

**STATEMENT OF MANAGEMENT’S RESPONSIBILITY
FOR CONSOLIDATED FINANCIAL STATEMENTS**

The Management of Manila Electric Company (the “Company”) is responsible for the preparation and fair presentation of the consolidated financial statements, including the schedules attached therein, as at December 31, 2024 and 2023, and for each of the three years ended December 31, 2024, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company’s financial reporting process.

The Board of Directors reviews and approves the consolidated financial statements, including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditor appointed by the stockholders, has audited the consolidated financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

(signed)

MANUEL V. PANGILINAN

Chairman of the Board and Chief Executive Officer

(signed)

BETTY C. SIY-YAP

Chief Finance Officer

**Manila Electric Company and
Subsidiaries**

Consolidated Financial Statements
as at December 31, 2024 and 2023
and Years Ended December 31, 2024,
2023 and 2022

and

Independent Auditor’s Report



Scan for full Financial Statement



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INDEPENDENT AUDITOR’S REPORT

The Board of Directors and the Stockholders
Manila Electric Company

Opinion

We have audited the consolidated financial statements of Manila Electric Company (the Company) and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including those in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Revenue from sale of electricity

The Group’s revenue from its electricity distribution business represents 91% of its consolidated revenues and arise from its service contracts with a large number of customers that are classified as either commercial, industrial or residential, located within the Group’s franchise area. This matter is significant to our audit because the revenue recognized depends on (a) the complete capture of electric consumption based on the meter readings over the franchise area taken on various dates; (b) the propriety of rates computed and applied across customer classes including the application of adjustments promulgated by the Energy Regulatory Commission (ERC); and (c) the reliability of the information technology (IT) systems involved in processing the billing transactions.

Notes 2, 23, 24, 30 and 32 provide the relevant disclosures related to the rate-setting regulations and regulatory policies of the ERC.

Audit response

We obtained an understanding and evaluated the design of, as well as tested the controls over, the customer master file maintenance, accumulation and processing of meter data, and interface of data from the billing system to the financial reporting system. In addition, we performed a test recalculation of the bill amounts using the ERC-approved rates, adjustments and formulae, as well as actual pass-through costs incurred, and compared them with the amounts reflected in the billing statements. We involved our internal specialist in understanding the IT processes and in understanding and testing the IT general controls over the IT systems supporting the revenue process.

Adequacy of allowance for expected credit losses for receivables

The Group applies the simplified approach in calculating expected credit loss (ECL). Under this approach, the Group establishes a provision matrix that is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment. The balance of the allowance and the provision for credit losses as of and for the year ended December 31, 2024 amounted to ₱8,854 million and ₱871 million, respectively. The use of the ECL model is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include the following: segmenting the Group’s credit risk exposures; defining default; determining assumptions to be used in the ECL model such as timing and amounts of expected net recoveries from defaulted accounts, and impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information (called overlays), in calculating ECL.

The disclosures in relation to the allowance for credit losses using the ECL model are included in Notes 5, 13 and 27 to the consolidated financial statements.

Audit response

We obtained an understanding of the methodologies and models used for the Group’s different credit exposures and assessed whether these considered the requirements of PFRS 9 to reflect an unbiased and probability-weighted outcome, the time value of money, and the best available forward-looking information.

We (a) assessed the Group’s segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default against historical analysis of accounts and credit risk management policies and practices in place, (c) tested historical loss rates by inspecting historical recoveries and write-offs, and the effects of any financial support and credit enhancements provided by any party; (d) compared the classification of outstanding exposures to their corresponding aging buckets; and (e) evaluated the forward-looking information used for overlay through statistical test and corroboration using publicly available information and our understanding of the Group’s receivable portfolios and industry practices.

Further, we compared the data used in the ECL models, such as the historical aging analysis and default and recovery data from the source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis. We also assessed the assumptions used where there are missing or insufficient data.

Provisions and contingencies

The Group is involved in certain proceedings and claims for which it has recognized provisions for probable costs and/or expenses and/or has disclosed relevant information about such contingencies. This matter is significant to our audit because the determination of whether any provision should be recognized and the estimation of the potential liability resulting from these assessments require significant judgment by management. The inherent uncertainty over the outcome of these matters is brought about by the differences in the interpretation and implementation of the relevant laws and regulations.

Notes 2, 19, 22 and 29 to the consolidated financial statements provide the relevant disclosures related to this matter.





Audit response

We examined the bases of management’s assessment of the possible outcomes and the related estimates of the probable costs and/or expenses that are recognized and/or disclosed in the Group’s consolidated financial statements and involved our internal specialists when necessary. We discussed with management the status of the claims and/or assessments and obtained correspondences with the relevant authorities and opinions from the internal and external legal counsels. We evaluated the position of the Group by considering the relevant laws, rulings and jurisprudence. We also reviewed the disclosures on provisions and contingencies in the Group’s consolidated financial statements.

Accounting for business combination

As disclosed in Note 3 to the consolidated financial statements, in 2023, MGen Renewable Energy, Inc. (“MGreen”), a wholly owned subsidiary of the Company through MERALCO PowerGen Corporation, acquired 50.5% voting equity interest in SP New Energy Corporation (“SPNEC”) for a total consideration of ₱27,900 million. The acquisition was accounted for as a business combination under PFRS 3, *Business Combinations*, and reported in the 2023 consolidated financial statements based on provisional purchase price allocation. In 2024, the fair values of the net assets acquired and the purchase price allocation were finalized. Apart from the significance of the amounts involved, we consider the accounting for this acquisition as a key audit matter because the determination of the fair values of the assets acquired and liabilities assumed coming from SPNEC requires significant management judgment and estimation based on the available information, specifically about the acquired property and equipment and intangible assets, as at the acquisition date.

Audit response

We reviewed the share purchase agreement and other related contracts covering the acquisition and assessed whether the acquisition has been appropriately accounted for. We reviewed the final purchase price allocation and evaluated management’s basis in determining the fair values of the assets acquired and liabilities assumed coming from SPNEC using the available information as of the acquisition date. We assessed the competence, capabilities and objectivity of the external appraiser who was engaged to prepare the appraisal report used in the final purchase price allocation, by considering their qualifications, experience and reporting responsibilities. We involved our internal specialist in evaluating the methodologies and assumptions used in arriving at the fair values of the property and equipment and intangible assets. We also assessed the adequacy of the related disclosures in Note 3 to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 but does not include the consolidated financial statements and our auditor’s report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2024 are expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.



Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





The engagement partner on the audit resulting in this independent auditor’s report is Narciso T. Torres, Jr.

SYCIP GORRES VELAYO & CO.

Narciso T. Torres, Jr.
Partner
CPA Certificate No. 84208
Tax Identification No. 102-099-147
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-111-2023, October 23, 2023, valid until October 22, 2026
PTR No. 10465393, January 2, 2025, Makati City

February 24, 2025

MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		December 31	
		2024	2023
		(As restated - Note 3)	
		(Amounts in millions)	
		Note	
ASSETS			
Noncurrent Assets			
Utility plant, generation plant and others	7 and 10	₱288,501	₱272,441
Investments in associates and interests in joint ventures	8 and 23	47,513	38,388
Investment properties	9	1,487	1,493
Intangible assets	7 and 10	41,559	53,634
Deferred tax assets - net	28	26,382	24,628
Financial and other noncurrent assets	2, 11, 15, 26, 27 and 30	32,900	35,228
Total Noncurrent Assets		438,342	425,812
Current Assets			
Cash and cash equivalents	12 and 27	84,480	82,789
Trade and other receivables	13, 24 and 27	64,697	48,270
Inventories	14	11,422	11,130
Financial and other current assets	11, 15, 23 and 27	19,017	20,433
Total Current Assets		179,616	162,622
Total Assets		₱617,958	₱588,434
EQUITY AND LIABILITIES			
Equity Attributable to Equity Holders of the Parent Company			
Common stock	16	₱11,273	₱11,273
Additional paid-in capital		4,111	4,111
Equity reserve	3	955	(111)
Employee stock purchase plan	16	1,049	1,049
Hedging reserve	16 and 27	1,277	-
Unrealized fair value gains on financial assets at fair value through other comprehensive income (“FVOCI”)	11	801	490
Remeasurement adjustments on retirement and other post-employment liabilities	26	942	3,418
Share in remeasurement adjustments on associates’ retirement liabilities	8	(28)	(29)
Share in other comprehensive income and cumulative translation adjustments of associates	8	1,575	307
Cumulative translation adjustments of subsidiaries		(682)	52
Treasury shares	16	(13)	(11)
Retained earnings	16	123,339	101,746
Equity Attributable to Equity Holders of the Parent Company		144,599	122,295
Non-controlling Interests	16	41,283	45,808
Total Equity		185,882	168,103
Noncurrent Liabilities			
Interest-bearing long-term financial liabilities - net of current portion	17 and 27	₱54,797	₱62,272
Customers’ deposits - net of current portion	18, 22 and 27	33,274	34,128
Long-term employee benefits	26	16,263	10,263
Provisions	19, 22 and 29	9,855	11,350
Refundable service extension costs - net of current portion	22 and 27	3,753	4,051
Deferred tax liabilities - net	28	8,769	9,845
Other noncurrent liabilities	2, 5, 7, 24 and 29	68,991	54,698
Total Noncurrent Liabilities		195,702	186,607
Current Liabilities			
Notes payable	21 and 27	34,287	27,583
Trade payables and other current liabilities	2, 16, 22, 23, 27 and 29	191,472	192,154
Customers’ refund	2, 20 and 27	2,853	2,846
Income tax payable		2,070	1,550
Current portion of interest-bearing long-term financial liabilities	17 and 27	5,692	9,591
Total Current Liabilities		236,374	233,724
Total Liabilities		432,076	420,331
Total Liabilities and Equity		₱617,958	₱588,434

See accompanying Notes to Consolidated Financial Statements.



MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

		Years Ended December 31		
	Note	2024	2023	2022
(Amounts in millions, except per share data)				
REVENUES				
Sale of electricity	6, 23, 24, 30 and 32	₱456,918	₱430,181	₱413,950
Sale of other services	23	13,444	13,431	12,579
		470,362	443,612	426,529
COSTS AND EXPENSES				
Purchased power	24 and 30	346,534	328,248	322,645
Salaries, wages and employee benefits	25 and 26	17,974	16,521	15,836
Depreciation and amortization	7, 9, 10 and 25	17,529	16,625	16,031
Coal and fuel		11,705	16,133	22,577
Contracted services		10,037	10,074	8,440
Provision for probable losses and expenses from claims - net	2, 19 and 29	6,401	6,848	5,831
Taxes, fees and permits		2,662	2,325	2,132
Power plant operations and maintenance cost		2,225	1,881	1,906
Provision for expected credit losses ("ECL")	13	849	998	2,498
Other expenses	23 and 25	9,413	7,626	8,452
		425,329	407,279	406,348
OTHER INCOME (EXPENSES)				
Equity in net earnings of associates and joint ventures	8	10,267	11,479	12,035
Interest and other financial charges	17, 18 and 21	(5,302)	(5,129)	(3,754)
Interest and other financial income	11 and 12	3,884	3,321	2,063
Foreign exchange gains (losses)		185	(44)	1,011
Others	2, 5, 7, 8, 23, 30 and 32	2,617	829	3,700
		11,651	10,456	15,055
INCOME BEFORE INCOME TAX		56,684	46,789	35,236
PROVISION FOR (BENEFIT FROM) INCOME TAX		28		
Current		12,232	9,153	4,122
Deferred		(2,018)	(1,042)	2,526
		10,214	8,111	6,648
NET INCOME		₱46,470	₱38,678	₱28,588
Attributable To				
Equity holders of the parent company	31	₱45,859	₱38,023	₱28,431
Non-controlling interests		611	655	157
		₱46,470	₱38,678	₱28,588
Earnings Per Share Attributable to Equity Holders of the Parent Company				
	31			
Basic		₱40.69	₱33.74	₱25.23
Diluted		40.69	33.74	25.23

See accompanying Notes to Consolidated Financial Statements.

MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2024	2023	2022
		(Amounts in millions)		
NET INCOME		P46,470	P38,678	P28,588
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified to profit or loss in subsequent years:				
Unrealized fair value gains (losses) on fair value through other comprehensive income ("FVOCI") financial assets	11	194	88	(280)
Share in cumulative translation adjustments of associates	8	333	8	654
Cumulative translation gains of subsidiaries		16	1	11
Net other comprehensive income that will be reclassified to profit or loss in subsequent years		543	97	385
Items that will not be reclassified to profit or loss in subsequent years:				
Remeasurement gains (losses) on retirement and other post-employment liabilities	26	(3,301)	(5,152)	6,135
Income tax effect		825	1,288	(1,534)
		(2,476)	(3,864)	4,601
Change in fair value of cash flow hedges	16 and 27	1,277	-	-
Unrealized fair value gains on equity securities at FVOCI		130	101	99
Income tax effect		(13)	(10)	(10)
		117	91	89
Share in other comprehensive income (losses) of associates		185	329	(990)
Share in remeasurement gains (losses) on associates' retirement liabilities	8	1	(13)	9
Net other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent years		(896)	(3,457)	3,709
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX		(353)	(3,360)	4,094
TOTAL COMPREHENSIVE INCOME, NET OF INCOME TAX		P46,117	P35,318	P32,682
Total Comprehensive Income Attributable To				
Equity holders of the parent company		P45,506	P34,663	P32,525
Non-controlling interests		611	655	157
		P46,117	P35,318	P32,682

See accompanying Notes to Consolidated Financial Statements.



MANILA ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

Equity Attributable to Equity Holders of the Parent Company															
						Unrealized Fair Value Gains on Financial Assets at FVOCI (Note 11)	Remeasure- ment Adjustments on Retirement and Other Post- Employment Liabilities (Note 26)	Share in Remeasure- ment Adjustments on Associates' Retirement Liabilities (Note 8)	Share in Other Comprehen- sive Income and Cumulative Translation Adjustments of Subsidiaries (Note 8)				Equity Attributable to Equity Holders of the Parent Company	Non- controlling Interests As restated - Note 3)	Total Equity
	Common Stock (Note 16)	Additional Paid-in Capital	Equity Reserve (Note 3)	Employee Stock Purchase Plan (Note 16)	Hedging Reserve (Note 16)						Treasury Shares (Note 16)	Retained Earnings (Note 16)			
		</													

Equity Attributable to Equity Holders of the Parent Company														
					Unrealized Fair Value Gains (Losses) on Financial Assets FVOCI (Note 11)	Remeasure- ment Adjustments on Retirement and Other Post- Employment Liabilities (Note 26)	Share in Comprehen- sive Income and Remeasure- ment Adjustments on Associates' Retirement Liabilities (Note 8)	Other Cumulative Translation Adjustments of Associates (Note 8)	Cumulative Translation Adjustments of Subsidiaries	Treasury Shares (Note 16)	Retained Earnings (Note 16)	Equity Attributable to Equity Holders of the Parent Company	Non- controlling Interests (Notes 3 and 6)	Total Equity
(Amounts in millions)														
At January 1, 2023	₱11,273	₱4,111	(₱111)	₱1,049	₱311	₱7,282	(₱16)	(₱30)	₱51	(₱11)	₱85,755	₱109,664	₱14,445	₱124,109
Net income	-	-	-	-	-	-	-	-	-	-	38,023	38,023	655	38,678
Other comprehensive income (loss)	-	-	-	-	179	(3,864)	(13)	337	1	-	-	(3,360)	-	(3,360)
Total comprehensive income (loss)	-	-	-	-	179	(3,864)	(13)	337	1	-	38,023	34,663	655	35,318
Dividends	-	-	-	-	-	-	-	-	-	-	(22,032)	(22,032)	(66)	(22,098)
Effect of consolidation of SP New Energy Corporation ("SPNEC")	-	-	-	-	-	-	-	-	-	-	-	-	-	30,382
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	392
	-	-	-	-	-	-	-	-	-	-	(22,032)	(22,032)	30,708	8,676
At December 31, 2023 (As restated - Note 3)	₱11,273	₱4,111	(₱111)	₱1,049	₱490	₱3,418	(₱29)	₱307	₱52	(₱11)	₱101,746	₱122,295	₱45,808	₱168,103
At January 1, 2022	₱11,273	₱4,111	(₱116)	₱1,049	₱502	₱2,681	(₱25)	₱306	₱40	(₱11)	₱75,394	₱95,204	₱10,124	₱105,328
Net income	-	-	-	-	-	-	-	-	-	-	28,431	28,431	157	28,588
Other comprehensive income (loss)	-	-	-	-	(191)	4,601	9	(336)	11	-	-	4,094	-	4,094
Total comprehensive income (loss)	-	-	-	-	(191)	4,601	9	(336)	11	-	28,431	32,525	157	32,682
Dividends	-	-	-	-	-	-	-	-	-	-	(18,070)	(18,070)	(95)	(18,165)
Others	-	-	5	-	-	-	-	-	-	-	-	5	4,259	4,264
	-	-	5	-	-	-	-	-	-	-	(18,070)	(18,065)	4,164	(13,901)
At December 31, 2022	₱11,273	₱4,111	(₱111)	₱1,049	₱311	₱7,282	(₱16)	(₱30)	₱51	(₱11)	₱85,755	₱109,664	₱14,445	₱124,109

See accompanying Notes to Consolidated Financial Statements.



MANILA ELECTRIC COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31				
	Note	2024	2023	2022
(Amounts in millions)				

CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax		₱56,684	₱46,789	₱35,236
Adjustments for:				
Depreciation and amortization	7, 9 and 10	17,529	16,625	16,031
Equity in net earnings of associates and joint ventures	8	(10,267)	(11,479)	(12,035)
Interest and other financial charges	17, 18 and 21	5,302	5,129	3,754
Interest and other financial income	11 and 12	(3,884)	(3,321)	(2,063)
Provision (reversal of provision) for impairment losses	7 and 8	(117)	(1,179)	2,601
Provision (reversal of provision) for probable losses and expenses from claims – net	2 and 29	2,627	791	(15,022)
Provision for expected credit losses ("ECL")	8	1,821	998	2,548
Others		(141)	5	(592)
Operating income before working capital changes		69,554	54,358	30,458
Decrease (increase) in:				
Trade and other receivables		(31,336)	1,589	(15,083)
Inventories		(293)	(753)	(812)
Financial and other current assets		(1,721)	3,034	(4,100)
Increase (decrease) in:				
Trade payables and other current liabilities		10,565	(2,961)	18,253
Customers' deposits		(753)	2,066	1,143
Customers' refund		7	(59)	(24)
Long-term employee benefits		2,670	2,218	(1,336)
Cash generated from operations		48,693	59,492	28,499
Income tax paid		(6,683)	(1,518)	(3,317)
Net cash flows provided by operating activities		42,010	57,974	25,182
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to:				
Financial assets at FVOCI	11	(22,730)	(43,013)	(26,267)
Utility plant, generation plant and others	7	(39,150)	(24,800)	(33,663)
Intangible assets	10	(5,361)	(4,137)	(8,533)
Short-term investments		(1,060)	(2,482)	(2,784)
Debt securities at amortized cost	11	(247)	(1,058)	(18,587)
Investments in associates and interests in joint ventures	8	(2,095)	(13)	(504)
Investment properties	9	-	(2)	(3)
Proceeds from maturity of:				
Financial assets at FVOCI		23,161	43,039	30,396
Debt securities at amortized cost		7,710	20,761	22,707
Short-term investments		1,059	2,675	3,025
Acquisition of SPNEC – net of SPNEC's cash upon acquisition	3	-	(5,853)	-
Interest and other financial income received		3,900	3,120	2,033
Proceeds from disposal of utility plant, generation plant and others		194	7	914
Proceeds from cash flow hedge	16	2,238	-	-
Dividends received from associates and joint ventures		10,253	10,106	4,039
Increase in non-controlling interests		881	454	4,164
Decrease in financial and other noncurrent assets		2,484	2,765	982
Net cash provided by (used in) investing activities		(18,763)	1,569	(22,081)

(Forward)



MANILA ELECTRIC COMPANY AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Note	2024	2023	2022
		(Amounts in millions)		
NET INCOME		₱46,470	₱38,678	₱28,588
OTHER COMPREHENSIVE INCOME				
Items that will be reclassified to profit or loss in subsequent years:				
Unrealized fair value gains (losses) on fair value through other comprehensive income ("FVOCI") financial assets	11	194	88	(280)
Share in cumulative translation adjustments of associates	8	333	8	654
Cumulative translation gains of subsidiaries		16	1	11
Net other comprehensive income that will be reclassified to profit or loss in subsequent years		543	97	385
Items that will not be reclassified to profit or loss in subsequent years:				
Remeasurement gains (losses) on retirement and other post-employment liabilities	26	(3,301)	(5,152)	6,135
Income tax effect		825	1,288	(1,534)
		(2,476)	(3,864)	4,601
Change in fair value of cash flow hedges	16 and 27	1,277	-	-
Unrealized fair value gains on equity securities at FVOCI		130	101	99
Income tax effect		(13)	(10)	(10)
		117	91	89
Share in other comprehensive income (losses) of associates		185	329	(990)
Share in remeasurement gains (losses) on associates' retirement liabilities	8	1	(13)	9
Net other comprehensive income (loss) that will not be reclassified to profit or loss in subsequent years		(896)	(3,457)	3,709
OTHER COMPREHENSIVE INCOME (LOSS), NET OF INCOME TAX		(353)	(3,360)	4,094
TOTAL COMPREHENSIVE INCOME, NET OF INCOME TAX		₱46,117	₱35,318	₱32,682
Total Comprehensive Income Attributable To				
Equity holders of the parent company		₱45,506	₱34,663	₱32,525
Non-controlling interests		611	655	157
		₱46,117	₱35,318	₱32,682

See accompanying Notes to Consolidated Financial Statements.

