

AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF FINANCIAL POSITION
December 31, 2016 and 2015
(In Philippine Peso)

	Note	2016	2015 (As restated)
ASSETS			
Current Assets			
Cash and cash equivalents	4	588,792,349	117,322,398
Short-term investments - net	5	755,041,584	2,821,500,000
Receivables - net	6	515,522,168	186,044,246
Current portion of loans receivable	7	383,462,015	593,205,394
Other current assets	8	31,514,408	19,600,707
		2,274,332,524	3,737,672,745
Non-current Assets			
Non-current investments - net	9	21,919,222	21,457,295
Loans receivable - net	7	185,977,640	186,169,064
Installment contracts receivable - net	10	523,632,782	466,540,550
Advances to subsidiaries and associates - net	11	17,234,305	12,944,341
Investments in shares of stock - net	12	1,380,200,559	1,380,529,851
Investments in real estate - net	13	6,442,339,384	6,727,364,027
Investment property - net	14	20,654,979	20,910,979
Property and equipment - net	15	33,875,933	35,815,770
Investment in bonds	16	5,267,629,158	3,775,665,644
Other non-current assets - net	17	467,228,153	468,981,265
		14,360,692,115	13,096,378,786
TOTAL ASSETS		16,635,024,639	16,834,051,531
LIABILITIES AND FUND EQUITY			
Current Liabilities			
Accounts payable and accrued expenses	18	519,072,805	522,151,633
Members' contributions payable	19	610,693,433	483,278,323
Current portion of estimated liability on earnings of members' contributions	21	256,148,622	198,183,228
		1,385,914,860	1,203,613,184
Non-current Liabilities			
Members contributions payable, non-current	19	10,275,755,584	10,747,204,646
Estimated liability on earnings of members' contributions	21	3,506,953,048	3,726,897,750
Deposits and other liabilities	20	265,631,357	299,601,510
		14,048,339,989	14,773,703,906
Fund Equity	22,23	1,200,769,790	856,734,441
		1,200,769,790	856,734,441
TOTAL LIABILITIES AND FUND EQUITY		16,635,024,639	16,834,051,531

The Notes on pages 9 to 38 form part of these financial statements.

AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2016 and 2015
(In Philippine Peso)

	Note	2016	2015 (As restated)
REVENUE S			
Income (loss) from	24		
Fund management operations		195,273,705	182,490,222
Lending operations		50,259,318	44,226,915
Real estate rentals		135,151,398	120,701,789
Real estate operations		198,503,923	95,446,700
Equity holdings in subsidiaries and associates		2,252,119	1,137,943
		581,440,463	444,003,569
INVESTMENT AND OPERATING EXPENSE S			
Interest expense, members' contributions		169,391,214	643,600,040
Evaluation, legal and collection		71,485,439	1,101,911
Provision for probable losses		149,314	46,720,752
Meetings and conferences		3,094,198	2,869,795
Provision for decline in value of short-term investments		-	13,574,149
Consultant and retainer fees		2,196,681	1,786,537
Taxes and licenses		2,246,918	51,108
Membership relations and information		365,023	77,200
		248,928,787	709,781,492
GENERAL AND ADMINISTRATIVE EXPENSE S			
Salaries and employee benefits		85,921,842	73,113,858
Depreciation and amortization	25	5,104,284	6,079,989
Utilities		4,662,147	5,325,612
Transportation and travel		2,727,969	2,927,273
Repairs and maintenance		2,675,941	2,716,545
SSS, Medicare and Pag-IBIG contributions		2,160,197	2,298,427
Janitorial		2,134,934	2,354,702
Supplies and materials		2,093,957	2,218,811
Communication		1,474,252	1,492,066
Insurance		275,822	196,418
Advertising and publications		8,512	11,704
Miscellaneous		2,269,053	2,786,884
		111,508,910	101,522,289
TOTAL EXPENSE S		360,437,697	811,303,781
PROFIT (LOSS) FOR THE YEAR		221,002,766	(367,300,212)
OTHER COMPREHENSIVE INCOME			
Unrealized gains(loss) from available for sale		552,347	(6,386,441)
TOTAL COMPREHENSIVE INCOME		221,555,113	(373,686,653)

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AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2016 and 2015
(In Philippine Peso)

	Government Contribution	Members' Contributions	Unrealized Gains from Available-for- Sale	Retained Earnings	Total
Note	22	23	9		
Balance, December 31, 2015	200,000,000	10,747,204,646	-	997,231,502	11,944,436,148
Correction of prior period errors	-	(10,747,204,646)	16,566,522	16,623,070	(10,714,015,054)
As restated	200,000,000	-	16,566,522	1,013,854,572	1,230,421,094
Loss for the year	-	-	-	(367,300,212)	(367,300,212)
Decrease in the fair value of available-for-sale investments	-	-	(6,386,441)	-	(6,386,441)
Balance, December 31, 2015 as restated	200,000,000	-	10,180,081	646,554,360	856,734,441
Balance, December 31, 2015	200,000,000	-	10,180,081	646,554,360	856,734,441
Increase in the fair value of available-for-sale investments	-	-	552,347	-	552,347
Correction of prior period errors	-	-	-	122,480,236	122,480,236
Profit for the year	-	-	-	221,002,766	221,002,766
Balance, December 31, 2016	200,000,000	-	10,732,428	990,037,362	1,200,769,790

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AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015
(In Philippine Peso)

	Note	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		221,002,766	(367,300,212)
Adjustments:			
Depreciation and amortization		5,104,284	6,079,989
Equity in net earnings (losses) of subsidiaries and associates		2,252,119	1,137,944
Retained earnings, inappropriate adjustments		122,480,236	660,223,110
Interest income		(243,581,300)	(215,915,938)
Provisions and allowances:			
Decline in value of investments in shares of stock		-	13,466,402
Unrealized gain (loss) - available for sale		552,347	10,180,081
Doubtful accounts and probable losses		149,313	46,720,753
Operating income before working capital changes		107,959,765	154,591,129
Changes in operating assets and liabilities:			
Decrease (increase) in			
Short-term investments		2,065,996,489	(344,546,484)
Receivables		(319,085,786)	(45,229,922)
Loans receivable		209,785,489	(128,976,872)
Installment contracts receivable		(57,092,232)	(54,746,899)
Other current assets		(11,913,702)	5,045,780
		1,887,690,258	(568,454,397)
Increase (decrease) in			
Accounts payable and accrued expenses		(3,078,828)	(11,448,918)
Notes payable		-	(40,402,084)
Deposits and other liabilities		(33,970,152)	(2,255,643)
		(37,048,980)	(54,106,645)
Cash provided by (used) in operations		1,958,601,043	(467,969,913)
Interest received		233,189,164	210,056,231
Net cash provided by (used in) operating activities		2,191,790,207	(257,913,682)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(3,164,447)	(3,612,799)
Decrease (increase) in			
Advances to subsidiaries and associates - net		(4,289,964)	(30,963)
Investment in bonds and commercial papers		(1,491,963,514)	(802,610,180)
Investments in shares of stock - net		(1,922,826)	74,279,944
Investments in real estate - net		285,280,643	43,582,946
Other assets - net		1,753,113	1,163,320
Net cash used in investing activities		(1,214,306,995)	(687,227,732)
CASH FLOWS FROM FINANCING ACTIVITIES			
Members' contributions received		419,230,879	1,357,614,331
Refund of members' contributions		(763,264,832)	(445,541,482)
Payments of:			
Interest on members' contributions		(161,979,308)	(182,706,796)
Net cash provided by (used in) financing activities		(506,013,261)	729,366,053
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		471,469,951	(215,775,361)
CASH AND CASH EQUIVALENTS AT BEGINNING		117,322,398	333,097,759
CASH AND CASH EQUIVALENTS AT END	4	588,792,349	117,322,398

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