

HOME GUARANTY CORPORATION
STATEMENT OF INCOME
For the year ended December 31, 2006
(With Comparative Figures for 2005)

	<u>2006</u>	<u>2005</u> <u>(As Restated)</u>	<u>Increase</u> <u>(Decrease)</u>
INCOME			
Financing fees - insurance/guaranty fees (Note 2.1.a)	P 344,308,157	P 288,560,272	P 55,747,885
Interest income - installment receivable (Note 2.1.b)	38,269,392	38,795,563	(526,171)
Rent income	51,561,606	13,847,879	37,713,727
Other service income (Note 2.1.c)	2,325,174	1,059,680	1,265,494
Other fines and penalties	9,574,665	6,428,461	3,146,204
Miscellaneous income	1,639,733	2,460,498	(820,765)
	<u>447,678,727</u>	<u>351,152,353</u>	<u>96,526,374</u>
EXPENSES (Schedule)			
Personal services	69,526,265	60,778,211	8,748,054
Maintenance and other operating expenses (mooe)	140,888,979	95,288,671	45,600,308
	<u>210,415,244</u>	<u>156,066,882</u>	<u>54,348,362</u>
INCOME FROM OPERATIONS	<u>237,263,483</u>	<u>195,085,471</u>	<u>42,178,012</u>
OTHER INCOME (EXPENSES)			
Interest income - banks and investments	(2,011,484)	33,017,439	(35,028,923)
Loss/Gain on sale of disposed assets	(2,756,543)	19,862,695	(22,619,238)
Gain on sale of securities	13,087,487	38,026,062	(24,938,575)
Loss on foreign exchange	(179,751)	-	(179,751)
Dividend income	10,750	10,750	-
Other mooe - projects	(79,283,691)	(89,591,327)	10,307,636
	<u>(71,133,232)</u>	<u>1,325,619</u>	<u>(72,458,851)</u>
INCOME BEFORE FINANCIAL CHARGES	166,130,251	196,411,090	(30,280,839)
FINANCIAL CHARGES			
Bank charges	26,611	35,607	(8,996)
Interest on zero coupon bond	939,579,108	863,749,402	75,829,706
	<u>939,605,719</u>	<u>863,785,009</u>	<u>75,820,710</u>
NET LOSS	P <u>773,475,468</u>	P <u>667,373,919</u>	P <u>106,101,549</u>

See accompanying Notes to Financial Statements.