

**HOME GUARANTY CORPORATION**  
**STATEMENT OF CHANGES IN EQUITY**  
For the Year Ended December 31, 2007  
(In Philippine Peso)

	Note	2007	As Restated 2006
<b>CAPITAL STOCK</b>			
Authorized and subscribed under RA 580, as amended, 50 million shares at P1,000 par value			
Paid-in capital		11,673,000,000	10,000,000,000
<b>RETAINED EARNINGS/(DEFICIT)</b>			
Balance at beginning of year		(2,870,577,681)	(884,000,228)
Correction of errors	13	-	(1,009,337,018)
As restated		(2,870,577,681)	(1,893,337,246)
Net loss		(1,160,001,572)	977,240,435
Balance at end of year		(4,030,579,253)	(2,870,577,681)
<b>EQUITY</b>		<b>7,642,420,747</b>	<b>7,129,422,319</b>

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