

AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM

STATEMENTS OF FINANCIAL POSITION

December 31, 2018 and 2017

(In Philippine Peso)

	Note	2018	2017 (As restated) Note 33	1 Jan 2017 (As restated) Note 33
ASSETS				
Current assets				
Cash and cash equivalents	4	162,050,572	41,756,480	588,792,349
Short-term investments	5	6,092,746,093	901,390,519	755,041,584
Receivables - net	6	572,914,307	539,483,183	515,522,168
Current portion of loans receivable	7	152,089,572	332,578,135	383,462,015
Real estate inventories - net	8	3,875,370,992	4,114,940,236	4,156,060,453
Other current assets	9	29,762,665	34,604,319	31,514,408
		10,884,934,201	5,964,752,872	6,430,392,977
Non-current assets				
Loans receivable - net	7	434,858,172	434,544,089	185,977,640
Installment contracts receivable - net	10	1,147,977,701	463,302,053	523,632,782
Investment in bonds	11	5,208,992,813	5,352,403,407	5,267,629,158
Non-current investments	12	12,301,405	24,653,413	21,919,222
Advances to subsidiaries and associates - net	13	17,550,480	17,504,305	17,234,305
Investments in subsidiaries - net	14	1,572,698,980	1,575,702,763	1,380,200,559
Investments in real estate - net	15	1,730,248,310	2,292,291,304	2,286,278,931
Investment property - net	16	20,142,979	20,398,979	20,654,979
Property and equipment - net	17	32,456,677	32,686,520	33,875,933
Other non-current assets - net	18	458,976,084	463,623,084	467,228,153
		10,636,203,601	10,677,109,917	10,204,631,662
TOTAL ASSETS		21,521,137,802	16,641,862,789	16,635,024,639
LIABILITIES AND FUND EQUITY				
Current Liabilities				
Accounts payable and accrued expenses	19	695,249,925	562,161,380	519,072,805
Members' contributions payable	20,24	3,105,136,462	528,933,535	610,693,433
Current portion of estimated liability on earnings of members' contributions	22	1,274,236,641	202,567,785	256,148,623
		5,074,623,028	1,293,662,700	1,385,914,861
Non-Current Liabilities				
Members' contributions payable, non-current	20,24	6,497,455,511	9,714,911,587	10,275,755,583
Estimated liability on earnings of members' contributions	22	1,941,450,236	3,285,718,884	3,506,953,048
Deposits and other liabilities	21	237,416,133	274,070,112	268,185,016
		8,676,321,880	13,274,700,583	14,050,893,647
Fund Equity	23	7,770,192,894	2,073,499,506	1,198,216,131
		7,770,192,894	2,073,499,506	1,198,216,131
TOTAL LIABILITIES AND FUND EQUITY		21,521,137,802	16,641,862,789	16,635,024,639
The Notes on pages 10 to 45 form part of these financial statements.				

AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2018 and 2017
(In Philippine Peso)

	Note	2018	2017 (As restated) Note 33
REVENUES			
Income from	25		
Real estate operations		5,301,691,669	142,574,690
Fund management operations		323,801,257	205,894,408
Real estate rentals		118,190,677	128,087,452
Lending operations		88,588,691	311,658,410
Equity holdings in subsidiaries and associates		6,376,717	211,779,867
		5,838,649,011	999,994,827
INVESTMENT AND OPERATING EXPENSES			
Taxes and licenses		5,073,138	4,145,849
Consultant and retainer fees		1,694,940	2,140,437
Meetings and conferences		1,724,305	1,426,158
Evaluation, legal and collection		1,253,204	754,244
Membership relations and information		7,062	68,306
		9,752,649	8,534,994
GENERAL AND ADMINISTRATIVE EXPENSES			
Salaries and employee benefits		99,645,953	82,448,947
Utilities		4,792,896	4,287,513
Depreciation and amortization	26	3,252,994	4,144,820
Repairs and maintenance		3,061,370	3,387,642
Janitorial		2,533,648	2,288,564
Supplies and materials		2,991,827	2,043,591
SSS, Medicare and Pag-IBIG contributions		2,252,601	2,000,412
Communication		1,582,108	1,379,151
Transportation and travel		1,257,372	1,348,724
Insurance		220,608	291,861
Advertising and publications		266,649	14,364
Miscellaneous		3,001,629	3,078,816
		124,859,655	106,714,405
TOTAL EXPENSES		134,612,304	115,249,400
PROFIT FOR THE YEAR		5,704,036,707	884,745,427
OTHER COMPREHENSIVE INCOME			
Unrealized loss from financial assets at FVOCI		(7,343,319)	(9,462,052)
TOTAL COMPREHENSIVE INCOME		5,696,693,388	875,283,375

The Notes on pages 10 to 45 form part of these financial statements

AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2018 and 2017
(In Philippine Peso)

	Cumulative changes in fair value of investments Note 12	Government contribution Note 23	Retained earnings Note 31	Total equity
Balance at January 1, 2018, as restated	1,270,376	200,000,000	1,872,229,130	2,073,499,506
Changes in equity for 2018				
Add/(Deduct):				
Comprehensive income for the year	(7,343,319)	-	5,704,036,707	5,696,693,388
Balance at December 31, 2018	(6,072,943)	200,000,000	7,576,265,837	7,770,192,894
Balance at January 1, 2017	10,732,428	200,000,000	987,483,703	1,198,216,131
Changes in equity for 2017				
Add/(Deduct):				
Correction of prior period errors	-	-	477,750,411	477,750,411
Comprehensive income for the year	(9,462,052)	-	406,995,016	397,532,964
Balance at December 31, 2017, as restated	1,270,376	200,000,000	1,872,229,130	2,073,499,506

The Notes on pages 10 to 45 form part of these financial statements.

AFP RETIREMENT AND SEPARATION BENEFITS SYSTEM
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2018 and 2017
(In Philippine Peso)

	Note	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		5,704,036,707	884,745,427
Adjustments:			
Depreciation and amortization		3,252,994	4,144,820
Equity in net earnings of subsidiaries and associates		6,376,717	211,779,867
Interest income		(410,553,343)	(255,590,695)
Provisions and allowances:			
Unrealized loss - FVOCI		(7,343,319)	(9,462,052)
Operating income before working capital changes		5,295,769,756	835,617,367
Changes in operating assets and liabilities:			
Decrease (increase) in:			
Short-term investments		(5,179,003,566)	(142,456,909)
Receivables		(10,544,453)	(15,596,798)
Loans receivable		(191,392,650)	(542,922,396)
Installment contracts receivable		(684,696,934)	60,330,729
Real estate inventories		239,569,244	41,120,217
Other current assets		4,841,653	(3,089,912)
		(5,821,226,706)	(602,615,069)
Increase (decrease) in:			
Accounts payable and accrued expenses		133,088,545	43,088,575
Deposits and other liabilities		(36,653,979)	5,885,096
		96,434,566	48,973,671
Cash used in operations		(429,022,384)	281,975,969
Interest received		387,666,673	247,226,478
Net cash provided by/(used in) operating activities		(41,355,711)	529,202,447
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(3,023,151)	(2,955,406)
Decrease (increase) in:			
Advances to subsidiaries and associates - net		(46,175)	(270,000)
Investment in bonds and commercial papers		143,410,594	(84,774,249)
Investments in subsidiaries - net		(3,372,935)	(413,908,287)
Investments in real estate - net		562,298,994	(5,756,373)
Other assets - net		4,647,000	3,605,069
Net cash provided by/(used in) investing activities		703,914,327	(504,059,246)
CASH FLOWS FROM FINANCING ACTIVITIES			
Members' contributions received		(326,653)	80,133
Refund of members' contributions		(382,020,571)	(404,477,542)
Payment of interest on members' contributions		(159,917,300)	(167,781,661)
Net cash used in financing activities		(542,264,524)	(572,179,070)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		120,294,092	(547,035,869)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		41,756,480	588,792,349
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	162,050,572	41,756,480

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