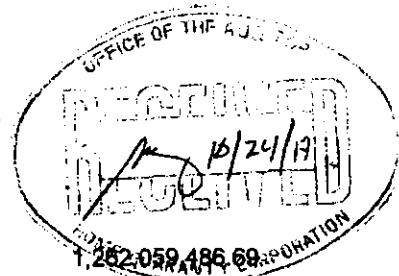


HOME GUARANTY CORPORATION
STATEMENT OF CASH FLOWS
For the Nine Months Ended September 30, 2017



CASH FLOWS FROM OPERATING ACTIVITIES

Cash Inflows

| | |
|------------------------------|------------------|
| Collection of Income/Revenue | 1,262,059,486.69 |
| Collections of Receivables | 135,108,557.73 |
| Trust Receipts | 182,258,848.45 |
| Receipt of Interest | 31,471,467.28 |

Total Cash Inflows 1,610,898,360.15

Cash Outflows

| | |
|---|-----------------|
| Payment of personnel services | (83,729,437.12) |
| Payment of other maintenance and operating expenses | (76,512,645.40) |
| Payment of project expenses | (87,876,723.15) |
| Payment of Gross Receipts Tax | (64,940,127.31) |
| Payment of Income Tax | (54,107,528.49) |
| Remittance of Provident Fund contributions and Mandatory Deductions | (43,652,275.24) |
| Prepayments | (40,628,185.39) |
| Purchase of office supplies | (6,438,381.10) |
| Payment of payables | (14,074,455.90) |
| Other disbursements | (11,853,778.05) |

Total Cash Outflows (483,813,537.15)

Net Cash Provided by (used in) Operating Activities 1,127,084,823.00

CASH FLOWS FROM INVESTING ACTIVITIES

Cash Inflows

| | |
|----------------------------|---------------|
| Proceeds from investment | 10,000,000.00 |
| Receipt of Interest Earned | 310,000.00 |

Total Cash Inflows 10,310,000.00

Cash Outflows

| | |
|---|----------------|
| Purchase of Property, Plant and Equipment | (9,540,061.00) |
|---|----------------|

Total Cash Outflows (9,540,061.00)

Net Cash Provided by (used in) Investing Activities 769,939.00

CASH FLOWS FROM FINANCING ACTIVITIES

Cash Outflows

| | |
|---|--------------------|
| Redemption of Bonds | (132,335,293.93) |
| Payment of Cash Dividends | (120,895,365.86) |
| Payment of Interest and other Financial Charges | (200,562,533.09) |
| Payment of NG Advances - BTr | (1,000,000,000.00) |

Total Cash Outflows (1,453,793,192.88)

Net Cash Provided by (used in) Financing Activities (1,453,793,192.88)


NET INCREASE IN CASH AND CASH EQUIVALENTS (325,938,430.88)

Effects of Exchange Rate Changes on Cash and Cash Equivalents -


CASH AND CASH EQUIVALENTS, JANUARY 1 5,284,520,386.22

CASH AND CASH EQUIVALENTS, SEPTEMBER 30, 2017 4,958,581,955.34

CERTIFIED CORRECT:


JIMMY B. SARONA
Vice President - Management Services Group and
Concurrent Vice President - Corporate Services Group

APPROVED BY:


CORAZON G. CORPUZ
Executive Vice President
Officer-In-Charge

HOME GUARANTY CORPORATION
STATEMENT OF CHANGES IN EQUITY
AS OF SEPTEMBER 30, 2017
(In Philippine Peso)

| | Capital Stock | Revaluation Increment in Property | Unrealized Gains from Available-for-Sale | Retained Earnings (Deficit) | Total |
|--|-------------------|---|---|--------------------------------|------------------|
| BALANCE AT JANUARY 1, 2016 | 15,073,000,000.00 | 2,407,442,041.09 | 628,998.71 | (9,111,387,010.52) | 8,369,684,029.28 |
| ADJUSTMENTS: | | | | | |
| Add/(Deduct): | | | | | |
| Prior Period Errors | | | | 34,807.59 | 34,807.59 |
| RESTATED BALANCE AT JANUARY 1, 2016 | 15,073,000,000.00 | 2,407,442,041.09 | 628,998.71 | (9,111,352,202.93) | 8,369,718,836.87 |
| CHANGES IN EQUITY FOR 2016 | | | | | |
| Add/(Deduct): | | | | | |
| Income for the Year | | | | 718,326,103.15 | 718,326,103.15 |
| Dividends | | | | (255,893,301.17) | (255,893,301.17) |
| Decrease in the fair value of available-for-sale investments | | | (463,898.71) | | (463,898.71) |
| Other Adjustments | | | | (461,024.92) | (461,024.92) |
| BALANCE AT DECEMBER 31, 2016 | 15,073,000,000.00 | 2,407,442,041.09 | 165,100.00 | (8,649,380,425.87) | 8,831,226,715.22 |
| CHANGES IN EQUITY FOR 2017 | | | | | |
| Add/(Deduct): | | | | | |
| Decrease in the fair value of available-for-sale investments | | | (165,100.00) | | (165,100.00) |
| Income as of September 30, 2017 | | | | 428,471,095.16 | 428,471,095.16 |
| BALANCE AT SEPTEMBER 30, 2017 | 15,073,000,000.00 | 2,407,442,041.09 | - | (8,220,909,330.71) | 9,259,532,710.38 |

CERTIFIED CORRECT

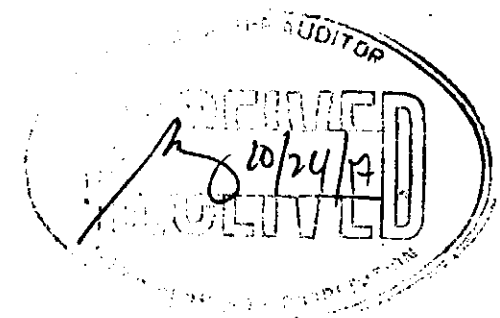


JIMMY B. SARONA
Vice President - Management Services Group and
Concurrent Vice President - Corporate Services Group

APPROVED BY:



CORAZON G. CORPUZ
Executive Vice President and
Officer-In-Charge



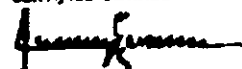
HOME GUARANTY CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
For the Nine Months Ended September 30, 2017
(In Philippine Peso)

| | 2017 | 2016 | INCREASE (DECREASE) Php | INCREASE (DECREASE) % |
|---|--------------------------------|--------------------------------|-------------------------------|-----------------------------|
| INCOME | | | | |
| Service and Business Income | | | | |
| Guarantee Income | 941,310,215.70 | 775,647,431.19 | 165,662,784.51 | 21.36 |
| Rent/Lease Income | 140,263,855.63 | 121,869,334.59 | 18,394,521.04 | 15.09 |
| Interest Income-Sales Contract Receivable | 25,712,715.03 | 34,338,047.18 | (8,625,332.15) | (25.12) |
| Interest Income-Loans and Receivables | 263,975.55 | 354,794.39 | (90,818.84) | (25.60) |
| Fines and Penalties - Business Income | 6,766,561.91 | 8,174,440.46 | (1,407,878.55) | (17.22) |
| Other Service Income | 168,915.29 | 197,873.59 | (28,958.30) | (14.63) |
| Miscellaneous Income | 633,176.32 | 481,248.89 | 151,927.43 | 31.57 |
| | <u>1,115,119,415.43</u> | <u>941,063,170.29</u> | <u>174,056,245.14</u> | <u>18.50</u> |
| Gains | | | | |
| Other Gains-Gain on Sale of Disposed Assets | 5,641,280.36 | 26,766,738.67 | (21,125,458.31) | (78.92) |
| Gain On Sales/Redemption/Transfer Of Investments | | 55,350.21 | (55,350.21) | (100.00) |
| | <u>5,641,280.36</u> | <u>26,822,088.88</u> | <u>(21,180,808.52)</u> | <u>(78.97)</u> |
| Other Non-Operating Income | | | | |
| Interest Income-Available for Sale (AFS) Financial Assets | 387,500.00 | 2,941,247.48 | (2,553,747.48) | (86.83) |
| Interest Income-Due from Other Banks | 30,933,380.68 | 40,789,432.72 | (9,856,052.04) | (24.16) |
| | <u>31,320,880.68</u> | <u>43,730,680.20</u> | <u>(12,409,799.52)</u> | <u>(28.38)</u> |
| TOTAL INCOME | <u>1,152,081,576.47</u> | <u>1,011,615,939.37</u> | <u>140,465,637.10</u> | <u>13.89</u> |
| EXPENSES | | | | |
| Personal Services | | | | |
| Salaries and Wages | 43,741,015.74 | 43,856,316.73 | (115,300.99) | (0.26) |
| Provident/Welfare Fund Contribution | 8,163,673.83 | 8,398,057.34 | (234,383.51) | (2.79) |
| Retirement and Life Insurance Premium | 4,898,204.29 | 5,025,157.31 | (126,953.02) | (2.53) |
| Representation Allowance (RA) | 1,372,500.00 | 1,512,250.00 | (139,750.00) | (9.24) |
| Transportation Allowance (TA) | 1,502,100.00 | 1,621,450.00 | (119,350.00) | (7.36) |
| Terminal Leave Benefits | 67,090.83 | 29,459.76 | 37,631.07 | 127.74 |
| Personnel Economic Relief Allowance (PERA) | 2,132,221.45 | 2,210,080.07 | (77,858.62) | (3.52) |
| Clothing/Uniform Allowance | 501,250.00 | 581,550.00 | (80,300.00) | (13.81) |
| PhilHealth Contributions | 420,237.50 | 433,225.00 | (12,987.50) | (3.00) |
| Longevity Pay | 142,361.67 | 142,871.65 | (509.98) | (0.36) |
| Pag-IBIG Contributions | 107,000.00 | 111,300.00 | (4,300.00) | (3.86) |
| Employees Compensation Insurance Premiums | 107,000.00 | 111,100.00 | (4,100.00) | (3.69) |
| Honoraria | 3,546,572.49 | 5,432,360.73 | (1,885,788.24) | (34.71) |
| Other Bonuses and Allowances | 12,735,016.60 | 13,098,210.10 | (363,193.50) | (2.77) |
| Other Personnel Benefits | 2,387,332.17 | 1,889,150.00 | 498,182.17 | 26.37 |
| | <u>81,823,576.57</u> | <u>84,452,538.69</u> | <u>(2,628,962.12)</u> | <u>(3.11)</u> |
| Maintenance and Other Operating Expenses | | | | |
| Taxes, Duties and Licenses | 54,942,371.65 | 42,289,198.46 | 12,653,173.19 | 29.92 |
| Rent/Lease Expenses | 29,700,466.99 | 27,467,966.19 | 2,232,500.80 | 8.13 |
| Other Professional Services | 7,968,633.94 | 10,810,318.26 | (2,841,684.32) | (26.29) |
| Office Supplies Expense | 3,873,970.03 | 4,319,438.28 | (445,468.25) | (10.31) |
| Electricity Expenses | 5,675,396.60 | 6,063,729.69 | (388,333.09) | (6.40) |
| Extraordinary and Miscellaneous Expenses | 2,516,273.35 | 2,487,280.35 | 28,993.00 | 1.17 |
| Auditing Services | 4,458,346.34 | 3,908,997.29 | 549,349.05 | 14.05 |
| Janitorial Services | 2,840,566.66 | 2,753,684.79 | 86,881.87 | 3.16 |
| Security Services | 1,249,961.34 | 1,225,961.34 | 24,000.00 | 1.96 |
| Advertising, Promotional and Marketing Expenses | 83,135.20 | 394,950.40 | (311,815.20) | (78.95) |
| Representation Expenses | 285,320.60 | 1,327,231.43 | (1,041,910.83) | (78.50) |
| Fuel, Oil and Lubricants Expenses | 1,685,621.74 | 1,694,579.61 | (8,957.87) | (0.53) |
| Repairs and Maintenance-Transportation Equipment | 1,521,718.02 | 1,445,580.60 | 76,137.42 | 5.27 |
| Repairs and Maintenance-Leased Assets Improvements | 721,353.32 | 661,963.36 | 59,389.96 | 8.97 |
| Repairs and Maintenance-Other Property, Plant and Equipment | 89,000.00 | 195,546.00 | (106,546.00) | (54.49) |
| Repairs and Maintenance-Machinery and Equipment | 328,328.33 | 835,733.31 | (507,404.98) | (60.71) |
| Telephone Expenses | 1,287,571.82 | 1,314,723.16 | (27,151.34) | (2.07) |
| Travelling Expenses-Local | 1,049,670.65 | 511,436.44 | 538,234.21 | 105.24 |

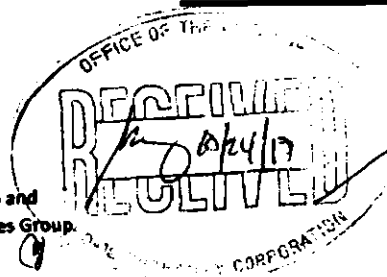
HOME GUARANTY CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
For the Nine Months Ended September 30, 2017
(In Philippine Peso)

| | 2017 | 2016 | INCREASE (DECREASE) Php | INCREASE (DECREASE) % |
|--|-----------------------|-----------------------|-------------------------------|-----------------------------|
| Other Supplies and Materials Expenses | 23,750.00 | 75,943.40 | (52,193.40) | (68.73) |
| Insurance Expenses | 185,261.02 | 145,954.93 | 39,306.09 | 26.93 |
| Donations | 135,000.00 | 155,000.00 | (20,000.00) | (12.90) |
| Consultancy Services | 0.00 | 2,110,000.00 | (2,110,000.00) | (100.00) |
| Internet Subscription Expenses | 518,085.23 | 544,999.27 | (26,914.04) | (4.94) |
| Directors and Committee Member's Fees | 735,000.00 | 513,000.00 | 222,000.00 | 43.27 |
| Fidelity Bond Premiums | 354,489.75 | 404,645.36 | (50,155.61) | (12.39) |
| Training Expenses | 461,466.83 | 1,083,449.00 | (621,982.17) | (57.41) |
| Water Expenses | 249,281.30 | 267,204.94 | (17,923.64) | (6.71) |
| Other General Services | 135,238.00 | 131,158.86 | 4,079.14 | 3.11 |
| Printing and Publication Expenses | 37,144.00 | 39,685.00 | (2,541.00) | (6.40) |
| Subscription Expenses | 98,418.35 | 199,744.24 | (101,325.89) | (50.73) |
| Postage and Courier Services | 135,400.62 | 76,471.20 | 58,929.42 | 77.06 |
| Cable, Satellite, Telegraph and Radio Expenses | 0.00 | 30,181.99 | (30,181.99) | (100.00) |
| Accountable Forms Expenses | 30,000.00 | 30,000.00 | 0.00 | 0.00 |
| Legal Services | 65,000.00 | 42,500.00 | 22,500.00 | 52.94 |
| Membership Dues and Contributions to Organizations | 23,649.73 | 43,249.85 | (19,600.12) | (45.32) |
| Other Maintenance and Operating Expenses | 1,395,745.62 | 1,511,717.49 | (115,971.87) | (7.67) |
| Other Maintenance and Operating Expenses-Projects | 70,828,633.26 | 73,455,962.69 | (2,627,329.43) | (3.58) |
| | <u>195,689,270.29</u> | <u>190,569,187.18</u> | <u>5,120,083.11</u> | <u>2.69</u> |
| Financial Expenses | | | | |
| Interest Expenses | | | | |
| Debenture Bonds | 414,117.91 | 411,001.65 | 3,116.26 | 0.76 |
| Guaranty Obligations | 148,686,875.74 | 148,823,779.91 | (136,904.17) | (0.09) |
| NG Advances | 198,563,402.07 | 156,968,011.72 | 41,595,390.35 | 26.50 |
| | <u>347,664,395.72</u> | <u>306,202,793.28</u> | <u>41,461,602.44</u> | <u>13.54</u> |
| Documentary Stamps Expenses | 4,311.99 | 5,922.45 | (1,610.46) | (27.19) |
| Bank Charges | 12,560.00 | 223,986.50 | (211,426.50) | (94.39) |
| | <u>347,681,267.71</u> | <u>306,432,702.23</u> | <u>41,248,565.48</u> | <u>13.46</u> |
| Non-Cash expenses | | | | |
| Depreciation- Machinery and Equipment | 1,285,568.35 | 678,408.19 | 607,160.16 | 89.50 |
| Depreciation-Furniture, Fixtures and Books | 145,015.94 | 278,284.06 | (133,268.12) | (47.89) |
| Depreciation-Land Improvements | 2,609,761.59 | 2,609,761.59 | 0.00 | 0.00 |
| Depreciation-Transportation Equipment | 21,757.01 | 723,794.13 | (702,037.12) | (96.99) |
| Depreciation-Leased Assets Improvements | 2,208,333.96 | 3,975,009.18 | (1,766,675.22) | (44.44) |
| Depreciation-Other Property, Plant And Equipment | 233,629.21 | 242,763.63 | (9,134.42) | (3.76) |
| Amortization-Intangible Assets | 1,611,067.72 | 3,605,076.27 | (1,994,008.55) | (55.31) |
| Other Losses-Loss on Sale of Disposed Assets | 311,561.37 | 1,695,579.26 | (1,384,017.89) | (81.63) |
| | <u>8,426,695.15</u> | <u>13,808,676.31</u> | <u>(5,381,981.16)</u> | <u>(38.98)</u> |
| TOTAL EXPENSES | <u>633,620,809.72</u> | <u>595,263,104.41</u> | <u>38,357,705.31</u> | <u>6.44</u> |
| PROFIT BEFORE TAX | <u>518,460,766.75</u> | <u>416,352,834.96</u> | <u>102,107,931.79</u> | <u>24.52</u> |
| TAXES | | | | |
| Taxes, Duties and Licenses-Final Tax | 6,263,975.25 | 9,660,107.65 | (3,396,132.40) | (35.16) |
| Income Tax Expenses | 83,725,696.34 | 58,137,967.42 | 25,587,728.92 | 44.01 |
| | <u>89,989,671.59</u> | <u>67,798,075.07</u> | <u>22,191,596.52</u> | <u>32.73</u> |
| NET INCOME | <u>428,471,095.16</u> | <u>348,554,759.89</u> | <u>79,916,335.27</u> | <u>22.93</u> |
| OTHER COMPREHENSIVE INCOME FOR THE PERIOD | | | | |
| Cumulative Changes in Fair Value of Investments | | | | |
| TOTAL COMPREHENSIVE INCOME | <u>428,471,095.16</u> | <u>348,554,759.89</u> | <u>79,916,335.27</u> | <u>22.93</u> |


CERTIFIED CORRECT:



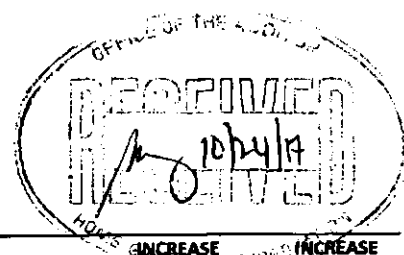
JIMMY B. SAKONA
Vice President - Management Services Group and
Concurrent Vice President - Corporate Services Group.



APPROVED BY:


CORAZON G. CORPUZ
Executive Vice President and
Officer-in-Charge

HOME GUARANTY CORPORATION
STATEMENTS OF FINANCIAL POSITION
As At September 30, 2017
(In Philippine Peso)



| | 2017 | 2016 | Php | % |
|---|--------------------------|--------------------------|---------------------------|----------------|
| ASSETS | | | | |
| Current Assets | | | | |
| Cash and Cash Equivalents | | | | |
| Cash - Collecting Officers | 6,360,898.69 | 27,179,337.67 | (20,818,438.98) | (76.60) |
| Petty Cash | 360,000.00 | 425,000.00 | (65,000.00) | (15.29) |
| Cash in Bank-Local Currency, Current Account | 492,454,836.63 | 1,036,089,388.66 | (543,634,552.03) | (52.47) |
| Cash in Bank-Local Currency, Savings Account | 2,975,244.78 | 627,133.71 | 2,348,111.07 | 374.42 |
| Cash in Bank-Foreign Currency, Savings Account | 2,501,503.26 | 2,365,292.83 | 136,210.43 | 5.76 |
| Time Deposits-Local Currency | 4,453,929,471.98 | 4,059,587,168.71 | 394,342,303.27 | 9.71 |
| | <u>4,958,581,955.34</u> | <u>5,126,273,321.58</u> | <u>(167,691,366.24)</u> | <u>(3.27)</u> |
| Investments | | | | |
| Financial Assets-Held to Maturity | | | | |
| Investments in Bonds-Local | 1,328,015.16 | 1,328,015.16 | - | 0.00 |
| Receivables | | | | |
| Guaranty Call Receivable (10%) | 17,027,206.13 | 17,460,521.60 | (433,315.47) | (2.48) |
| Allowance for Impairment-Guaranty Call Receivable | (630,161.69) | (925,814.42) | (295,652.73) | (31.93) |
| Sales Contract Receivable (10%) | 409,996,575.64 | 421,356,568.01 | (11,359,992.37) | (2.70) |
| Loans Receivable-Others (10%) | 4,470,745.17 | 4,877,951.80 | (407,206.63) | (8.35) |
| Interest Receivables | 1,698,204.73 | 1,698,204.73 | - | 0.00 |
| Due from Local Government Units | 7,364,079.02 | 7,364,079.02 | - | 0.00 |
| Due from Government Corporations | 46,507,309.54 | 46,507,309.54 | - | 0.00 |
| Allowance for Impairment-Other Receivables | (245,777.38) | (245,777.38) | - | 0.00 |
| Due from Other Funds | 320,983,535.79 | 297,475,911.58 | 23,507,624.21 | 7.90 |
| Advances to Officers & Employees | 67,280.00 | - | 67,280.00 | 100.00 |
| Other Receivables | | | | |
| Finance Lease Receivable | 14,476,174.09 | 14,356,529.20 | 119,644.89 | 0.83 |
| Receivables - Disallowances/Charges | 112,047,792.77 | 111,837,413.52 | 210,379.25 | 0.19 |
| Other Receivables | 135,150,145.18 | 124,048,396.07 | 11,101,749.11 | 8.95 |
| Allowance for Impairment-Other Receivables | (22,163,568.34) | (22,163,568.34) | - | 0.00 |
| | <u>1,046,749,540.66</u> | <u>1,023,647,724.93</u> | <u>23,101,815.73</u> | <u>2.26</u> |
| Inventories | | | | |
| Office Supplies Inventory | 2,692,401.09 | 3,019,956.64 | (327,555.55) | (10.85) |
| Semi-Expendable Machinery and Equipment | 12,655.97 | - | 12,655.97 | 100.00 |
| Semi-Expendable-Office Equipment | 37,431.00 | - | 37,431.00 | 100.00 |
| Semi-Expendable-Other Machinery and Equipment | 2,760.00 | - | 2,760.00 | 100.00 |
| Semi-Expendable Furniture, Fixture, and Books | 400,875.00 | - | 400,875.00 | 100.00 |
| | <u>3,146,123.06</u> | <u>3,019,956.64</u> | <u>126,166.42</u> | <u>4.18</u> |
| Other Current Assets | | | | |
| Prepayments | | | | |
| Prepaid Insurance | 798,813.06 | 122,963.85 | 675,849.21 | 549.63 |
| Prepaid Rent | 3,449,134.08 | - | 3,449,134.08 | 100.00 |
| Withholding Tax at Source | 6,314,274.21 | 12,584,403.47 | (6,270,129.26) | (200.19) |
| Other Prepayments | 3,445,527.72 | 3,132,115.70 | 313,412.02 | 1.98 |
| | <u>14,007,749.07</u> | <u>15,839,483.02</u> | <u>(1,831,733.95)</u> | <u>(11.56)</u> |
| Non-Current Assets Held for Sale | | | | |
| | 7,720,362,239.52 | 8,318,633,800.68 | (598,271,561.16) | (7.19) |
| Less: Accumulated Impairment Losses | 924,433,889.93 | 127,086,737.11 | 797,347,152.82 | 627.40 |
| | <u>6,795,928,349.59</u> | <u>8,191,547,063.57</u> | <u>(1,395,618,713.98)</u> | <u>(17.04)</u> |
| Total Current Assets | <u>12,819,741,732.88</u> | <u>14,361,655,564.90</u> | <u>(1,541,913,832.02)</u> | <u>(10.74)</u> |
| Non-Current Assets | | | | |
| Investments | | | | |
| Sinking Fund | 765,996,955.97 | 724,192,693.26 | 41,804,262.71 | 5.77 |
| Other Investments | | | | |
| Investments in Stocks | 855,218,352.84 | 839,984,355.72 | 15,233,997.12 | 1.81 |
| Other Investments | 617,500.00 | 617,500.00 | - | 0.00 |
| | <u>855,835,852.84</u> | <u>840,601,855.72</u> | <u>15,233,997.12</u> | <u>1.81</u> |

HOME GUARANTY CORPORATION
STATEMENTS OF FINANCIAL POSITION
As At September 30, 2017
(In Philippine Peso)

| | 2017 | 2016 | INCREASE (DECREASE) Php | INCREASE (DECREASE) % |
|---|-------------------------|-------------------------|-------------------------------|-----------------------------|
| Receivables | | | | |
| Due from Government Corporations-NHA | 1,046,553,165.21 | 1,028,550,970.37 | 18,002,194.84 | 1.75 |
| Guaranty Call Receivable (90%) | 153,244,855.16 | 157,144,694.44 | (3,899,839.28) | (2.48) |
| Allowance for Impairment-Guaranty Call Receivable | (5,671,455.20) | (8,332,329.78) | (2,660,874.58) | (31.93) |
| Sales Contract Receivable (90%) | 3,689,969,180.80 | 3,792,209,112.08 | (102,239,931.29) | (2.70) |
| Loans Receivable-Others (90%) | 40,236,706.56 | 43,901,566.22 | (3,664,859.66) | (8.35) |
| Finance Lease Receivable | 211,554,202.61 | 240,267,268.20 | (28,713,065.59) | (11.95) |
| Due from National Government Agencies | 131,082,650.12 | 130,930,133.89 | 152,516.23 | 0.12 |
| Notes Receivable | 29,860,322.00 | 29,860,322.00 | - | 0.00 |
| Allowance for Impairment-Notes Receivables | (2,286,697.82) | (2,286,697.82) | - | 0.00 |
| | <u>5,294,542,929.43</u> | <u>5,412,245,039.60</u> | <u>(117,702,110.17)</u> | <u>(2.17)</u> |
| Investment Property | | | | |
| Investment Property, Land | 9,265,914,956.84 | 8,005,488,953.06 | 1,260,426,003.78 | 15.74 |
| Investment Property, Buildings | 49,299,061.46 | 49,299,061.46 | - | 0.00 |
| Less: Accumulated Depreciation | 18,024,968.84 | 16,176,254.00 | 1,848,714.84 | 11.43 |
| | <u>9,297,189,049.46</u> | <u>8,038,611,760.52</u> | <u>1,258,577,288.94</u> | <u>15.66</u> |
| Property, Plant and Equipment | | | | |
| Other Land Improvements | 53,797,173.33 | 53,797,173.33 | - | 0.00 |
| Less: Accumulated Depreciation | 30,172,894.36 | 28,541,927.08 | 1,630,967.28 | 5.71 |
| | <u>23,624,278.97</u> | <u>25,255,246.25</u> | <u>(1,630,967.28)</u> | <u>(6.46)</u> |
| Communication Equipment | 1,728,027.15 | 1,757,017.15 | (28,990.00) | (1.65) |
| Less: Accumulated Depreciation | 1,487,738.36 | 1,476,510.20 | 11,228.16 | 0.76 |
| | <u>240,288.79</u> | <u>280,506.95</u> | <u>(40,218.16)</u> | <u>(14.34)</u> |
| Books | 291,330.47 | 291,330.47 | - | 0.00 |
| Less: Accumulated Depreciation | 256,878.08 | 252,593.76 | 4,284.32 | 1.70 |
| | <u>34,452.39</u> | <u>38,736.71</u> | <u>(4,284.32)</u> | <u>(11.06)</u> |
| Office Equipment | 2,790,356.54 | 2,790,356.54 | - | 0.00 |
| Less: Accumulated Depreciation | 2,625,680.24 | 2,556,637.52 | 69,042.72 | 2.70 |
| | <u>164,676.30</u> | <u>233,719.02</u> | <u>(69,042.72)</u> | <u>(29.54)</u> |
| Furniture and Fixtures | 12,362,887.52 | 13,022,381.77 | (659,494.25) | (5.06) |
| Less: Accumulated Depreciation | 5,035,041.87 | 5,385,892.97 | (350,851.10) | (6.51) |
| | <u>7,327,845.65</u> | <u>7,636,488.80</u> | <u>(308,643.15)</u> | <u>(4.04)</u> |
| Leased Assets Improvements, Buildings | 31,670,911.88 | 31,670,911.88 | - | 0.00 |
| Less: Accumulated Depreciation | 31,630,914.88 | 28,097,579.26 | 3,533,335.62 | 12.58 |
| | <u>39,997.00</u> | <u>3,573,332.62</u> | <u>(3,533,335.62)</u> | <u>(98.88)</u> |
| Motor Vehicles | 24,487,828.38 | 24,487,828.38 | - | 0.00 |
| Less: Accumulated Depreciation | 22,014,398.63 | 21,980,185.44 | 34,213.19 | 0.16 |
| | <u>2,473,429.75</u> | <u>2,507,642.94</u> | <u>(34,213.19)</u> | <u>(1.36)</u> |
| Information and Communication Technology Eqpt. | 56,345,768.95 | 48,080,968.95 | 8,264,800.00 | 17.19 |
| Less: Accumulated Depreciation | 43,259,300.10 | 41,871,569.67 | 1,387,730.43 | 3.31 |
| | <u>13,086,468.85</u> | <u>6,209,399.28</u> | <u>6,877,069.57</u> | <u>110.75</u> |
| Other Property and Equipment | 7,139,453.40 | 7,026,557.40 | 112,896.00 | 1.61 |
| Less: Accumulated Depreciation | 5,182,380.28 | 4,862,392.64 | 319,987.64 | 6.58 |
| | <u>1,957,073.12</u> | <u>2,164,164.76</u> | <u>(207,091.64)</u> | <u>(9.57)</u> |
| Total Property and Equipment | <u>48,948,510.82</u> | <u>47,899,237.33</u> | <u>1,049,273.49</u> | <u>2.19</u> |

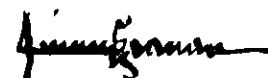
HOME GUARANTY CORPORATION
STATEMENTS OF FINANCIAL POSITION
As At September 30, 2017
(In Philippine Peso)

| | 2017 | 2016 | INCREASE (DECREASE) Php | INCREASE (DECREASE) % |
|---|--------------------------|--------------------------|-------------------------------|-----------------------------|
| Intangible Assets | | | | |
| Computer Software | 31,016,123.40 | 29,819,153.40 | 1,196,970.00 | 4.01 |
| Less: Accumulated Amortization | 27,095,674.49 | 24,381,384.03 | 2,714,290.46 | 11.13 |
| | <u>3,920,448.91</u> | <u>5,437,769.37</u> | <u>(1,517,320.46)</u> | <u>(27.90)</u> |
| Deferred Tax Asset | <u>19,601,144.53</u> | <u>115,880,125.87</u> | <u>(96,278,981.34)</u> | <u>(83.08)</u> |
| Other Non-Current Assets | | | | |
| Guaranty Deposits | 19,515,306.84 | 20,858,394.84 | (1,343,088.00) | (6.44) |
| Other Assets | 157,753,473.55 | 157,753,473.55 | - | 0.00 |
| | <u>177,268,780.39</u> | <u>178,611,868.39</u> | <u>(1,343,088.00)</u> | <u>(0.75)</u> |
| Other Assets - Abot Kaya Pabahay Fund | <u>3,054,135,129.73</u> | <u>3,020,469,555.10</u> | <u>33,665,574.63</u> | <u>1.11</u> |
| Other Assets-Trust Accounts | | | | |
| DPWH/NHA | 468,059,005.79 | 470,960,827.71 | (2,901,821.92) | (0.62) |
| DOTC | 242,169,598.39 | 242,253,395.17 | (83,796.78) | (0.03) |
| DPWH | 202,200,499.53 | 202,085,120.40 | 115,379.13 | 0.06 |
| DPWH/BARAS | 87,707,904.60 | 87,707,738.26 | 166.34 | 0.00 |
| P M S | 82,149,105.35 | 80,094,482.81 | 2,054,622.54 | 2.57 |
| | <u>1,082,286,113.66</u> | <u>1,083,101,564.35</u> | <u>(815,450.69)</u> | <u>(0.08)</u> |
| Total Non-Current Assets | <u>20,599,724,915.74</u> | <u>19,467,051,469.51</u> | <u>1,132,673,446.23</u> | <u>5.82</u> |
| TOTAL ASSETS | <u>33,419,466,648.62</u> | <u>33,828,707,034.41</u> | <u>(409,240,385.79)</u> | <u>(1.21)</u> |
| LIABILITIES | | | | |
| Current Liabilities | | | | |
| Financial Liabilities | | | | |
| Payables | | | | |
| Due to Officers and Employees | 798,382.41 | 650,152.90 | 148,229.51 | 22.80 |
| Interest Payable | 387,770,834.07 | 341,092,107.47 | 46,678,726.60 | 13.69 |
| | <u>388,569,216.48</u> | <u>341,742,260.37</u> | <u>46,826,956.11</u> | <u>13.70</u> |
| Bonds Payable - Domestic | | | | |
| Bonds Payable - Debenture Bonds | 2,834,495.65 | 129,457,397.26 | (126,622,901.61) | (97.81) |
| | <u>391,403,712.13</u> | <u>471,199,657.63</u> | <u>(79,795,945.50)</u> | <u>(16.93)</u> |
| Inter-Agency Payables | | | | |
| Due to BIR | 1,417,121.57 | 1,915,124.55 | (498,002.98) | (26.00) |
| Due to GSIS | 1,322,399.91 | 1,343,672.52 | (21,272.61) | (1.58) |
| Due to Pag-IBIG | 1,285,783.13 | 1,277,868.35 | 7,914.78 | 0.62 |
| Due to PhilHealth | 92,250.00 | 94,025.00 | (1,775.00) | (1.89) |
| Due to Other National Government Agencies | 4,215.73 | 865,956.52 | (861,740.79) | (99.51) |
| Due to Other GOCCs | 9,668,594.04 | 9,668,774.94 | (180.90) | (0.00) |
| Income Tax Payable | 114,387,097.60 | - | 114,387,097.60 | 100.00 |
| | <u>128,177,461.98</u> | <u>15,165,421.88</u> | <u>113,012,040.10</u> | <u>745.20</u> |
| Intra-Agency Payables | | | | |
| Due to Other Funds - Various | 601,272,027.06 | 553,690,548.78 | 47,581,478.28 | 8.59 |
| Trust Liabilities | | | | |
| Guaranty/Security Deposits Payables | 25,683,643.08 | 16,281,756.08 | 9,401,887.00 | 57.74 |
| Deferred Credits | | | | |
| Unearned Insurance Premium | 552,328,407.72 | 462,351,510.54 | 89,976,897.18 | 19.46 |
| Unearned Income on Installment Sale (10%) | 106,097,592.54 | 105,854,216.58 | 243,375.96 | 0.23 |
| Unearned BDC Income (10%) | 7,900,440.65 | 7,780,346.58 | 120,094.07 | 1.54 |
| | <u>666,326,440.91</u> | <u>575,986,073.70</u> | <u>90,340,367.21</u> | <u>15.68</u> |
| Other Payables | | | | |
| Dividend Payable | 134,997,935.31 | - | 134,997,935.31 | 100.00 |
| Other Payables | 5,108,687,807.63 | 4,986,070,883.46 | 122,616,924.17 | 2.46 |
| | <u>5,243,685,742.94</u> | <u>4,986,070,883.46</u> | <u>257,614,859.48</u> | <u>5.17</u> |
| Total Current Liabilities | <u>7,056,549,028.10</u> | <u>6,618,394,341.53</u> | <u>438,154,686.57</u> | <u>6.62</u> |

HOME GUARANTY CORPORATION
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As At September 30, 2017
(In Philippine Peso)

| | 2017 | 2016 | INCREASE (DECREASE) Php | INCREASE (DECREASE) % |
|---|--------------------------|--------------------------|-------------------------------|-----------------------------|
| Non-Current Liabilities | | | | |
| Financial Liabilities | | | | |
| Bonds Payable - Domestic | | | | |
| Bonds Payable - Debenture Bonds | 13,952,006.68 | 17,996,169.08 | (4,044,162.40) | (22.47) |
| Deferred Credits | | | | |
| Trust Insurance Premium | 8,972,302.55 | 406,077,266.43 | (397,104,963.88) | (97.79) |
| Trust Projects | 1,276,690,792.75 | 1,262,999,322.25 | 13,691,470.50 | 1.08 |
| Unearned Income on Installment Sale (90%) | 954,878,332.86 | 952,687,949.23 | 2,190,383.63 | 0.23 |
| Unearned BDC Income (90%) | 71,103,965.84 | 70,023,119.22 | 1,080,846.62 | 1.54 |
| Excess of Book Value Over Cost | 133,033,375.33 | 133,094,060.66 | (60,685.33) | (0.05) |
| Other Deferred Credits - CLOP | 31,231,109.77 | 30,821,581.82 | 409,527.95 | 1.33 |
| Other Deferred Credits - Direct Deposits | 12,888,254.47 | 11,779,961.58 | 1,108,292.89 | 9.41 |
| Miscellaneous | 289,187.16 | 41,187.52 | 247,999.64 | 602.12 |
| | <u>2,489,087,320.73</u> | <u>2,867,524,448.71</u> | <u>(378,437,127.98)</u> | <u>(13.20)</u> |
| Deferred Tax Liability | <u>129,435.56</u> | <u>89,612.82</u> | <u>39,822.74</u> | <u>44.44</u> |
| Inter-Agency Payables | | | | |
| Due to Treasurer of the Philippines | 10,463,794,903.78 | 11,463,794,903.78 | (1,000,000,000.00) | (8.72) |
| Trust Liabilities - Abot Kaya Pabahay Fund | 3,054,135,129.73 | 3,020,469,555.10 | 33,665,574.63 | 1.11 |
| Trust Liabilities - Assets Held-in-Trust | | | | |
| DPWH/NHA | 468,059,005.79 | 470,960,827.71 | (2,901,821.92) | (0.62) |
| DOTC | 242,169,598.39 | 242,253,395.17 | (83,796.78) | (0.03) |
| DPWH | 202,200,499.53 | 202,085,120.40 | 115,379.13 | 0.06 |
| DPWH/BARAS | 87,707,904.60 | 87,707,738.26 | 166.34 | 0.00 |
| P M S | 82,149,105.35 | 80,094,482.81 | 2,054,622.54 | 2.57 |
| | <u>1,082,286,113.66</u> | <u>1,083,101,564.35</u> | <u>(815,450.69)</u> | <u>(0.08)</u> |
| Total Non-Current Liabilities | <u>17,103,384,910.14</u> | <u>18,452,976,253.84</u> | <u>(1,349,591,343.70)</u> | <u>(7.31)</u> |
| TOTAL LIABILITIES | <u>24,159,933,938.24</u> | <u>25,071,370,595.37</u> | <u>(911,436,657.13)</u> | <u>(3.64)</u> |
| EQUITY | | | | |
| Share Capital, P1,000 par value | | | | |
| Subscribed (Out of the Authorized Capitalization of P50.0bn under R.A. No. 580, as amended by Executive Order No. 535, R.A. Nos. 7835 and 8763) | 15,073,000,000.00 | 15,073,000,000.00 | - | 0.00 |
| Revaluation Surplus | 2,407,442,041.09 | 2,407,442,041.09 | - | 0.00 |
| Retained Earnings (Deficit)-Donated Capital | | 4,069,154,826.31 | (4,069,154,826.31) | (100.00) |
| Retained Earnings (Deficit) | (8,220,909,330.71) | (12,792,889,427.07) | (8,220,909,330.71) | (64.26) |
| Cumulative Changes in Fair Value of Investments | | 628,998.71 | (628,998.71) | (100.00) |
| TOTAL EQUITY | <u>9,259,532,710.38</u> | <u>8,757,336,439.04</u> | <u>502,196,271.34</u> | <u>5.73</u> |
| TOTAL LIABILITIES AND EQUITY | <u>33,419,466,648.62</u> | <u>33,828,707,034.41</u> | <u>(409,240,385.79)</u> | <u>(1.21)</u> |

CERTIFIED CORRECT:



JIMMY B. SARONA
Vice President - Management Services Group and
Concurrent Vice President - Corporate Services Group

APPROVED BY:



CORAZON G. CORPUZ
Executive Vice President and
Officer-in-Charge