

Table 1.1.a
NATIONAL ELECTRIFICATION ADMINISTRATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2020

I. CORPORATE OBJECTIVES

1. Total electrification on an area coverage basis for additional sitios;
2. Electrification of Local Government Units (LGUs)/Non-Government Organizations (NGOs) Resettlement Sites; and
3. Ensure immediate power restoration after natural/man-made disasters and calamities.

II. CORPORATE PRIORITIES

1. To provide financial, institutional, technical and legal assistances to electric cooperatives (ECs);
2. To energize additional Seven Hundred Seventy Five (775) sitios and electrification of LGUs/NGOs Resettlement Sites;
3. To provide assistance to ECs for the restoration/rehabilitation of distribution lines damaged by natural/man-made disasters and calamities;
4. To provide for the Philippine counterpart on the Japan International Cooperation Agency Donation for Autonomous Region in Muslim Mindanao ECs for the administration cost of the project "Improvement of Equipment for Power Distribution in Bangsamoro Area"; and
5. Conversion of NG advances into subsidy.

III. MAJOR PROGRAMS AND PROJECTS

1. Complete the National Rural Electrification Program;
2. Encourage rural development through Rural Electrification Program;
3. Intensify implementation of Household Electrification; and
4. Mitigate calamity-related damage to the EC distribution system and facilities, and facilitate rehabilitation/restoration of identified assets.

Table 1.1.b
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF FINANCIAL POSITION, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
ASSETS				
Current Assets	9,206,837	9,192,934	6,708,704	6,410,493
Cash and Cash Equivalents	3,530,514	7,157,233	2,805,812	3,053,454
Loans Receivable, Matured Portion (Net)	2,023,862	1,707,615	2,065,389	1,807,644
Other Receivables (Net)	3,646,974	320,383	1,832,166	1,544,278
Inventories (Net)	2,243	4,431	2,123	1,973
Prepayments	3,244	3,272	3,214	3,144
Non-Current Assets	11,282,179	10,975,488	11,106,155	10,259,170
Long Term Loans Receivable	11,076,251	10,695,849	10,863,622	10,017,174
Property and Equipment (Net)	191,493	274,928	228,073	227,524
Other Assets	14,435	4,711	14,460	14,472
TOTAL ASSETS	20,489,016	20,168,422	17,814,859	16,669,663
LIABILITIES				
Current Liabilities	18,911,250	20,960,169	13,989,741	2,286,479
Financial Liabilities	38,169	141,248	24,643	27,204
Inter-Agency Payables	17,472,769	13,568,397	12,577,786	876,963
Other Payables	1,400,312	7,250,524	1,387,312	1,382,312
Non-Current Liabilities	126,079	51,414	120,055	112,659
Financial Liabilities	89,463	-	83,489	76,178
Deferred Credits	36,616	51,414	36,566	36,481
TOTAL LIABILITIES	19,037,329	21,011,583	14,109,796	2,399,138
STOCKHOLDERS' EQUITY				
Government Equity	4,772,564	4,772,564	4,772,564	4,772,564
Donated Capital	177,561	177,561	177,561	177,561
Retained Earnings	(3,498,438)	(5,793,286)	(1,245,062)	9,320,400
TOTAL STOCKHOLDERS' EQUITY	1,451,687	(843,161)	3,705,063	14,270,525
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	20,489,016	20,168,422	17,814,859	16,669,663

Table 1.1.c
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
I. REVENUES				
Operating Revenues				
Service and Business Income	700,583	647,473	656,492	594,959
Other Revenues	16,741	56,126	56,126	56,203
TOTAL REVENUES	717,324	703,599	712,618	651,162
II. OPERATING EXPENSES				
Personnel Services	241,862	330,282	330,282	350,586
Maintenance and Other Operating Expenses	114,049	150,925	150,925	170,660
Financial Expenses	107,364	102,979	102,979	65,947
Non-Cash Expenses				
Depreciation/Bad Debts/Amortization/Others	25,702	22,067	22,067	23,391
TOTAL OPERATING EXPENSES	488,977	606,253	606,253	610,584
III. NET PROFIT BEFORE FOREX GAIN	228,347	97,346	106,365	40,578
IV. FOREX DIFFERENTIAL- GAIN	466	-	-	-
V. NET PROFIT AFTER FOREX GAIN	228,813	97,346	106,365	40,578
VI. INCOME TAX	70,067	30,130	32,835	13,154
VII. NET PROFIT AFTER INCOME TAX	158,746	67,216	73,530	27,424
Subsidies from the National Government	722,728	1,067,944	1,067,944	1,531,263
Refund of Subsidy from NGOs/POs	217,718	-	-	-
Collection from Modular Gensets	-	83,421	-	-
VIII. NET PROFIT AND SUBSIDIES	1,099,192	1,218,581	1,141,474	1,558,687

Table 1.1.d
NATIONAL ELECTRIFICATION ADMINISTRATION
STAFFING SUMMARY, FY 2018 - 2020
(In Thousand Pesos, Except No. of Positions)

POSITION	2018 AUDITED		2019 GAA		2020 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
Top Two Corporate Positions						
Administrator	1	1,722	1	2,137	1	2,137
Deputy Administrator	3	4,181	4	6,639	4	6,666
Management/Executive Group	16	17,773	18	23,746	18	23,428
Supervisory Group	22	19,420	30	29,326	29	28,885
Professional/Technical Group (High Level)	70	46,615	81	60,221	83	63,358
Professional/Technical Group (Entry Level)	76	33,788	95	34,473	84	40,294
Technical Support	57	17,421	60	21,773	67	21,932
Administrative/Others	49	9,840	51	18,507	55	11,542
TOTAL	294	150,760	340	196,822	341	198,242

Table 1.1.e
NATIONAL ELECTRIFICATION ADMINISTRATION
OTHER COMPENSATION, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019 GAA	2020 PROPOSED
MANDATORIES	39,616	49,852	49,037
Representation & Transportation Allowance	6,300	7,188	6,108
Personnel Economic Relief Allowance	6,948	8,160	8,184
Mid-year Bonus	12,261	16,402	16,520
Year-end Bonus and Cash Gift	14,107	18,102	18,225
FIXED EXPENDITURES	20,112	26,312	26,590
PAG-IBIG Contributions	348	408	409
Retirement and Life Insurance Premium	17,852	23,619	23,789
Health Insurance Premium	1,567	1,877	1,983
Employees' Compensation Insurance Premium	345	408	409
OTHER COMPENSATION	18,661	27,539	45,981
Per Diem of Members of the Board	2,298	2,304	2,304
Special Counsel Allowance	93	135	135
Loyalty Pay	20	935	-
Clothing/Uniform Allowance	1,740	2,040	2,046
Overtime Pay	-	-	7,429
Performance-Based Bonus	-	8,754	11,023
Performance-Based Incentive	-	579	2,016
Productivity Enhancement Incentive	1,434	1,700	1,705
Anniversary Bonus	-	1,020	-
CNA Incentive	7,198	-	-
PRAISE Incentive	-	-	9,251
Honoraria	136	220	220
Monetization of Leave Credits	-	9,852	9,852
Energy Award	5,742	-	-
TERMINAL AND RETIREMENT BENEFITS	12,713	29,757	30,736
Terminal Leave	12,653	29,757	30,736
Retirement Benefits	60	-	-
GRAND TOTAL	91,102	133,460	152,344

Table 1.1.f
NATIONAL ELECTRIFICATION ADMINISTRATION
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
Travelling Expenses	14,780	16,972	16,972	20,000
Training and Seminar	8,663	15,941	15,941	16,419
Supplies and Materials	5,841	6,211	6,211	6,397
Gasoline, Oil and Lubricants	1,624	1,316	1,316	1,723
Water, Illumination and Power Service	10,265	10,297	10,297	14,000
Communication Expenses	5,479	6,497	6,497	6,692
Membership Dues and Contributions to Organizations	46	49	49	50
Advertising	109	248	248	255
Printing and Binding	145	281	281	289
Rents/Lease	765	1,075	1,075	1,107
Subscription Expenses	161	240	240	247
Professional Services	47,954	63,745	63,745	66,056
Repair and Maintenance	11,046	11,500	11,500	15,100
Grants/Subsidies a/	722,728	15,983,518	5,114,036	12,400,745
Refund of subsidies from NGOs/POs	217,718	-	-	-
Extraordinary and Miscellaneous Expenses	424	650	650	650
Taxes, Insurance Premium and Other Fees	73,706	38,209	80,067	47,635
Dividends	86,905	44,706	83,862	53,183
Losses/Depreciation/Depletion b/	25,702	22,067	22,067	23,391
Miscellaneous Expenses	3,861	3,205	3,205	4,096
Other Maintenance and Operating Expenses	71	2,698	2,698	2,779
Financial Expenses	217,997	102,979	102,979	65,947
Payment of NG advances	811,659	811,660	811,660	811,660
TOTAL MOOE	2,267,649	17,144,064	6,355,596	13,558,421

a/ FY 2020 is inclusive of P10,869,482,000 for the conversion of National Government advances into subsidy chargeable against Unprogrammed Fund-Budgetary Support to Government-Owned or-Controlled Corporations.

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

Table 1.1.g
NATIONAL ELECTRIFICATION ADMINISTRATION
DETAILS OF CAPITAL OUTLAYS, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019 GAA	2020 PROPOSED
Loans Outlay	2,064,606	1,550,000	245,000
Office Furniture, Fixtures and Equipment	240	15,805	10,390
Transportation Equipment Outlay	-	5,000	6,000
Information Technology Equipment Outlay	391	31,755	-
TOTAL CAPITAL OUTLAYS	2,065,237	1,602,560	261,390

Table 1.1.h
NATIONAL ELECTRIFICATION ADMINISTRATION
COMPARATIVE STATEMENT OF CASH FLOWS, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
Cash flows from operating activities				
Collection of receivables	2,180,714	2,993,922	2,257,626	1,834,923
Receipt of government subsidy	722,728	15,983,518	5,114,036	12,400,745
Refund of subsidies from Electric Cooperatives (ECs)	217,718	-	-	-
Receipt of trust liabilities	8,480	-	-	-
Collection of other receivables	70,019	83,421	83,421	93,769
Payment of Financial Expense	(60,274)	-	(102,979)	(65,947)
Other cash receipts	98,154	77,567	86,586	65,211
Payment for Personnel Services	(225,892)	(330,282)	(330,282)	(350,586)
Payment for MOOE	(92,644)	(150,925)	(150,925)	(170,660)
Release of loans to ECs	(2,064,606)	(1,550,000)	(1,450,000)	(245,000)
Release of guarantee to ECs	-	-	(100,000)	-
Grant of subsidies	(3,131,706)	(1,067,944)	(1,067,944)	(1,531,263)
Payment for accounts payable	(25,110)	-	-	-
Remittance of corporate income tax	(70,891)	(28,209)	(70,067)	(32,835)
Returned subsidies to the Bureau of the Treasury	(814,000)	-	-	-
Other cash payments	(3,225)	-	-	-
Net cash flow from operating activities	(3,190,535)	16,011,068	4,269,472	11,998,357
Cash flows from investing activities				
Purchase of property, plant and equipment	(631)	(52,560)	(52,560)	(16,390)
Net cash flow from investing activities	(631)	(52,560)	(52,560)	(16,390)
Cash flows from financing activities				
Payment of long-term liabilities	-	(102,979)	-	-
Conversion of NG Advances	-	(14,915,574)	(4,046,092)	(10,869,482)
Payment of NG advances (Principal)	(811,659)	(811,660)	(811,660)	(811,660)
Payment of Interest on NG Advances (Arrears)	(110,633)	-	-	-
Remittance of dividend to National Government	(86,905)	(44,706)	(83,862)	(53,183)
Net cash flow from financing activities	(1,009,197)	(15,874,919)	(4,941,614)	(11,734,325)
Net increase/(decrease) in cash and cash equivalents	(4,200,363)	83,589	(724,702)	247,642
Cash and cash equivalents, beginning of the year	7,730,877	7,073,644	3,530,514	2,805,812
Cash and cash equivalents, end of the year	3,530,514	7,157,233	2,805,812	3,053,454

Table 1.1.i
 NATIONAL ELECTRIFICATION ADMINISTRATION
 SOURCES AND USES OF FUNDS By Expense Class, FY 2018
 (In Thousand Pesos)

PARTICULARS	NG SUPPORT			CORPORATE FUNDS					GRAND TOTAL				
	MOOE	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support	-	-	-	79,062	1,010,669	170,907	221	1,260,859	79,062	1,010,669	170,907	221	1,260,859
2. Support to Operations	-	-	-	54,214	31,486	-	151	85,851	54,214	31,486	-	151	85,851
3. Operations	-	-	-	92,616	48,279	-	259	141,154	92,616	48,279	-	259	141,154
Locally-funded Projects													
Rural Electrification	3,131,706	-	3,131,706	-	-	-	-	-	-	3,131,706	-	-	3,131,706
Loans to Electric Cooperatives	-	-	-	-	-	-	2,064,606	2,064,606	-	-	-	2,064,606	2,064,606
4. Others	814,000	-	814,000	-	-	-	-	-	-	814,000	-	-	814,000
TOTAL	3,945,706	-	3,945,706	225,892	1,090,434 a/	170,907	2,065,237	3,552,470	225,892	5,036,140	170,907	2,065,237	7,498,176

a/ net of depreciation expense of P25.702 Million

Table 1.1.j
 NATIONAL ELECTRIFICATION ADMINISTRATION
 SOURCES AND USES OF FUNDS By Expense Class, FY 2019 (As Revised)
 (In Thousand Pesos)

PARTICULARS	NG SUPPORT			CORPORATE FUNDS					GRAND TOTAL				
	MOOE	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support	-	-	-	108,993	1,015,394	102,979	17,345	1,244,711	108,993	1,015,394	102,979	17,345	1,244,711
2. Support to Operations	-	-	-	79,268	36,222	-	12,614	128,104	79,268	36,222	-	12,614	128,104
3. Operations	-	-	-	142,021	64,898	-	22,601	229,520	142,021	64,898	-	22,601	229,520
Locally-funded Projects													
Rural Electrification	1,067,944	-	1,067,944	-	-	-	-	-	-	1,067,944	-	-	1,067,944
Conversion of National Government advances into subsidy	4,046,092	-	4,046,092	-	-	-	-	-	-	4,046,092	-	-	4,046,092
Loans to Electric Cooperatives	-	-	-	-	-	-	1,550,000	1,550,000	-	-	-	1,550,000	1,550,000
TOTAL	5,114,036	-	5,114,036	330,282	1,116,514 a/	102,979	1,602,560	3,152,335	330,282	6,230,550	102,979	1,602,560	8,266,371

a/ net of depreciation expense of P22.067 Million

Table 1.1.k
 NATIONAL ELECTRIFICATION ADMINISTRATION
 SOURCES AND USES OF FUNDS By Expense Class, FY 2020
 (In Thousand Pesos)

PARTICULARS	NG SUPPORT			CORPORATE FUNDS					GRAND TOTAL				
	MOOE	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL	PS	MOOE	FINEX	CO	TOTAL
1. General Administration and Support	-	-	-	115,694	953,996	65,947	5,409	1,141,046	115,694	953,996	65,947	5,409	1,141,046
2. Support to Operations	-	-	-	143,740	69,971	-	6,720	220,431	143,740	69,971	-	6,720	220,431
3. Operations	-	-	-	91,152	44,371	-	4,261	139,784	91,152	44,371	-	4,261	139,784
Locally-funded Projects													
Rural Electrification	1,531,263	-	1,531,263	-	-	-	-	-	-	1,531,263	-	-	1,531,263
Conversion of National Government advances into subsidy	10,869,482	-	10,869,482	-	-	-	-	-	-	10,869,482	-	-	10,869,482
Loans to Electric Cooperatives	-	-	-	-	-	-	245,000	245,000	-	-	-	245,000	245,000
TOTAL	12,400,745	-	12,400,745	350,586	1,068,338 a/	65,947	261,390	1,746,261	350,586	13,469,083	65,947	261,390	14,147,006

a/ net of depreciation expense of P23.391 Million

CORPORATE OPERATING BUDGET

I. NATIONAL ELECTRIFICATION ADMINISTRATION

1. Approval of the FY 2020 Corporate Operating Budget of the National Electrification Administration under R.A. No. 7638. The FY 2020 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, Budget Circular No. 2016-5 dated August 22, 2016, as amended by Budget Circular No. 2017-1 dated April 26, 2017, Administrative Order No. 14 dated December 10, 2018 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 and Executive Order No. 36 dated July 28, 2017.

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

The amount of Thirty Million Seven Hundred Thirty Six Thousand Pesos (P30,736,000) shall be used exclusively for the payment of terminal leave benefits to the affected NEA personnel based on the list submitted by NEA to the DBM.

5. Budget Flexibility and Report. 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 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.

6. Augmentation Beyond the 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 Sitio Electrification and Barangay Line Enhancement 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, the NEA shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following: (i) corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) approved COB and

corresponding targets including any amount of budgetary support from the National Government; (iii) budgetary adjustments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning suppliers, contractor or consultant; (v) major programs and projects categorized in accordance with the 0+10 point socioeconomic agenda; (vi) status of implementation, evaluation or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Final People's Freedom to Information (FOI) Manual signed by head of agency, Agency Information Inventory, 2018 and 2019 FOI Summary Report, and 2018 and 2019 FOI Registry; and (ix) year-end financial reports and trial balances for the last three (3) fiscal years.

The Administrator of the NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of the NEA.

10. Reportorial and Posting Requirements. The NEA shall submit, within thirty (30) days after budgetary adjustments are made, to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, a comprehensive financial and narrative report on the budgetary adjustments. The Administrator of the NEA and the Administration's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the NEA website.

Table 1.2.a
NATIONAL POWER CORPORATION
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2020

I. CORPORATE OBJECTIVES

- To perform the missionary electrification function through the Small Power Utilities Group (SPUG) and be responsible for providing power generation and its associated power delivery systems in areas that are not connected to the transmission system [Sec. 70 of RA 9136];
- To promote the utilization of indigenous and new and renewable energy sources, particularly in performing its Missionary Electrification mandate [Section 2(h) of RA 9136];
- To manage and continue the Corporation's responsibility in watershed rehabilitation and management and be entitled to the environmental charge equivalent to one-fourth of one centavo per kilowatt-hour energy sales [Section 34(d) of RA 9136];
- To continue to be responsible for dam structure and all other appurtenant structure necessary for the safe and reliable operation of hydropower plants (Sec. 6 (d), Rule 23 of RA 9136-IRR);
- To continue undertaking the rehabilitation, upgrading and uprating of undisposed generation assets; and
- To venture into business development of its allied products and services to enhance its revenue generation.

II. CORPORATE PRIORITIES FOR THE BUDGET YEAR

- Reliable supply of electricity in missionary electrification areas;
- Operation and maintenance, rehabilitation, upgrading and uprating of generation assets in the main grids as needed;
- Rehabilitation and management of watershed areas; and
- Implementation of Corporate Social Responsibility Program.

III. MAJOR PROGRAMS AND PROJECTS

- Develop and implement tariff methodology that shall promote reasonable electricity rates while reflecting true cost of service;
- Develop/implement the overall island/off-grid capacity and transmission system;
- Promote/implement the adoption of renewable hybrid systems;
- Vegetative rehabilitation and watershed protection;
- Dam integrity and safety, dam management protocol and flood forecasting and mitigation; and
- Operation and maintenance of undisposed main grid generation assets.

Table 1.2.b
 NATIONAL POWER CORPORATION
 ASSUMPTIONS, FY 2018-2020
 SMALL POWER UTILITIES GROUP (SPUG) SALES & GENERATION

	UNAUDITED	REVISED	PROJECTED	RATE	
	2018	2019	2020	% Inc (Dec)	
				2019/2018	2020/2019
1. ENERGY SALES, GIGAWATT HOURS	413	525	556	1.27	1.06

	GIGAWATT HOUR			PERCENT MIX		
	UNAUDITED	REVISED	PROJECTED	UNAUDITED	REVISED	PROJECTED
	2018	2019	2020	2018	2019	2020
2. ENERGY GENERATION, GIGAWATT HOURS	<u>431</u>	<u>550</u>	<u>580</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>
HYDRO	5	7	6	1%	1%	1%
OIL BASED	426	543	574	99%	99%	99%

Table 1.2.c
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF FINANCIAL POSITION, FY 2018-2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
ASSETS				
Current Assets	30,050,843	17,793,490	23,219,488	24,381,700
Cash and Cash Equivalents	17,739,542	4,535,402	2,522,451	2,924,090
Receivables	4,365,395	11,161,120	10,403,081	8,732,345
Inventories	1,221,425	1,313,927	1,221,425	1,221,425
Other Current Assets	6,724,481	783,041	9,072,531	11,503,840
Non-Current Assets	13,475,290	29,721,904	22,518,767	24,633,058
Investments	1,720	-	1,720	1,720
Receivables	759,960	-	1,057,314	1,057,314
Property, Plant and Equipment	12,329,500	27,042,449	20,957,956	23,072,247
Other Non-Current Assets	384,110	2,679,455	501,777	501,777
TOTAL ASSETS	43,526,133	47,515,394	45,738,255	49,014,758
LIABILITIES				
Current Liabilities	9,416,661	6,691,994	5,347,545	7,760,337
Financial Liabilities	7,604,212	5,241,361	3,684,164	5,878,439
Inter-Agency Payables	346,789	1,450,633	346,789	346,789
Trust Liabilities	55,649	-	55,650	55,649
Deferred Credits/Unearned Income	1,008,630	-	1,139,118	1,143,905
Current Portion of Lease Obligation	-	-	-	-
Other Payables	401,381	-	121,824	335,555
Non-Current Liabilities	4,947,571	4,595,296	4,892,979	4,852,050
Financial Liabilities	577,112	501,668	518,807	477,878
Lease Obligations	3,668	-	3,668	3,668
New Borrowings	573,444	501,668	515,139	474,210
Trust Liabilities	229,581	-	229,581	229,581
Deferred Credits/Unearned Income	3,563,034	4,093,628	3,566,747	3,566,747
Provisions	577,844	-	577,844	577,844
Other Liabilities	-	-	-	-
TOTAL LIABILITIES	14,364,232	11,287,290	10,240,524	12,612,387
STOCKHOLDERS' EQUITY				
Government Equity	29,161,901	36,228,104	35,497,731	36,402,371
TOTAL STOCKHOLDERS' EQUITY	29,161,901	36,228,104	35,497,731	36,402,371
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	43,526,133	47,515,394	45,738,255	49,014,758

Table 1.2.d
NATIONAL POWER CORPORATION
COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FY 2018-2020
(In Thousand Pesos)

PARTICULARS	2018 UNAUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
I. REVENUES	17,794,432	18,821,248	24,471,448	27,464,447
Operating Revenues	15,697,976	17,991,994	22,909,955	26,065,186
Other Revenues	2,096,456	829,254	1,561,493	1,399,261
II. COST OF SALES	4,388,500	7,316,456	7,982,713	8,155,116
III. GROSS PROFIT	13,405,932	11,504,792	16,488,735	19,309,331
IV. OPERATING EXPENSES/OTHER EXPENSES	11,603,193	10,315,763	14,620,425	14,782,385
Personnel Services	915,522	1,235,200	1,170,930	1,594,581
Maintenance and Other Operating Expenses	1,503,953	1,779,542	1,994,891	2,134,433
Interest Expense	5,743	2,971	3,613	2,683
Non-cash Expenses	959,430	1,444,545	1,240,663	1,389,652
Depreciation of Fixed Assets (operating plants)	406,391	727,241	440,079	477,064
Provision for Doubtful Accounts	431,784	589,347	791,051	714,398
Extraordinary Loss and Loss on Disposal/Retirement of Assets	4,979	-	-	-
Depreciation of Non- Operating Plants & Others	116,276	127,957	9,533	198,190
Other Expenses	8,218,545	5,853,505	10,210,328	9,661,036
V. NET PROFIT/(LOSS) BEFORE GAIN/(LOSS) ON FOREX FLUCTUATION	1,802,739	1,189,029	1,868,310	4,526,946
VI. GAIN/(LOSS) ON FOREX FLUCTUATION	50	-	-	-
VII. NET PROFIT/(LOSS) AFTER GAIN (LOSS) ON FOREX FLUCTUATION	1,802,789	1,189,029	1,868,310	4,526,946
ADD: Subsidies	349,890	1,028,986	4,522,574	2,095,978
Subsidies from National Government	349,890	1,028,986	4,522,574	2,095,978
VIII. NET PROFIT/(LOSS) BEFORE INCOME TAX	2,152,679	2,218,015	6,390,884	6,622,924
LESS: Income Tax	425,942	534,182	805,035	1,322,667
IX. NET PROFIT/(LOSS)	1,726,737	1,683,833	5,585,849	5,300,257
X. SUBSIDY TREATED AS DEFERRED INCOME	-	-	-	-
XI. NET AMOUNT INCLUSIVE OF DEFERRED INCOME	1,726,737	1,683,833	5,585,849	5,300,257

Table 1.2.e
 NATIONAL POWER CORPORATION
 STAFFING SUMMARY, FY 2018-2020
 (In Thousand Pesos, Except No. of Positions)

POSITIONS	2018 ACTUAL		2019 ESTIMATE		2020 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions						
Top Three Corporate Positions						
President	1	1,722	1	2,102	1	2,137
Senior Vice President	0	0	0	0	0	0
Vice President	5	8,169	6	10,041	6	10,096
Management/Executive Group	125	130,053	142	161,451	144	162,340
Technical Group	1,133	503,062	1,229	563,467	1,230	558,575
Technical Support	369	205,367	423	251,377	428	253,127
Administrative/Others	77	17,277	90	20,662	95	21,684
TOTAL	1,710	865,650	1,891	1,009,100	1,904	1,007,959
B. Non-Itemized Positions						
Co-Terminus	75	43,010	79	45,082	80	45,564
Contractuals	24	4,665	27	5,585	27	5,567
Casuals	114	34,573	121	38,290	122	38,285
TOTAL	213	82,248	227	88,957	229	89,416
GRAND TOTAL	1,923	947,898	2,118	1,098,057	2,133	1,097,375

Table 1.2.f
NATIONAL POWER CORPORATION
COMPENSATION OF ITEMIZED POSITIONS, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 UNAUDITED	2019		FY 2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
A. PERMANENT	1,432,290	1,819,216	1,816,199	2,181,606
GUARANTEED CASH COMPONENT	1,093,248	1,249,286	1,255,978	1,250,625
Salaries	865,650	1,008,288	1,009,099	1,007,959
Personnel Economic Relief Allowance	54,132	45,360	45,384	45,696
Representation and Transportation Allowance	20,728	18,138	23,856	19,458
Mid-Year Bonus	73,043	84,025	84,092	83,996
Year-End Bonus	71,258	84,025	84,092	83,996
Cash Gift	8,437	9,450	9,455	9,520
FRINGE BENEFITS	170,967	233,649	223,794	250,322
Night Shift Differential	39,363	82,156	75,653	78,571
Overtime	49,786	89,161	85,487	110,078
Medical	10,486	-	-	-
Special Counsel Allowance	2,415	5,880	6,484	3,120
Uniform Allowance	9,986	11,340	11,346	11,424
Loyalty Pay	-	265	255	-
Performance-Based Bonus	58,931	44,847	44,569	47,129
FIXED EXPENDITURES	115,981	135,685	135,831	135,752
Retirement and Life Insurance Premium	103,364	120,995	121,092	120,955
Health Insurance Premium	8,564	10,154	10,201	10,227
Employee's Compensation Insurance Premium	2,020	2,268	2,269	2,285
PAG-IBIG Contributions	2,033	2,268	2,269	2,285
TERMINAL LEAVE AND SEPARATION BENEFITS	51,630	199,060	199,060	543,371
PER DIEM OF BOARD MEMBERS	464	1,536	1,536	1,536
B. CO-TERMINOUS	68,910	73,221	74,102	94,779
Salaries and Allowances	65,935	63,493	64,374	64,946
Terminal Leave and Separation Benefits	2,975	9,728	9,728	29,833
C. CASUAL	54,798	56,729	58,840	65,992
Salaries and Allowances	54,412	54,665	56,776	57,555
Terminal Leave and Separation Benefits	386	2,064	2,064	8,437
D. CONTRACTUAL	7,583	9,005	9,030	9,113
Salaries and Allowances	7,583	9,005	9,030	9,113
TOTAL	1,563,581	1,958,171	1,958,171	2,351,490
Operating	1,433,958	1,862,094	1,861,523	2,236,560
Capitalized	65,688	80,336	80,622	89,649
Other Expenses / Expenditures	63,935	15,741	16,026	25,281
	1,563,581	1,958,171	1,958,171	2,351,490

Table 1.2.g
NATIONAL POWER CORPORATION
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2018-2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
Travelling Expenses	72,741	66,480	66,480	116,487
Communication Expenses	12,194	12,798	20,564	13,577
Repair and Maintenance of Government Facilities	388,354	532,992	599,721	516,008
Repair and Maintenance of Government Vehicles and Other Equipment	10,165	13,241	26,951	13,818
Transportation Services	5,250	5,812	14,631	6,166
Supplies and Materials	15,179	29,842	53,335	23,184
Rents	446,477	405,118	484,082	518,515
Interests (Debt Service - Interest)	5,704	2,971	3,029	2,274
Grants, Subsidies and Contributions	7,166	10,642	11,053	11,053
Award and Indemnities (Injuries and Damages)	-	1,500	1,500	1,500
Loan Repayments/Debt Service-Principal ^{a/}	69,161	57,185	58,305	40,929
Losses/Depreciation/Depletion/Amortization of Capital Recovery ^{b/}	406,391	855,198	440,079	477,064
Water, Illumination and Power Service	29,170	30,396	28,911	30,946
Auditing Services	19,925	25,298	30,461	34,008
Training and Seminar Expense	11,848	11,012	18,374	12,570
Extraordinary and Other Miscellaneous Expenses	763	886	900	768
Taxes, Duties and Fees	7,745	29,050	26,124	29,074
Trading / Production (Fuel)	4,388,500	7,316,456	7,982,713	8,155,116
Gasoline, Oil, and Lubricants	9,480	8,363	16,809	10,057
Fidelity Bonds and Insurance Premium	42,802	54,986	46,665	60,921
Representation and Entertainment Expenses	539	661	661	681
Cultural Expenses	742	455	454	454
Honorary Grant	610	408	408	408
Incentive Award	80,896	-	800	864
Miscellaneous Expenses	184	717	688	715
Director's and Officer's Liability Fund	824	5,270	5,300	5,280
Other Services	340,899	533,615	540,019	727,379
Others (Input VAT, Finance Charges, Other Expenses)	11,032,573	9,389,442	14,970,067	14,341,182
Total MOOE	17,406,282	19,400,794	25,449,084	25,150,998

a/ This account is not considered as an expense item in the Profit and Loss Statement.

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

Table 1.2.h
 NATIONAL POWER CORPORATION
 DETAILS OF CAPITAL OUTLAYS, FY 2018-2020
 (In Thousand Pesos)

PARTICULARS	2018 UNAUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
Land and Land Improvement Outlay	38,889	305,703	183,207	204,293
Infrastructure Outlay	-	-	3,606,820	1,701,366
Buildings and Other Infrastructures Outlay	931,007	1,088,660	186,650	492,796
Machineries and Equipment Outlay	1,635,777	4,053,893	4,823,280	3,819,671
Transportation Equipment	-	171,688	171,688	34,637
Furniture, Fixtures and Books Outlay	35,083	12,859	3,563	7,551
Biological Assets Outlay	-	-	7,392	-
Intangible Assets Outlay	-	-	143,790	135,711
TOTAL	2,640,756	5,632,803	9,126,390	6,396,025

Table 1.2.i
 NATIONAL POWER CORPORATION
 COMPARATIVE STATEMENT OF CASH FLOWS, FY 2018-2020
 (In Thousand Pesos)

PARTICULARS	FY 2018 AUDITED	FY 2019 GAA	FY 2019 ESTIMATE	FY 2020 PROPOSED
Cash flows from operating activities				
Inflows	16,563,757	20,405,661	22,298,461	30,758,885
Cash generated from operations	14,465,578	19,376,675	16,285,152	27,263,646
Collection of receivables	144,712			
Receipt of government subsidy	349,890	1,028,986	4,522,574	2,095,978
Other inflows	1,603,577		1,490,735	1,399,261
Outflows	(16,051,483)	(19,084,237)	(28,663,787)	(25,446,807)
Payment for salaries	(728,333)	(1,235,200)	(1,170,930)	(1,594,581)
Payment for suppliers	(4,029,939)	(7,214,558)	(8,436,982)	(7,461,156)
Payment of taxes	(1,739)	(538,588)	(833,686)	(1,327,572)
Other outflows	(11,291,472)	(10,095,891)	(18,222,189)	(15,063,498)
Net cash flow from operating activities	512,274	1,321,424	(6,365,326)	5,312,078
Cash flows from investing activities				
Inflows	448,728	-	2,409,867	2,328,022
Proceeds from sale of unserviceable equipment	1,280			
Cash receipts from sale of assets				
Other inflows	447,448		2,409,867	2,328,022
Outflows	(1,334,352)	(6,119,166)	(9,763,527)	(6,266,339)
Purchase of property, plant and equipment	(1,334,352)	(5,713,139)	(9,206,091)	(6,485,674)
Other outflows		(406,027)	(557,436)	219,335
Net cash flow from investing activities	(885,624)	(6,119,166)	(7,353,660)	(3,938,317)
Cash flows from financing activities				
Outflows	(1,485,293)	(654,345)	(1,498,105)	(972,122)
Repayment of loan	(69,161)	(57,185)	(58,305)	(40,929)
Dividend payment	(1,410,309)	(594,189)	(1,436,771)	(928,919)
Other outflows	(5,823)	(2,971)	(3,029)	(2,274)
Net cash flow from financing activities	(1,485,293)	(654,345)	(1,498,105)	(972,122)
Effect of Exchange Rate changes on cash and cash equivalents	12,775			
Net increase/(decrease) in cash and cash equivalents	(1,845,868)	(5,452,087)	(15,217,091)	401,639
Cash and cash equivalents, beginning of the year	19,585,410	9,987,489	17,739,542	2,522,451
Cash and cash equivalents, end of year	17,739,542	4,535,402	2,522,451	2,924,090

Table 1.2.j
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2018
 (In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	NG SUBSIDY				CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support	-	-	-	-	390,661	225,725	2,284,871	2,901,257	390,661	225,725	2,284,871	2,901,257
a. Head Office Support Group					242,339	181,939	6,632	430,910	242,339	181,939	6,632	430,910
b. Engineering Administration / Survey/Development Studies Planning					148,322	43,786	2,278,239	2,470,347	148,322	43,786	2,278,239	2,470,347
2. Support to Operations	-	-	-	-	-	117,703	-	117,703	-	117,703	-	117,703
a. Other Expenses						117,703		117,703		117,703		117,703
3. Operations	-	-	349,890	349,890	583,538	5,666,728	5,995	6,256,261	583,538	5,666,728	355,885	6,606,151
a. Small Power Utilities Group			349,890	349,890	542,622	1,130,763		1,673,385	542,622	1,130,763	349,890	2,023,275
b. Spares												
c. Production of Goods						4,388,500		4,388,500		4,388,500		4,388,500
d. Watershed Management					40,916	147,465	5,995	194,376	40,916	147,465	5,995	194,376
4. Debt Servicing	-	-	-	-	-	74,865	-	74,865	-	74,865	-	74,865
5. Other Expenditures	-	-	-	-	59,878	10,488,982	-	10,548,860	59,878	10,488,982	-	10,548,860
a. Input VAT						1,519,498		1,519,498		1,519,498		1,519,498
b. Bataan Nuclear Powe Plant Preservation / Non-Operating Expenses					59,878	24,861		84,739	59,878	24,861		84,739
c. New Power Provider Subsidy						7,108,372		7,108,372		7,108,372		7,108,372
d. Income Tax						425,942		425,942		425,942		425,942
e. Dividends Paid						1,410,309		1,410,309		1,410,309		1,410,309
6. Personnel Services and Maintenance and Other Operating Expenses	-	-	-	-	529,504	425,888	-	955,392	529,504	425,888	-	955,392
As operator of PSALM's Assets					529,504	425,888		955,392	529,504	425,888		955,392
TOTAL BEFORE PRIOR YEAR'S NG SUBSIDY	-	-	349,890	349,890	1,563,581	16,999,891	2,290,866	20,854,338	1,563,581	16,999,891	2,640,756	21,204,228
PRIOR YEAR'S NG SUBSIDY (FY2016-2018)	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	349,890	349,890	1,563,581	16,999,891	2,290,866	20,854,338	1,563,581	16,999,891	2,640,756	21,204,228

Table 1.2.k
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2019
 (In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	NG SUBSIDY				CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support Services	-	-	1,028,986	1,028,986	479,700	473,299	6,308,925	7,261,924	479,700	473,299	7,337,911	8,290,910
a. Head Office Support Group				-	301,173	423,236	136,304	860,713	301,173	423,236	136,304	860,713
b. Engineering Administrative/ Survey/ Development Studies Planning			1,028,986	1,028,986	178,527	50,063	6,172,621	6,401,211	178,527	50,063	7,201,607	7,430,197
				-				-				-
2. Support to Operations	-	-	-	-	-	2,301,068	-	2,301,068	-	2,301,068	-	2,301,068
a. Other Expenses				-	-	2,301,068		2,301,068	-	2,301,068		2,301,068
3. Operations	-	-	-	-	833,556	9,504,039	1,788,299	12,125,894	833,556	9,504,039	1,788,299	12,125,894
a. Small Power Utilities Group				-	774,605	1,362,495	1,087,400	3,224,500	774,605	1,362,495	1,087,400	3,224,500
b. Spares				-			669,525	669,525	-	-	669,525	669,525
c. Production of Goods				-		7,982,713		7,982,713	-	7,982,713		7,982,713
d. Watershed Management				-	58,951	158,831	31,374	249,156	58,951	158,831	31,374	249,156
4. Debt Service	-	-	-	-	-	61,335	-	61,335	-	61,335	-	61,335
5. Other Expenditures	-	-	-	-	18,021	12,186,488	180	12,204,689	18,021	12,186,488	180	12,204,689
a. Input VAT				-		3,225,474		3,225,474	-	3,225,474		3,225,474
b. Bataan Nuclear Power Plant Preservation				-	18,021	39,659	180	57,860	18,021	39,659	180	57,860
c. New Power Provider Subsidy				-		8,921,355		8,921,355	-	8,921,355		8,921,355
6. Personnel Services and Maintenance and Other Operating Expenses	-	-	-	-	626,894	482,776	-	1,109,670	626,894	482,776	-	1,109,670
As operator of PSALM's Assets				-	626,894	482,776		1,109,670	626,894	482,776		1,109,670
TOTAL	-	-	1,028,986	1,028,986	1,958,171	25,009,005	8,097,404	35,064,580	1,958,171	25,009,005	9,126,390	36,093,566

Table 1.2.1
 NATIONAL POWER CORPORATION
 SOURCES AND USES OF FUNDS BY EXPENSE CLASS, FY 2020
 (In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	NG SUBSIDY				CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
1. General Administration and Support Services	-	-	-	-	655,544	417,859	2,534,185	3,607,588	655,544	417,859	2,534,185	3,607,588
a. Head Office Support Group	-	-	-	-	465,680	375,625	103,358	944,663	465,680	375,625	103,358	944,663
b. Engineering Administrative/ Survey/ Development Studies Planning	-	-	-	-	189,864	42,234	2,430,827	2,662,925	189,864	42,234	2,430,827	2,662,925
2. Support to Operations	-	-	-	-	-	2,264,450	-	2,264,450	-	2,264,450	-	2,264,450
a. Other Expenses	-	-	-	-	-	2,264,450	-	2,264,450	-	2,264,450	-	2,264,450
3. Operations	-	-	1,186,206	1,186,206	1,028,686	9,871,690	1,759,545	12,659,921	1,028,686	9,871,690	2,945,751	13,846,127
a. Small Power Utilities Group	-	-	1,186,206	1,186,206	940,454	1,576,577	1,062,055	3,579,086	940,454	1,576,577	2,248,261	4,765,292
b. Spares	-	-	-	-	-	-	681,976	681,976	-	-	681,976	681,976
c. Production of Goods	-	-	-	-	-	8,155,116	-	8,155,116	-	8,155,116	-	8,155,116
d. Watershed Management	-	-	-	-	88,232	139,997	15,514	243,743	88,232	139,997	15,514	243,743
4. Debt Service	-	-	-	-	-	43,203	-	43,203	-	43,203	-	43,203
5. Other Expenditures	-	-	-	-	25,281	11,579,473	6,317	11,611,071	25,281	11,579,473	6,317	11,611,071
a. Input VAT	-	-	-	-	-	3,070,130	-	3,070,130	-	3,070,130	-	3,070,130
b. Bataan Nuclear Power Plant Preservation	-	-	-	-	25,281	40,850	6,317	72,448	25,281	40,850	6,317	72,448
c. New Power Provider Subsidy	-	-	-	-	-	8,468,493	-	8,468,493	-	8,468,493	-	8,468,493
6. Personnel Services and Maintenance and Other Operating Expenses	-	-	-	-	641,979	497,259	-	1,139,238	641,979	497,259	-	1,139,238
As operator of PSALM's Assets Terminal Leave/Separation Benefits	-	-	-	-	641,979	497,259	-	1,139,238	641,979	497,259	-	1,139,238
TOTAL BEFORE PRIOR YEAR'S NG SUBSIDY	-	-	1,186,206	1,186,206	2,351,490	24,673,934	4,300,047	31,325,471	2,351,490	24,673,934	5,486,253	32,511,677
PRIOR YEAR'S NG SUBSIDY (FY 2016-2018)	-	-	909,772	909,772	-	-	-	-	-	-	909,772	909,772
TOTAL	-	-	2,095,978	2,095,978	2,351,490	24,673,934	4,300,047	31,325,471	2,351,490	24,673,934	6,396,025	33,421,449

II. NATIONAL POWER CORPORATION

1. Approval of the FY 2020 Corporate Operating Budget of the National Power Corporation under R.A. No. 7638. The FY 2020 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, Budget Circular No. 2016-5 dated August 22, 2016, as amended by Budget Circular No. 2017-1 dated April 26, 2017, Administrative Order No. 14 dated December 10, 2018 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 and Executive Order No. 36 dated July 28, 2017.

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 procedures prescribed under applicable laws and guidelines issued thereon.

The amounts of One Hundred Eighty Seven Million Nine Hundred Fifty Nine Thousand Pesos (P187,959,000) and Three Hundred Ninety Three Million Six Hundred Eighty Two Thousand Pesos (P393,682,000) shall be used exclusively for the payment of terminal leave and separation benefits, respectively, to the affected NPC personnel based on the list submitted by NPC to the DBM. In no case shall said amount be used to pay affected personnel who are eligible to receive separation or retirement benefits under applicable laws.

5. Budget Flexibility and Report. 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 the 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 rehabilitation and management of watershed areas and missionary electrification 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 the 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 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. Procurement of Critical Supplies. The NPC shall ensure the timely and sufficient provision of fuel and spare parts for its Small Power Utilities Group to ensure adequate power supply in areas covered. For this purpose, the NPC shall resort to available modalities in the procurement thereof, subject to the pertinent provisions of R.A. No. 9184, its IRR, and other guidelines issued thereon.

9. 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.

10. 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.

11. Transparency Seal. To enhance transparency and enforce accountability, the NPC shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following: (i) corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) approved COB and corresponding targets including any amount of budgetary support from the National Government; (iii) budgetary adjustments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning suppliers, contractor or consultant; (v) major programs and projects categorized in accordance with the 0+10 point socioeconomic agenda; (vi) status of implementation, evaluation or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Final People's Freedom to Information (FOI) Manual signed by head of agency, Agency Information Inventory, 2018 and 2019 FOI Summary Report, and 2018 and 2019 FOI Registry; and (ix) year-end financial reports and trial balances for the last three (3) fiscal years.

The President of the NPC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of the NPC.

12. Reporting and Posting Requirements. The NPC shall submit, within thirty (30) days after budgetary adjustments are made, to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, a comprehensive financial and narrative report on budgetary adjustments. The President of the NPC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the NPC website.

Table 1.3.a
PHILIPPINE NATIONAL OIL COMPANY
CORPORATE OBJECTIVES AND PRIORITIES FOR FY 2020

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 provide and maintain a stable supply of coal, oil and petroleum products for domestic requirements by engaging in their production and refining, transportation, importation, marketing and distribution;
3. To ensure energy security by providing vital energy infrastructure conducive to a balanced and sustainable growth of the economy;
4. To contribute to the country's economic growth by fostering activities relating to oil and petroleum and other energy operations;
5. 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
6. To maintain and strengthen the company's financial health and operating efficiency.

II. CORPORATE PRIORITIES

1. Concretize PNOC's investment or participation in the PNOC Batangas Liquefied Natural Gas (LNG) Hub Project;
2. Continue the sale/optimization of the remaining 97.67 petajoules of PNOC's Banked Gas;
3. Continue optimization of PNOC's real estate assets;
4. Continue to efficiently manage/operate the Energy Supply Base (ESB);
5. Complete a detailed feasibility study for the PNOC Petroleum Products Sourcing, Storage and Distribution Project;
6. Continue to efficiently manage/operate the PNOC Industrial Park;
7. Continue to pursue all related activities (e.g. PIP-NEDA, PPP-PDMF) for the Iconic Tower Project;
8. Formulate strategic and business directions for PNOC-Exploration Corporation (PNOC-EC) and PNOC-Renewables Corporation (PNOC-RC);
9. Approve and monitor PNOC-EC and PNOC-RC's work plans and programs and its corresponding budget in compliance with their respective mandates;
10. Continue to implement the GCG-approved Reorganization Plan;
11. Pass the ISO 9001:2015 Re-certification of the PNOC Quality Management System;
12. Pass the 1st Surveillance Audit of PNOC Industrial Park's Integrated Management System (IMS) - ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018; and

13. Ensure adequate and timely compliance with government oversight agencies' reportorial requirements.

III. MAJOR PROGRAMS AND PROJECTS

1. PROGRAMS

- a. Provision of strategic and business directions, business research and development, project management, asset management, management of Industrial Park and ESB operations, financial planning, strategy management, administrative, legal, management of information systems, internal audit, corporate relations, compliance, contracted services, and maintenance of quality management system (PNOC) and integrated management system (PNOC-Alternative Fuels Corporation);
- 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 thru sale, lease, joint venture and/or other appropriate schemes; and
- d. Repairs and maintenance of PNOC Buildings at the Energy Center.

2. PROJECTS

- a. Investment or Participation in the Batangas LNG Hub Project;
- b. Sale/Optimization of the Banked Gas; and
- c. Optimization of the Value of Real Estate Assets.

Table 1.3.b
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE STATEMENT OF FINANCIAL POSITION, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
ASSETS				
Current Assets	2,876,133	4,566,375	2,899,647	4,191,492
Cash and cash equivalent	61,503	2,288,152	498,852	1,861,934
Investments	1,901,295	283,199	1,806,957	1,806,956
Receivables	575,588	1,528,020	251,475	180,102
Other current assets	337,747	467,004	342,363	342,500
Non-Current Assets	37,248,331	36,507,603	37,356,628	36,325,539
Investments	11,435,085	10,646,464	11,666,879	10,319,534
Receivables	70,146	73,608	74,114	78,081
Investment Property	11,368,924	11,334,860	11,368,924	11,368,924
Property, Plant and Equipment	338,658	533,524	377,211	845,393
Banked Gas Inventory	13,689,427	13,529,441	13,523,409	13,367,516
Other non-current assets	346,091	389,706	346,091	346,091
TOTAL ASSETS	40,124,464	41,073,978	40,256,275	40,517,031
LIABILITIES				
Current Liabilities	689,889	614,888	549,442	544,736
Financial Liabilities	93,656	148,856	10,422	10,422
Inter-Agency Payables	74,568	31,256	63,489	61,992
Trust Liabilities	214,582	204,997	214,582	214,582
Other Payables	307,083	229,779	260,949	257,740
Non-Current Liabilities	3,265,900	3,061,908	3,277,786	3,286,086
Deferred credits/unearned income	484,526	267,271	488,219	488,326
Provisions	26,940	40,202	35,133	43,326
Deferred tax liabilities	2,754,434	2,754,435	2,754,434	2,754,434
TOTAL LIABILITIES	3,955,789	3,676,796	3,827,228	3,830,822
STOCKHOLDER'S EQUITY				
Government Equity	3,114,596	3,114,596	3,114,596	3,114,596
Revaluation Surplus	9,181,439	9,217,410	9,181,439	9,181,439
Retained Earnings	23,875,856	25,066,182	24,136,228	24,393,390
Cumulative Changes in Fair Value	(3,216)	(1,006)	(3,216)	(3,216)
TOTAL STOCKHOLDER'S EQUITY	36,168,675	37,397,182	36,429,047	36,686,209
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	40,124,464	41,073,978	40,256,275	40,517,031

Table 1.3.c
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE STATEMENT OF FINANCIAL PERFORMANCE, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
I. REVENUES				
Operating Revenues	1,068,230	1,024,173	1,096,303	1,166,722
Other Revenues	2,604	-	-	-
TOTAL REVENUES	1,070,834	1,024,173	1,096,303	1,166,722
II. OPERATING EXPENSES				
Personnel Services	107,344	184,627	184,627	181,113
Maintenance and Other Operating Expenses	144,073	243,051	236,811	314,078
Financial Expenses	9,305	3,000	9,240	12,307
Non-Cash Expenses				
Depreciation of Fixed Assets	37,954	35,097	42,443	48,450
Other Non-Cash Expenses	1,384	-	-	-
TOTAL OPERATING EXPENSES	300,060	465,775	473,121	555,948
III. NET PROFIT/(LOSS) BEFORE INCOME TAX	770,774	558,398	623,182	610,774
IV. INCOME TAX	(155,103)	(99,143)	(102,439)	(96,450)
V. NET PROFIT AFTER INCOME TAX	615,671	459,255	520,743	514,324
Other Comprehensive Income/(Loss)*	(2,350)	-	-	-
VI. NET PROFIT AND SUBSIDIES	613,321	459,255	520,743	514,324

* Unrealized Loss on FOREX realignment of dollar account (P2.445 million) offset by unrealized gain on Revaluation of Investment (P0.095 million)

Table 1.3.d
PHILIPPINE NATIONAL OIL COMPANY
STAFFING SUMMARY, FY 2018 - 2020
(In Thousand Pesos, Except No. of Positions)

POSITION	2018 AUDITED		2019 GAA		2020 PROPOSED	
	NO.	AMOUNT	NO.	AMOUNT	NO.	AMOUNT
A. Itemized Positions						
Top Three Positions						
President	1	1,722	1	2,137	1	2,137
Sr. Vice-President	2	2,907	2	3,542	3	5,188
Managerial/Executive Group	8	7,593	12	15,923	9	11,999
Supervisory Group	12	8,758	20	20,723	22	23,131
Technical Group	24	10,352	46	26,961	61	31,525
Technical Support Group	13	7,549	26	17,056	15	10,819
Administrative Group/Others	58	22,509	68	32,900	64	31,051
Sub Total	118	61,390	175	119,242	175	115,850
B. Non-Itemized Positions						
Contractuals						
Basic		N		O		N
Other Benefits		N		O		N
Sub Total						
TOTAL	118	61,390	175	119,242	175	115,850

Table 1.3.e
PHILIPPINE NATIONAL OIL COMPANY
OTHER COMPENSATION, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019 GAA	2020 PROPOSED
MANDATORIES	15,867	29,257	29,447
Representation & Transportation Allowance	2,755	4,308	5,064
Personnel Economic Relief Allowance	2,484	4,200	4,200
Mid-year Bonus	4,911	9,937	9,654
Year-end Bonus and Cash Gift	5,717	10,812	10,529
FIXED EXPENDITURES	7,981	15,749	15,363
PAG-IBIG Contributions	124	210	210
Retirement and Life Insurance Premium	7,143	14,309	13,902
Health Insurance Premium	591	1,020	1,041
Employees' Compensation Insurance Premium	123	210	210
OTHER COMPENSATION	22,106	20,379	20,453
Per Diem of Members of the Board	2,997	4,032	4,032
Terminal Leave	7,457	6,960	6,960
Loyalty Pay	140	-	-
Uniform Allowance	616	1,050	1,050
Overtime	2,307	-	-
Performance-Based Bonus	2,221	5,303	5,377
Performance-Based Incentive	-	926	926
Productivity Enhancement Incentive	521	875	875
Retirement Benefits	-	1,233	1,233
Maternity Benefits	275	-	-
PRAISE Incentive	61	-	-
Honoraria	2,735	-	-
Anniversary Bonus	273	-	-
CNA Incentive	2,503	-	-
GRAND TOTAL	45,954	65,385	65,263

Table 1.3.f
PHILIPPINE NATIONAL OIL COMPANY
DETAILS OF MAINTENANCE AND OTHER OPERATING EXPENSES, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
Travelling Expenses	2,523	5,109	5,109	5,512
Training & Scholarship Expenses	1,590	2,672	2,672	5,461
Supplies and Materials Expenses	9,500	8,020	8,020	14,086
Utility Expenses	16,568	15,660	15,660	37,587
Communication Expenses	5,011	5,900	5,900	7,112
Awards/Rewards, Prizes and Indemnities	-	5,000	5,000	5,000
Extraordinary and Miscellaneous Expenses	144	415	415	533
Professional Services	14,071	43,005	36,765	87,829
General Services	50,378	52,800	52,800	62,729
Repairs and Maintenance	5,121	8,270	8,270	11,726
Taxes, Insurance Premiums and Other Fees	20,024	35,295	35,295	37,373
Financial Expenses	9,667	3,000	9,240	12,307
Depreciation a/	37,954	35,097	42,443	48,450
Advertising, Promotional & Marketing Expenses	377	600	600	558
Printing & Publication Expenses	237	525	525	549
Representation Expenses	8,044	7,452	7,452	8,479
Membership Dues & Contributions to Organization	334	352	352	367
Rent/Lease Expenses	2,380	42,224	42,224	28
Subscription Expenses	53	239	239	5,129
Litigation/Acquired Assets Expenses	-	875	875	5,000
Documentary Stamps Expenses	14	-	-	-
Major Events and Conventions Expenses	2,634	5,420	5,420	2,794
Other Maintenance and Operating Expenses	14,308	3,218	3,218	16,226
TOTAL MOOE	200,932	281,148	288,494	374,835

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, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
Land and Land Improvements Outlay	-	3,100	3,100	64,874
Building and Structures Outlay	50,127	54,021	54,021	430,682
Machinery and Equipment Outlay	8,030	-	6,220	9,070
Transportation Equipment Outlay	-	-	-	9,972
Refurbishing of Existing Motor Vehicle	-	-	-	400
Furniture, Fixtures and Book Outlay	-	6,290	70	1,635
TOTAL CAPITAL OUTLAYS	58,157	63,411	63,411	516,633

Table 1.3.h
PHILIPPINE NATIONAL OIL COMPANY
COMPARATIVE STATEMENT OF CASH FLOWS, FY 2018 - 2020
(In Thousand Pesos)

PARTICULARS	2018 AUDITED	2019		2020 PROPOSED
		GAA	ESTIMATE (As Revised)	
I. Cash flows from operating activities				
Inflows:				
Cash generated from operations	749,321	857,645	887,004	1,011,869
Collection of receivables	666	128,924	438,061	113,948
Other inflows	84,303	-	-	-
Outflows:				
Payment for salaries	(79,674)	(177,667)	(176,434)	(172,920)
Payment to suppliers	(127,350)	(246,051)	(246,051)	(326,385)
Payment of taxes	(21,630)	(93,781)	(140,293)	(124,578)
Other outflows	(132,088)	-	(83,234)	-
Net cash flow from operating activities	473,548	469,070	679,053	501,934
II. Cash flows from investing activities				
Inflows:				
Receipt of Interest Earned	224,203	224,179	277,751	285,308
Receipt of Cash Dividends	5,596	7,100	5,500	5,500
Proceeds from Matured Investments	2,473,481	1,351,858	-	1,347,344
Outflows:				
Purchase of property, plant and equipment	(51,246)	(63,411)	(80,996)	(516,633)
Other outflows	(2,973,425)	-	(137,454)	-
Net cash flow from investing activities	(321,391)	1,519,726	64,801	1,121,519
III. Cash flows from financing activities				
Outflows:				
Dividend payment	(148,028)	(57,862)	(306,505)	(260,371)
Net cash flow from financing activities	(148,028)	(57,862)	(306,505)	(260,371)
Net increase/(decrease) in cash and cash equivalent	4,129	1,930,934	437,349	1,363,082
Cash and cash equivalents, beginning of the year	57,374	357,218	61,503	498,852
Cash and cash equivalents, end of the year	61,503	2,288,152	498,852	1,861,934

Table 1.3.i
PHILIPPINE NATIONAL OIL COMPANY
SOURCES AND USES OF FUNDS By Expense Class, FY 2018
(In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
I. General Administration and Support	80,324	112,764	56,137	249,225	80,324	112,764	56,137	249,225
II. Support to Operations	20,469	3,980	71	24,520	20,469	3,980	71	24,520
III. Operations	6,551	36,634	1,949	45,134	6,551	36,634	1,949	45,134
TOTAL	107,344	153,378 a/	58,157	318,879	107,344	153,378	58,157	318,879

a/ MOOE, net of allowance for depreciation at P37.954 Million and Input Value-Added Tax at P9.60 Million

Table 1.3.j
 PHILIPPINE NATIONAL OIL COMPANY
 SOURCES AND USES OF FUNDS By Expense Class, FY 2019 (As Revised)
 (In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
I. General Administration and Support	113,482	135,353	19,303	268,138	113,482	135,353	19,303	268,138
II. Support to Operations	30,754	5,575	40	36,369	30,754	5,575	40	36,369
III. Operations	40,391	105,123	44,068	189,582	40,391	105,123	44,068	189,582
TOTAL	184,627	246,051 a/	63,411	494,089	184,627	246,051	63,411	494,089

a/ MOOE, net of allowance for depreciation at P42.443 Million

Table 1.3.k
PHILIPPINE NATIONAL OIL COMPANY
SOURCES AND USES OF FUNDS By Expense Class, FY 2020
(In Thousand Pesos)

PROGRAM/ACTIVITY/PROJECT	CORPORATE FUNDS				GRAND TOTAL			
	PS	MOOE	CO	TOTAL	PS	MOOE	CO	TOTAL
I. General Administration and Support	97,335	194,796	11,496	303,627	97,335	194,796	11,496	303,627
II. Support to Operations	20,013	5,542	-	25,555	20,013	5,542	-	25,555
III. Operations	63,765	126,047	505,137	694,949	63,765	126,047	505,137	694,949
TOTAL	181,113	326,385 a/	516,633	1,024,131	181,113	326,385	516,633	1,024,131

a/ MOOE, net of allowance for depreciation at P48.450 Million

III. PHILIPPINE NATIONAL OIL COMPANY

1. Approval of the FY 2020 Corporate Operating Budget of the Philippine National Oil Company under R.A. No. 7638. The FY 2020 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, Budget Circular No. 2016-5 dated August 22, 2016, as amended by Budget Circular No. 2017-1 dated April 26, 2017, Administrative Order No. 14 dated December 10, 2018 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 and Executive Order No. 36 dated July 28, 2017.

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 procedures prescribed under applicable laws and guidelines issued thereon.

The amounts of Six Million Nine Hundred Sixty Thousand Pesos (P6,960,000) and One Million Two Hundred Thirty Three Thousand Pesos (P1,233,000) 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 amount be used to pay affected personnel who are eligible to receive separation or retirement benefits under applicable laws.

5. Budget Flexibility and Report. 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, tankerage and/or shipping, storage, and transport of oil or petroleum operations.

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.

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, the PNOC shall maintain a Transparency Seal to be posted on its website. The Transparency Seal shall contain the following: (i) corporation's mandates and functions, names of its officials with their position and designation, and its contact information; (ii) approved COB and corresponding targets including any amount of budgetary support from the National Government; (iii) budgetary adjustments made in its COB; (iv) annual procurement plan/s and contracts awarded with the winning suppliers, contractor or consultant; (v) major programs and projects categorized in accordance with the 0+10 point socioeconomic agenda; (vi) status of implementation, evaluation or assessment reports of said programs or projects; (vii) Budget and Financial Accountability Reports; (viii) Final People's Freedom to Information (FOI) Manual signed by head of agency, Agency Information Inventory, 2018 and 2019 FOI Summary Report, and 2018 and 2019 FOI Registry; and (ix) year-end financial reports and trial balances for the last three (3) fiscal years.

The President of the PNOC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring compliance with this requirement.

The DBM shall post on its website the status of compliance of the PNOC.

11. Reporting and Posting Requirements. The PNOC shall submit, within thirty (30) days after budgetary adjustments are made, to the DBM, the Speaker of the House of Representatives, the President of the Senate of the Philippines, the House Committee on Appropriations and the Senate Committee on Finance, either in printed form or by way of electronic document, a comprehensive financial and narrative report on the budgetary adjustments. The President of the PNOC and the Corporation's web administrator or his/her equivalent shall be responsible for ensuring that said report is likewise posted on the PNOC website.

