

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

ASSETS	Notes		2021		2020
Cash and cash equivalents	8	P	125,514,935	P	85,453,158
Short-term investments	8		45,246,746		60,126,578
Financial assets	5,9				
Fair value through profit or loss (FVPL)			16,134,770		10,732,072
Available-for-sale (AFS)			386,571,131		321,982,568
Held-to-maturity (HTM)			663,891,554		705,438,303
Insurance balances receivable	10		9,259,858		9,284,924
Reinsurance assets	11		2,234,735		1,859,414
Investment property - net	12		26,228,000		26,228,000
Property and equipment - net	13		140,343,915		142,262,321
Deferred acquisition costs	14		15,063,571		15,613,540
Accrued investment income	15		4,561,542		5,484,365
Other assets	16		658,382		590,421
TOTAL ASSETS		P	1,435,709,139	P	1,385,055,664
LIABILITIES AND EQUITY					
Reserve for unearned premiums	17	P	65,561,519	P	71,709,765
Insurance claims payable	18		31,840,707		42,739,576
Accounts payable and accrued expenses	19		30,693,262		50,157,923
Reinsurance liabilities	20		5,085,684		6,348,697
Deferred commission income	14		500,823		428,671
Deferred tax liabilities	29		22,100,424		35,306,967
Total Liabilities			155,782,419		206,691,599
EQUITY					
Share capital	21		250,000,000		250,000,000
Contributed surplus			33,000		33,000
Revaluation reserve on:					
Land and building			106,800,752		103,697,440
AFS financial assets	9		9,243,136		(14,978,093)
Retained earnings - December 31			913,849,832		839,611,718
Total Equity			1,279,926,720		1,178,364,065
TOTAL LIABILITIES AND EQUITY		P	1,435,709,139	P	1,385,055,664

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<i>Notes</i>	2021	2020
REVENUES			
Gross premiums earned	23 P	169,480,499	P 188,220,461
Reinsurance premium ceded	23	7,478,540	7,913,234
Net insurance revenue		162,001,959	180,307,227
Commission income	26	2,726,187	2,750,436
Interest income	24	42,250,878	45,393,208
Other investment income - net	24	26,088,697	17,485,709
		233,067,721	245,936,580
CLAIMS, LOSSES AND ADJUSTMENT EXPENSES			
Insurance claims, losses and adjustment expenses paid - net of salvages and recoveries	18,25	71,144,509	87,899,278
Paid insurance claims, losses and adjustment expenses recovered from reinsurers	18,25	(684,016)	(428,221)
Changes in insurance claims payable		(10,898,870)	(9,813,050)
Other underwriting expenses		161,233	179,829
		59,722,857	77,837,836
COSTS AND EXPENSES			
Commission expense	26	46,002,372	54,610,876
General and administrative expenses	27	51,031,589	50,204,733
		97,033,962	104,815,609
INCOME BEFORE INCOME TAX EXPENSE		76,310,903	63,283,135
INCOME TAX EXPENSE	29	4,138,541	12,863,578
PROFIT FOR THE YEAR	P	72,172,363	P 50,419,557

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<i>Notes</i>	2021	2020
PROFIT FOR THE YEAR	P	72,172,363	P 50,419,557
OTHER COMPREHENSIVE INCOME			
Amount to be reclassified to profit or loss in subsequent periods:			
Fair value changes in AFS investments - net of tax	9	24,221,229	(13,529,776)
TOTAL COMPREHENSIVE INCOME	P	96,393,592	P 36,889,781

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<i>Notes</i>	2021	2020
SHARE CAPITAL	21 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		45,308,816	47,250,620
Effect of reduce tax rate		4,652,625	-
Revaluation increment transferred to retained earnings		(1,549,313)	(1,941,804)
Balance, December 31		48,412,128	45,308,816
Available-for-sale financial assets			
Balance, January 1		(14,978,093)	(1,448,317)
Changes in fair values	9	24,221,229	(13,529,776)
Balance, December 31		9,243,136	(14,978,093)
		116,043,888	88,719,347
RETAINED EARNINGS			
Balance, January 1		839,611,718	787,126,410
Revaluation reserve absorbed through depreciation		2,065,751	2,065,751
Profit for the year		72,172,363	50,419,557
Balance, December 31		913,849,832	839,611,718
	P	1,279,926,719 P	1,178,364,065

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax expense	P	76,310,903	P 63,283,135
Adjustments for:			
Depreciation	13	2,608,999	3,183,033
Amortization of deferred acquisition cost - net	14	622,121	7,462,468
Increase/decrease in reserve for unearned premiums	23	(6,148,246)	(28,961,202)
Increase/decrease in reserve for reinsurance premium		(119,526)	1,335,096
Increase (decrease) in reinsurance recoverable on unpaid losses		124	564,802
(Gain) loss on sale of investment	24	(3,300,804)	(149,866)
Interest income	24	(42,250,878)	(45,393,208)
Dividend income	24	(16,292,346)	(14,975,483)
Operating Income (Loss) before Working Capital Changes		11,430,345	(13,651,225)
Decrease (Increase) in Operating Assets:			
Insurance balances receivable		25,066	9,083,088
Reinsurance assets		(375,321)	-
Other assets		(67,961)	533,945
Increase (Decrease) in Operating Liabilities:			
Accounts payable and accrued expenses		(16,953,914)	938,221
Reinsurance liabilities		(1,263,013)	(1,211,755)
Insurance claims payable		(10,898,869)	(9,813,051)
Cash used in operations		(18,103,667)	(14,120,777)
Income taxes paid		(2,510,747)	(8,610,247)
Net Cash Used in Operating Activities		(20,614,414)	(22,731,023)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale/maturities of:			
Financial assets			
Short-term investments		60,126,578	59,798,005
Fair value through profit or loss	9	13,491,851	19,809,898
Available-for-sale	9	74,900,766	39,032,500
Held-to-maturity	9	152,468,084	173,039,769
Acquisitions of:			
Financial assets:			
Short-term investments		(45,246,746)	(60,126,578)
Fair value through profit or loss	9	(16,134,770)	(10,732,072)
Available-for-sale	9	(114,577,606)	(75,759,422)
Held-to-maturity	9	(123,410,000)	(164,139,577)
Property and equipment	13	(690,593)	(52,057)
Interest and dividend received		59,748,628	63,866,478
Net Cash Provided by Investing Activities		60,676,191	44,736,943
NET INCREASE IN CASH AND CASH EQUIVALENTS		40,061,777	22,005,920
CASH AND CASH EQUIVALENTS, JANUARY 1		85,453,158	63,447,238
CASH AND CASH EQUIVALENTS, DECEMBER 31	P	125,514,935	P 85,453,158

See accompanying notes to financial statements