

LIBERTY INSURANCE CORPORATION
STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Cash and Cash Equivalents (Notes 4 and 23)	P54,126,472	P48,947,292
Short-term Investments (Note 5)	32,409,760	52,164,940
Insurance Receivables - net (Notes 6 and 23)	106,803,999	90,410,479
Financial Assets (Notes 7 and 23)		
Financial asset at fair value through profit and loss	3,701,244	3,780,336
Available-for-sale financial assets	77,620,691	70,532,848
Held-to-maturity investments	93,062,742	87,709,762
Loans and receivables	9,685,640	7,258,665
Reinsurance Assets (Notes 8 and 13)	25,351,321	19,297,774
Deferred Acquisition Costs (Note 9)	26,010,913	21,943,930
Investment Properties (Note 10)	135,637,388	135,637,388
Property and Equipment - net (Note 11)	15,454,429	11,626,013
Other Assets (Note 12)	9,776,980	4,458,330
	P589,641,579	P553,767,757
LIABILITIES AND EQUITY		
Liabilities		
Insurance contract liabilities (Notes 13 and 23)	P138,108,163	P124,937,663
Insurance payables (Notes 14 and 23)	12,402,452	7,860,271
Accounts payable and other liabilities (Notes 15 and 23)	20,364,369	41,825,232
Deferred reinsurance commissions (Note 9)	6,233,626	4,921,737
Net pension liability (Note 21)	5,479,841	1,519,185
Deferred tax liabilities - net (Note 22)	1,283,566	2,344,801
	183,872,017	183,408,889
Equity		
Capital stock (Note 16)	270,957,000	270,957,000
Additional paid-in capital	2,239	2,239
Deposits for future stock subscription (Note 16)	10,729,600	-
Other equity reserves (Notes 7 and 21)	(14,443,026)	(9,201,695)
Retained earnings	138,523,749	108,601,324
	405,769,562	370,358,868
	P589,641,579	P553,767,757

See accompanying Notes to Financial Statements.



LIBERTY INSURANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2016	2015
Gross earned premiums on insurance contracts	₱247,375,750	₱215,718,389
Reinsurers' share of gross earned premiums on insurance contracts	(78,478,208)	(70,936,539)
Net insurance earned premiums (Note 17)	168,897,542	144,781,850
Other underwriting income (Note 18)	23,136,591	24,476,335
Investment and other income (Note 18)	22,111,097	10,032,932
Commission income (Note 9)	10,375,491	9,114,994
Other revenue	55,623,179	43,624,261
Total Revenue	224,520,721	188,406,111
Gross insurance contract benefits and claims paid	72,608,415	50,085,241
Reinsurers' share of gross insurance contract benefits and claims paid	(25,744,465)	(9,023,887)
Gross change in insurance contract liabilities	(1,530,598)	(6,748,259)
Reinsurers' share of gross change in insurance contract liabilities	(1,816,151)	4,421,365
Net insurance benefits and claims (Notes 13, 19 and 23)	43,517,201	38,734,460
Commission expense (Note 9)	56,629,660	50,599,793
Operating expenses (Notes 20 and 21)	79,086,747	62,987,407
Impairment loss on available-for-sale financial assets (Note 7)	6,141,998	8,197,382
Fair value loss on financial asset through profit and loss	79,092	163,659
Others	1,026,334	401,081
Other expenses	142,963,831	122,349,321
Total Benefits, Claims and Other Expenses	186,481,032	161,083,782
Income before income tax	38,039,689	27,322,329
Current	5,772,492	8,549,210
Final	1,093,023	1,046,133
Deferred	1,251,749	(763,247)
Provision for income tax (Note 22)	8,117,264	8,832,096
NET INCOME (Note 25)	29,922,425	18,490,233
OTHER COMPREHENSIVE LOSS		
<i>Item that will not be reclassified to profit or loss</i>		
Actuarial loss on defined benefit plan (Note 20)	(7,709,952)	(5,626,035)
Income tax relating to actuarial loss	2,312,987	1,687,811
<i>Item that will be reclassified to profit or loss</i>		
Changes in fair value of available-for-sale financial assets (Note 7)	6,627,055	(3,215,685)
Realized gain transferred to profit or loss (Note 7)	(12,613,418)	(2,430,206)
Impairment losses (Note 7)	6,141,998	8,197,382
	(5,241,330)	(1,386,733)
TOTAL COMPREHENSIVE INCOME	₱24,681,095	₱17,103,500

See accompanying Notes to Financial Statements.



LIBERTY INSURANCE CORPORATION

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2016 and 2015

	Capital Stock (Note 16)	Additional Paid-in Capital	Deposits for Future Stock Subscriptions (Note 16)	Other Equity Reserves		Retained Earnings	Total
				Revaluation Reserve on Available-for- sale Financial Assets (Note 7)	Actuarial Gain on Defined Benefit Plan - Net of Tax (Note 21)		
As of January 1, 2016	₱270,957,000	₱2,239	₱-	(₱4,994,289)	(₱4,207,406)	₱108,601,324	₱370,358,868
Net income for the year	-	-	-	-	-	29,922,425	29,922,425
Other comprehensive income (loss)	-	-	-	155,635	(5,396,966)	-	(5,241,331)
Deposits for future stock subscription (Note 16)	-	-	10,729,600	-	-	-	10,729,600
As of December 31, 2016	₱270,957,000	₱2,239	₱10,729,600	(₱4,838,654)	(₱9,604,372)	₱138,523,749	₱405,769,562
As of January 1, 2015	₱270,955,000	₱2,239	₱-	(₱7,545,780)	(₱269,182)	₱90,111,091	₱353,253,368
Net income for the year	-	-	-	-	-	18,490,233	18,490,233
Other comprehensive income (loss)	-	-	-	2,551,491	(3,938,224)	-	(1,386,733)
Issuance of capital stock (Note 16)	2,000	-	-	-	-	-	2,000
As of December 31, 2015	₱270,957,000	₱2,239	₱-	(₱4,994,289)	(₱4,207,406)	₱108,601,324	₱370,358,868

See accompanying Notes to Financial Statements.



LIBERTY INSURANCE COPORATION
STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱38,039,689	₱27,322,329
Adjustments for:		
Depreciation and amortization (Notes 11 and 20)	3,692,442	3,409,639
Impairment loss on available-for-sale financial assets (Note 7)	6,141,998	8,197,382
Fair value loss on mutual fund (Note 7)	79,092	163,659
Gain on sale of:		
Available-for-sale financial assets (Note 18)	(12,613,418)	(2,430,206)
Property and Equipment (Note 11)	(630,000)	-
Dividend income (Note 18)	(2,768,112)	(2,002,307)
Interest income (Note 18)	(5,465,113)	(5,510,343)
Operating income before working capital changes	26,476,578	29,150,153
Decrease (increase) in:		
Insurance receivables	(16,393,520)	4,073,082
Reinsurance assets	(6,053,547)	475,141
Loans and receivables	(2,994,990)	2,484,112
Deferred acquisition costs	(4,066,983)	(2,015,966)
Other assets	(5,318,651)	5,173,003
Increase (decrease) in:		
Insurance contract liabilities	13,170,501	8,107,497
Insurance payables	4,542,181	(4,542,746)
Accounts payable and other liabilities	(24,974,370)	29,089,442
Deferred reinsurance commissions	1,311,889	1,301,955
Retirement benefit liability	(3,749,296)	(2,122,790)
Net cash from (used in) operations	(18,050,208)	71,172,883
Income tax paid	(3,352,008)	(2,713,657)
Net cash from (used in) operating activities	(21,402,216)	68,459,226
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Available-for-sale financial assets (Note 7)	(185,223,616)	(77,260,895)
Short-term investment	(32,409,760)	(52,164,940)
Held-to-maturity investments (Note 7)	(12,000,000)	(20,000,000)
Property and equipment (Note 11)	(7,578,029)	(6,823,497)
Financial asset at fair value through profit and loss	-	(3,943,995)
Proceeds from sale/maturities of:		
Available-for-sale financial assets (Note 7)	184,762,828	57,593,890
Short-term investments	52,164,940	13,563,686
Held-to-maturity investments (Note 7)	6,647,020	-
Property and equipment (Note 11)	687,169	1,789,447
Interest received	6,253,776	5,600,323
Dividends received	2,547,468	2,283,132
Net cash from (used in) investing activities	15,851,796	(79,362,849)

(Forward)



	Years Ended December 31	
	2016	2015
CASH FLOW FROM FINANCING ACTIVITY		
Proceeds from deposits for stock subscriptions (Note 16)	₱10,729,600	₱-
Proceeds from issuance of shares (Note 16)	-	2,000
Net cash from financing activity	10,729,600	2,000
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,179,180	(10,901,623)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	48,947,292	59,848,915
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱54,126,472	₱48,947,292

See accompanying Notes to Financial Statements.

