

**PHILIPPINE RECLAMATION AUTHORITY**  
**STATEMENTS OF PROFIT OR LOSS**  
**For the Years Ended December 31, 2016 and 2015**  
(In Philippine Peso)

|   | Note | 2016                 | 2015                 |
|---|------|----------------------|----------------------|
| <b>OPERATING INCOME</b>                             |      |                      |                      |
| Business income                                     | 23   | 769,263,424          | 3,039,142,454        |
| Income from Joint Venture                           | 24   | 134,907,349          | 122,479,364          |
| Rent income   | 25   | 101,702,407          | 89,287,382           |
| Service income                                      | 26   | 83,547,994           | 25,723,229           |
| General income                                      |      | 2,749,185            | 1,756,729            |
|   |      | <b>1,092,170,359</b> | <b>3,278,389,158</b> |
| <b>OPERATING EXPENSES</b>                           |      |                      |                      |
| <b>Personal Services</b>                            |      |                      |                      |
| Salaries and wages                                  |      | 60,638,522           | 55,236,769           |
| Other compensation                                  |      | 42,646,622           | 38,543,842           |
| Personnel benefits contribution                     |      | 8,079,820            | 6,881,745            |
| Other personnel benefits                            |      | 1,944,418            | 923,197              |
|   |      | <b>113,309,382</b>   | <b>101,585,553</b>   |
| <b>Maintenance and Other Operating Expenses</b>     |      |                      |                      |
| Taxes, insurance premiums and other fees            |      | 49,426,016           | 82,121,612           |
| Professional services                               |      | 43,638,794           | 35,891,422           |
| Bad debts, depreciation and amortization            |      | 12,397,559           | 11,913,349           |
| Travelling  |      | 7,679,424            | 7,063,057            |
| Representation                                      |      | 7,024,799            | 6,695,580            |
| Utilities   |      | 6,722,617            | 6,807,758            |
| Repairs and maintenance                             |      | 5,403,031            | 5,670,534            |
| Communication                                       |      | 3,863,224            | 4,048,602            |
| Supplies and materials                              |      | 2,606,358            | 2,708,792            |
| Rent  |      | 2,161,383            | 2,014,880            |
| Training  |      | 1,691,868            | 2,994,498            |
| Advertising   |      | 747,715              | 131,280              |
| Printing and binding                                |      | 497,210              | 94,970               |
| Extraordinary and miscellaneous                     |      | 628,807              | 718,381              |
| Subscription  |      | 237,376              | 44,153               |
| Program for senior citizens & disabled              |      | 206,390              | 73,056               |
| Membership dues & contribution to organizations     |      | 25,000               | 5,850                |
| Donations   |      | 14,000               | 12,500               |
| Gender and development program                      |      | 0                    | 559,092              |
| Other maintenance & other operating expenses        | 27   | 3,614,103            | 2,825,545            |
|   |      | <b>148,585,674</b>   | <b>172,394,911</b>   |
| <b>TOTAL EXPENSES</b>                               |      | <b>261,895,056</b>   | <b>273,980,464</b>   |
| <b>INCOME FROM OPERATIONS</b>                       |      | <b>830,275,303</b>   | <b>3,004,408,694</b> |
| <b>OTHER INCOME (EXPENSES)</b>                      |      |                      |                      |
| Interest income on savings & short-term investments |      | 78,504,495           | 88,592,512           |
| Gain on disposal of assets                          |      | 146,857              | 0                    |
| Financial expenses                                  |      | (17,544,559)         | (14,632,013)         |
|   |      | <b>61,106,793</b>    | <b>73,960,499</b>    |
| <b>NET PROFIT BEFORE TAX</b>                        |      | <b>891,382,096</b>   | <b>3,078,369,193</b> |
| <b>INCOME TAX EXPENSE</b>                           | 28   | <b>243,864,460</b>   | <b>896,933,004</b>   |
| <b>NET PROFIT</b>                                   |      | <b>647,517,636</b>   | <b>2,181,436,189</b> |

See accompanying Notes to Financial Statements.