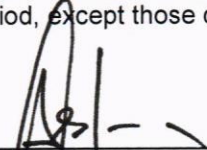



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR ANNUAL INCOME TAX RETURN**

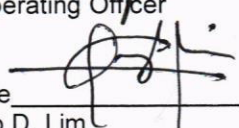
The Management of Rural Electrification Financing Corporation (the "Parent Company") is responsible for all information and representations contained in the Annual Income Tax Return for the year ended December 31, 2016. Management is likewise responsible for all information and representations contained in the separate financial statements accompanying the Annual Income Tax Return covering the same reporting period. Furthermore, the Management is responsible for all information and representations contained in all the other tax returns filed for the reporting period, including, but not limited, percentage tax returns, withholding tax returns, documentary stamp tax returns, and any and all other tax returns.

In this regard, the Management affirms that the attached audited separate financial statements as at and for the year ended December 31, 2016 and the accompanying Annual Income Tax Return are in accordance with the books and records of the Parent Company, complete and correct in all material respects. Management likewise affirms that:

- (a) The Annual Income Tax Return has been prepared in accordance with the provisions of the National Internal Revenue Code, As Amended, and pertinent tax regulations and other issuances of the Department of Finance and the Bureau of Internal Revenue;
- (b) Any disparity of figures in the submitted reports arising from the preparation of the separate financial statements pursuant to Philippine Financial Reporting Standards and the preparation of the income tax return pursuant to tax accounting rules has been reported as reconciling items and maintained in the Parent Company's books and records in accordance with the requirements of Revenue Regulations No. 8-2007 and other relevant issuances; and
- (c) The Parent Company has filed all applicable tax returns, reports and statements required to be filed under Philippine tax laws for the reporting period, and all taxes and other impositions shown thereon to be due and payable have been paid for the reporting period, except those contested in good faith.

Signature 
Gabriel A. Tordesillas
President and Chairman of the Board

Signature 
Thomas L. Villaflor
Chief Operating Officer

Signature 
Ludovico D. Lim
Treasurer



Signed this _____th day of _____ 2017

**CERTIFICATE ON THE COMPILATION SERVICES FOR THE PREPARATION OF THE
FIJNANCIAL STATEMENTS AND NOTES TO THE FINANCIAL STATEMENTS**

I hereby certified that I am the Certified Public Accountant (CPA) who performed the compilation services related to the preparation and presentation of financial information of an entity in accordance with an applicable financial reporting framework and reports as required by accounting and auditing standards for Rural Electrification Financing Corporation for the period ending December 31, 2016.

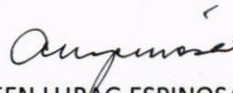
In discharging this responsibility, I hereby declare that (check one (1)):

I, am the accountant of Rural Electrification Financing Corporation.

I, am the (position) of (name of organization/person) and was contracted to perform this service.

Furthermore in my completion service for the preparation of the Financial Statements and Notes to the Financial Statements, I am not assisted by or did not avail of the services of R.G. Manabat & Co. who/which is the external auditor who rendered the audit opinion for the said Financial Statements and Notes to the Financial Statements.

I hereby declare, under penalties of perjury and violation of Republic Act No. 9298, that my statements are true and correct.



SIGNATURE OVER PRINTED NAME: AILEEN EUBAG ESPINOSA

DATE SIGNED: APRIL 10, 2017

PROFESSIONAL IDENTIFICATION CARD NO. 0113421

VALID UNTIL: 2019


ACCREDITATION NUMBER:*

VALID UNTIL *

**application for BOA accreditation has been filed on December 29, 2016 and are still pending.*

APR 12 2017

NOTARY PUBLIC


ATTY. JOSE B. DULNUAN
NOTARY PUBLIC
FOR THE CITY OF MANDALUYONG
Until December 31, 2017
COMMISSION NO. 458-16
IBP LIFETIME NO. 0995268 / IFUGAO
PTR NO. 69252527, 1-3-17, Calnta, Rizal
ROLL NO. 26304
MCLE COMP. NO. V-0022171, 6-15-16
VALID UNTIL 04-14-2019
D22-AB GUVENTVILLE II, D.M. GUEVARA ST.
MAUWAY, MANDALUYONG CITY
TEL 532-8858, 5334664
email: jbdulnuan@gmail.com

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Series of 2017



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Fax +63 (2) 894 1985
Internet www.kpmg.com.ph
Email ph-inquiry@kpmg.com.ph

**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY THE SEPARATE FINANCIAL STATEMENTS FOR FILING
WITH THE BUREAU OF INTERNAL REVENUE**

The Stockholders and Board of Directors
Rural Electrification Financing Corporation
Suites 401- 402, 4th Floor, OMM-Citra Bldg.
39 San Miguel Avenue, Ortigas Center
Pasig City

We have audited the accompanying separate financial statements of Rural Electrification Financing Corporation (the "Parent Company") as at and for the year ended December 31, 2016, on which we have rendered our report dated April 10, 2017.

In compliance with Revenue Regulation V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholder of the Parent Company.

R.G. MANABAT & CO.

VANESSA P. MACAMOS
Partner
CPA License No. 0102309
SEC Accreditation No. 1619-A, Group A, valid until March 15, 2020
Tax Identification No. 920-961-311
BIR Accreditation No. 08-001987-38-2016
Issued December 16, 2016; valid until December 15, 2019
PTR No. 5904930MD
Issued January 3, 2017 at Makati City

April 10, 2017
Makati City, Metro Manila