

**PERLA COMPAÑIA DE SEGUROS, INC.**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2015 AND 2014**

<b>ASSETS</b>	<b>Notes</b>	<b>2015</b>	<b>2014</b>
Cash and cash equivalents	8	P 91,844,298	89,110,139
Short-term investments	8	7,000,000	2,000,000
Financial assets	5,9		
Fair value through profit or loss		32,419,844	-
Available-for-sale (AFS)		484,907,369	483,924,151
Held-to-maturity (HTM)		353,112,844	320,719,724
Insurance balances receivable	10	6,924,596	6,906,379
Reinsurance assets	11	9,810,872	10,584,324
Investment property- net	12	2,445,050	3,110,186
Property and equipment - net	13	98,243,283	99,034,285
Deferred acquisition costs	14	35,996,021	37,310,724
Accrued investment income	15	4,812,995	4,368,706
Deferred tax assets	29	198,734	6,332,274
Other assets	16	1,930,155	1,070,041
<b>TOTAL ASSETS</b>		<b>P 1,129,646,061</b>	<b>P 1,064,470,933</b>

**LIABILITIES AND EQUITY**

Reserve for unearned premiums	17	P 141,344,616	P 136,646,963
Insurance claims payable	18	138,892,212	143,074,868
Accounts payable and accrued expenses	19	31,118,512	22,790,348
Reinsurance liabilities	20	10,365,177	8,730,705
Deferred commission income	14	2,629,252	2,689,281
Deferred tax liabilities	29	35,685,727	36,242,773
<b>Total Liabilities</b>		<b>360,035,496</b>	<b>350,174,938</b>

**EQUITY**

Share capital	21	250,000,000	250,000,000
Contributed surplus		33,000	33,000
Revaluation reserve on:			
Land - net of tax effect		58,388,624	58,388,624
AFS financial assets - net of tax effect	9	(1,377,648)	18,600,151
Retained earnings - December 31		462,566,589	387,274,220
<b>Total Equity</b>		<b>769,610,565</b>	<b>714,295,995</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P 1,129,646,061</b>	<b>P 1,064,470,933</b>

*See accompanying notes to financial statements*



**PERLA COMPAÑIA DE SEGUROS, INC.**  
**STATEMENTS OF INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<i>Notes</i>	<b>2015</b>	<b>2014</b>
<b>REVENUES</b>			
Gross premiums earned	23	<b>P 296,973,323</b>	P 297,179,925
Reinsurance premium ceded	23	<b>19,331,042</b>	22,560,692
Net insurance revenue		<b>277,642,281</b>	274,619,233
Commission income	26	<b>6,336,235</b>	6,974,018
Interest income	24	<b>33,170,523</b>	34,291,752
Other investment income - net	24	<b>22,431,325</b>	23,932,243
		<b>339,580,364</b>	339,817,246
<b>CLAIMS, LOSSES AND ADJUSTMENT EXPENSES</b>			
Insurance claims, losses and adjustment expenses paid- net of salvages and recoveries	18,25	<b>122,863,221</b>	108,522,771
Paid Insurance claims, losses and adjustment expenses recovered from reinsurers	18,25	<b>(2,787,587)</b>	(4,709,171)
Changes in insurance claims payable		<b>(4,182,655)</b>	25,072,814
Changes in reinsurers' share of claims, losses and adjustment expenses		<b>(924,598)</b>	1,482,521
Other underwriting expenses		<b>650,963</b>	933,215
		<b>115,619,344</b>	131,302,150
<b>COSTS AND EXPENSES</b>			
Commission expense		<b>75,333,706</b>	78,199,675
General and administrative expenses	27	<b>56,866,498</b>	60,173,025
		<b>132,200,204</b>	138,372,700
<b>INCOME BEFORE INCOME TAX</b>		<b>91,760,816</b>	70,142,396
<b>INCOME TAX EXPENSE</b>	29	<b>16,468,447</b>	8,960,958
<b>PROFIT FOR THE PERIOD</b>		<b>P 75,292,369</b>	P 61,181,438

*See accompanying notes to financial statements*





**PERLA COMPAÑIA DE SEGUROS, INC.**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<i>Notes</i>	<b>2015</b>	2014
<b>SHARE CAPITAL</b>	<i>21</i>	<b>P 250,000,000</b>	P 250,000,000
<b>CONTRIBUTED SURPLUS</b>		<b>33,000</b>	33,000
<b>REVALUATION RESERVE</b>			
<b>Land</b>		<b>58,388,624</b>	58,388,624
<b>Available-for-sale financial assets - net of tax</b>			
Balance, January 1	<i>21</i>	<b>18,600,151</b>	4,099,057
Changes in fair values		<b>(19,977,799)</b>	14,501,094
Balance, December 31		<b>(1,377,648)</b>	18,600,151
		<b>57,010,976</b>	76,988,775
<b>RETAINED EARNINGS</b>			
Balance, January 1		<b>387,274,220</b>	326,092,782
Profit for the period		<b>75,292,369</b>	61,181,438
Balance, December 31		<b>462,566,589</b>	387,274,220
		<b>P 769,610,565</b>	P 714,295,995

*See accompanying notes to financial statements*



**PERLA COMPAÑIA DE SEGUROS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<b>Notes</b>	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit before income tax	P	91,760,816	P 70,142,396
Adjustments for:			
Depreciation	12, 13	2,745,624	3,468,681
Amortization of deferred acquisition cost - net	14	1,254,674	2,052,759
Increase/decrease in reserve for unearned premiums	23	4,697,654	(5,967,577)
Unrealized loss (gain) on foreign exchange		(3,260,844)	421,761
Gain on sale of available-for-sale securities	24	(1,812,154)	(11,456,254)
Interest income	24	(33,170,523)	(34,291,752)
Dividend income	24	(11,834,819)	(8,264,102)
Operating Income before Working Capital Changes		50,380,428	16,105,913
Decrease (Increase) in Operating Assets:			
Insurance balances receivable		(18,218)	216,409
Reinsurance assets		773,452	1,427,546
Other assets		(860,114)	(366,352)
Increase (Decrease) in operating Liabilities:			
Accounts payable and accrued expenses		2,610,028	1,035,776
Reinsurance liabilities		1,634,473	1,767,871
Insurance claims payable		(4,182,656)	25,072,814
Cash provided by operations		50,337,393	45,259,977
Cash paid for income taxes		(4,362,275)	(4,376,401)
<b>Net Cash Provided by Operating Activities</b>		<b>45,975,118</b>	<b>40,883,576</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale/maturities of:			
Financial assets			
Short-term investment		(5,000,000)	8,000,000
Available-for-sale		208,269,096	188,026,814
Held-to-maturity		6,299,887	4,958,256
Acquisitions of:			
Financial assets:			
Fair value through profit or loss	9	(32,419,844)	-
Available-for-sale	9	(223,598,763)	(208,006,699)
Held-to-maturity	9	(39,540,001)	(75,158,256)
Property and equipment	13	(1,289,486)	(2,510,923)
Interest and dividend received		44,544,647	38,789,993
<b>Net Cash Used in Investing Activities</b>		<b>(42,734,464)</b>	<b>(45,900,815)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>3,240,654</b>	<b>(5,017,239)</b>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		<b>(506,495)</b>	<b>(509,699)</b>
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>		<b>89,110,139</b>	<b>94,637,077</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>P</b>	<b>91,844,298</b>	<b>P 89,110,139</b>

*See accompanying notes to financial statements*



**PERLA COMPAÑIA DE SEGUROS, INC.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<i>Notes</i>	<b>2015</b>	<b>2014</b>
<b>PROFIT FOR THE PERIOD</b>		<b>P 75,292,369</b>	<b>P 61,181,438</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Amount to be reclassified to profit or loss in subsequent periods:			
Fair value changes in AFS investments - net of tax		<b>(19,977,799)</b>	14,501,094
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>P 55,314,570</b>	<b>P 75,682,532</b>

*See accompanying notes to financial statements*