

## INDEPENDENT AUDITOR'S REPORT

**The Stockholders and the Board of Directors**  
WESTERN GUARANTY CORPORATION  
Suite 508 BPI Office Condominium Building,  
Plaza Cervantes, Binondo, Manila

### Report on the Financial Statements

We have audited the accompanying financial statements of WESTERN GUARANTY CORPORATION which comprise the statements of financial position as at December 31, 2014, and the statements of income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

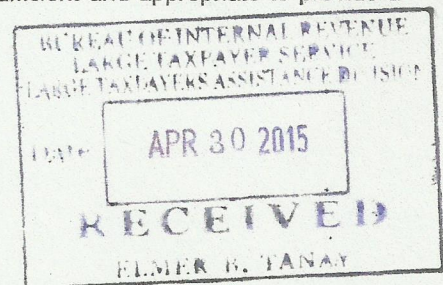
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence that we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



**Auditor's Opinion**

In our opinion, the financial statements present fairly, in all material respects the financial position of WESTERN GUARANTY CORPORATION as at December 31, 2014 and of its financial performance and its cash flows for the year then ended in accordance with Philippine Financial Reporting Standards.

**Other Matters**

The financial statements for the year ended December 31, 2013 has been audited by E. C. HALILI AND ASSOCIATES and has issued an unqualified opinion on those financial statements.

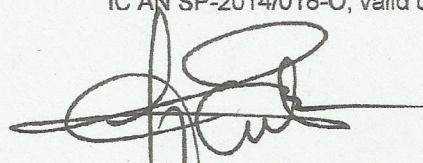
**Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes, duties and license fees in Note 19 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as whole.

**J.A. BANARIA AND COMPANY**

BOA AN 5447, valid until Dec. 31, 2015

IC AN SP-2014/018-O, valid until April 14, 2017



**JOJO J. DE QUITO**

Partner

PRO Lic. No. 114128, valid until Dec. 9, 2016

BIR AN 07-000716-1-2014, until Jan. 27, 2017

IC AN SP-2014/018-O, valid until April 14, 2017

PTR 0711270, January 21, 2015, Quezon City

April 20, 2015

