

**GOVERNMENT SERVICE INSURANCE SYSTEM**  
**STATEMENTS OF FINANCIAL POSITION**  
AS AT DECEMBER 31, 2018 AND 2017  
(In Philippine Peso)

	Note	2018	2017 (As restated) Note 35	January 1, 2017 (As restated) Note 35
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	5	16,207,288,179	25,062,126,607	15,678,182,636
Financial assets	6	224,378,931,066	689,841,422,039	604,763,226,648
Other investments	8	-	9,102,243,398	28,000,000,000
Receivables	9	79,553,500,061	77,021,983,870	74,287,586,498
Inventories	10	5,451,411	9,027,256	12,393,948
Other current assets	14	10,540,984	5,051,145	5,051,145
<b>Total current assets</b>		<b>320,155,711,701</b>	<b>801,041,854,315</b>	<b>722,746,440,875</b>
<b>Non-current assets</b>				
Financial assets	6	454,679,639,874	806,286,682	804,898,002
Investments in associates/affiliates	7	2,018,138,514	2,141,512,694	2,101,863,033
Receivables	9	238,531,821,077	216,968,507,973	207,295,677,056
Investment property	11	99,105,453,902	66,409,206,283	62,967,730,517
Property, plant and equipment	12	18,940,856,882	11,700,644,141	12,110,961,901
Intangible assets	13	167,107,525	259,409,028	301,485,102
Other non-current assets	14	745,195,905	700,198,264	699,119,955
<b>Total non-current assets</b>		<b>814,188,213,679</b>	<b>298,985,765,065</b>	<b>286,281,735,566</b>
<b>TOTAL ASSETS</b>		<b>1,134,343,925,380</b>	<b>1,100,027,619,380</b>	<b>1,009,028,176,441</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Financial liabilities	15	15,971,995,007	14,440,266,561	17,887,488,241
Inter-agency payables	16	5,341,545	70,806,701	1,165,089
Deferred credits/unearned income	17	1,976,301,653	1,416,392,693	1,814,894,821
Provisions	18	830,398,823	656,108,237	605,086,209
Other payables	19	2,130,539,907	1,633,974,231	1,626,362,056
<b>Total current liabilities</b>		<b>20,914,576,935</b>	<b>18,217,548,423</b>	<b>21,934,996,416</b>
<b>Non-current liabilities</b>				
Trust liabilities	20	704,569,177	769,498,149	1,025,939,026
Provisions	18	131,995,000	139,200,000	132,200,000
<b>Total non-current liabilities</b>		<b>836,564,177</b>	<b>908,698,149</b>	<b>1,158,139,026</b>
<b>TOTAL LIABILITIES</b>		<b>21,751,141,112</b>	<b>19,126,246,572</b>	<b>23,093,135,442</b>
<b>EQUITY</b>				
Revaluation surplus		15,758,575,337	8,176,862,837	8,176,862,837
Retained earnings	21	1,136,566,303,865	1,072,630,616,992	977,667,986,461
Cumulative changes in fair value		(39,732,094,934)	93,892,979	90,191,701
<b>TOTAL EQUITY</b>		<b>1,112,592,784,268</b>	<b>1,080,901,372,808</b>	<b>985,935,040,999</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,134,343,925,380</b>	<b>1,100,027,619,380</b>	<b>1,009,028,176,441</b>

*The Notes on pages 9 to 87 form part of these financial statements.*

**GOVERNMENT SERVICE INSURANCE SYSTEM**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017  
(In Philippine Peso)

	Note	2018	2017 (As restated) Note 35
<b>INCOME</b>			
Service and business income	22	178,454,961,798	162,568,353,795
Gains	23	163,298,904,341	111,864,658,777
Other non-operating income	24	6,496,036,834	1,011,517,814
<b>TOTAL INCOME</b>		<b>348,249,902,973</b>	<b>275,444,530,386</b>
<b>EXPENSES</b>			
Maintenance and other operating expenses	25	(109,425,347,261)	(98,710,111,544)
Personnel services	26	(5,069,351,234)	(3,745,505,613)
Financial expenses	27	(103,286,940)	(123,143,251)
Non-cash expenses	28	(169,627,166,031)	(77,817,772,197)
<b>TOTAL EXPENSES</b>		<b>(284,225,151,466)</b>	<b>(180,396,532,605)</b>
<b>PROFIT BEFORE TAX</b>		<b>64,024,751,507</b>	<b>95,047,997,781</b>
Income tax expenses		-	-
<b>PROFIT AFTER TAX</b>		<b>64,024,751,507</b>	<b>95,047,997,781</b>
Net financial assistance/subsidy/contribution	29	(76,064,634)	(80,751,900)
<b>NET INCOME</b>		<b>63,948,686,873</b>	<b>94,967,245,881</b>
<b>OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>	30		
Changes in fair value of investments		(39,825,987,913)	3,701,278
Revaluation surplus		7,581,712,500	-
<b>TOTAL OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD</b>		<b>(32,244,275,413)</b>	<b>3,701,278</b>
<b>COMPREHENSIVE INCOME</b>		<b>31,704,411,460</b>	<b>94,970,947,159</b>

*The Notes on pages 9 to 87 form part of these financial statements.*

**GOVERNMENT SERVICE INSURANCE SYSTEM**  
**STATEMENTS OF CHANGES IN EQUITY**  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017  
(In Philippine Peso)

	Note	Cumulative changes in fair value of investments	Revaluation surplus	Retained earnings	Total
<b>BALANCE AT JANUARY 1, 2017</b>		-	8,176,862,837	1,001,898,472,685	1,010,075,335,522
<b>ADJUSTMENTS:</b>	34				
Add/(Deduct):					
Changes in accounting policy		90,191,701	-	-	90,191,701
Prior period errors		-	-	(714,896,793)	(714,896,793)
Other adjustments		-	-	(23,515,589,431)	(23,515,589,431)
<b>RESTATED BALANCE AT JANUARY 1, 2017</b>		90,191,701	8,176,862,837	977,667,986,461	985,935,040,999
<b>CHANGES IN EQUITY FOR 2017</b>					
Add/(Deduct):					
Comprehensive income for the year		3,701,278	-	94,967,245,881	94,970,947,159
Dividends		-	-	(4,615,350)	(4,615,350)
<b>BALANCE AT DECEMBER 31, 2017</b>		93,892,979	8,176,862,837	1,072,630,616,992	1,080,901,372,808
<b>CHANGES IN EQUITY FOR 2018</b>					
Add/(Deduct):					
Comprehensive income for the year		<b>(39,825,987,913)</b>	<b>7,581,712,500</b>	<b>63,948,686,873</b>	31,704,411,460
Dividends		-	-	<b>(13,000,000)</b>	(13,000,000)
<b>BALANCE AT DECEMBER 31, 2018</b>		<b>(39,732,094,934)</b>	<b>15,758,575,337</b>	<b>1,136,566,303,865</b>	<b>1,112,592,784,268</b>

*The Notes on pages 9 to 87 form part of these financial statements.*

**GOVERNMENT SERVICE INSURANCE SYSTEM**  
**STATEMENTS OF CASH FLOWS**  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017  
(In Philippine Peso)

	Note	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Cash inflows</b>			
Collection of revenue		121,777,310,669	107,232,875,957
Collection of receivables		1,014,038,565	1,048,667,029
Trust receipts		320,657,829	492,942,365
Receipt of inter-agency fund transfers		126,729,240	82,692,503
Other receipts		166,038,258	52,129,374
<b>Total cash inflows</b>		<b>123,404,774,561</b>	<b>108,909,307,228</b>
Adjustments		632,221,747	50,435,272
<b>Adjusted cash inflows</b>		<b>124,036,996,308</b>	<b>108,959,742,500</b>
<b>Cash outflows</b>			
Payment of accounts payable		105,169,612,495	97,272,693,541
Payment of expenses		3,686,949,269	3,122,543,770
Remittance of personnel benefit contributions and mandatory deductions		2,840,214,296	2,327,065,002
Purchase of inventories		90,319,945	74,457,732
Grant of financial assistance/subsidy/contribution		60,563,925	52,885,200
Other disbursements		612,731,076	1,218,880,271
<b>Total cash outflows</b>		<b>112,460,391,006</b>	<b>104,068,525,516</b>
Adjustments		50,435,272	33,675,602
<b>Adjusted cash outflows</b>		<b>112,510,826,278</b>	<b>104,102,201,118</b>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		<b>11,526,170,030</b>	<b>4,857,541,382</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Cash inflows</b>			
Collection of long-term loans		173,107,442,405	126,809,892,412
Proceeds from matured investments/redemption of long-term investments/return on investments		143,109,576,782	85,071,691,479
Receipt of interest earned		56,521,028,242	47,234,864,177
Sale of investments		25,641,818,385	29,298,144,747
Receipt of cash dividends		4,294,323,881	3,679,300,912
Proceeds from sale/disposal of investment property		112,859,675	70,705,834
<b>Total cash inflows</b>		<b>402,787,049,370</b>	<b>292,164,599,561</b>
<b>Cash outflows</b>			
Purchase/acquisition of investments		216,143,366,394	154,977,887,351
Grant of loans		207,449,599,385	132,402,171,622
Purchase/construction of property, plant and equipment		174,613,029	296,922,477
<b>Total cash outflows</b>		<b>423,767,578,808</b>	<b>287,676,981,450</b>
<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>		<b>(20,980,529,438)</b>	<b>4,487,618,111</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(9,454,359,408)</b>	<b>9,345,159,493</b>
Effects of exchange rate changes on cash and cash Equivalents		599,520,980	38,784,478
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>		<b>25,062,126,607</b>	<b>15,678,182,636</b>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	5	<b>16,207,288,179</b>	<b>25,062,126,607</b>

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