

TRAVELLERS INSURANCE & SURETY CORPORATION
Statements of Cash Flows

	Years Ended December 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	₱7,647,568	₱11,867,834
Adjustments for:		
Interest and dividend income - note 22	(3,744,940)	(2,164,694)
Write-off of VAT input tax - note 22	14,000,000	-
Depreciation - note 12	3,645,726	1,957,384
Write-off of receivables - note 25	3,141,956	8,892,183
Provision for impairment losses - note 11	-	6,000,000
Retirement benefit costs - note 18	1,239,732	1,082,136
Provision for catastrophic losses	287,656	266,129
Loss on disposal of property and equipment - note 12	23,398	40,961
Unrealized foreign exchange gain	(62,981)	(78,402)
Gain on sale of investment property - note 13	(67,750)	-
Fair value gain on investment properties	-	(700,000)
Operating income before working capital changes	26,110,365	27,163,531
Decrease (increase) in:		
Insurance receivables	20,576,342	(25,001,535)
Other receivables	(9,143,456)	9,816,535
Reinsurance assets	(16,322,403)	(1,294,788)
Deferred acquisition costs	(306,116)	(4,670,348)
Prepayments and other current assets	(13,431,475)	(10,303,442)
Increase (decrease) in:		
Accounts payable and accrued expenses	(2,546,914)	7,598,078
Insurance contract liabilities	(5,478,090)	4,708,003
Due to reinsurers	2,743,799	716,023
Net cash generated from operations	2,202,052	8,732,057
Interest received on cash in banks and other receivable	1,714,357	1,223,723
Income tax paid	(483,369)	(1,077,357)
Net cash provided by operating activities	3,433,040	8,878,423
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received on cash equivalents and HTM financial assets	2,208,749	1,386,710
Additional investments in:		
HTM financial assets - note 8	(56,614,781)	(79,053,236)
Property and equipment - note 12	(7,451,093)	(1,706,780)
Investment property - note 13	-	(13,430,297)
Proceeds from:		
Matured investments - note 8	61,572,934	64,159,115
Sale of investment property	665,000	-
Sale of property and equipment - note 12	1,000	255,000
Decrease (increase) in other assets	1,694,813	(4,870,774)
Dividend income received	-	13,922

Net cash provided by (used in) investing activities	2,076,622	(33,246,340)
<i>(Forward)</i>		
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances to a related party - note 30	(15,132,409)	(14,924,000)
Additional contributed surplus	74,120,000	21,360,000
Additional subscription and collection of subscription receivable	-	51,995,000
Payment of obligation under finance lease	(1,047,256)	(587,681)
Net cash provided by financing activities	57,940,335	57,843,319

EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND

CASH EQUIVALENTS	62,981	78,402
NET INCREASE IN CASH AND CASH EQUIVALENTS	63,512,978	33,553,804
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	62,471,403	28,917,599
CASH AND CASH EQUIVALENTS AT END OF YEAR - note 4	₱125,984,381	₱62,471,403

(The accompanying notes are an integral part of these financial statements.)

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