

**SOCIAL SECURITY SYSTEM**  
**STATEMENTS OF FINANCIAL POSITION**  
(In Philippine Peso)  
As at December 31, 2018 and 2017

	Note	2018	2017 As restated	As at January 1, 2017
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	3	15,440,541,241	26,821,426,070	17,830,920,092
Financial assets	4.1	37,059,803,639	16,847,812,051	14,724,581,739
Receivables	5.1	7,530,360,929	5,315,919,475	7,936,704,988
Inventories	6	169,465,093	191,278,628	259,682,586
Non-current assets held for sale	7	1,302,776,661	1,368,887,125	3,643,780,781
Other current assets	8	13,884,559	12,272,251	17,429,982
<b>Total Current Assets</b>		<b>61,516,832,122</b>	<b>50,557,595,600</b>	<b>44,413,100,168</b>
<b>Non-Current Assets</b>				
Financial assets	4.2	309,394,771,976	326,900,661,415	318,857,542,993
Receivables	5.2	92,745,974,541	87,665,909,114	85,028,154,051
Investment property	9	41,354,431,842	38,424,359,615	25,648,748,397
Property and equipment - net	10	5,854,268,084	4,532,663,850	4,540,474,618
Intangible assets - net	11	235,322,104	203,095,350	237,252,642
Other non-current assets	12	364,346,635	347,748,743	335,583,885
<b>Total Non-Current Assets</b>		<b>449,949,115,182</b>	<b>458,074,438,087</b>	<b>434,647,756,586</b>
<b>Total Assets</b>		<b>511,465,947,304</b>	<b>508,632,033,687</b>	<b>479,060,856,754</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Financial liabilities	13	8,203,528,955	8,115,832,971	7,354,906,703
Inter-agency payables	14	149,959,185	178,002,873	172,209,608
Trust liabilities	15	765,344,734	654,719,321	605,437,289
Deferred credits/unearned income	16	59,046,852	122,309,497	28,113,117
Other payables	18	1,990,631,097	1,743,958,037	1,692,514,603
<b>Total Current Liabilities</b>		<b>11,168,510,823</b>	<b>10,814,822,699</b>	<b>9,853,181,320</b>
<b>Non-current liabilities</b>				
Financial liabilities	13	45,390,960	37,179,482	29,687,606
Deferred credits/unearned income	16	382,762,849	409,613,518	436,464,187
Provisions	17	1,460,775,506	1,466,426,806	1,607,005,231
Other payables	18	50,000,000	50,000,000	50,000,000
<b>Total Non-Current Liabilities</b>		<b>1,938,929,315</b>	<b>1,963,219,806</b>	<b>2,123,157,024</b>
<b>Total Liabilities</b>		<b>13,107,440,138</b>	<b>12,778,042,505</b>	<b>11,976,338,344</b>
<b>EQUITY</b>				
Revaluation surplus		4,046,242,799	2,879,088,355	2,879,088,355
Reserve fund		523,865,881,162	500,362,518,604	479,227,014,427
Cumulative changes in fair value		(30,427,023,610)	(8,161,549,950)	(15,650,037,897)
Member's equity		873,406,815	773,934,173	628,453,525
<b>Total Equity</b>	19	<b>498,358,507,166</b>	<b>495,853,991,182</b>	<b>467,084,518,410</b>
<b>Total Liabilities and Equity</b>		<b>511,465,947,304</b>	<b>508,632,033,687</b>	<b>479,060,856,754</b>

The Notes on pages 11 to 75 form part of these financial statements.

**SOCIAL SECURITY SYSTEM**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
(In Philippine Peso)  
For the Years Ended December 31, 2018 and 2017

	Note	2018	2017 As restated
<b>Income</b>			
Service and business income	20	<b>209,799,560,607</b>	185,984,942,636
Gains	21	<b>6,256,128,490</b>	16,673,012,511
Other non-operating income	22	<b>1,008,100,919</b>	833,984,167
<b>Total Income</b>		<b>217,063,790,016</b>	203,491,939,314
<b>Expenses</b>			
Benefit payments	23	<b>180,078,514,500</b>	170,683,577,389
Personnel services	24	<b>6,531,203,783</b>	6,307,554,940
Maintenance and other operating expenses	25	<b>2,947,696,555</b>	3,001,184,317
Financial expenses	26	<b>129,166,935</b>	178,025,015
Non-cash expenses	27	<b>4,897,456,460</b>	2,486,501,741
<b>Total Expenses</b>		<b>194,584,038,233</b>	182,656,843,402
<b>Profit</b>		<b>22,479,751,783</b>	20,835,095,912
Assistance and subsidy	28	<b>185,357,643</b>	541,076,050
<b>Net income</b>		<b>22,665,109,426</b>	21,376,171,962
Other comprehensive income (loss) for the period		<b>(20,037,126,495)</b>	7,488,487,947
<b>Comprehensive Income</b>		<b>2,627,982,931</b>	28,864,659,909

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**SOCIAL SECURITY SYSTEM**  
**STATEMENTS OF CHANGES IN EQUITY**  
(In Philippine Peso)  
For the Years Ended December 31, 2018 and 2017

	Cumulative Changes in Fair Value of Investment	Revaluation Surplus	Reserve Fund	Member's Equity	Total
<b>BALANCE AT JANUARY 1, 2017</b>	(15,650,037,897)	2,879,088,355	476,562,642,952	628,453,525	464,420,146,935
Adjustment:					
Effect due to change in accounting policy from cash to accrual of interest income on members loans, housing loans, sales contract and rental receivable of acquired assets	-	-	693,114,522	-	693,114,522
Effect of the reclassification of Non-current assets held for sale to Investment Property and Property and equipment	-	-	1,971,256,953	-	1,971,256,953
<b>RESTATED BALANCE, JANUARY 1, 2017</b> (Note 2.11b)	(15,650,037,897)	2,879,088,355	479,227,014,427	628,453,525	467,084,518,410
<b>CHANGES IN EQUITY FOR 2017</b>					
Add/(Deduct):					
Members' contribution	-	-	-	169,730,585	169,730,585
Comprehensive income for the year	7,488,487,947	-	21,376,171,962	-	28,864,659,909
Other Adjustments					
SSS' share in ECC & OSHC corporate operating budget	-	-	(160,664,872)	-	(160,664,872)
Withdrawal/Management cost	-	-	-	(52,530,545)	(52,530,545)
Guaranteed income/Annual incentive benefit	-	-	(17,255,982)	28,280,608	11,024,626
Reclassification of property and equipment below P15K capitalization threshold to semi-expendable property	-	-	(63,652,172)	-	(63,652,172)
Effect of the reclassification of Non-current assets held for sale to Investment property and Property and Equipment	-	-	905,241	-	905,241
	7,488,487,947	-	21,135,504,177	145,480,648	28,769,472,772
<b>RESTATED BALANCE, DECEMBER 31, 2017</b> (Note 2.11b, 19)	(8,161,549,950)	2,879,088,355	500,362,518,604	773,934,173	495,853,991,182

		Cumulative Changes in Fair Value of Investment	Revaluation Surplus	Reserve Fund	Member's Equity	Total
<b>CHANGES IN EQUITY FOR 2018</b>						
Assistance and subsidy						
Members' contribution		-	-	-	141,446,252	141,446,252
Comprehensive income for the year		(22,265,473,660)	1,167,154,444	23,726,302,147	-	2,627,982,931
Other Adjustments						
SSS' share in ECC & OSHC corporate operating budget		-	-	(202,694,321)	-	(202,694,321)
Withdrawal/Management cost		-	-	-	(79,960,186)	(79,960,186)
Guaranteed income/Annual incentive benefit		-	-	(19,316,372)	37,986,576	18,670,204
Effect of the reclassification of Non-current assets held for sale to Investment property and Property and Equipment		-		(928,896)		(928,896)
		(22,265,473,660)	1,167,154,444	23,503,362,558	99,472,642	2,504,515,984
<b>BALANCE, DECEMBER 31, 2018</b>	(Note 19)	<b>(30,427,023,610)</b>	<b>4,046,242,799</b>	<b>523,865,881,162</b>	<b>873,406,815</b>	<b>498,358,507,166</b>

The Notes on pages 11 to 75 form part of these financial statements.

**SOCIAL SECURITY SYSTEM**  
**STATEMENTS OF CASH FLOWS**  
(In Philippine Peso)  
For the Years Ended December 31, 2018 and 2017

	Note	2018	2017 Restated
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Members' contribution		181,917,282,180	159,724,023,283
Investment and other income		8,631,856,649	16,361,954,230
Payments to members and beneficiaries		(180,078,887,666)	(170,684,504,454)
Payments for operations		(9,326,354,122)	(9,161,586,423)
Net cash generated from operating activities		1,143,897,041	(3,760,113,364)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Loan releases and other investment purchases, net		(12,060,994,429)	12,957,656,853
Acquisition of property and equipment, net		(265,339,600)	(163,203,579)
Acquisition of intangible assets, net		(75,990,894)	(14,382,445)
Net cash used in investing activities		(12,402,324,923)	12,780,070,829
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Assistance and subsidy			
Employees' Compensation Commission		(66,459,245)	(77,396,200)
Occupational Safety and Health Center		(136,235,076)	(83,268,675)
Flexi-fund members' equity			
Contribution		114,653,652	149,315,183
Withdrawal		(72,930,753)	(46,441,841)
Guaranteed income		20,601,842	12,750,225
Management cost of investment		(7,029,433)	(6,014,460)
Annual incentive benefit		(1,931,638)	(1,725,598)
PESO fund equity contribution			
Contribution		26,792,600	20,415,400
Withdrawal		-	(74,270)
Management cost of investment		-	26
Net cash used in financing activities		(122,538,051)	(32,440,210)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(11,380,965,933)</b>	<b>8,987,517,255</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		<b>81,104</b>	<b>2,988,723</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	3	<b>26,821,426,070</b>	<b>17,830,920,092</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	3	<b>15,440,541,241</b>	<b>26,821,426,070</b>

The Notes on pages 11 to 75 form part of these financial statements.



**SOCIAL SECURITY SYSTEM  
CONSOLIDATED TRIAL BALANCE  
(AUDITED)  
As of December 31, 2018**

Account Name	Debit	Credit
Cash on Hand	1,164,088,582	
Cash in Bank - Local Currency	1,066,929,939	
Cash in Bank - Foreign Currency	592,720	
Cash equivalents	13,208,930,000	
Financial Assets at FVTPL	30,885,325,775	
Financial Assets Held to Maturity	184,607,336,282	
Loans and Receivables	122,347,377,518	
Allowance for Impairment - Loans and Receivables		26,244,735,670
Lease Receivables	93,513,670	
Allowance for Impairment - Lease Receivables		14,037,781
Other Receivables	4,637,971,840	
Allowance for Impairment - Other Receivables		543,754,107
Inventory Held for Consumption	169,465,093	
Non-current Assets Held for Sale	1,333,647,574	
Accumulated Impairment Losses-Non-current Assets Held for Sale		30,870,913
Prepayments	13,884,559	
Financial Assets - Available for Sale Securities	89,222,053,301	
Financial Asset-FVTOCI	43,031,724,786	
Allowance for Impairment - Available for sale Securities		1,291,864,529
Investment Property	41,354,431,842	
Land	4,543,368,644	
Land Improvements	19,340,319	
Accumulated Depreciation - Land Improvements		10,637,324
Accumulated Impairment Losses - Land Improvements		1,137,050
Buildings and Other Structures	1,335,754,721	
Accumulated Depreciation - Buildings and Other Structures		765,847,745
Accumulated Impairment Losses-Buildings and Other Structures		108,934,119
Machinery and Equipment	2,837,554,042	
Accumulated Depreciation - Machinery and Equipment		2,079,127,616
Transportation Equipment	169,206,928	
Accumulated Depreciation - Transportation Equipment		156,969,268
Fixtures and Books	8,119,969	
Accumulated Depreciation - Books		445,729
Leased Assets Improvements	160,328,525	
Accumulated Depreciation - Leased Assets Improvements		143,368,362
Construction in Progress	47,062,149	
Intangible Assets	805,412,631	
Accumulated Amortization - Intangible Assets		494,262,300
Accumulated Impairment Losses-Intangible Assets		75,828,227
Deposits	85,501,716	
Other Assets	278,844,919	
Financial Liabilities		8,248,919,915
Inter-Agency Payables		149,959,185
Trust Liabilities		765,344,734
Deferred Credits/Unearned Income		441,809,701
Other Payables		2,040,631,097
Provisions		1,460,775,506
Revaluation Surplus		4,046,242,799
Reserve Fund		501,200,771,735



**SOCIAL SECURITY SYSTEM**  
**CONSOLIDATED TRIAL BALANCE**  
**(AUDITED)**  
**As of December 31, 2018**

<b>Account Name</b>	<b>Debit</b>	<b>Credit</b>
Cumulative Changes in Fair Value	30,427,023,610	
Members' Equity		873,406,815
Members' Contribution		180,343,916,577
Rent/Lease Income		702,943,572
Dividend Income		3,078,353,241
Interest Income		22,107,910,860
Fines and Penalties-Business Income		3,046,720,616
Income from Acquired/Foreclosed Assets		26,480,172
Management Fees		7,029,433
Subsidy from National Government		185,357,643
Other Business Income		486,206,136
Gain on Foreign Exchange (FOREX)		564,573
Gain on Sale/Redemption/Transfer of Investments		892,599,507
Gain on Sale of Property, Plant and Equipment		485,874
Gain from Changes in Fair Value of Financial Instruments		2,087,104,052
Gain from Changes in Fair Value of Investment Property		3,275,374,484
Reversal of Impairment Loss		434,443,321
Miscellaneous Income		573,657,598
Members' Benefits	180,078,514,500	
Salaries and Wages	2,882,894,684	
Other Compensation	1,556,748,429	
Personnel Benefit Contributions	1,546,222,995	
Other Personnel Benefits	545,337,675	
Traveling Expenses	74,636,928	
Training Expenses	51,260,537	
Supplies and Materials Expenses	212,185,975	
Utility Expenses	246,321,443	
Communication Expenses	247,701,305	
Awards/Rewards Expenses	1,242,363	
Extraordinary and Miscellaneous Expenses	1,552,681	
Professional Services	77,106,380	
General Services	301,112,117	
Repairs and Maintenance	262,428,075	
Taxes, Insurance Premiums and Other Fees	24,670,208	
Labor and Wages	459,645,947	
Other Maintenance and Operating Expenses	987,832,596	
Financial Expenses	129,166,935	
Depreciation	206,743,540	
Amortization	43,764,140	
Impairment Loss	1,285,700,544	
Loss on Foreign Exchange (FOREX)	483,469	
Loss on Sale/Redemption/Transfer of Investments	86,087,131	
Loss on Sale of Property, Plant and Equipment	729,824	
Loss from Changes in Fair Value of Financial Instruments	2,928,645,554	
Loss from Changes in Fair Value of Investment Property	345,302,257.00	
	<b>768,438,829,886</b>	<b>768,438,829,886</b>