

TRAVELLERS INSURANCE & SURETY CORPORATION
Statements of Changes in Equity

Years Ended December 31

	2014	2013
CAPITAL STOCK - note 20		
Balance at beginning of year	₱250,000,000	₱198,005,000
Collection of subscriptions receivable	-	51,995,000
Balance at end of year	250,000,000	250,000,000
CONTRIBUTED SURPLUS		
Balance at beginning of year	27,191,660	5,831,660
Additional contribution during the year	74,120,000	21,360,000
Balance at end of year	101,311,660	27,191,660
REVALUATION INCREMENT IN LAND - note 13	4,879,000	4,879,000
REVALUATION RESERVE ON AFS		
FINANCIAL ASSETS - note 9		
Balance at beginning of year	(212,383)	(175,674)
Unrealized fair value gain (loss)	329,748	(36,709)
Balance at end of year	117,365	(212,383)
RETAINED EARNINGS		
Balance at beginning of year	59,127,846	54,223,253
Net income for the year	5,067,395	4,904,593
Balance at end of year	64,195,241	59,127,846
REMEASUREMENT GAIN (LOSS) ON RETIREMENT		
BENEFITS OBLIGATION - note 18		
Balance at beginning of year	4,002,828	4,140,125
Remeasurement loss on retirement benefits obligation	(1,163,433)	(137,297)
Balance at end of year	2,839,395	4,002,828
TOTAL EQUITY	₱423,342,661	₱344,988,951
<i>(The accompanying notes are an integral part of these financial statements.)</i>		
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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	1,230,988	146,366
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	212,383	175,674
NET INCREASE IN CASH AND CASH EQUIVALENTS	61,460,328	24,919,019
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	53,836,618	28,917,599
CASH AND CASH EQUIVALENTS AT END OF YEAR - note 4	₱115,296,946	₱53,836,618

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

(10,687,435.00) (8,634,785.00)