

PERLA COMPAÑIA DE SEGUROS, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit before income tax	P	70,142,396	P 58,941,667
Adjustments for:			
Depreciation	12,13	3,468,681	4,096,185
Amortization of deferred acquisition cost - net	14	2,052,759	570,773
Increase/decrease in reserve for unearned premiums	23	(5,967,577)	6,928,737
Unrealized loss (gain) on foreign exchange		421,761	(3,473,109)
Gain on sale of available-for-sale securities	24	(11,456,254)	(5,904,432)
Interest income	24	(34,291,751)	(28,330,123)
Dividend income	24	(8,264,102)	(3,730,259)
Operating Income before Working Capital Changes		16,105,913	29,099,439
Decrease (Increase) in Operating Assets:			
Insurance balances receivable		216,409	(718,469)
Reinsurance assets		1,427,546	19,328,158
Other assets		(366,352)	(154,110)
Increase (Decrease) in operating Liabilities:			
Accounts payable and accrued expenses		1,035,776	6,651,085
Reinsurance liabilities		1,767,871	(3,428,223)
Insurance claims payable		25,072,814	(4,722,105)
Cash provided by operations		45,259,977	46,055,775
Cash paid for income taxes		(4,376,401)	(8,573,990)
Net Cash Provided by Operating Activities		40,883,576	37,481,785
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale/maturities of:			
Financial assets			
Short-term investment		8,000,000	28,682,833
Available-for-sale		188,026,814	17,800,753
Held-to-maturity		4,958,256	30,073,782
Acquisitions of:			
Financial assets:			
Available-for-sale	9	(208,006,699)	(307,881,137)
Held-to-maturity	9	(75,158,256)	(88,334,634)
Property and equipment	13	(2,510,923)	(559,286)
Interest and dividend received		38,789,993	32,217,628
Net Cash Used in Investing Activities		(45,900,815)	(288,000,061)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	21	-	(25,000,000)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(5,017,239)	(275,518,276)
EFFECT OF EXCHANGE RATE CHANGES ON			
CASH AND CASH EQUIVALENTS		(509,699)	3,473,109
CASH AND CASH EQUIVALENTS, JANUARY 1		94,637,077	366,682,244
CASH AND CASH EQUIVALENTS, DECEMBER 31	P	89,110,139	P 94,637,077

See accompanying notes to financial statements