

POWER SECTOR ASSETS AND LIABILITIES MANAGEMENT CORPORATION
STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2016
(In Philippine Peso)

| | |
|---|-----------------------|
| INCOME | |
| Universal Charge - SCC | 6,731,375,000 |
| IPPA, net | 5,375,265,974 |
| Dividend income | 1,960,719,919 |
| Power generation, net | (2,127,318,256) |
| Sale/disposal of assets | 6,072,347 |
| | 11,946,114,984 |
| EXPENSES | |
| Personal Services | |
| Salaries & wages | 44,502,053 |
| Personnel benefits contribution | 5,956,906 |
| Other compensation | 13,194,476 |
| Other personnel benefits | 666,684 |
| | 64,320,119 |
| Maintenance and Other Operating Expenses | |
| Taxes, insurance premiums & other fees | 21,116,688 |
| Professional services | 23,982,626 |
| Rent | 12,657,777 |
| Depreciation | 8,858,441 |
| Utilities | 8,605,749 |
| Communication | 2,850,181 |
| Representation | 3,194,222 |
| Traveling expenses | 5,315,637 |
| Supplies & materials | 2,433,771 |
| Training and scholarship | 2,426,042 |
| Subscription Expenses | 1,155,633 |
| Repairs & maintenance | 2,125,617 |
| Advertising expenses | 318,720 |
| Other maintenance & operating expenses | 980,828 |
| | 96,021,932 |
| INCOME FROM OPERATIONS BEFORE FINANCIAL EXPENSES | 11,785,772,933 |
| FINANCIAL EXPENSES | |
| Interest expense | 10,417,444,695 |
| Financial charges | 1,237,241,368 |
| | 11,654,686,063 |
| INCOME FROM OPERATIONS AFTER FINANCIAL EXPENSES | 131,086,870 |
| OTHER INCOME (LOSS) | |
| Gain (loss) on foreign exchange | (3,119,562,919) |
| Interest income | 385,668,926 |
| Subsidy from National Government | 1,827,776,453 |
| Miscellaneous income | 39,797,058 |
| | (866,320,482) |
| NET LOSS | (735,233,612) |

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

As of 30 June 2016

(In Philippine Peso)

ASSETS**Current Assets**

| | |
|--|------------------------|
| Cash and cash equivalents | 35,194,905,989 |
| Power receivables, net | 55,544,751,928 |
| Receivable from IPPAs | 40,180,945,196 |
| Universal Charge - SCC Receivable | 12,791,428,333 |
| Due from GOCCs and government agencies | 69,112,236,538 |
| Other receivables | 5,637,061,555 |
| Other current assets | 14,333,728,982 |
| Total Current Assets | 232,795,058,521 |

Non-Current Assets

| | |
|--|------------------------|
| Power receivables, net | 18,533,846,443 |
| Receivable from IPPAs | 287,698,388,356 |
| Universal Charge - SCC Receivable | 2,243,791,667 |
| Property and equipment, net | 27,810,286,461 |
| BOT Electric plants under capital lease, net | 40,649,251,283 |
| Investment in TransCo | 216,646,383,521 |
| Restricted Fund with the Bureau of Treasury | 8,665,982,971 |
| Other non-current assets | 18,232,817 |
| Total Non-Current Assets | 602,266,163,519 |

TOTAL ASSETS 835,061,222,040**LIABILITIES AND EQUITY****Current Liabilities**

| | |
|--|------------------------|
| Accounts payable and accrued expenses | 19,525,530,347 |
| BOT lease obligation | 16,864,756,691 |
| Current portion of long-term liabilities | 37,310,831,085 |
| Deferred Income from UC - SCC | 6,731,375,000 |
| Current portion of assumed Rural Electrification Program Loans | 1,805,161,525 |
| Due to TRANSCO | 105,215,784,593 |
| Due to GOCCs and government agencies | 42,017,544,432 |
| Total Current Liabilities | 229,470,983,673 |

Non-Current Liabilities

| | |
|--------------------------------------|------------------------|
| BOT lease obligation | 214,299,116,283 |
| Long-term liabilities | 269,513,415,265 |
| Deferred Income from UC - SCC | 2,243,791,667 |
| Other long-term liabilities | 37,044,710,455 |
| Total Non-Current Liabilities | 523,101,033,670 |

TOTAL LIABILITIES 752,572,017,343**EQUITY**

| | |
|----------------------------------|-----------------------|
| Capital from asset-debt transfer | (15,823,860,734) |
| Appraisal capital | 13,204,383,714 |
| Retained earnings | 85,108,681,717 |
| Total Equity | 82,489,204,697 |

TOTAL LIABILITIES AND EQUITY 835,061,222,040

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

For the quarter ended 30 June 2016

(In Philippine Peso)

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|--|------------------|
| Proceeds from privatization activities | |
| Collection of IPPA generation payments | 17,911,168,613 |
| Collection of IPPA monthly payments | 15,462,391,763 |
| Collection of concession fees for transmission assets | 1,775,991,061 |
| Collection of VAT from IPPA | 1,311,640,733 |
| Proceeds from sale of generation assets | 220,127,999 |
| Proceeds from other priva-related assets | 5,999,580 |
| Collection of power receivables | 9,742,144,274 |
| Universal charge for stranded contract cost | 6,719,287,000 |
| Subsidy from NG - VAT deficiency | 1,827,776,453 |
| Receipt of interest income from placements/deposits | 235,408,300 |
| Interest, net - forfeited SPPC performance bond | 2,034,805 |
| Receipt of performance bonds/bid security | 13,180 |
| Other receipts & income | 4,930,671 |
| Payment of operating expenses | |
| Purchased power | (15,598,678,814) |
| Fuel | (10,888,462,603) |
| Remittance to BIR - withholding taxes | (1,980,570,679) |
| Transfer of fund to NPC for OMA working fund | (1,331,121,772) |
| Other operating expenses | (597,574,259) |
| Payment of real property tax and transfer tax | (146,833,722) |
| Remittance of statutory deductions (personnel related) | (21,835,018) |
| Increase in input tax | (1,827,776,453) |
| Remittance to BIR for the 2012 VAT Assessment | (800,000,000) |
| Refund of performance bonds/contract retention | (4,217,354) |
| Restricted fund from the forfeited SPPC performance bond | (2,034,805) |
| Net cash provided by operating activities | 22,019,808,953 |

CASH FLOWS FROM INVESTING ACTIVITIES

| | |
|---|---------------|
| Restricted Fund with the Bureau of Treasury | (609,860,414) |
| Capital expenditures | (70,217,412) |
| Net cash used by investing activities | (680,077,826) |

CASH FLOWS FROM FINANCING ACTIVITIES

| | |
|---|------------------|
| Remittance from DENR re Advances for SRMPP | 596,170,000 |
| Payment of lease obligation - BOT plants | (12,852,421,425) |
| Payment of principal debt | (1,143,132,921) |
| Payment of interest | |
| To creditors | (8,942,876,354) |
| To BIR (GRT, EWT and Final withholding tax) | (556,623,356) |
| Bond swap premium - principal only swap | (194,482,224) |
| Payment of guaranty fee - ADB | (48,622,980) |
| Other loan-related expenses | (22,909,776) |
| Net cash used by financing activities | (23,164,899,036) |

| | |
|--|------------------------|
| EFFECT OF FOREIGN EXCHANGE CHANGES ON CASH AND CASH EQUIVALENTS | 33,627,486 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (1,791,540,423) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 36,986,446,412 |
| CASH AND CASH EQUIVALENTS AT END OF THE QUARTER | 35,194,905,989 |