

TRAVELLERS INSURANCE & SURETY CORPORATION
Statements of Comprehensive Income

	Years Ended December 31	
	2014	2013
UNDERWRITING INCOME		
Gross premium earned	₱292,060,162	₱296,414,762
Premium ceded	(10,927,091)	(6,926,397)
Net premiums on insurance - note 21	281,133,071	289,488,365
Commission income	3,583,150	2,293,613
GROSS UNDERWRITING INCOME	284,716,221	291,781,978
INSURANCE BENEFITS AND CLAIMS - note 23	38,146,512	44,449,568
DIRECT UNDERWRITING COSTS - note 24	186,339,066	185,693,954
	224,485,578	230,143,522
NET UNDERWRITING INCOME	60,230,643	61,638,456
OPERATING EXPENSES - note 25	44,232,807	47,058,471
INCOME FROM OPERATIONS	15,997,836	14,579,985
INVESTMENT AND OTHER INCOME (CHARGES) - note 22	(8,350,268)	(2,712,151)
INCOME BEFORE TAX	7,647,568	11,867,834
INCOME TAX EXPENSE - note 26		
Current	1,063,206	948,660
Deferred	1,516,967	6,014,581
	2,580,173	6,963,241
NET INCOME FOR THE YEAR	5,067,395	4,904,593
OTHER COMPREHENSIVE INCOME		
Remeasurement loss on retirement benefits obligation (net of tax) - note 18	(1,163,433)	(137,297)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱3,903,962	₱4,767,296
<i>(The accompanying notes are an integral part of these financial statements.)</i>		
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	(44,232,807)	(47,058,471)
NET INCREASE IN CASH AND CASH EQUIVALENTS	17,015,138	(22,315,126)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	6,602,473	28,917,599
CASH AND CASH EQUIVALENTS AT END OF YEAR - note 4	₱23,617,611	₱ 6,602,473

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

(102,366,770.00) (55,868,930.00)