

HOME GUARANTY CORPORATION
STATEMENT OF INCOME AND EXPENSES
For the Year Ended December 31, 2007
(In Philippine Peso)

	Note	2007	As Restated 2006
INCOME			
Financing fees - insurance/guaranty fees	2	406,686,126	345,660,567
Rent income		63,658,029	51,368,909
Interest income - installment receivable	2	42,360,751	42,166,894
Other fines and penalties	2	7,780,867	9,662,938
Other service income	2	2,301,310	2,330,293
Miscellaneous income	2	1,187,799	1,659,443
Total Income		523,974,882	452,849,044
EXPENSES			
	14		
Personal services		80,078,601	75,305,392
Maintenance and other operating expenses (mooe)		224,931,268	142,330,971
Total Expenses		305,009,869	217,636,363
INCOME FROM OPERATIONS		218,965,013	235,212,681
OTHER INCOME (EXPENSES)			
Interest income - banks	2	2,972,503	647,488
Loss/Gain on sale of disposed assets		(25,049,321)	(12,949,303)
Technical loss reserve		(8,550,126)	-
Gain on sale of securities		234,648,601	44,923,707
Loss on foreign exchange		(336,399)	(179,751)
Dividend income	2	379,888	10,750
Other mooe - projects		(63,924,345)	(87,151,657)
Total Other Income		140,140,801	(54,698,766)
INCOME BEFORE FINANCIAL CHARGES		359,105,814	180,513,915
FINANCIAL CHARGES			
Interest on zero coupon bond		1,344,429,653	939,579,108
Interest on debenture bonds		174,549,136	218,148,631
Bank charges		128,597	26,611
Total Financial Charges		1,519,107,386	1,157,754,350
NET LOSS		1,160,001,572	977,240,435

The notes on pages 7 to 19 form part of these financial statements.