

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

ASSETS	Notes		2019	2018
Cash and cash equivalents	8	P	63,447,238	50,810,544
Short-term investments	8		59,798,005	78,718,502
Financial assets	5,9			
Fair value through profit or loss (FVPL)			19,809,898	107,729,950
Available-for-sale (AFS)			298,732,900	281,890,501
Held-to-maturity (HTM)			714,630,606	608,322,429
Insurance balances receivable	10		18,368,012	8,824,383
Reinsurance assets	11		3,735,986	3,977,473
Investment property- net	12		26,228,000	26,228,000
Property and equipment - net	13		145,393,297	148,409,961
Deferred acquisition costs	14		23,530,916	21,575,742
Accrued investment income	15		8,669,785	7,016,023
Deferred tax assets	29		5,374,458	8,431,994
Other assets	16		1,124,366	1,643,780
TOTAL ASSETS		P	1,388,843,467	P 1,353,579,282
LIABILITIES AND EQUITY				
Reserve for unearned premiums	17	P	100,670,967	P 97,986,666
Insurance claims payable	18		52,552,627	80,804,754
Accounts payable and accrued expenses	19		46,708,956	66,476,059
Reinsurance liabilities	20		7,560,452	7,209,078
Deferred commission income	14		883,579	1,636,550
Deferred tax liabilities	29		39,116,549	38,163,164
Total Liabilities			247,493,130	292,276,271
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			105,639,244	107,581,048
AFS financial assets - net of tax	9		(1,448,317)	(10,699,399)
Retained earnings - December 31			787,126,410	714,388,362
Total Equity			1,141,350,337	1,061,303,011
TOTAL LIABILITIES AND EQUITY		P	1,388,843,467	P 1,353,579,282

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<i>Notes</i>	2019	2018
REVENUES			
Gross premiums earned	23	P 244,516,475	P 254,581,046
Reinsurance premium ceded	23	9,754,503	10,116,252
Net insurance revenue		234,761,972	244,464,794
Commission income	26	5,109,516	2,457,007
Interest income	24	41,918,900	36,055,650
Other investment income - net	24	24,355,524	26,959,657
		306,145,912	309,937,108
CLAIMS, LOSSES AND ADJUSTMENT EXPENSES			
Insurance claims, losses and adjustment expenses paid- net of salvages and recoveries	18,25	115,717,028	132,037,932
Paid Insurance claims, losses and adjustment expenses recovered from reinsurers	18,25	(969,697)	(1,319,358)
Changes in insurance claims payable		(28,252,127)	(48,224,926)
Changes in reinsurers' share of claims, losses and adjustment expenses		(541,600)	-
Other underwriting expenses		95,732	111,810
		86,049,336	82,605,458
COSTS AND EXPENSES			
Commission expense	26	61,973,595	65,347,916
General and administrative expenses	27	62,364,320	61,888,849
		124,337,915	127,236,765
INCOME BEFORE INCOME TAX EXPENSE		95,758,661	100,094,885
INCOME TAX EXPENSE	29	25,086,364	21,848,221
PROFIT FOR THE YEAR		P 70,672,297	P 78,246,664

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<i>Notes</i>	2019	2018
PROFIT FOR THE YEAR		P 70,672,297	P 78,246,664
OTHER COMPREHENSIVE INCOME			
Amount to be reclassified to profit or loss in subsequent periods:			
Fair value changes in AFS investments - net of tax	9	9,251,082	(27,309,518)
TOTAL COMPREHENSIVE INCOME		P 79,923,379	P 50,937,146

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<i>Notes</i>	2019	2018
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		49,192,424	51,134,230
Revaluation increment recognized during the year		-	-
Revaluation increment absorbed through depreciation		(1,941,804)	(1,941,806)
Balance, December 31		47,250,620	49,192,424
Available-for-sale financial assets - net of tax			
Balance, January 1		(10,699,399)	16,610,119
Changes in fair values		9,251,082	(27,309,518)
Balance, December 31		(1,448,317)	(10,699,399)
		104,190,927	96,881,649
RETAINED EARNINGS			
Balance, January 1		714,388,362	634,075,947
Revaluation reserve absorbed through depreciation		2,065,751	2,065,751
Profit for the year		70,672,297	78,246,664
Balance, December 31		787,126,410	714,388,362
		P 1,141,350,338	P 1,061,303,011

See accompanying notes to financial statements

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	Notes	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax expense	P	95,758,661	P 100,094,885
Adjustments for:			
Depreciation	12,13	3,344,834	3,331,498
Amortization of deferred acquisition cost - net	14	(2,708,145)	7,218,324
Increase/decrease in reserve for unearned premiums	23	2,684,301	(8,577,237)
Increase/decrease in reserve for reinsurance premium		783,087	(328,199)
Increase in reinsurance recoverable on unpaid losses		(541,600)	-
Unrealized gain on foreign exchange		-	(290,618)
Gain on sale of AFS investment		911,986	(1,253,818)
Mark to market gain on FVPL investments	24	(4,009,565)	(2,693,141)
Interest income	24	(41,918,900)	(36,055,650)
Dividend income	24	(11,223,434)	(9,663,296)
Operating Income before Working Capital Changes		43,081,225	51,782,748
Decrease (Increase) in Operating Assets:			
Insurance balances receivable		(9,543,629)	3,565,348
Other assets		519,414	931,501
Increase (Decrease) in Operating Liabilities:			
Accounts payable and accrued expenses		(28,022,843)	(16,074,758)
Reinsurance liabilities		351,374	2,585,391
Insurance claims payable		(28,252,127)	(48,224,926)
Cash used in operations		(21,866,586)	(5,434,696)
Income taxes paid		(12,800,500)	(9,195,403)
Net Cash Used in Operating Activities		(34,667,086)	(14,630,099)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale/maturities of:			
Financial assets			
Short-term investments		45,046,227	84,667,115
Fair value through profit or loss		107,729,950	71,814,629
Available-for-sale		51,555,270	94,883,498
Held-to-maturity		72,822,441	15,700,000
Acquisitions of:			
Financial assets:			
Short-term investments		(26,125,730)	(77,007,470)
Fair value through profit or loss	9	(19,809,898)	(107,729,950)
Available-for-sale	9	(59,953,830)	(75,275,460)
Held-to-maturity	9	(179,238,840)	(65,800,000)
Property and equipment	13	(328,170)	(485,210)
Interest and dividend received		55,606,362	48,773,386
Net Cash Provided by (Used in) Investing Activities		47,303,781	(10,459,462)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		12,636,694	(25,089,561)
CASH AND CASH EQUIVALENTS, JANUARY 1		50,810,544	75,900,104
CASH AND CASH EQUIVALENTS, DECEMBER 31	P	63,447,238	P 50,810,544

See accompanying notes to financial statements