

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS	Notes		2020		2019
Cash and cash equivalents	8	P	85,453,158	P	63,447,238
Short-term investments	8		60,126,578		59,798,005
Financial assets	5,9				
Fair value through profit or loss (FVPL)			10,732,072		19,809,898
Available-for-sale (AFS)			321,982,568		298,732,900
Held-to-maturity (HTM)			705,438,303		714,630,606
Insurance balances receivable	10		9,284,924		18,368,012
Reinsurance assets	11		1,859,414		3,735,986
Investment property - net	12		26,228,000		26,228,000
Property and equipment - net	13		142,262,321		145,393,297
Deferred acquisition costs	14		15,613,540		23,530,916
Accrued investment income	15		5,484,365		8,669,785
Deferred tax assets	29		6,154,126		5,374,458
Other assets	16		590,421		1,124,366
TOTAL ASSETS		P	1,391,209,790	P	1,388,843,467
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LIABILITIES AND EQUITY					
Reserve for unearned premiums	17	P	71,709,765	P	100,670,967
Insurance claims payable	18		42,739,576		52,552,627
Accounts payable and accrued expenses	19		50,157,923		46,708,956
Reinsurance liabilities	20		6,348,697		7,560,452
Deferred commission income	14		428,671		883,579
Deferred tax liabilities	29		41,461,093		39,116,549
Total Liabilities			212,845,725		247,493,130
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EQUITY					
Share capital	21		250,000,000		250,000,000
Contributed surplus			33,000		33,000
Revaluation reserve on:					
Land and building - net of tax			103,697,440		105,639,244
AFS financial assets - net of tax	9		(14,978,093)		(1,448,317)
Retained earnings - December 31			839,611,718		787,126,410
Total Equity			1,178,364,065		1,141,350,337
TOTAL LIABILITIES AND EQUITY		P	1,391,209,790	P	1,388,843,467

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<i>Notes</i>	2020	2019
REVENUES			
Gross premiums earned	23 P	188,220,461	P 244,516,475
Reinsurance premium ceded	23	7,913,234	9,754,503
Net insurance revenue		180,307,227	234,761,972
Commission income	26	2,750,436	5,109,516
Interest income	24	45,393,208	50,818,683
Other investment income - net	24	17,485,709	15,455,741
		245,936,580	306,145,912
CLAIMS, LOSSES AND ADJUSTMENT EXPENSES			
Insurance claims, losses and adjustment expenses paid - net of salvages and recoveries	18,25	87,899,278	115,717,028
Paid insurance claims, losses and adjustment expenses recovered from reinsurers	18,25	(428,221)	(969,697)
Changes in insurance claims payable		(9,813,050)	(28,252,127)
Changes in reinsurers' share of claims, losses and adjustment expenses		-	(541,600)
Other underwriting expenses		179,829	95,732
		77,837,836	86,049,336
COSTS AND EXPENSES			
Commission expense	26	54,610,876	61,973,595
General and administrative expenses	27	50,204,733	62,364,320
		104,815,609	124,337,915
INCOME BEFORE INCOME TAX EXPENSE			
		63,283,135	95,758,661
INCOME TAX EXPENSE	29	12,863,578	25,086,364
PROFIT FOR THE YEAR	P	50,419,557	P 70,672,297

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<i>Notes</i>	2020	2019
PROFIT FOR THE YEAR		P 50,419,557	P 70,672,297
OTHER COMPREHENSIVE INCOME			
Amount to be reclassified to profit or loss in subsequent periods:			
Fair value changes in AFS investments - net of tax	9	(13,529,776)	9,251,082
TOTAL COMPREHENSIVE INCOME		P 36,889,781	P 79,923,379

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<i>Notes</i>	2020	2019
SHARE CAPITAL	<i>21</i> P	250,000,000 P	250,000,000
CONTRIBUTED SURPLUS		33,000	33,000
REVALUATION RESERVE			
Land		58,388,624	58,388,624
Building - net of tax			
Balance, January 1		47,250,620	49,192,424
Revaluation increment transferred to retained earnings		(1,941,804)	(1,941,804)
Balance, December 31		45,308,816	47,250,620
Available-for-sale financial assets - net of tax			
Balance, January 1		(1,448,317)	(10,699,399)
Changes in fair values	<i>9</i>	(13,529,776)	9,251,082
Balance, December 31		(14,978,093)	(1,448,317)
		88,719,347	104,190,927
RETAINED EARNINGS			
Balance, January 1		787,126,410	714,388,362
Revaluation reserve absorbed through depreciation		2,065,751	2,065,751
Profit for the year		50,419,557	70,672,297
Balance, December 31		839,611,718	787,126,410
		P 1,178,364,065 P	1,141,350,337

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<i>Notes</i>	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax expense	P	63,283,135	P 95,758,661
Adjustments for:			
Depreciation	13	3,183,033	3,344,834
Amortization of deferred acquisition cost - net	14	7,462,468	(2,708,145)
Increase/decrease in reserve for unearned premiums	23	(28,961,202)	2,684,301
Increase/decrease in reserve for reinsurance premium		1,335,096	783,087
Increase (decrease) in reinsurance recoverable on unpaid losses		564,802	(541,600)
(Gain) loss on sale of investment	24	(149,866)	5,343,793
Interest income	24	(45,393,208)	(50,818,683)
Dividend income	24	(14,975,483)	(11,223,434)
Operating Income (Loss) before Working Capital Changes		(13,651,225)	42,622,814
Decrease (Increase) in Operating Assets:			
Insurance balances receivable		9,083,088	(9,543,629)
Other assets		533,945	519,414
Increase (Decrease) in Operating Liabilities:			
Accounts payable and accrued expenses		938,221	(28,022,843)
Reinsurance liabilities		(1,211,755)	351,374
Insurance claims payable		(9,813,051)	(28,252,127)
Cash used in operations		(14,120,777)	(22,324,997)
Income taxes paid		(8,610,247)	(12,800,500)
Net Cash Used in Operating Activities		(22,731,023)	(35,125,497)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale/maturities of:			
Financial assets			
Short-term investments		59,798,005	45,046,227
Fair value through profit or loss	9	19,809,898	107,729,950
Available-for-sale	9	39,032,500	51,555,270
Held-to-maturity	9	173,039,769	72,822,441
Acquisitions of:			
Financial assets:			
Short-term investments		(60,126,578)	(26,125,730)
Fair value through profit or loss	9	(10,732,072)	(19,809,898)
Available-for-sale	9	(75,759,422)	(59,953,830)
Held-to-maturity	9	(164,139,577)	(179,238,840)
Property and equipment	13	(52,057)	(328,170)
Interest and dividend received		63,866,478	56,064,771
Net Cash Provided by Investing Activities		44,736,943	47,762,191
NET INCREASE IN CASH AND CASH EQUIVALENTS		22,005,920	12,636,694
CASH AND CASH EQUIVALENTS, JANUARY 1		63,447,238	50,810,544
CASH AND CASH EQUIVALENTS, DECEMBER 31	P	85,453,158	P 63,447,238

See accompanying notes to financial statements