

Part II

Corporate Operating Budget

Table 1.1.a
NATIONAL ELECTRIFICATION ADMINISTRATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2026

I. CORPORATE OBJECTIVES

Intensify implementation of total electrification on Electric Cooperatives (ECs) coverage area and promote inclusive development through Rural Electrification.

II. CORPORATE PRIORITIES

To pursue the policy of the state to attain sustainable development in the rural areas by total electrification program and bring electricity through the ECs as its implementing arm.

III. MAJOR PROGRAMS AND PROJECTS

1. Complete the National Rural Electrification Program;
2. Carry out rural development program through Rural Electrification Program;
3. Establish credit facility to finance and help the ECs to construct, acquire, own, operate and maintain generating facilities through renewable energy projects pursuant to Section 9 of R.A. No. 10531 or the NEA Reform Act; and
4. Intensify implementation of household electrification.

Table 1.1.b
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF FINANCIAL POSITION, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
ASSETS				
Current Assets	13,420,991	14,489,476	11,524,859	10,746,961
Cash and Cash Equivalents	6,514,804	6,081,467	6,624,058	6,171,783
Loans Receivables	1,908,719	1,884,339	1,872,557	1,868,659
Other Receivables	4,991,466	6,516,868	3,022,842	2,700,317
Inventories	2,826	3,826	3,026	4,026
Other Assets	3,176	2,976	2,376	2,176
Non-Current Assets	9,295,248	10,201,181	10,005,655	10,901,624
Long Term Loans Receivable	9,098,294	9,877,778	9,682,252	10,585,770
Property, Plant and Equipment	184,042	309,991	309,991	301,942
Other Assets	12,912	13,412	13,412	13,912
TOTAL ASSETS	22,716,239	24,690,657	21,530,514	21,648,585
LIABILITIES				
Current Liabilities	10,887,970	12,631,571	9,017,479	8,797,844
Financial Liabilities	68,051	68,022	67,851	67,651
Inter-Agency Payables	8,207,440	9,815,084	6,206,301	5,878,133
Trust Liabilities	2,528,466	2,664,952	2,651,216	2,776,175
Provisions	82,864	82,664	91,062	74,936
Other Payables	1,149	849	1,049	949
Non-Current Liabilities	789,431	789,431	722,112	722,112
Financial Liabilities	70,677	70,577	3,258	3,158
Deferred Credits	718,754	718,854	718,854	718,954
TOTAL LIABILITIES	11,677,401	13,421,002	9,739,591	9,519,956
TOTAL EQUITY	11,038,838	11,269,655	11,790,923	12,128,629
TOTAL LIABILITIES AND EQUITY	22,716,239	24,690,657	21,530,514	21,648,585

Table 1.1.c
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
I. REVENUES				
Service and Business Income	640,605	672,704	666,704	730,022
Other Revenues	26,936	2,615	8,615	8,641
TOTAL REVENUES	667,541	675,319	675,319	738,663
II. OPERATING EXPENSES				
Personnel Services	365,139	413,060	413,060	442,610
Maintenance and Other Operating Expenses	154,824	208,669	208,669	224,366
Financial Expenses	17	100	100	100
Non-Cash Expenses				
Depreciation/Bad Debts/Amortization/Others	32,221	41,144	41,144	60,379
TOTAL OPERATING EXPENSES	552,201	662,973	662,973	727,455
III. NET PROFIT/(LOSS) BEFORE FOREX GAIN	115,340	12,346	12,346	11,208
IV. FOREX DIFFERENTIAL-GAIN (LOSS)	-	-	-	-
V. NET PROFIT/(LOSS) AFTER FOREX GAIN	115,340	12,346	12,346	11,208
VI. OTHER INCOME	-	-	-	-
Gain / Loss on Sale of Disposed Assets	-	-	-	-
VII. INCOME TAX	27,334	3,704	3,704	3,362
VIII. NET PROFIT/(LOSS) AFTER INCOME TAX	88,006	8,642	8,642	7,846
Subsidies from the National Government	4,001,430	5,870,787	5,075,787	5,637,038
IX. NET PROFIT AND SUBSIDIES	4,089,436	5,879,429	5,084,429	5,644,884

Table 1.1.d
NATIONAL ELECTRIFICATION ADMINISTRATION
STAFFING SUMMARY, FYs 2024-2026
(In Thousand Pesos, Except No. of Positions)

POSITION	2024 AUDITED		2025				2026 PROPOSED	
			GAA		ESTIMATES			
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions								
Top Two Corporate Positions								
Administrator	1	3,825	1	3,825	1	3,825	1	3,919
Deputy Administrator	4	11,406	4	11,405	4	11,405	6	17,259
Management/Executive Group	17	26,791	18	28,882	18	28,882	21	35,000
Supervisory Group	18	21,049	25	29,620	25	29,620	31	37,144
Professional/Technical Group (High Level)	78	65,911	86	86,620	86	86,620	90	82,126
Professional/Technical Group (Entry Level)	98	53,856	91	52,482	91	52,482	89	49,871
Technical Support	54	19,435	57	23,595	57	23,595	70	27,601
Administrative/Others	58	12,870	58	15,091	58	15,091	40	10,026
TOTAL	328	215,143	340	251,520	340	251,520	348	262,946

Table 1.1.e
NATIONAL ELECTRIFICATION ADMINISTRATION
DETAILS OF PERSONNEL SERVICES, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
MANDATORIES	266,832	312,278	312,278	327,734
Salaries	215,143	251,520	251,520	262,946
Representation and Transportation Allowance	6,834	8,976	8,976	9,996
Personnel Economic Relief Allowance	7,298	8,160	8,160	8,352
Mid-year Bonus	17,603	20,961	20,961	22,350
Year-end Bonus and Cash Gift	19,954	22,661	22,661	24,090
FIXED EXPENDITURES	32,204	37,202	37,202	39,533
Pag-IBIG Contributions	700	816	816	835
Retirement and Life Insurance Premium	26,174	30,184	30,184	32,185
Health Insurance Premium	4,962	5,794	5,794	6,095
Employees' Compensation Insurance Premium	368	408	408	418
OTHER COMPENSATION	51,779	405,999	68,830	407,253
Per Diem of Members of the Board	2,232	3,072	3,072	3,072
Special Counsel Allowance	-	2,340	2,340	1,080
Loyalty Pay	615	120	120	20
Clothing/Uniform Allowance	2,135	2,380	2,380	2,436
Overtime Pay	4,137	3,329	3,329	2,320
Performance-Based Bonus	9,833	12,382	12,382	12,660
Performance-Based Incentive	329	2,016	2,016	960
Productivity Enhancement Incentive	1,506	1,700	1,700	1,740
Collective Negotiation Agreement Incentive	9,130	-	-	-
Anniversary Incentive	849	-	-	-
PRAISE Incentive	6,285	3,000	3,000	3,000
Honoraria	378	1,388	1,388	-
Monetization of Leave Credits	8,336	30,303	30,303	32,314
Service Recognition Incentive	6,014	-	-	-
Separation Benefits	-	337,169	-	337,169
Medical Allowance	-	6,800	6,800	2,436
Provident Fund	-	-	-	8,046
TERMINAL AND RETIREMENT BENEFITS	15,304	53,971	53,971	21,440
Terminal Leave Benefits	15,304	53,971	53,971	21,440
COMPENSATION ADJUSTMENT	-	-	-	58,220
GRAND TOTAL	366,119	809,450	472,281	854,180

Table 1.1.f
NATIONAL ELECTRIFICATION ADMINISTRATION
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
Travelling Expenses	18,238	26,000	26,000	30,000
Training and Seminar Expenses	13,302	20,000	20,000	20,000
Supplies and Materials	7,829	12,279	12,279	12,279
Gasoline, Oil and Lubricants	2,713	4,000	4,000	4,000
Water, Illumination and Power Service	10,322	13,500	13,500	13,500
Communication Expenses	4,307	8,550	8,550	8,603
Representation Expenses	1,818	3,350	3,350	3,300
Extraordinary and Miscellaneous Expenses	611	798	798	798
Professional Services	62,639	89,007	89,007	93,265
Repair and Maintenance	11,725	9,000	9,000	17,500
Taxes, Duties and Fees, Insurance Premiums	8,223	4,880	4,880	4,900
Corporate Income Tax	27,271	30,053	27,334	35,062
Advertising Expense	-	300	300	260
Printing and Binding Expenses	367	550	550	550
Rent/Lease Expense	1,259	2,000	2,000	2,000
Subscription Expenses	8,733	10,300	10,300	9,206
Dividends	45,330	47,052	51,657	54,938
Other Maintenance and Operating Expenses	2,738	4,155	4,155	4,205
Financial Expense	17	100	100	100
Grant/Subsidies	3,053,555	5,084,672	5,084,672	5,642,339
Depreciation	32,221	41,144	41,144	60,379
TOTAL MAINTENANCE AND OTHER OPERATING EXPENSES	3,313,218	5,411,690	5,413,576	6,017,184

Table 1.1.g
NATIONAL ELECTRIFICATION ADMINISTRATION
DETAILS OF CAPITAL OUTLAYS, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
Loans Outlay	1,809,189	2,095,000	2,095,000	2,610,000
Office Furniture, Fixtures and Equipment Outlay	4,401	4,367	4,367	7,900
Transportation Equipment Outlay	5,601	10,000	10,000	9,710
Information Technology Equipment Outlay	29,579	148,942	148,942	30,822
TOTAL CAPITAL OUTLAYS	1,848,770	2,258,309	2,258,309	2,658,432

Table 1.1.h
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF CASH FLOWS, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
Cash flows from operating activities				
Collection of loans receivables	1,838,191	1,900,029	2,107,337	2,318,539
Receipt of government subsidy	4,001,430	5,075,787	5,075,787	5,637,038
Refund of subsidies from Electric Cooperatives	774,562	-	-	-
Collection of Other Receivables	107,315	122,750	122,750	124,959
Receipt of Trust Liabilities	986,257	-	-	-
Other cash receipts	466,865	111,402	111,402	126,606
Payment for Personnel Services	(341,326)	(472,281)	(472,281)	(517,011)
Payment for Maintenance and Other Operating Expenses	(118,437)	(208,669)	(208,669)	(224,366)
Payment of Financial Expense	(18)	(100)	(100)	(100)
Release of loans to Electric Cooperatives	(1,809,189)	(2,095,000)	(2,095,000)	(2,610,000)
Grant of Subsidies	(3,021,741)	(5,084,672)	(5,084,672)	(5,642,339)
Payment for accounts payable	(43,992)	-	-	-
Remittance of Corporate Income Tax	(25,382)	(30,053)	(27,334)	(35,062)
Return of Subsidies	-	-	-	-
Money Claim and Backwages	-	(337,169)	-	(337,169)
Other cash payments	(320,913)	-	-	-
Net cash flow from operating activities	2,493,622	(1,017,976)	(470,780)	(1,158,905)
Cash flows from investing activities				
Purchase of property, plant and equipment	(39,581)	(163,309)	(163,309)	(48,432)
Net cash flow from investing activities	(39,581)	(163,309)	(163,309)	(48,432)
Cash flows from financing activities				
Increase in Equity	470,000	795,000	795,000	810,000
Remittance of Dividend to National Government	(45,330)	(47,052)	(51,657)	(54,938)
Net cash flow from financing activities	424,670	747,948	743,343	755,062
Net increase/(decrease) in cash and cash equivalents	2,878,711	(433,337)	109,254	(452,275)
Cash and cash equivalents, beginning of the year	3,636,093	6,514,804	6,514,804	6,624,058
Cash and cash equivalents, end of the year	6,514,804	6,081,467	6,624,058	6,171,783

Table 1.1.i
NATIONAL ELECTRIFICATION ADMINISTRATION
USES OF FUNDS By Expense Class, FYs 2024 to 2026
(In Thousand Pesos)

PARTICULARS	2024 Actual				2025 GAA				2026 Proposed			
	PS	MOOE ^{a/}	CO	TOTAL	PS	MOOE ^{a/}	CO	TOTAL	PS	MOOE ^{a/}	CO	TOTAL
NATIONAL GOVERNMENT SUPPORT	-	3,053,555	470,000	3,523,555	-	5,084,672	795,000	5,879,672	-	5,642,339	810,000	6,452,339
1. General Administration and Support	-	-	-	-	-	-	-	-	-	-	-	-
2. Support to Operations	-	-	-	-	-	-	-	-	-	-	-	-
3. Operations	-	-	-	-	-	-	-	-	-	-	-	-
National Rural Electrification Program	-	3,053,555	-	3,053,555	-	5,084,672	-	5,084,672	-	5,634,200	-	5,634,200
Loans to Electric Cooperatives	-	-	470,000	470,000	-	-	795,000	795,000	-	-	810,000	810,000
4. Prior Years' Subsidy	-	-	-	-	-	-	-	-	-	8,139	-	8,139
CORPORATE FUNDS	361,611	501,973	1,378,770	2,242,354	809,450	285,874	1,463,309	2,558,633	854,180	314,466	1,848,432	3,017,078
1. General Administration and Support	361,611	501,973	-	863,584	809,450	285,874	-	1,095,324	854,180	314,466	-	1,168,646
2. Support to Operations	-	-	39,581	39,581	-	-	163,309	163,309	-	-	48,432	48,432
3. Operations	-	-	-	-	-	-	-	-	-	-	-	-
National Rural Electrification Program	-	-	-	-	-	-	-	-	-	-	-	-
Loans to Electric Cooperatives	-	-	1,339,189	1,339,189	-	-	1,300,000	1,300,000	-	-	1,800,000	1,800,000
GRAND TOTAL	361,611	3,555,528	1,848,770	5,765,909	809,450	5,370,546	2,258,309	8,438,305	854,180	5,956,805	2,658,432	9,469,417

a/ Net of depreciation expense

**NATIONAL ELECTRIFICATION ADMINISTRATION
CORPORATE OPERATING BUDGET
SPECIAL PROVISIONS**

1. Approval of the FY 2026 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638. The FY 2026 Corporate Operating Budget (COB) of the NEA is hereby approved by the Congress of the Philippines pursuant to Section 13, Chapter III of R.A. No. 7638.

2. Acquisition of Equipment. The acquisition of equipment included in the approved COB shall be subject to the provisions of Corporate Budget Circular No. 17 dated February 9, 1996, A.O. No. 14 dated December 10, 2018, B.C. No. 2022-1 dated February 11, 2022, B.C. No. 2022-1A dated March 1, 2023, and other guidelines issued thereon.

3. Payment of Compensation and Benefits. Payment of salaries, allowances, and other benefits shall be in accordance with applicable laws, rules, and regulations such as, but not limited, to P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999, Memorandum Order No. 20, s. 2001, E.O. No. 150, s. 2021, and such other guidelines issued by the GCG.

4. Payment of Terminal Leave Benefits. Payment of terminal leave benefits shall be computed in accordance with the rates, conditions, and procedure prescribed under applicable laws and guidelines issued thereon.

The amount of Twenty One Million Four Hundred Forty Thousand Pesos (P21,440,000) shall be used exclusively for the payment of terminal leave benefits to the affected NEA personnel.

5. Budget Flexibility. The NEA Board of Administrators is authorized to modify programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the deficiencies which may arise from factors beyond the NEA's control such as, but not be limited to: (i) currency depreciation; (ii) inflation; (iii) change in interest rates; (iv) change in programs or projects; and (v) change in schedule of project implementation.

In the exercise of said authority, the NEA shall observe the following limitations:

- (a) No acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses; and
- (b) Personnel Services allocation in the approved COB shall not be augmented by new funding sources, which shall include, but not limited to, MOOE and Capital Outlays.

6. Augmentation Beyond Approved Corporate Operating Budget. The NEA Board of Administrators is authorized to augment and disburse funds beyond the total amount approved in this Act for the continuous implementation of the Strategized Rural Electrification and Operational Reliability for Electric Cooperatives Projects, and the rehabilitation, repair or reconstruction of distribution facilities damaged by natural and human-induced calamities. The funds shall be sourced from new funding sources as certified by the Chief Accountant and Administrator of NEA.

In no case shall Personnel Services allocation be augmented beyond the total amount approved in this Act.

7. Remittance of Cash Dividends. Cash dividends equivalent to at least fifty percent (50%) of the annual net earnings of the NEA shall be deposited with the National Treasury as income of the General Fund pursuant to R.A. No. 7656.

8. Audit of Government Funds. Government funds authorized herein to be invested as equity by the corporation to its subsidiaries, as well as the grant of subsidy, loan contribution or any kind of financial assistance to end-user entities both in the private or public sector, shall be subject to audit by the COA pursuant to the provisions of P.D. No. 1445, as amended.

9. Transparency Seal. To enhance transparency and enforce accountability, and promote systematized access to government information, the NEA shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following:

- (a) corporation's mandate and functions, names of its officials with their position and designation, and its contact information;
- (b) approved COB and corresponding targets including any amount of budgetary support from the National Government;
- (c) budgetary adjustment;
- (d) annual procurement plan/s and contracts awarded with the winning supplier, contractor, or consultant;
- (e) major programs or projects and their target beneficiaries;
- (f) status of implementation, evaluation, or assessment reports of said programs or projects;
- (g) all subsidy and assistance programs of the government, including details on the manner of the execution, the amounts allocated, and relevant data of the target beneficiaries subject to R.A. No. 10173 or the Data Privacy Act;
- (h) Budget and Financial Accountability Reports;
- (i) Updated People's Freedom of Information (FOI) Manual signed by head of agency, Updated One-Page FOI Manual, and Agency FOI Reports;
- (j) year-end financial reports for the last three (3) fiscal years;
- (k) particulars of concessions, permits, or authorizations granted by NEA, subject to R.A. No. 10173 or the Data Privacy Act; and
- (l) current news and updated events conducted by NEA.

NEA shall ensure that the content posted under the Transparency Seal is regularly reviewed, updated, and maintained using internal systems and procedures that support accountability, data integrity, and operational efficiency.

The Administrator of the NEA and its web administrators or equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of NEA. NEA is responsible in ensuring that the contents and data of its posts on its official website and communication channels are searchable for the public's easy access to information regarding matters on public funds.

Table 1.2.a
NATIONAL POWER CORPORATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2026

I. CORPORATE OBJECTIVES

1. To perform the missionary electrification function through the Small Power Utilities Group (SPUG) and shall be responsible for providing reliable power generation and its associated power delivery systems in areas that are not connected to the transmission system (main grid) and adopt renewable and indigenous source of energy;
2. To ensure total electrification in missionary areas and encourage private sector participation;
3. To manage and continue to be responsible for the protection and rehabilitation its watersheds;
4. To continue to be responsible for dam structure and all other appurtenant structures necessary for the safe and reliable operation of hydropower plants;
5. To continue to undertake the rehabilitation, upgrading and uprating of undisposed generation assets; and
6. To adopt disaster-resilient systems, innovations, and inclusive governance responsive to customer needs while ensuring financial sustainability.

II. CORPORATE PRIORITIES

1. Reliable supply of electricity in missionary areas;
2. Sustain system reliability and power quality in the small island grids;
3. Increase the use of Renewable Energy (RE) in missionary areas;
4. Operation and maintenance, rehabilitation, upgrading and uprating of generation assets in the main grids as needed;
5. Rehabilitation and Management of watershed areas; and
6. Corporate Social Responsibility Program.

III. MAJOR PROGRAMS AND PROJECTS

1. Develop and implement tariff methodology that shall promote reasonable electricity rates while reflecting true cost of service;
2. Develop/implement the overall island/off-grid capacity and transmission system;
3. Pursue the use of Renewable Energy and Energy-Efficient Technologies;

4. Vegetative rehabilitation, watershed protection, and eco-tourism for watersheds;
5. Dam integrity and safety, dam management protocol, and flood forecasting and mitigation; and
6. Operation and maintenance of undisposed main grid generation assets.

IV. LINKAGES OF CORPORATE PRIORITIES/PROGRAMS/PROJECTS WITH THE FIVE KEY RESULT AREAS (KRAs), NATIONAL/SECTORAL DEVELOPMENT PLAN. THE MEDIUM-TERM PHILIPPINE DEVELOPMENT PLAN (MTPDP) AGENDA OF THE ADMINISTRATION AND NATIONAL POLICY PRONOUNCEMENT

As set in the Philippine Energy Plan, the goal of the energy sector is to achieve energy security so as to encourage productivity while enhancing the general well being of the population. The Corporate priorities have been set specifically to achieve this goal. The fundamental policy objective of supply reliability will be supported by the improved system efficiency and reliability in generation through the continued rehabilitation, upgrading and uprating of generation assets and small islands grid power system. Usage efficiency and environmental sustainability shall be achieved through an effective support system and the privatization and restructuring of National Power Corporation.

Table 1.2.b
NATIONAL POWER CORPORATION
ASSUMPTIONS, FYs 2024 - 2026
SMALL POWER UTILITIES GROUP (SPUG) SALES & GENERATION

	AUDITED			RATE	
	REVISED			% Inc (Dec)	
	2024	2025	2026	2025/2024	2026/2025
1. ENERGY SALES, GWH	547	574	612	1.05	1.07

	GIGAWATT HOUR			PERCENT MIX		
	AUDITED	REVISED	PROJECTED	UNAUDITED	REVISED	PROJECTED
	2024	2025	2026	2024	2025	2026
2. ENERGY GENERATION, GWH	547	558	632	100%	100%	100%
HYDRO	6	5	6	1%	1%	1%
OIL BASED	541	553	622	99%	99%	98%
HYBRID	0	0	4	0%	0%	1%

Table 1.2.c
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF FINANCIAL POSITION, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
ASSETS				
Current Assets	20,044,735	21,215,340	20,290,000	22,167,347
Cash and Cash Equivalents	3,061,498	2,718,211	2,356,877	4,194,343
Receivables	11,508,848	14,134,408	11,928,599	11,843,806
Inventories	2,626,899	2,254,037	2,626,899	2,626,899
Other Current Assets	2,847,490	2,108,684	3,377,625	3,502,299
Non-Current Assets	26,283,178	28,857,195	26,426,862	27,493,374
Receivables	169,894	230,590	169,894	169,894
Investments Property	4,941	4,941	4,941	4,941
Property, Plant and Equipment	13,425,516	17,459,202	15,947,498	17,014,010
Intangible Assets	9,353	50,993	9,353	9,353
Deferred Tax Assets	5,214,246	4,221,962	5,299,702	5,299,702
Other Investments	1,720	1,720	1,720	1,720
Other Non-Current Assets	7,457,508	6,887,787	4,993,754	4,993,754
TOTAL ASSETS	46,327,913	50,072,535	46,716,862	49,660,721
LIABILITIES				
Current Liabilities	18,813,736	24,626,295	25,996,815	29,400,720
Financial Liabilities	16,003,964	21,992,683	23,187,043	26,590,948
Inter-Agency Payables	1,146,858	984,190	1,146,858	1,146,858
Trust Liabilities	52,440	51,549	52,440	52,440
Deferred Credits/Unearned Income	1,295,408	1,245,421	1,295,408	1,295,408
Other Payables	315,066	352,452	315,066	315,066
Non-Current Liabilities	8,516,945	8,318,896	6,631,861	6,631,861
Financial Liabilities	322,677	371,036	322,677	322,677
Trust Liabilities	6,182,772	6,365,890	4,474,535	4,474,535
Deferred Credits/Unearned Income	1,193,472	842,077	1,016,625	1,016,625
Provisions	818,024	739,893	818,024	818,024
TOTAL LIABILITIES	27,330,681	32,945,191	32,628,676	36,032,581
Government Equity	18,997,232	17,127,344	14,088,186	13,628,140
TOTAL STOCKHOLDERS' EQUITY	18,997,232	17,127,344	14,088,186	13,628,140
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	46,327,913	50,072,535	46,716,862	49,660,721

Table 1.2.d
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED ^{1/}	2025		2026 PROPOSED ^{1/}
		GAA	ESTIMATES	
I. REVENUES	14,791,496	20,973,263	13,801,028	22,088,896
Operating Revenues	12,152,446	18,460,386	11,480,186	19,205,351
Other Revenues	2,639,050	2,512,877	2,320,842	2,883,545
II. COST OF SALES	10,556,645	11,427,759	11,427,759	13,257,168
III. GROSS PROFIT	4,234,851	9,545,504	2,373,269	8,831,728
IV. OPERATING EXPENSES/OTHER EXPENSES	14,060,012	9,291,528	9,285,690	10,847,597
Personnel Services	2,166,093	2,999,083	2,999,083	3,111,108
Maintenance and Other Operating Expenses	8,822,590	3,524,792	3,513,865	4,164,972
Interest Expense & Finance Charges	646,446	1,139,215	1,144,304	1,281,851
Non-cash Expenses	2,367,331	1,628,438	1,628,438	2,095,968
Depreciation of fixed assets (operating plants)	968,773	762,228	762,228	818,159
Amortization of deferred assets	1,960	-	-	-
Provision for Doubtful Accounts	1,396,598	638,378	638,378	1,040,772
Depreciation of Non- Operating Plants & Others	-	227,832	227,832	237,037
Other Expenses	57,552	-	-	193,698
V. NET PROFIT/(LOSS) BEFORE GAIN(LOSS) ON FOREX FLUCTUATION	(9,825,161)	253,976	(6,912,421)	(2,015,869)
VI. GAIN/(LOSS) ON FOREX FLUCTUATION	47,970	-	-	-
VII. NET PROFIT/(LOSS) AFTER GAIN (LOSS) ON FOREX FLUCTUATION	(9,777,191)	253,976	(6,912,421)	(2,015,869)
ADD: Subsidies	7,234,941	749,557	2,279,886	1,555,822
Subsidies from National Government	7,240,495	1,620,905	2,285,386	1,559,377
Assistance from Government Corporations	12,642,117	14,598,267	14,598,267	16,217,282
Financial Assistance to Local Government Units and other losses	(5,554)	(871,348)	(5,500)	(3,555)
Subsidy to New Power Providers	(12,642,117)	(14,598,267)	(14,598,267)	(16,217,282)
VIII. NET PROFIT/(LOSS) BEFORE INCOME TAX	(2,542,250)	1,003,533	(4,632,535)	(460,047)
LESS: Income Tax	-	286,926	-	-
IX. NET PROFIT/(LOSS)	(2,542,250)	716,607	(4,632,535)	(460,047)

1/ Following the revised accounting policy on the presentation of New Power Providers Subsidy.

Table 1.2.e
NATIONAL POWER CORPORATION
STAFFING SUMMARY, FYs 2024-2026
(In Thousand Pesos, Except No. of Positions)

POSITIONS	2024 AUDITED		2025 ESTIMATES		2026 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions						
Top Three Corporate Positions						
President	1	5,656	1	5,655	1	6,786
Senior Vice President	1	4,563	1	4,279	1	5,135
Vice President	4	14,593	6	21,019	6	24,541
Management/Executive Group	131	221,118	146	218,007	144	302,435
Technical Group	1,100	660,229	1,305	846,679	1,223	877,990
Technical Support	387	293,281	430	371,739	430	407,217
Administrative/Others	86	24,630	95	29,924	95	32,854
TOTAL	1,710	1,224,070	1,984	1,497,302	1,900	1,656,958
B. Non-Itemized Positions						
Co-Terminus	67	67,312	100	76,641	80	72,817
Contractuals	24	6,737	27	7,309	27	8,072
Casuals	109	43,280	130	56,495	126	60,342
TOTAL	200	117,329	257	140,445	233	141,231
GRAND TOTAL	1,910	1,341,399	2,241	1,637,747	2,133	1,798,189

Table 1.2.f

NATIONAL POWER CORPORATION

DETAILS OF PERSONNEL SERVICES, FYs 2024 - 2026

(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
A. PERMANENT	<u>2,005,355</u>	<u>2,790,525</u>	<u>2,790,525</u>	<u>2,910,914</u>
GUARANTEED CASH COMPONENT	<u>1,545,648</u>	<u>1,881,915</u>	<u>1,881,915</u>	<u>2,030,716</u>
Salaries	1,224,070	1,497,301	1,497,301	1,656,957
Personnel Economic Relief Allowance	39,327	47,616	47,616	45,600
Representation and Transportation Allowance	25,222	67,608	67,608	33,000
Mid-Year Bonus	100,537	124,775	124,775	138,079
Year-End Bonus	107,517	124,775	124,775	138,080
Cash Gift	8,139	9,920	9,920	9,500
Productivity Enhancement Incentive	8,183	9,920	9,920	9,500
Service Recognition Incentive	32,653	-	-	-
FRINGE BENEFITS	<u>150,422</u>	<u>464,200</u>	<u>464,200</u>	<u>436,584</u>
Night Shift Differential	27,993	121,079	121,079	122,910
Overtime Pay	83,065	161,210	161,210	153,172
Medical Allowance	15,424	19,840	19,840	19,000
Special Counsel Allowance	5,230	16,482	16,482	22,261
Uniform/Clothing Allowance	11,498	13,888	13,888	13,300
Loyalty Pay	775	1,670	1,670	660
Hazard Pay	15	59	59	59
Honoraria	6,247	6,966	6,966	7,170
Performance-Based Bonus	175	81,104	81,104	89,752
PRAISE Allowance	-	33,424	33,424	2,600
Anniversary Bonus	-	-	-	5,700
Communication Allowance	-	8,478	8,478	-
FIXED EXPENDITURES	<u>179,570</u>	<u>222,582</u>	<u>222,582</u>	<u>242,445</u>
Retirement and Life Insurance Premium	147,130	179,676	179,676	198,835
PhilHealth Insurance Premium	26,706	35,763	35,763	36,770
Employees' Compensation Insurance Premium	1,965	2,381	2,381	2,280
Pag-IBIG Contributions	3,769	4,762	4,762	4,560
TERMINAL LEAVE and SEPARATION BENEFITS	<u>129,215</u>	<u>220,292</u>	<u>220,292</u>	<u>199,633</u>
PER DIEM OF BOARD MEMBERS	<u>500</u>	<u>1,536</u>	<u>1,536</u>	<u>1,536</u>
B. CO-TERMINOUS	<u>92,361</u>	<u>127,339</u>	<u>127,339</u>	<u>114,002</u>
Salaries and Allowances	89,031	114,843	114,843	105,229
Terminal Leave and Separation Benefits	3,330	12,496	12,496	8,773
C. CASUAL	<u>72,100</u>	<u>93,899</u>	<u>93,899</u>	<u>97,420</u>
Salaries and Allowances	68,817	86,283	86,283	90,150
Terminal Leave and Separation Benefits	3,283	7,616	7,616	7,270
D. CONTRACTUAL	<u>11,113</u>	<u>12,498</u>	<u>12,498</u>	<u>13,568</u>
Salaries and Allowances	10,548	11,617	11,617	12,595
Terminal Leave and Separation Benefits	565	881	881	973
GRAND TOTAL	<u>2,180,929</u>	<u>3,024,261</u>	<u>3,024,261</u>	<u>3,135,904</u>
Operating	2,108,516	2,915,442	2,915,442	3,066,900
Capitalized	-	-	-	-
Other Expenses / Expenditures	72,413	108,819	108,819	69,004
GRAND TOTAL	<u>2,180,929</u>	<u>3,024,261</u>	<u>3,024,261</u>	<u>3,135,904</u>

Table 1.2.g
NATIONAL POWER CORPORATION
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FYs 2024 - 2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
Travelling Expenses	109,060	133,915	133,914	123,630
Communication Expenses	26,713	42,491	40,950	45,126
Repair and Maintenance of Government Facilities	816,241	973,752	965,906	978,688
Repair and Maintenance of Government Vehicles and Other Equipment	-	58,893	58,502	63,026
Research, Exploration and Development Expenses	7,333	-	-	-
Transportation Services	9,421	12,937	12,937	11,025
Supplies and Materials	90,460	97,288	98,555	118,414
Rent/Lease Expense	544,060	918,633	918,653	1,048,906
Interests (Debt Service - Interest)	577,365	955,093	955,093	1,272,568
Grants and Contributions	852	11,916	6,336	6,361
Award and Indemnities (Injuries and Damages)	-	721	721	728
Loan Repayments/Debt Service-Principal a/	644,443	1,283,023	1,283,023	-
Water, Illumination, and Power Service	44,254	39,461	40,667	44,801
Auditing Services	15,117	29,207	29,321	18,481
Training & Seminar Expense	17,782	22,150	21,743	37,655
Extraordinary and Other Miscellaneous Expenses	1,074	1,234	1,147	1,162
Taxes, Duties & Fees	6,091,431	76,767	76,380	75,040
Trading/Production (Fuel)	10,556,645	11,427,759	11,427,759	13,257,168
Gasoline, Oil, and Lubricants	42,712	50,138	49,481	50,831
Fidelity Bonds and Insurance Premium	38,304	42,092	37,548	41,217
Representation and Entertainment Expenses	3,999	5,179	5,265	6,331
Cultural Expenses	489	456	456	45
Awards/Rewards and Prizes	54,592	849	849	865
Miscellaneous Expenses	2,347	1,453	1,539	55,947
Contingencies	-	439	439	495
Financial Assistance/Subsidy (ER 1-94)	5,553	-	5,500	3,555
Other Services	906,350	1,003,322	1,008,920	1,436,198
Others (Input Vat, Finance Charges, and Other Expenses)	13,888,117	15,525,758	15,533,322	17,080,884
Depreciation b/	1,026,325	762,228	762,228	818,159
Total MOOE	35,521,039	33,477,154	33,477,154	36,597,306

a/ This account is not considered as an expense item in the Statement of Financial Performance.

b/ This is a non-cash expense account, therefore not included in the Statement of Sources and Uses of Funds, by Expense Class.

Table 1.2.h
NATIONAL POWER CORPORATION
DETAILS OF CAPITAL OUTLAYS, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 Proposed
		GAA	ESTIMATES	
Land and Land Improvement Outlay	16,792	1,786	1,786	2,339
Infrastructure Outlay	1,270,928	1,403,126	1,403,126	606,403
Buildings and Other Infrastructures Outlay	46,791	427,648	427,648	14,134
Machineries and Equipment Outlay	468,227	1,673,427	1,673,427	2,967,361
Transportation Equipment Outlay	38,650	10,634	10,634	6,024
Furniture, Fixtures, and Books Outlay	793	3,491	3,491	-
Intangible Assets Outlay	-	29,633	29,633	-
TOTAL	<u>1,842,181</u>	<u>3,549,745</u>	<u>3,549,745</u>	<u>3,596,261</u>

Table 1.2.i
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF CASH FLOWS, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
Cash flows from operating activities				
Inflows	27,954,080	38,205,913	30,281,313	40,898,460
Cash generated from operations	25,691,438	32,051,941	25,336,098	34,254,679
Collection of receivables	1,010,214	3,595,023	2,071,083	4,019,793
Receipt of government subsidy	1,240,495	1,620,905	2,285,386	1,559,377
Other inflows	11,933	938,044	588,746	1,064,611
Outflows	(29,399,779)	(34,002,390)	(34,168,010)	(36,934,262)
Payment for salaries	(1,465,005)	(3,176,681)	(3,279,202)	(3,142,339)
Payment for suppliers	(9,898,070)	(11,063,314)	(9,909,359)	(12,944,805)
Payment of taxes	-	(7,002)	(13,381)	(9,283)
Other outflows	(18,036,704)	(19,755,393)	(20,966,068)	(20,837,835)
Net cash flow from operating activities	(1,445,699)	4,203,523	(3,886,697)	3,964,198
Cash flows from investing activities				
Inflows	34,397	35,010	35,010	46,413
Cash receipts from sale of assets	-	-	-	-
Other inflows	34,397	35,010	35,010	46,413
Outflows	(1,555,057)	(4,257,369)	(2,939,961)	(4,206,918)
Purchase of property, plant and equipment	(1,555,057)	(4,257,369)	(2,939,961)	(4,206,918)
Net cash flow from investing activities	(1,520,660)	(4,222,359)	(2,904,951)	(4,160,505)
Cash flows from financing activities				
Inflows	3,970,554	2,000,000	7,940,000	13,000,000
Receipt of government equity	-	-	-	-
Proceeds from loans, bonds, notes	3,970,554	2,000,000	7,940,000	13,000,000
Other inflows	-	-	-	-
Outflows	(1,313,342)	(2,238,116)	(1,852,973)	(10,966,227)
Repayment of loan	(644,443)	(1,283,023)	(973,023)	(9,693,658)
Dividend payment	-	-	-	-
Other outflows	(668,899)	(955,093)	(879,950)	(1,272,569)
Net cash flow from financing activities	2,657,212	(238,116)	6,087,027	2,033,773
Net increase/(decrease) in cash and cash equivalents	(309,147)	(256,952)	(704,621)	1,837,466
Effect of Exchange Rate changes on cash and cash equivalents	(793)	-	-	-
Cash and cash equivalents, beginning of the year	3,371,438	2,975,163	3,061,498	2,356,877
Cash and cash equivalents, end of year	3,061,498	2,718,211	2,356,877	4,194,343

Table 1.2.j
NATIONAL POWER CORPORATION
USES OF FUNDS By Expense Class, FYs 2024 to 2026
(In Thousand Pesos)

PARTICULARS	2024 Audited			2025 GAA			2026 Proposed					
	PS	MOOE ^{a/}	CO	TOTAL	PS	MOOE ^{a/}	CO	TOTAL	PS	MOOE ^{a/}	CO	TOTAL
NATIONAL GOVERNMENT SUPPORT	-	-	1,240,495	1,240,495	-	-	2,285,386	2,285,386	-	-	3,033,930	3,033,930
1. General Administration and Support	-	-	-	-	-	-	-	-	-	-	-	-
2. Support to Operations	-	-	-	-	-	-	-	-	-	-	-	-
3. Operations	-	-	-	-	-	-	-	-	-	-	-	-
Missionary Electrification Program	-	-	1,240,495	1,240,495	-	-	870,905	870,905	-	-	1,559,377	1,559,377
4. Other Expenditures	-	-	-	-	-	-	-	-	-	-	-	-
5. Prior Years' Subsidy	-	-	-	-	-	-	1,414,481	1,414,481	-	-	1,474,553	1,474,553
CORPORATE FUNDS	2,180,929	34,494,714	601,686	37,277,329	3,024,261	32,714,926	1,264,359	37,003,546	3,135,905	35,779,145	562,332	39,477,382
1. General Administration and Support	525,106	289,945	11,045	826,096	691,551	585,683	357,780	1,635,014	889,072	815,657	52,630	1,757,359
2. Support to Operations	-	6,076,524	-	6,076,524	-	191,124	-	191,124	-	202,982	-	202,982
3. Operations	-	-	-	-	-	-	-	-	-	-	-	-
Missionary Electrification Program	855,191	12,518,041	590,641	13,963,873	1,366,013	13,709,456	906,579	15,982,048	1,121,850	15,713,645	509,004	17,344,499
Watershed Management	59,404	114,711	-	174,115	-	-	-	-	92,975	151,991	698	245,664
4. Debt Servicing	-	1,221,809	-	1,221,809	-	2,238,116	-	2,238,116	-	1,272,568	-	1,272,568
5. Other Expenditures	-	13,819,037	-	13,819,037	25,178	15,284,637	-	15,309,815	24,797	16,877,903	-	16,902,700
6. As operator of PSALM's Assets	741,228	454,647	-	1,195,875	941,519	705,910	-	1,647,429	1,007,211	744,399	-	1,751,610
7. Agus Pulangui Rehabilitation Program (World Bank Grants)	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	2,180,929	34,494,714	1,842,181	38,517,824	3,024,261	32,714,926	3,549,745	39,288,932	3,135,905	35,779,145	3,596,262	42,511,312

a/ Net of depreciation expense

NATIONAL POWER CORPORATION
CORPORATE OPERATING BUDGET
SPECIAL PROVISIONS

1. Approval of the FY 2026 Corporate Operating Budget of the National Power Corporation under R.A. No. 7638. The FY 2026 Corporate Operating Budget (COB) of the NPC is hereby approved by the Congress of the Philippines pursuant to Section 13, Chapter III of R.A. No. 7638.

2. Acquisition of Equipment. The acquisition of equipment included in the approved COB shall be subject to the provisions of Corporate Budget Circular No. 17 dated February 9, 1996, A.O. No. 14 dated December 10, 2018, B.C. No. 2022-1 dated February 11, 2022, B.C. No. 2022-1A dated March 1, 2023, and other guidelines issued thereon.

3. Payment of Compensation and Benefits. Payment of salaries, allowances, and other benefits shall be in accordance with applicable laws, rules, and regulations such as, but not limited to, P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999, Memorandum Order No. 20, s. 2001, E.O. No. 150, s. 2021, and such other guidelines issued by the GCG.

4. Payment of Terminal Leave Benefits. Payment of terminal leave benefits shall be computed in accordance with the rates, conditions, and procedure prescribed under applicable laws and guidelines issued thereon.

The amount of Two Hundred Sixteen Million Six Hundred Forty Nine Thousand Pesos (P216,649,000) shall be used exclusively for the payment of terminal leave benefits to the affected NPC personnel.

5. Budget Flexibility. The NPC Board of Directors is authorized to modify programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the deficiencies which may arise from factors beyond the NPC's control such as, but not limited to: (i) occurrence of natural calamities; (ii) currency depreciation; (iii) inflation; (iv) change in interest rates; (v) increase in oil, steam, coal or natural gas prices; (vi) change in generation mix and demand including purchased power; (vii) change in generation or transmission system plan or program; (viii) change in programs or projects; (ix) change in schedule of project implementation; (x) transfer or elimination of projects or installations that are hazardous to the health or safety of inhabitants; and (xi) reorganization, subsidiarization or privatization should conditions warrant.

In the exercise of said authority, the NPC shall observe the following limitations:

- (a) No acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses; and
- (b) Personnel Services allocation in the approved COB shall not be augmented by new funding sources.

6. Augmentation Beyond Approved Corporate Operating Budget. The NPC Board of Directors is authorized to augment and disburse funds beyond the total amount approved in this Act exclusively for the MOOE and Capital Outlay requirements related to missionary electrification, and rehabilitation and management of watershed areas due to the effects of peso devaluation, fuel price increase in the market, improvement or changes in power generation activities or demand of

customers, electrification of new areas, increase in taxes and production costs, or imposition of new taxes.

The fund shall be sourced from new funding sources, such as income arising from increase in universal and generation charges approved by the Energy Regulatory Commission or grant of financial assistance by LGUs and other sources as authorized under existing laws, guidelines and issuances such as, but not limited to, R.A. No. 9136 and its IRR, as certified by the Chief Accountant and President of NPC.

In no case shall Personnel Services allocation be augmented beyond the total amount approved in this Act.

7. Collection of Delinquent Receivables from Electric Cooperatives under the Small Power Utilities Group. In order to augment the fund sources necessary to support the budgetary requirements of the NPC and ensure the viability of its operations, the NPC Board of Directors is hereby authorized to act with finality, without further need of confirmation, appraisal, or assessment from other government agencies, the settlement and compromise of accrued penalties, interest and other charges due from electric cooperatives. In all cases, the NPC Board of Directors shall ensure that the approved settlement and compromise shall not be against provisions of law or public policy, and shall be consistent with public interest and redound to the benefit of the National Government.

8. Remittance of Cash Dividends. Cash dividends equivalent to at least fifty percent (50%) of the annual net earnings of the NPC shall be deposited with the National Treasury as income of the General Fund pursuant to R.A. No. 7656.

9. Audit of Government Funds. Government funds authorized herein to be invested as equity by the corporation to its subsidiaries, as well as the grant of subsidy, loan contribution or any kind of financial assistance to end-user entities both in the private or public sector, shall be subject to audit by the COA pursuant to the provisions of P.D. No. 1445, as amended.

10. Transparency Seal. To enhance transparency and enforce accountability, and promote systematized access to government information, the NPC shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following:

- (a) corporation's mandate and functions, names of its officials with their position and designation, and its contact information;
- (b) approved COB and corresponding targets including any amount of budgetary support from the National Government;
- (c) budgetary adjustment;
- (d) annual procurement plan/s and contracts awarded with the winning supplier, contractor, or consultant;
- (e) major programs or projects and their target beneficiaries;
- (f) status of implementation, evaluation, or assessment reports of said programs or projects;
- (g) all subsidy and assistance programs of the government, including details on the manner of the execution, the amounts allocated, and relevant data of the target beneficiaries subject to R.A. No. 10173 or the Data Privacy Act;
- (h) Budget and Financial Accountability Reports;
- (i) Updated People's Freedom of Information (FOI) Manual signed by head of agency, Updated One-Page FOI Manual, and Agency FOI Reports;
- (j) year-end financial reports for the last three (3) fiscal years;
- (k) particulars of concessions, permits, or authorizations granted by NPC, subject to R.A. No. 10173 or the Data Privacy Act; and
- (l) current news and updated events conducted by NPC.

NPC shall ensure that the content posted under the Transparency Seal is regularly reviewed, updated, and maintained using internal systems and procedures that support accountability, data integrity, and operational efficiency.

The President of the NPC and its web administrators or equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of NPC. NPC is responsible in ensuring that the contents and data of its posts on its official website and communication channels are searchable for the public's easy access to information regarding matters on public funds.

Table 1.3.a
PHILIPPINE NATIONAL OIL COMPANY
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2026

I. CORPORATE OBJECTIVES

1. To enhance the country's energy self-sufficiency by undertaking the exploration, development and utilization of energy resources both oil and non-oil based with due regard for the environment;
2. To contribute to the country's economic growth by fostering activities relating to natural gas, new and renewable energy and other energy operations;
3. To manage, operate and develop a parcel of land, consisting approximately of 530 hectares in Limay and Mariveles in Bataan, as a petrochemical industrial zone; and
4. To manage, operate and develop the Energy Supply Base in Mabini, Batangas, as a logistics facility for onshore and offshore exploration activities in petroleum and other energy related fields.

II. CORPORATE OBJECTIVES

1. Unlocking the potential of Bataan Properties
2. Green Government Facilities (GGF) Initiative
3. Bright Islands Initiative
4. Offshore Wind Integration Port (OSWIP)
5. Secure Retail Electricity Supplier (RES) License
6. Ensure banked gas recovery and monetization on whole-of-government approach
7. Continue operation and efficient management of the Energy Supply Base (ESB)
8. Continue the rehabilitation of the PNOC Industrial Park's (PIP) port and facilities, and its efficient management for the establishment of Energy Hub
9. Optimize the productivity of PNOC's real estate assets
10. Development and Implementation of Disaster Risk Reduction and Management (DRRM) Plan
11. Approve and monitor the work plans and programs of PNOC-Exploration Corporation (PNOC EC) and PNOC-Renewables Corporation (PNOC RC) as well as its budget in compliance with their respective mandates
12. Maintain ISO QMS Certification for PNOC, and IMS Certifications of the Industrial Park and Energy Supply Base
13. Ensure adequate and timely compliance with government oversight agencies' reportorial requirements, including compliance with the requirements of the Government Energy Management Program (GEMP)

14. Continue to enhance corporate competencies based on the GCG-approved Reorganization

III. MAJOR PROGRAMS AND PROJECTS

1. PROGRAMS

- a. Provision of strategic and business directions, business research and development, project management, asset management, management of PIP and ESB operations, financial planning, strategic planning, administrative, general counselling, management of information systems, internal audit, corporate relations, compliance, contracted services, maintenance of quality management systems (PNOC Head Office, ESB, and PIP) and integrated management systems (PIP and ESB)
- b. Investment of cash in low-risk securities that will provide the company with maximum yields, and provision of short-term funding requirements for PNOC's projects
- c. Administration/management of existing properties through payment of taxes, registration, titling, survey and appraisal, protection of properties; and disposition/utilization of properties through sale, lease, joint venture and/or other appropriate schemes

2. PROJECTS

- a. Development of Areas 1, 7, and 8 to establish the PNOC Energy City designed to attract investors, optimize land use, and generate long-term revenue
- b. Deployment of Solar Photovoltaic and energy efficiency solutions in government facilities in support of the national energy transition
- c. Electrification of geographically isolated and disadvantaged areas (GIDAS) through small-scale liquified natural gas (SSLNG) and renewable energy technologies
- d. Development of an integration port in Batangas to support offshore wind projects

Table 1.3.b
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE STATEMENT OF FINANCIAL POSITION, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 ACTUAL	2025		2026 PROPOSED
		GAA	ESTIMATES	
ASSETS				
Current Assets	8,521,340	5,949,487	11,511,152	9,510,068
Cash and Cash Equivalents	2,240,855	1,452,703	4,887,684	1,301,205
Investments - current	5,519,854	3,352,943	5,812,393	4,312,393
Receivables	456,564	780,731	498,009	3,557,683
Other current assets	304,067	363,110	313,066	338,787
Non-Current Assets	33,774,360	35,147,336	29,630,018	31,294,926
Investments	12,085,513	12,691,962	8,406,554	6,621,296
Receivables	-	-	-	-
Investment Property	11,015,447	10,956,614	11,006,349	10,997,251
Property, Plant and Equipment	739,920	1,939,044	884,177	4,703,766
Intangible Assets	939	689	939	939
Banked Gas Inventory	9,228,217	8,882,364	8,627,675	8,267,350
Other non-current assets	704,324	676,663	704,324	704,324
TOTAL ASSETS	42,295,700	41,096,823	41,141,170	40,804,994
LIABILITIES				
Current Liabilities	2,720,330	1,221,059	1,356,568	927,576
Financial Liabilities	218,317	134,082	218,317	218,317
Inter-Agency Payables	301,404	212,146	190,878	180,268
Trust Liabilities	284,892	280,033	284,892	284,892
Other Payables	1,915,717	594,798	662,481	244,099
Non-Current Liabilities	2,596,268	2,448,459	2,585,848	2,598,472
Deferred credits/unearned income	222,382	44,833	203,699	204,273
Provisions	42,913	73,592	51,176	63,226
Deferred tax liabilities	2,330,973	2,330,034	2,330,973	2,330,973
TOTAL LIABILITIES	5,316,598	3,669,518	3,942,416	3,526,048
STOCKHOLDER'S EQUITY				
Government Equity	3,114,596	3,114,596	3,114,596	3,114,596
Retained Earnings	33,860,973	34,309,512	34,080,626	34,160,818
Cumulative Changes in Fair Value	3,533	3,196	3,532	3,532
TOTAL STOCKHOLDER'S EQUITY	36,979,102	37,427,304	37,198,754	37,278,946
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	42,295,700	41,096,823	41,141,170	40,804,994

Table 1.3.c
 PHILIPPINE NATIONAL OIL COMPANY
 COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FYs 2024-2026
 (In Thousand Pesos)

PARTICULARS	2024 ACTUAL	2025		2026 PROPOSED
		GAA	ESTIMATES	
I. REVENUES				
Operating Revenues	4,523,158	2,577,059	2,157,396	1,520,449
Other Revenues	166,058	-	13,536	13,536
TOTAL REVENUES	4,689,216	2,577,059	2,170,932	1,533,985
II. OPERATING EXPENSES				
Personnel Services	155,982	227,096	227,096	237,244
Maintenance and Other Operating Expenses	310,088	839,160	838,680	840,881
Financial Expenses	7,551	7,305	7,785	7,552
Non-Cash Expenses				
Depreciation of Fixed Assets	25,923	43,709	36,899	73,002
Other Non-Cash Expenses	112,688	-	-	-
TOTAL OPERATING EXPENSES	612,232	1,117,270	1,110,460	1,158,679
III. NET PROFIT/(LOSS) BEFORE FOREX GAIN	4,076,984	1,459,789	1,060,472	375,306
VI. INCOME TAX	901,470	271,556	181,860	54,537
VII. NET PROFIT/(LOSS) AFTER INCOME TAX	3,175,514	1,188,233	878,612	320,769
Other Comprehensive Income	510	-	-	-
VIII. NET PROFIT AND SUBSIDIES	3,176,024	1,188,233	878,612	320,769

Table 1.3.d
PHILIPPINE NATIONAL OIL COMPANY
STAFFING SUMMARY, FYs 2024-2026
(In Thousand Pesos, Except No. of Positions)

POSITION	2024 ACTUAL		2025				2026 PROPOSED	
			GAA		ESTIMATES			
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
Top Two Positions								
President	1	2,270	1	2,270	1	2,270	1	2,309
Sr. Vice-President	3	4,704	3	6,132	3	6,096	3	6,096
Managerial / Executive Group	11	15,645	11	17,551	11	17,551	11	17,524
Supervisory Group	13	12,522	27	26,923	27	26,923	27	27,031
Technical Group	36	18,177	49	29,847	49	29,440	49	29,733
Technical Support Group	21	13,928	24	18,347	24	18,219	24	18,563
Administrative Group / Others	61	26,453	83	43,339	83	42,994	83	43,365
TOTAL	146	93,699	198	144,409	198	143,494	198	144,622

Table 1.3.e
 PHILIPPINE NATIONAL OIL COMPANY
 DETAILS OF PERSONNEL SERVICES, FYs 2024-2026
 (In Thousand Pesos)

PARTICULARS	2024 ACTUAL	2025		2026 PROPOSED
		GAA	ESTIMATES	
MANDATORIES	116,852	179,775	178,708	180,252
Salaries	93,699	144,409	143,494	144,622
Representation and Transportation Allowance	4,373	5,556	5,556	5,784
Personnel Economic Relief Allowance	2,827	4,752	4,752	4,752
Mid-year Bonus	7,387	12,034	11,958	12,052
Year-end Bonus and Cash Gift	8,566	13,024	12,948	13,042
FIXED EXPENDITURES	13,851	21,216	21,084	21,485
PAG-IBIG Contributions	276	238	238	475
Retirement and Life Insurance Premium	11,239	17,329	17,219	17,355
Health Insurance Premium	2,194	3,411	3,389	3,417
Employees' Compensation Insurance Premium	142	238	238	238
OTHER COMPENSATION	16,166	17,783	19,041	23,457
Per Diem of Members of the Board	2,532	4,032	4,032	4,032
Loyalty/Longevity Pay	70	70	60	15
Clothing/Uniform Allowance	830	1,386	1,386	1,386
Overtime Pay	4,403	6,185	4,496	5,741
Performance-Based Bonus	4,135	4,136	4,095	4,567
Performance-Based Incentive	876	984	984	1,001
Productivity Enhancement Incentive	587	990	990	990
Honoraria	403	-	-	-
Service Recognition Incentive	2,330	-	-	1,386
Provident Fund	-	-	2,998	4,339
TERMINAL AND RETIREMENT BENEFITS	9,113	8,322	8,263	12,050
Terminal Leave	8,134	7,323	7,323	10,330
Retirement Benefits	979	999	940	1,720
GRAND TOTAL	155,982	227,096	227,096	237,244

Table 1.3.f
PHILIPPINE NATIONAL OIL COMPANY
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FYs 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 ACTUAL	2025		2026 PROPOSED
		GAA	ESTIMATES	
Travelling Expenses	3,334	19,349	19,349	15,341
Training and Scholarship Expenses	486	6,300	6,300	6,238
Supplies and Materials Expenses	8,943	19,909	26,465	26,012
Utility Expenses	43,895	53,885	55,198	55,198
Communication Expenses	5,221	6,761	6,717	7,960
Awards/Rewards, Prizes and Indemnities	56,439	66,831	66,831	66,831
Extraordinary and Miscellaneous Expenses	27	605	605	605
Professional Services	27,310	365,985	358,469	153,196
General Services	93,964	102,547	107,837	112,582
Repair and Maintenance	14,888	37,200	36,146	49,359
Taxes, Insurance Premiums and Other Fees	64,268	96,794	96,794	145,173
Other Maintenance and Operating Expenses	20,920	62,994	57,969	202,386
Advertising, Promotional and Marketing Expenses	107	2,500	5,780	5,450
Printing and Publication Expenses	979	680	770	1,030
Representation Expenses	2,531	12,288	12,288	12,019
Transportation and Delivery Expenses	-	142	42	50
Membership Dues & Contributions to Organizations	718	1,583	1,583	1,558
Rent/Lease Expense	1,111	4,962	1,512	113,208
Subscription Expenses	2,886	9,660	10,935	20,961
Documentary Stamp Tax	-	6	-	3
Litigation/Acquired Assets Expenses	-	5,000	5,000	5,000
Major Events and Conventions Expenses	6,604	19,709	13,350	34,897
Other Maintenance and Operating Expenses	5,984	6,464	6,709	8,210
Financial Expenses	7,551	7,305	7,785	7,552
Depreciation a/	25,917	43,709	36,899	73,002
TOTAL MOOE	373,163	890,174	883,364	921,435

a/ This is a non-cash expense account, therefore, not included in the Sources and Uses of Funds by Expense Class

Table 1.3.g
 PHILIPPINE NATIONAL OIL COMPANY
 DETAILS OF CAPITAL OUTLAYS, FYs 2024-2026
 (In Thousand Pesos)

PARTICULARS	2024 Actual	2025		2026 PROPOSED
		GAA	ESTIMATES	
Investment Outlay	-	-	-	840,071
Land and Land Improvements Outlay	46,611	3,800	5,100	1,568,509
Infrastructures Outlay	-	104,324	54,539	2,068,075
Building and Structures Outlay	91,433	29,550	51,984	84,700
Machinery and Equipment Outlay	12,003	12,384	38,434	130,309
Transportation Equipment Outlay	-	19,000	19,000	31,900
Furniture, Fixtures and Book Outlay	-	3,000	3,000	-
Intangible Assets Outlay	140	-	-	-
TOTAL CAPITAL OUTLAYS	150,187	172,058	172,058	4,723,564

Table 1.3.h
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE STATEMENT OF CASH FLOWS, FY 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 AUDITED	2025		2026 PROPOSED
		GAA	ESTIMATES	
I. Cash flows from operating activities				
Inflows	5,899,195	2,879,293	2,472,822	3,992,763
Cash generated from operations	5,276,148	2,879,293	2,471,822	1,989,263
Collection of receivables	545,720	-	-	2,000,000
Other inflows	77,327	-	1,000	3,500
Outflows	1,807,889	1,481,923	1,410,744	6,419,532
Payment for salaries	851,916	72,450	53,059	225,194
Payment for suppliers	222,572	1,065,239	1,065,298	848,433
Payment of taxes	722,031	344,233	292,387	105,834
Other outflows	11,370	-	-	5,240,071
Net cash flow from operating activities	4,091,306	1,397,370	1,062,077	(2,426,769)
II. Cash flows from investing activities				
Inflows	6,552,594	621,765	3,970,542	3,982,742
Receipt of Interest Earned	493,361	371,765	281,547	87,447
Proceeds from Sale/Disposal of Investment Property	4,557	-	-	-
Receipt of Cash Dividends	2,474	-	2,474	2,474
Proceeds from Matured Investments	6,052,202	250,000	3,686,521	3,892,821
Other Inflows	-	-	-	-
Outflows	7,480,669	172,058	473,596	4,483,493
Purchase of property, plant and equipment	55,043	172,058	172,058	3,883,493
Purchase of Investment Property	7,425,376	-	301,538	600,000
Purchase of Intangible Assets	250	-	-	-
Other outflows	-	-	-	-
Net cash flow from investing activities	(928,075)	449,707	3,496,946	(500,751)
III. Cash flows from financing activities				
Outflows	2,645,434	1,054,357	1,912,195	658,959
Dividend payment	2,645,434	1,054,357	1,912,195	658,959
Net cash flow from financing activities	(2,645,434)	(1,054,357)	(1,912,195)	(658,959)
Net increase/(decrease) in cash and cash equivalents	517,797	792,720	2,646,829	(3,586,479)
Effects of Exchange Rate changes on cash and cash equivalents	47,681	-	-	-
Cash and cash equivalents, beginning of the year	1,675,377	659,983	2,240,855	4,887,684
Cash and cash equivalents, end of year	2,240,855	1,452,704	4,887,684	1,301,205

Table 1.3.i
PHILIPPINE NATIONAL OIL COMPANY
USES OF FUNDS By Expense Class, Fys 2024-2026
(In Thousand Pesos)

PARTICULARS	2024 Actual				2025 GAA				2026 Proposed			
	PS	MOOE ^{a/}	CO	TOTAL	PS	MOOE ^{a/}	CO	TOTAL	PS	MOOE ^{a/}	CO	TOTAL
CORPORATE FUNDS												
1. General Administration and Support	107,958	204,528	31,716	344,202	143,404	363,287	97,344	604,035	150,561	416,743	120,220	687,524
2. Support to Operations	17,980	60,135	-	78,115	20,359	13,740	-	34,099	21,281	3,841	-	25,122
3. Operations	30,044	82,583	118,471	231,098	63,333	469,438	74,714	607,485	65,402	427,849	4,603,344	5,096,595
GRAND TOTAL	155,982	347,246	150,187	653,415	227,096	846,465	172,058	1,245,619	237,244	848,433	4,723,564	5,809,241

a/ Net of depreciation expense

PHILIPPINE NATIONAL OIL COMPANY
CORPORATE OPERATING BUDGET
SPECIAL PROVISIONS

1. Approval of the FY 2026 Corporate Operating Budget of the Philippine National Oil Company under R.A. No. 7638. The FY 2026 Corporate Operating Budget (COB) of the PNOC is hereby approved by the Congress of the Philippines pursuant to Section 13, Chapter III of R.A. No. 7638.

2. Acquisition of Equipment. The acquisition of equipment included in the approved COB shall be subject to the provisions of Corporate Budget Circular No. 17 dated February 9, 1996, A.O. No. 14 dated December 10, 2018, B.C. No. 2022-1 dated February 11, 2022, B.C. No. 2022-1A dated March 1, 2023, and other guidelines issued thereon.

3. Payment of Compensation and Benefits. Payment of salaries, allowances, and other benefits shall be in accordance with applicable laws, rules, and regulations such as, but not limited to, P.D. No. 985, as amended, R.A. No. 6758, as amended, R.A. No. 10149, Corporate Compensation Circular No. 10 dated February 15, 1999, Memorandum Order No. 20, s. 2001, E.O. No. 150, s. 2021, and such other guidelines issued by the GCG.

4. Payment of Terminal Leave, Separation or Retirement Benefits. Payment of terminal leave, separation or retirement benefits shall be computed in accordance with the rates, conditions, and procedure prescribed under applicable laws and guidelines issued thereon.

The amounts of Ten Million Three Hundred Thirty Thousand Pesos (P10,330,000) and One Million Seven Hundred Twenty Thousand Pesos (P1,720,000) shall be used exclusively for the payment of terminal leave and separation benefits, respectively, to the affected PNOC personnel based on the list submitted by PNOC to the DBM. In no case shall said amounts be used to pay affected personnel who are eligible to receive separation or retirement benefits under applicable laws.

5. Budget Flexibility. The PNOC Board of Directors is authorized to modify programs and projects, reallocate the corresponding budgetary requirements approved herein, as well as augment the deficiencies which may arise from factors beyond the PNOC's control such as, but not limited to: (i) currency depreciation; (ii) inflation; (iii) change in interest rates; (iv) change in programs or projects; (v) increase in taxes; (vi) increase in costs associated with the privatization of subsidiaries; and (vii) payment of obligations as a result of final judgment of the court.

In the exercise of said authority, PNOC shall observe the following limitations:

- (a) No acquisition of motor vehicles and payment of travelling, representation, discretionary, or extraordinary and miscellaneous expenses; and
- (b) Personnel Services allocation in the approved COB shall not be augmented by new funding sources.

6. Funds for Capital Outlays. Notwithstanding the provisions of Special Provision No. 5, the PNOC and its subsidiaries shall utilize Capital Outlays provided herein for the primary purposes of exploration, exploitation, and development of energy resources as well as the production, refining, tankering and/or shipping, storage, and transport of oil or petroleum operations: Provided, That any use of funds for Capital Outlay for production, refining, tankering and/or shipping, storage, and transport of oil or petroleum operations shall be subject to a detailed feasibility study.

An amount not exceeding One Billion Pesos (P1,000,000,000) in the aggregate and with equity investment not to exceed thirty six percent (36%) of the outstanding capital stock may be invested in entities not engaged in the above primary purposes but are engaged in any of PNOC's purposes as specified in Section 4 of P.D. No. 334, as amended.

In no case shall Capital Outlays be used as loans or advances to entities not engaged in the above primary purposes.

7. **Augmentation Beyond Approved Corporate Operating Budget.** The PNOC is hereby authorized to augment and disburse funds beyond the total amount approved in this Act, using corporate funds, for the payment of monetary claims, tax deficiency assessments, damages, and all other judgment obligations pursuant to any final and executory decision that may be rendered during the year.

In no case shall Personnel Services allocation be augmented beyond the total amount approved in this Act.

8. **Remittance of Cash Dividends.** Cash dividends equivalent to at least fifty percent (50%) of the annual net earnings of the PNOC shall be deposited with the National Treasury as income of the General Fund pursuant to R.A. No. 7656.

9. **Audit of Government Funds.** Government funds authorized herein to be invested as equity by the corporation to its subsidiaries, as well as the grant of subsidy, loan contribution or any kind of financial assistance to end-user entities both in the private or public sector, shall be subject to audit by the COA pursuant to the provisions of P.D. No. 1445, as amended.

10. **Transparency Seal.** To enhance transparency and enforce accountability, and promote systematized access to government information, the PNOC shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following:

- (a) corporation's mandate and functions, names of its officials with their position and designation, and its contact information;
- (b) approved COB and corresponding targets including any amount of budgetary support from the National Government;
- (c) budgetary adjustment;
- (d) annual procurement plan/s and contracts awarded with the winning supplier, contractor, or consultant;
- (e) major programs or projects and their target beneficiaries;
- (f) status of implementation, evaluation, or assessment reports of said programs or projects;
- (g) all subsidy and assistance programs of the government, including details on the manner of the execution, the amounts allocated, and relevant data of the target beneficiaries subject to R.A. No. 10173 or the Data Privacy Act;
- (h) Budget and Financial Accountability Reports;
- (i) Updated People's Freedom of Information (FOI) Manual signed by head of agency, Updated One-Page FOI Manual, and Agency FOI Reports;
- (j) year-end financial reports for the last three (3) fiscal years;
- (k) particulars of concessions, permits, or authorizations granted by PNOC, subject to R.A. No. 10173 or the Data Privacy Act; and
- (l) current news and updated events conducted by PNOC.

PNOC shall ensure that the content posted under the Transparency Seal is regularly reviewed, updated, and maintained using internal systems and procedures that support accountability, data integrity, and operational efficiency.

The President of the PNOC and its web administrators or equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of PNOC. PNOC is responsible in ensuring that the contents and data of its posts on its official website and communication channels are searchable for the public's easy access to information regarding matters on public funds.