

AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF FINANCIAL POSITION
December 31, 2021 and 2020
(Amounts in Philippine Peso)

| | Note | 2021 | 2020 |
|--|--------|-----------------------|-----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 4 | 25,136,369 | 46,126,714 |
| Short-term investments | 5 | 1,955,000,000 | 2,095,000,000 |
| Receivables-net | 6 | 748,513,214 | 745,919,339 |
| Investment in bonds | 11 | 25,153,599 | 2,099,717,469 |
| Loans receivable-net | 7 | 802,424,421 | 145,368,663 |
| Real estate inventories-net | 8 | 3,651,734,018 | 3,677,325,680 |
| Other current assets | 9 | 14,429,489 | 19,903,088 |
| | | 7,222,391,110 | 8,829,360,953 |
| Non-current assets | | | |
| Loans receivable-net of current portion | 7 | 0 | 434,374,783 |
| Installment contracts receivable-net | 10 | 184,926,906 | 237,196,526 |
| Investment in bonds-net of current portion | 11 | 2,349,443,191 | 2,374,753,651 |
| Non-current investments | 12 | 21,567,062 | 27,546,087 |
| Advances to subsidiaries and associates-net | 13 | 6,080,407 | 5,525,407 |
| Investments in subsidiaries-net | 14 | 1,696,481,370 | 1,734,605,169 |
| Investments in real estate-net | 15 | 1,729,696,193 | 1,730,053,485 |
| Investment property-net | 16 | 19,374,979 | 19,630,979 |
| Property and equipment-net | 17 | 33,687,630 | 32,940,384 |
| Other non-current assets-net | 18 | 333,093,609 | 441,068,941 |
| | | 6,374,351,347 | 7,037,695,412 |
| TOTAL ASSETS | | 13,596,742,457 | 15,867,056,365 |
| LIABILITIES AND FUND EQUITY | | | |
| Current Liabilities | | | |
| Accounts payable and accrued expenses | 19, 27 | 506,211,654 | 694,699,197 |
| Members' contributions payable | 20 | 2,295,441,048 | 2,376,693,809 |
| Estimated liability on earnings of members' contributions | 21 | 941,071,664 | 951,971,791 |
| | | 3,742,724,366 | 4,023,364,797 |
| Non-Current Liabilities | | | |
| Members' contributions payable | 20 | 0 | 1,982,986,520 |
| Estimated liability on earnings of members' contributions | 21 | 0 | 441,456,269 |
| Deposits and other liabilities | 22 | 473,923,965 | 370,832,310 |
| | | 473,923,965 | 2,795,275,099 |
| TOTAL LIABILITIES | | 4,216,648,331 | 6,818,639,896 |
| FUND EQUITY | 23, 24 | 9,380,094,126 | 9,048,416,469 |
| TOTAL LIABILITIES AND FUND EQUITY | | 13,596,742,457 | 15,867,056,365 |

The Notes on pages 10 to 41 form part of these financial statements.

AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2021 and 2020
(Amounts in Philippine Peso)

| | Note | 2021 | 2020 |
|---|------|---------------------|--------------|
| REVENUES | | | |
| | 25 | | |
| Fund management operations | | 178,107,739 | 279,369,205 |
| Real estate rentals | | 132,581,494 | 131,664,187 |
| Lending operations | | 18,593,259 | 51,332,255 |
| Real estate operations | | 61,238,143 | (16,818,067) |
| Equity holdings in subsidiaries and associates | | (37,833,799) | 147,249,115 |
| | | 352,686,836 | 592,796,695 |
| INVESTMENT AND OPERATING EXPENSES | | | |
| Taxes and licenses | | 4,988,156 | 171,861 |
| Consultant and retainer fees | | 6,417,420 | 4,919,137 |
| Meetings and conferences | | 1,173,746 | 1,335,863 |
| Evaluation, legal and collection | | 523,744 | 421,907 |
| | | 13,103,066 | 6,848,768 |
| GENERAL AND ADMINISTRATIVE EXPENSES | | | |
| Salaries and employee benefits | | 60,310,168 | 61,211,281 |
| Utilities | | 3,363,175 | 3,522,214 |
| Depreciation and amortization | 26 | 118,399 | 1,148,801 |
| Repairs and maintenance | | 3,152,427 | 3,172,711 |
| Janitorial | | 1,869,531 | 2,017,742 |
| Supplies and materials | | 2,322,857 | 1,512,359 |
| SSS, Medicare and Pag-IBIG contributions | | 2,759,449 | 2,468,160 |
| Communication | | 1,535,790 | 1,335,925 |
| Transportation and travel | | 1,030,987 | 826,874 |
| Advertising and publications | | 62,961 | 51,710 |
| Insurance | | 304,550 | 197,272 |
| Miscellaneous | | 3,329,238 | 1,927,098 |
| | | 80,159,532 | 79,392,147 |
| TOTAL EXPENSES | | 93,262,598 | 86,240,915 |
| PROFIT FOR THE YEAR | | 259,424,238 | 506,555,780 |
| OTHER COMPREHENSIVE INCOME | | | |
| Unrealized income (loss) from financial assets at FVOCI | | (956,758) | (4,746,868) |
| TOTAL COMPREHENSIVE INCOME | | 258,467,480 | 501,808,912 |

The Notes on pages 10 to 41 form part of these financial statements.

AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2021 and 2020
(Amounts in Philippine Peso)

| | Cumulative Changes in Fair Value of Investments | Government Contribution | Retained Earnings | Total Fund Equity |
|-------------------------------------|--|------------------------------------|--------------------------|------------------------------|
| | Note 12 | Note 23, 24 | Note 24 | |
| Balance at January 1, 2021 | 9,079,228 | 200,000,000 | 8,839,337,241 | 9,048,416,469 |
| Comprehensive income for the year | (956,758) | | 259,424,238 | 258,467,480 |
| Correction of prior period errors | | | 73,210,177 | 73,210,177 |
| Balance at December 31, 2021 | 8,122,470 | 200,000,000 | 9,171,971,656 | 9,380,094,126 |
| Balance at January 1, 2020 | 13,826,096 | 200,000,000 | 8,230,226,686 | 8,444,052,782 |
| Comprehensive income for the year | (4,746,868) | | 506,555,780 | 501,808,912 |
| Correction of prior period errors | | | 102,554,775 | 102,554,775 |
| Balance at December 31, 2020 | 9,079,228 | 200,000,000 | 8,839,337,241 | 9,048,416,469 |

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AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2021 and 2020
(Amounts in Philippine Pesos)

| | Note | 2021 | 2020 |
|--|------|------------------------|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Proceeds from maturities of short-term investments - net | | 140,956,808 | 1,295,367,624 |
| Collection of Installment Contracts Receivables | | 146,002,264 | 447,870,622 |
| Collection of Rentals | | 110,333,218 | 105,368,988 |
| Collection of Interest on ICRs/STIs/LTIs/Advances | | 199,208,982 | 321,596,828 |
| Collection of deposits from real estate buyers and contractors | | 129,075,040 | 55,095,862 |
| Collection of Loans Receivables | | 2,675,748 | 5,218,630 |
| Collection of refunds from MERALCO | | 4,251,577 | 0 |
| Other Collections | | 5,350,786 | 6,127,949 |
| Payment of Salaries, Allowances and Other Benefits | | (61,908,953) | (60,720,255) |
| Advances for Operating Expenses/Employee Loans | | (5,322,581) | (4,668,941) |
| Payment of maintenance and other operating expenses | | (105,379,432) | (69,562,714) |
| Refunds/Others | | (21,460,468) | (17,027,701) |
| Net cash generated from operating activities | | 543,782,989 | 2,084,666,892 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Proceeds from maturities of long-term investments | | 2,099,969,658 | 2,099,953,060 |
| Collection from disposal of equity shares | | 17,132,048 | 156,780,000 |
| Collection of dividend from SUMSI | | 0 | 29,500,000 |
| Investment in long-term Treasury Bonds | | 0 | (1,499,139,936) |
| Acquisition of property and equipment | | (1,021,889) | (667,738) |
| Advances to Subsidiaries | | (217,500) | (447,887) |
| Net cash provided by investing activities | | 2,115,862,317 | 785,977,499 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Collection of Members' Contributions | | 0 | (2,080) |
| Refund of Members' Contributions | | (2,189,920,622) | (2,840,874,984) |
| Payment of interests on Members' Contributions | | (490,715,029) | (882,021,152) |
| Net cash used in financing activities | 30 | (2,680,635,651) | (3,722,898,216) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | | (20,990,345) | (852,253,826) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | | 46,126,714 | 898,380,540 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | 4 | 25,136,369 | 46,126,714 |

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