

**NATIONAL DEVELOPMENT COMPANY**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2016 and 2015  
(In Philippine Peso)

	Note	2016	2015 (as restated)
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	4,126,363	532,311,128
Short-term investments	5	2,012,919,450	788,407,446
Receivables, net	6	211,753,147	182,209,936
Other current assets	7	90,331,223	88,668,610
<b>Total Current Assets</b>		<b>2,319,130,183</b>	<b>1,591,597,120</b>
<b>Non-Current Assets</b>			
Investments	8	1,894,560,869	1,408,590,711
Receivables, net	6	4,270,990,535	6,006,780,277
Investment property	9	7,593,237,565	3,467,578,536
Property and equipment, net	10	15,737,743	15,835,039
Other non-current assets and deferred charges	11	176,211,991	184,740,256
<b>Total Non-Current Assets</b>		<b>13,950,738,703</b>	<b>11,083,524,819</b>
<b>TOTAL ASSETS</b>		<b>16,269,868,886</b>	<b>12,675,121,939</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	12	500,080,738	1,014,355,697
Loans payable	13	3,480,024,400	4,653,224,400
Other current liabilities	14	226,649,476	33,572,387
<b>Total Current Liabilities</b>		<b>4,206,754,614</b>	<b>5,701,152,484</b>
<b>Non-Current Liabilities</b>			
Deferred income tax		256,620,031	0
Dividends payable		6,882,423	0
Other non-current liabilities	14	42,154,984	34,220,791
<b>Total Non-Current Liabilities</b>		<b>305,657,438</b>	<b>34,220,791</b>
<b>Equity</b>		<b>11,757,456,834</b>	<b>6,939,748,664</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>16,269,868,886</b>	<b>12,675,121,939</b>

See accompanying Notes to Financial Statements.

**NATIONAL DEVELOPMENT COMPANY**  
**STATEMENTS OF PROFIT OR LOSS**

For the Years Ended December 31, 2016 and 2015  
(In Philippine Peso)

	Note	2016	2015 (as restated)
<b>OPERATING INCOME</b>			
Dividends	19	1,084,225,147	141,851,168
Rental and leasehold		142,569,050	123,252,811
Interest on deposits		56,551,792	34,823,411
Interest on loans		9,567,134	13,063,398
Interest on receivables		980,687	503,286
Management fees		84,000	84,000
		<b>1,293,977,810</b>	313,578,074
<b>OPERATING EXPENSES</b>			
	20	465,671,142	268,306,273
		<b>828,306,668</b>	45,271,801
<b>OTHER INCOME</b>			
Gain from change in fair value of investment property	9	2,234,771,718	0
Gain on sale of assets		99,176,566	11,254,215
Share in net profit from associates		25,047,618	29,623,990
Foreign exchange gain		6,373,360	47,359
Gain on sale/redemption/transfer of investment		0	4,325,388,838
Miscellaneous income		38,738,601	32,023,513
		<b>2,404,107,863</b>	4,398,337,915
<b>PROFIT BEFORE INCOME TAX</b>			
		3,232,414,531	4,443,609,716
<b>INCOME TAX EXPENSE</b>			
	21	257,026,961	29,774,972
<b>NET PROFIT</b>			
		<b>2,975,387,570</b>	4,413,834,744

*See accompanying Notes to Financial Statements.*

**NATIONAL DEVELOPMENT COMPANY**  
**STATEMENTS OF CHANGES IN EQUITY**

For the Years Ended December 31, 2016 and 2015  
(In Philippine Peso)

	Note	Share Capital (Note 15)	Donated Capital (Note 16)	Share in Revaluation Increments of Associates	Retained Earnings/(Deficit) (Note 17)	Total
<b>Balances, December 31, 2014</b>		<b>8,602,803,483</b>	<b>112,739,868</b>	<b>28,883,100</b>	<b>(5,460,666,214)</b>	<b>3,283,760,237</b>
Correction of prior years' income	17	0	0	0	(531,850,116)	(531,850,116)
Restated balance, January 1, 2015		8,602,803,483	112,739,868	28,883,100	(5,992,516,330)	2,751,910,121
<b>Changes in Equity for 2015</b>						
Net profit for the year, as restated	18	0	0	0	4,413,834,744	4,413,834,744
Dividends		0	0	0	(225,996,201)	(225,996,201)
<b>Balances, December 31, 2015</b>		<b>8,602,803,483</b>	<b>112,739,868</b>	<b>28,883,100</b>	<b>(1,804,677,787)</b>	<b>6,939,748,664</b>
<b>Changes in Equity for 2016</b>						
Net profit for the year		0	0	0	2,975,387,570	2,975,387,570
Revaluation of investment property (Cost to fair value)	9	0	0	0	1,890,887,311	1,890,887,311
Dividends		0	0	0	(48,566,711)	(48,566,711)
<b>Balances, December 31, 2016</b>		<b>8,602,803,483</b>	<b>112,739,868</b>	<b>28,883,100</b>	<b>3,013,030,383</b>	<b>11,757,456,834</b>

See accompanying Notes to Financial Statements.



**NATIONAL DEVELOPMENT COMPANY**  
**STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2016 and 2015  
(In Philippine Pesos)

	Note	2016	2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Dividends received		1,104,602,606	159,684,216
Collection of loans		344,752,372	996,549,853
Collection of rentals		160,285,434	124,777,323
Collection of interest		22,933,855	631,887,805
Collection of receivables		12,141,952	12,670,448
Miscellaneous collections		21,748,664	2,414,146
Payment of taxes and licenses		(437,844,124)	(157,775,019)
Payment to suppliers and service providers		(131,889,216)	(70,697,208)
Payment of salaries and benefits to officers and employees		(20,614,987)	(17,829,988)
Loans granted to NDC employees		(511,455)	(1,066,070)
Net cash provided by operating activities		1,075,605,101	1,680,615,506
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from disposal of assets		94,850,039	6,612,968
Return of capital		63,700,000	161,350,000
Acquisition of assets		0	(76,850)
Net proceeds (transfer to short-term investments) from money market placements		(1,731,018,539)	(671,679,749)
Net cash used in investing activities		(1,572,468,500)	(503,793,631)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment of dividends		(41,684,288)	0
Payment of loans payable		0	(711,635,291)
Net cash used in financing activities		(41,684,288)	(711,635,291)
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>			
		10,362,922	41,521
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>		(528,184,765)	465,228,105
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		532,311,128	67,083,023
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	4	4,126,363	532,311,128

See accompanying Notes to Financial Statements.