

**POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**

As of 31 December 2014

(With comparative figures for the year ended 31 December 2013)

(In Philippine Peso)

	Notes	2014	2013
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	56,472,579,385	84,142,523,199
Power receivables, net	5	58,598,023,104	70,145,689,944
Receivable from IPPAs	6	51,535,724,091	42,722,161,469
Universal Charge - SCC Receivable	7	18,699,744,333	16,937,822,333
Due from GOCCs and government agencies	8	74,460,176,753	94,488,275,461
Other receivables	9	4,440,646,861	4,444,511,936
Assets held for sale	10	-	19,589,256,605
Other current assets	11	11,623,166,681	11,601,340,258
<b>Total Current Assets</b>		<b>275,830,061,208</b>	<b>344,071,581,205</b>
<b>Non-Current Assets</b>			
Power receivables, net	5	20,380,271,852	19,294,762,325
Receivable from IPPAs	6	310,098,939,526	337,883,897,045
Universal Charge - SCC Receivable	7	15,706,541,667	29,169,291,667
Property and equipment, net	12	41,143,564,563	29,693,250,040
BOT Electric plants under capital lease, net	13	43,587,911,565	45,547,018,420
Investment in TransCo	14	219,887,823,482	222,085,518,926
Restricted Fund with the Bureau of Treasury	15	14,050,645,290	7,101,943,376
Other non-current assets	16	990,246,200	6,773,110,909
<b>Total Non-Current Assets</b>		<b>665,845,944,145</b>	<b>697,548,792,708</b>
<b>TOTAL ASSETS</b>		<b>941,676,005,353</b>	<b>1,041,620,373,913</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	17	23,398,065,433	28,875,946,720
BOT lease obligation	18	29,238,215,416	34,792,931,679
Current portion of long-term liabilities	20	22,473,954,861	20,342,593,636
Deferred Income from UC - SCC	19	13,462,750,000	13,462,750,000
Current portion of assumed Rural Electrification Program Loans	21	1,805,161,525	1,850,767,475
Due to TRANSCO	22	101,457,081,116	102,949,427,980
Due to GOCCs and government agencies	23	47,594,722,368	54,226,069,254
<b>Total Current Liabilities</b>		<b>239,429,950,719</b>	<b>256,500,486,744</b>
<b>Non-Current Liabilities</b>			
BOT lease obligation	18	228,968,953,797	254,865,465,868
Long-term liabilities	20	301,523,181,102	336,775,925,363
Deferred Income from UC - SCC	19	15,706,541,667	29,169,291,667
Other long-term liabilities	24	40,284,108,690	43,947,057,995
<b>Total Non-Current Liabilities</b>		<b>586,482,785,256</b>	<b>664,757,740,893</b>
<b>TOTAL LIABILITIES</b>		<b>825,912,735,975</b>	<b>921,258,227,637</b>
<b>EQUITY</b>			
Capital from asset-debt transfer		(13,045,091,352)	2,124,672,058
Appraisal capital		20,091,376,244	22,511,556,003
Retained earnings		108,716,984,486	95,725,918,215
<b>Total Equity</b>		<b>115,763,269,378</b>	<b>120,362,146,276</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>941,676,005,353</b>	<b>1,041,620,373,913</b>

**POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION****STATEMENT OF COMPREHENSIVE INCOME**

For the period ended 31 December 2014

(With comparative figures for the year ended 31 December 2013)

(In Philippine Peso)

	<i>Notes</i>	<b>2014</b>	<b>2013</b>
<b>INCOME</b>			
Sale/disposal of assets	31	15,040,023,727	80,574,868
Universal Charge - SCC	19	13,462,750,000	11,218,958,333
Dividend income	27	6,097,957,119	14,484,416,385
IPPA, net	30	3,109,294,400	3,670,839,388
Power generation, net	29	(4,155,574,999)	5,231,495,156
		<b>33,554,450,247</b>	<b>34,686,284,130</b>
<b>EXPENSES</b>			
<b>Personal Services</b>			
	32		
Salaries & wages		98,345,341	97,946,944
Personnel benefits contribution		13,195,180	12,888,122
Other compensation		21,685,342	20,392,969
Other personnel benefits		31,674,721	19,716,879
		<b>164,900,584</b>	<b>150,944,914</b>
<b>Maintenance and Other Operating Expenses</b>			
	33		
Professional services		51,469,999	44,968,381
Rent		21,253,227	19,357,540
Utilities		17,253,078	17,514,028
Subscription Expenses		16,060,673	18,124,591
Depreciation		14,713,415	14,322,461
Traveling expenses		14,256,722	10,232,600
Communication		8,291,965	6,455,680
Supplies & materials		7,455,190	8,225,876
Taxes, insurance premiums & other fees		7,001,079	60,062,715
Representation		5,903,177	6,083,316
Training and scholarship		3,849,076	3,257,856
Repairs & maintenance		2,567,252	3,741,203
Advertising expenses		1,845,777	3,201,350
Bad Debts		2,773,774,375	249,867,118
Other maintenance & operating expenses		24,832,872	22,554,241
		<b>2,970,527,875</b>	<b>487,968,955</b>
<b>INCOME FROM OPERATIONS BEFORE FINANCIAL EXPENSES</b>		<b>30,419,021,787</b>	<b>34,047,370,261</b>
<b>FINANCIAL EXPENSES</b>			
Interest expense		22,093,028,529	20,925,463,899
Financial charges		3,517,602,199	4,190,072,229
		<b>25,610,630,728</b>	<b>25,115,536,128</b>
<b>INCOME FROM OPERATIONS AFTER FINANCIAL EXPENSES</b>		<b>4,808,391,059</b>	<b>8,931,834,133</b>
<b>OTHER INCOME (LOSS)</b>			
	34		
Subsidy from National Government		7,282,049,993	8,134,690,381
Gain (loss) on foreign exchange		3,394,953,433	(18,077,556,739)
Interest income		1,057,917,096	863,130,274
Miscellaneous income		47,288,625	139,459,877
		<b>11,782,209,147</b>	<b>(8,940,276,207)</b>
<b>NET INCOME (LOSS)</b>		<b>16,590,600,206</b>	<b>(8,442,074)</b>

**POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION****STATEMENT OF CASH FLOWS**

For the period ended 31 December 2014

(With comparative figures for the year ended 31 December 2013)

(In Philippine Peso)

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Proceeds from privatization activities		
Collection of IPPA generation payments	30,972,498,224	34,778,594,302
Collection of IPPA monthly payments	26,361,238,350	24,577,377,555
Proceeds from sale of generation assets	20,125,486,985	109,326,490
Collection of concession for transmission assets	4,605,610,255	67,996,801,201
Collection of VAT from IPPA	3,447,358,303	
Consent fee from Pagbilao	144,000,000	
Collection of power receivables	46,136,575,146	52,838,014,184
Universal charge for stranded contract cost	11,700,828,000	7,743,886,000
Subsidy from NG - VAT deficiency	7,282,049,993	8,134,690,381
Receipt of interest income from placements/deposits	393,898,750	543,015,811
Receipt of PUC Escrow Fund from TransCo	520,702,687	
Receipt of TransCo remittance for ROW		513,698,781
Receipt of performance bonds/bid security	151,621,986	123,099,835
Other receipts & income	697,013,370	474,826,178
Payment of operating expenses		
Fuel	(39,409,851,804)	(39,162,733,992)
Purchased power	(31,114,998,869)	(33,215,894,742)
Other operating expenses	(1,428,831,658)	(2,047,223,621)
Remittance to BIR - withholding taxes	(3,617,542,901)	(3,733,608,860)
Transfer of fund to NPC for OMA working fund	(2,186,917,989)	(2,168,861,511)
Payment of real property tax, transfer tax, documentary stamps	(255,171,685)	(1,184,274,300)
Remittance of statutory deductions (personnel related)	(56,085,548)	(49,905,938)
Utilization of subsidy for VAT deficiency	(7,282,049,993)	(8,134,690,381)
Remittance to BIR for the 2013 VAT Assessment on IPPA transactions	(6,282,297,077)	
Transfer of fund to TransCo for ROW	(445,476,000)	(127,299,426)
Refund of performance bonds/contract retention	(93,077,954)	(35,699,771)
Net cash provided by operating activities	<b>60,366,580,571</b>	<b>107,973,138,177</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Receipt from the terminated collateral deposit	930,483,390	
Restricted Fund with the Bureau of Treasury	(6,948,701,914)	(7,101,943,376)
Capital expenditures	(636,476,254)	(18,457,390)
Net cash used by investing activities	<b>(6,654,694,778)</b>	<b>(7,120,400,766)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Remittance from DENR/NIA re Advances for SRMPP	6,858,000,000	6,916,000,000
NG advances for Casecanan HEP and debt service	2,261,733,394	2,828,613,893
Payment of lease obligation - BOT plants	(31,828,291,344)	(27,739,188,155)
Payment of principal debt	(17,135,127,083)	(16,642,993,296)
Prepayment of principal debt	(12,418,128,705)	
Payment of interest		
To creditors	(22,237,556,076)	(22,077,550,716)
To BIR (GRT, EWT and Final withholding tax)	(3,750,334,565)	(2,634,936,662)
Bond swap premium - principal only swap	(369,017,019)	(352,974,069)
Payment of assumed REP loans from NEA	(45,605,950)	(705,879,861)
Payment to BTr		
Dividends	(1,000,000,000)	(1,000,000,000)
Guaranty Fee	(1,500,000,000)	(1,000,000,000)
Payment of guaranty fee - ADB	(87,998,108)	(92,948,405)
Other loan-related expenses	(123,273,464)	(43,548,403)
Net cash used by financing activities	<b>(81,375,598,919)</b>	<b>(62,545,405,675)</b>
<b>EFFECT OF FOREIGN EXCHANGE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<b>(6,230,688)</b>	<b>115,782,123</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(27,669,943,814)</b>	<b>38,423,113,861</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>84,142,523,199</b>	<b>45,719,409,338</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>56,472,579,385</b>	<b>84,142,523,199</b>

**POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION**  
**STATEMENT OF CHANGES IN EQUITY**

For the period ended December 31, 2014

(With comparative figures for the year ended December 31, 2013)

(In Philippine Peso)

	<i>Notes</i>	<b>2014</b>	2013
<b>CAPITAL FROM ASSET-DEBT TRANSFER</b>			
<b>Balance, January 1</b>		<b>2,124,672,058</b>	23,660,980,308
Less: Adjustments	25	<b>(15,169,763,410)</b>	(21,536,308,250)
<b>Balance, End</b>		<b>(13,045,091,352)</b>	2,124,672,058
<b>APPRAISAL CAPITAL</b>			
<b>Balance, January 1</b>		<b>22,511,556,003</b>	24,931,735,762
Amortization and adjustment of Appraisal Capital		<b>(2,420,179,759)</b>	(2,420,179,759)
<b>Balance, End</b>		<b>20,091,376,244</b>	22,511,556,003
<b>RETAINED EARNINGS</b>			
<b>Balance, January 1</b>		<b>95,725,918,215</b>	109,283,187,539
<b>Net income(loss) from operations</b>		<b>16,590,600,206</b>	(8,442,074)
<b>Amortization of Appraisal Capital</b>		<b>2,420,179,759</b>	2,420,179,759
<b>Dividend to National Government</b>		<b>(1,000,000,000)</b>	(1,000,000,000)
<b>Prior year's adjustments</b>	26	<b>(5,019,713,694)</b>	(14,969,007,011)
<b>Balance, End</b>		<b>108,716,984,486</b>	95,725,918,215
<b>EQUITY</b>		<b>115,763,269,378</b>	120,362,146,276