursuant to the requirement of Section 4 of IC Circular Letter No. 2019-39 dated August 8, 2019 and should not, under any circumstances, be construed as constituting an admission or declaration of any act or omission on our part that could give rise to any cause of action against us by any regulatory or examining authorities or by Gotuaco, Del Rosario Insurance Brokers Inc.
4. This certification is executed to attest to the truth of the foregoing and for whatever legal purpose and intent it may serve.

IN WITNESS WHEREOF, I have hereunto set my hand this July 16, 2021 in Makati City, Philippines.


VERONICA MAE A. ARCE
Partner

SUBSCRIBED AND SWORN to before me in Makati City this July 16, 2021, affiant exhibiting to me her Professional Regulations Commission License No. 0117208 issued in Manila and valid until May 25, 2023.

Doc. No. 144
Page No. 30
Book No. XXIV
Series of 2021.


MA. ESMERALDA R. CUNANAN
Notary Public
Until December 31, 2021
Appt. No. M-27 (2020-2021) Attorney's Roll No. 34562
MCLE Compliance No. V1-0008196/4-23-2013
PTR No. 8533031/J-4-2021/Makati City
IBP Lifetime Member Roll No. 05413
Ground Level, Dela Rosa Carpark I
4998 Rosa St. Legaspi Village,
Makati City



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1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
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July 16, 2021

INSURANCE COMMISSION
1071 United Nations Avenue
Manila

Dear Sir/Madam:

As required under Section 4 of the Insurance Commission's Circular Letter No. 2019-39 dated August 8, 2019, please find attached the external auditor's certification for Gotuaco, Del Rosario Insurance Brokers Inc.

Thank you.

Sincerely,


VERONICA MAE A. ARCE
Partner

Appendix A

In compliance with Circular Letter No. 2019-39 dated August 8, 2019 issued by the IC, we are reporting that our audit of the financial statements of Gotuaco, Del Rosario Insurance Brokers Inc. as at and for the year ended December 31, 2020 did not result in the discovery of any of the cases enumerated in Section 4.3 (4.3.1) to (4.3.6) thereof during the year, except for the items discussed below:

As of December 31, 2020 and 2019, the Company has complied with the ₱20.00 million paid-up capital requirement imposed by Insurance Commission (IC) and SEC but failed to comply with the net worth requirement of ₱10.00 million by the IC.

The Company's net worth per Amended Insurance Code or Republic Act No. 10607 requirements is as follows:

	2020	2019
Capital stock	₱35,000,000	₱35,000,000
Deficit	(16,436,863)	(27,201,410)
Treasury stock	(3,619,650)	(3,619,650)
Remeasurement gains (losses) on pension liability	(8,097,067)	(2,890,650)
	₱6,846,420	₱1,288,290

The Insurance Commission sent a letter dated November 10, 2020 to the Company indicating the net worth deficiency noted as a result of the IC's verification of the Company's 2019 Statement of Financial Condition.

On December 2, 2020 and December 4, 2020, the Company transmitted the required reports and related documents including but not limited to the subsequent collections and remittances in 2020 of over 90-days premiums receivable to cover the net worth deficiency of the Company in 2019.

On December 7, 2020, the IC upon considering the related documents submitted by the Company ruled that the net worth deficiency for 2019 has been deemed covered up in full and the verification of the Company's Statement of Financial condition has been considered closed.

The Company plans to submit and follow the suit made in 2019 to address the net worth deficiency in 2020.