

**SMALL BUSINESS GUARANTEE AND FINANCE CORPORATION**  
**STATEMENT OF FINANCIAL POSITION**  
As of December 31, 2018

**ASSETS**

<b>Current Assets</b>	
Cash on Hand and in Banks	399,074,591
Cash in Bank HYSAs-SDA	357,242,916
Investments in Gov't Sec	1,527,131,538
Interest Receivable on Investments	13,966,353
Loans Receivable	4,664,887,010
Allowance for Doubtful Accounts	(791,190,160)
Interest Receivable on Loans	25,852,563
Sale Contract Receivable	26,662,070
Other Current Assets / Receivables	65,742,697
	<u><b>6,289,369,578</b></u>
<b>Non-Current Assets</b>	
Accounts Receivable, Others	33,843,520
Property and Equipment, Net	71,681,664
Real and Other Properties or Acquired, Net	51,762,940
Investments in Gov't Sec	146,789
Equity Investment	39,670,120
Allowance for Doubtful Accounts	(4,225,120)
Other Assets	5,453,871
Deferred Tax Asset	113,640,006
Guarantee Paid Loans	79,273,112
Allowance for Doubtful Accounts	(79,189,160)
Derivative with Positive Fair Value - ADB	151,549,399
	<u><b>463,607,140</b></u>
<b>TOTAL ASSETS</b>	<u><u><b>6,752,976,717</b></u></u>

**LIABILITIES AND EQUITY**

<b>Current Liabilities</b>	
Accounts Payable and Accrued Expenses	870,321,175
Interest Payable	7,554,764
Deferred Tax Liability	10,325,219
Undistributed Collections	3,931,601
Notes Payable	800,948,160
Long-Term Liabilities-Current Portion - ODA	127,238,960
	<u><b>1,820,319,879</b></u>
<b>Non-Current Liabilities</b>	
Notes Payable	67,845,952
Long-Term Liabilities - ODA	909,642,285
	<u><b>977,488,237</b></u>
<b>Total Liabilities</b>	<u><u><b>2,797,808,116</b></u></u>
<b>Equity</b>	
Capital Stock	1,919,902,000
Paid in Capital in Excess of par Value	79,510,460
Derivative Valuation Reserve	151,549,399
Retained Earnings	715,929,404
Add: Net Income from Continuing Operation	1,088,277,338
<b>Total</b>	<u><u><b>3,955,168,601</b></u></u>
<b>TOTAL LIABILITIES AND EQUITY</b>	<u><u><b>6,752,976,717</b></u></u>

Prepared by:

Original signed  
**MARCELO C. PELAYO**  
OIC, Manager-Accounting Dept.

Certified by:

Original signed  
**CORAZON A. DIMAYUGA**  
Head - Controllershio Group

**SMALL BUSINESS GUARANTEE AND FINANCE CORPORATION  
INCOME STATEMENT**

**For the Twelve Month Period Ending December 31, 2018**

<b>Operating Revenues</b>		
Lending Operations		
Wholesale - SME	7,612,493	
Wholesale - MICRO	48,528,420	
RETAIL	124,670,417	
P3	19,330,334	
ERF	23,228,940	
	<u>223,370,605</u>	
Sub-Total		
Guarantee Operations	1,530,446	
Treasury Operations	69,723,186	
Other Operating Income	25,868,456	
	<u>223,370,605</u>	
<b>Total Operating Revenue</b>		<b><u>320,492,692</u></b>
<b>Operating Expenses</b>		
Financing Cost	49,049,378	
Credit Cost	9,711,105	
Operating Cost		
Personal Services	179,292,298	
MOOE	69,111,944	
	<u>248,404,242</u>	
<b>Total Operating Expenses</b>		<b><u>307,164,725</u></b>
<b>Net Operating Income</b>		<b><u>13,327,968</u></b>
<b>Other Revenues</b>		
Gain on sale of acquired assets	2,429,581	
Miscellaneous	1,060,249	
Gain/ (Loss) on Foreign Exchange-Realized	13,935,939	
<b>Total Other Revenues</b>		<b><u>17,425,769</u></b>
<b>Other Expenses</b>		
Acquired Asset Expense	415,714	
Litigation Expense	266,972	
Provision for Probable Losses - ROPA	892,284	
<b>Total Other Expenses</b>		<b><u>1,574,969</u></b>
Net Operating Income before Extra Ordinary Items	29,178,767	
Add/(Deduct): Extra Ordinary Items		
Translation Adjustment - Net	(9,192,521)	
Change in Derivative Valuation	84,086,475	
	<u>74,893,954</u>	
<b>NET INCOME FROM CONTINUING OPERATION</b>		<b><u>104,072,721</u></b>
<b>Subsidy from National Government</b>		
Pondo Sa Pagbabago at Pag-Asenso - P3	1,066,995,964	
Total	<u>1,066,995,964</u>	
<b>Expenses</b>		
Operating Cost		
P3 Expense	43,394,454	
Total	<u>43,394,454</u>	
Credit Cost		
Provision for Probable Losses - P3	39,396,893	
Total	<u>39,396,893</u>	
<b>NET SUBSIDY</b>		<b><u>984,204,617</u></b>
<b>NET INCOME INCLUSIVE OF NET OF SUBSIDY</b>		<b><u>1,088,277,338</u></b>

Prepared by: 

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**MANUEL C. PELAYO**  
OIC Manager-Accounting Dept.

Certified Correct:

Original signed  
**CORAZON A. DIMAYUGA**  
Head Controllership Group