

**ANNUAL STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015 OF THE  
TRAVELLERS INSURANCE & SURETY CORPORATION**

**EXHIBIT III. STATEMENT OF UNDERWRITING AND INVESTMENT OPERATIONS**  
(Showing the Sources and Application of the Increase/Decrease in Net Worth During the Year)

|   | (Pesos)              | (Pesos)              | Gain (Loss)<br>in Surplus<br>(Pesos) |
|---|----------------------|----------------------|--------------------------------------|
| NET UNDERWRITING INCOME, Carried Forward  |                      |                      | 146,182,747.10                       |
| <b>C. INVESTMENT INCOME</b>   |                      |                      |                                      |
| 36 . Interest, Dividends, and Rent collected During the Year, p34, col. 3   | 6,185,855.70         |                      |                                      |
| 37 . Less: Interest, Dividends, and Rent Due and Accrued, Previous Year<br>per item 39, page 7 of Last Years Exhibit or p 34, col 4                                     | 152,714.75           |                      |                                      |
| 38 . BALANCE  | 6,033,140.95         |                      |                                      |
| 39 . Add: Interest, Dividends, and Rent Due and Accrued, Current Year, p34, col. 2  | 208,489.02           |                      |                                      |
| 40 . Add: Interest and Rent Paid in Advance, Previous Year  | 809,855.55           |                      |                                      |
| 41 . Less: Interest and Rent Paid in Advance, Current Year  | 662,063.12           |                      |                                      |
| 42 . Gross Interest, Dividends, and Rent Earned During the Year, per item 4, page 2   |                      | 6,389,422.40         |                                      |
| <b>D. INVESTMENT EXPENSES</b>   |                      |                      |                                      |
| 43 . Investment Expenses Paid During the Year   | 425,455.30           |                      |                                      |
| 44 . Add: Investment Expenses Unpaid December 31, of Current Year per page 5  |                      |                      |                                      |
| 45 . TOTAL  | 425,455.30           |                      |                                      |
| 46 . Less: Investment Expenses Unpaid December 31, of Previous Year per item<br>44 of Last Year's Exhibit, page 7   |                      |                      |                                      |
| 47 . Investment Expenses Incurred During the Year, item 4, page 3   |                      | 425,455.30           |                                      |
| 48 . Net Investment Income Earned During the Year   |                      |                      | 5,963,967.10                         |
| <b>E. GAIN ON INVESTMENTS</b>   |                      |                      |                                      |
| 49 . Gain from Sale of Investments, per item 14, page 2   |                      |                      |                                      |
| 50 . Gain from Increase in Book Value of Investments, per item 12, page 3   | 1,011,011.60         |                      |                                      |
| 51 . TOTAL, Gain on Investments   |                      |                      | 1,011,011.60                         |
| <b>F. LOSS ON INVESTMENTS</b>   |                      |                      |                                      |
| 52 . Loss from Sale of Investments, per item 14, page 3   |                      |                      |                                      |
| 53 . Loss from Decrease in Book Value of Investments per Item 15, page 3  |                      |                      |                                      |
| 54 . TOTAL, Loss on Investments   |                      |                      |                                      |
| <b>G. GENERAL, ADMINISTRATIVE AND OTHER OPERATING EXPENSES</b>  |                      |                      |                                      |
| 55 . General, Administrative and Other Operating Expenses Paid During the Year  |                      | 164,175,784.39       |                                      |
| 56 . Add: General Administrative and Other Operating Expenses Unpaid<br>December 31 of Current Year   |                      | 443,978.97           |                                      |
| 57 . TOTAL  |                      | 164,619,763.36       |                                      |
| 58 . Less: General, Administrative and Other Operating Expenses Unpaid December 31<br>Previous Year as per page 7, item 56 of Last Year's Exhibit                       |                      | 516,577.06           |                                      |
| 59 . General, Administrative and Other Operating Expenses Incurred During the Year  |                      |                      | (164,103,186.30)                     |
| 60 . Other Income/Miscellaneous   | 385,616.40           |                      | 385,616.40                           |
| 61 . Other Expenses   |                      |                      |                                      |
| 62 . TOTAL INVESTMENT INCOME AND EXPENSES, GAIN OR<br>LOSS ON INVESTMENTS, GENERAL, ADMINISTRATIVE AND<br>OTHER OPERATING EXPENSES, OTHER INCOME, AND<br>OTHER EXPENSES |                      |                      | (10,559,844.10)                      |
| <b>H. MISCELLANEOUS SECTION</b>   | (Gain in<br>Surplus) | (Loss in<br>Surplus) |                                      |
| 63 . Dividends Paid to Stockholders   |                      |                      |                                      |
| 64 . Remittances from Home Office   |                      |                      |                                      |
| 65 . Remittance to Home Office  |                      |                      |                                      |
| 66 . <u>In</u> crease in Paid-up Capital  | -                    |                      |                                      |
| 67 . <u>In</u> crease in Contributed Surplus  | 160,000,000.00       |                      |                                      |
| 68 . <u>De</u> crease in Assets not Admitted<br>Adjustment in previous year's retained earnings   | 4,158,818.29         |                      |                                      |
| 69 . Increase on Special Networth Account   |                      |                      |                                      |
| 70 . Income Taxes Incurred  |                      | 961,695.29           |                                      |
| 71 . Net from Item 63 to 70   |                      |                      | 163,197,123.00                       |
| 72 . TOTAL Gains and Losses in Surplus During the Year  |                      |                      | 152,637,278.90                       |
| 73 . NET WORTH December 31 of Previous Year,<br>item 41, page 5 of Last Year;s Exhibit  |                      |                      | 302,150,247.51                       |
| 74 . NET WORTH December 31 of Current Year, per<br>item 41, page 5  |                      | 454,787,526.41       |                                      |
| 75 . Increase in Net Worth During the Year<br>(enter in column to balance)  |                      |                      | 152,637,278.90                       |
| 76 . TOTALS   |                      | 454,787,526.41       | 454,787,526.41                       |