

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2022 AND 2021

ASSETS	Notes		2022		2021
Cash and cash equivalents	8	P	59,419,304	P	125,514,935
Short-term investments	8		56,555,587		45,246,746
Financial assets	5,9				
Fair value through profit or loss (FVPL)			13,726,422		16,134,770
Available-for-sale (AFS)			342,824,601		386,571,131
Held-to-maturity (HTM)			770,174,252		663,891,554
Insurance balances receivable	10		7,033,044		9,259,858
Reinsurance assets	11		2,345,501		2,234,735
Investment property - net	12		87,315,000		26,228,000
Property and equipment - net	13		375,872,447		140,343,915
Deferred acquisition costs	14		13,576,853		15,063,571
Accrued investment income	15		4,329,327		4,561,542
Other assets	16		900,184		658,382
TOTAL ASSETS		P	1,734,072,522	P	1,435,709,139
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LIABILITIES AND EQUITY					
Reserve for unearned premiums	17	P	58,655,292	P	65,561,519
Insurance claims payable	18		18,965,170		31,840,707
Accounts payable and accrued expenses	19		33,259,395		30,693,120
Reinsurance liabilities	20		5,980,855		5,085,684
Deferred commission income	14		591,068		500,823
Deferred tax liabilities	29		107,115,596		22,100,424
Total Liabilities			224,567,376		155,782,277
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EQUITY					
Share capital	21		250,000,000		250,000,000
Contributed surplus			33,000		33,000
Revaluation reserve on:					
Land			188,200,739		58,388,624
Building			87,466,500		48,412,128
AFS financial assets	9		(22,093,110)		9,243,136
Retained earnings - December 31			1,005,898,017		913,849,974
Total Equity			1,509,505,146		1,279,926,862
TOTAL LIABILITIES AND EQUITY		P	1,734,072,522	P	1,435,709,139

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<i>Notes</i>	2022	2021
REVENUES			
Gross premiums earned	23	P 152,899,151	P 169,480,499
Reinsurance premium ceded	23	6,773,254	7,478,540
Net insurance revenue		146,125,897	162,001,959
Commission income	26	2,011,901	2,726,187
Interest income	24	35,087,768	42,250,878
Other investment income - net	24	70,772,802	26,088,697
		253,998,368	233,067,721
CLAIMS, LOSSES AND ADJUSTMENT EXPENSES			
Insurance claims, losses and adjustment expenses paid - net of salvages and recoveries	18,25	72,203,031	71,144,509
Paid insurance claims, losses and adjustment expenses recovered from reinsurers	18,25	(487,659)	(684,016)
Changes in insurance claims payable		(12,875,536)	(10,898,869)
Other underwriting expenses		229,420	161,232
		59,069,256	59,722,856
COSTS AND EXPENSES			
Commission expense	26	35,300,955	46,002,372
General and administrative expenses	27	50,788,732	51,031,589
		86,089,687	97,033,961
INCOME BEFORE INCOME TAX EXPENSE		108,839,425	76,310,904
INCOME TAX EXPENSE			
Current	29	10,328,032	11,333,746
Deferred	29	8,529,101	(7,195,347)
		18,857,133	4,138,399
PROFIT FOR THE YEAR	P	89,982,292	P 72,172,505

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<i>Notes</i>		2022		2021
SHARE CAPITAL	21	P	250,000,000	P	250,000,000
CONTRIBUTED SURPLUS			33,000		33,000
REVALUATION RESERVE					
Land - net of tax					
Balance, January			58,388,624		58,388,624
Revaluation increment			129,812,115		-
Balance, December 31			188,200,739		58,388,624
Building - net of tax					
Balance, January 1			48,412,128		45,308,816
Effect of reduce tax rate			-		4,652,625
Revaluation increment transferred to retained earnings			(1,549,313)		(1,549,313)
Revaluation increment			40,603,685		-
Balance, December 31			87,466,500		48,412,128
Available-for-sale financial assets					
Balance, January 1			9,243,136		(14,978,093)
Changes in fair values	9		(31,336,246)		24,221,229
Balance, December 31			(22,093,110)		9,243,136
			253,574,129		116,043,888
RETAINED EARNINGS					
Balance, January 1			913,849,974		839,611,718
Revaluation reserve absorbed through depreciation			2,065,751		2,065,751
Profit for the year			89,982,292		72,172,505
Balance, December 31			1,005,898,017		913,849,974
		P	1,509,505,146	P	1,279,926,862

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<i>Notes</i>	2022	2021
PROFIT FOR THE YEAR	P	89,982,292	P 72,172,505
OTHER COMPREHENSIVE INCOME			
Amount to be reclassified to profit or loss in subsequent periods:			
Fair value changes in AFS investments - net of tax	9	(31,336,246)	24,221,229
Revaluation increment on property and equipment - net of tax		170,415,800	-
TOTAL COMPREHENSIVE INCOME	P	229,061,846	P 96,393,734

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax expense		P 108,839,425	P 76,310,904
Adjustments for:			
Depreciation	13	2,812,100	2,608,999
Amortization of deferred acquisition cost - net	14	1,576,963	622,121
Decrease in reserve for unearned premiums	23	(7,213,351)	(6,148,246)
Provision for probable losses		-	879,196
Gain on sale of investment	24	(6,510,806)	(3,300,804)
Unrealized gain on fair value of investment property	12	(51,697,000)	-
Interest income	24	(35,087,768)	(42,250,878)
Dividend income	24	(8,399,980)	(16,292,346)
Operating Income (Loss) before Working Capital Changes		4,319,583	12,428,946
Decrease (Increase) in Operating Assets:			
Insurance balances receivable		2,226,814	25,066
Reinsurance assets		(110,766)	(1,254,517)
Other assets		901,081	1,173,866
Increase (Decrease) in Operating Liabilities:			
Accounts payable and accrued expenses		7,311,807	(24,180,474)
Reinsurance liabilities		895,171	(1,263,013)
Insurance claims payable		(12,875,537)	(10,898,869)
Cash provided by (used in) operations		2,668,153	(23,968,995)
Income taxes paid		(4,756,091)	(10,561,954)
Net Cash Used in Operating Activities		(2,087,938)	(34,530,949)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale/maturities of:			
Financial assets			
Short-term investments		45,246,746	128,103,978
Fair value through profit or loss		17,762,471	13,491,851
Available-for-sale		329,065,930	76,611,216
Held-to-maturity		180,029,330	164,674,168
Acquisitions of:			
Financial assets:			
Short-term investments		(56,555,587)	(113,224,146)
Fair value through profit or loss	9	(13,726,422)	(16,134,770)
Available-for-sale	9	(323,020,101)	(114,577,606)
Held-to-maturity	9	(286,312,028)	(123,410,000)
Property and equipment	13	(217,994)	(690,593)
Interest and dividend received		43,719,962	59,748,628
Net Cash Provided by (Used in) Investing Activities		(64,007,693)	74,592,726
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(66,095,631)	40,061,777
CASH AND CASH EQUIVALENTS, JANUARY 1		125,514,935	85,453,158
CASH AND CASH EQUIVALENTS, DECEMBER 31		P 59,419,304	P 125,514,935

See accompanying notes to financial statements