GT CAPITAL
HOLDINGS INCORPORATED

Built on Trust and Partnerships

2023 Integrated Report

Built on Trust and Partnerships

GT Capital Holdings, Inc. has clearly established its position as a major diversified conglomerate in the Philippines. A core element to that achievement is our strategic **partnerships** that combine our local knowledge and footprint with the global expertise of our best-in-class partners, thus enabling sustainable growth that contributes to further building our nation. Moreover, those partnerships drive GT Capital's powerful ecosystem of operating companies united in a vision to provide top quality banking, mobility, property development, insurance, and infrastructure products and services for Filipinos. Underlying all these is **trust**. Trust that we in GT Capital conduct our business with the highest levels of fairness and integrity. Trust that we uphold excellence in all of our initiatives. Trust that we strive hard to create and deliver what is best for all our stakeholders, for society, and for our country.

Trust and partnerships are the foundation upon which GT Capital's strength is solidly built on, and these shall continue to anchor our company in its journey to pursue further growth and expansion.

Operating Companies Description and Ownership

GT Capital is a listed major Philippine conglomerate with interests in market-leading businesses across banking, automotive assembly, importation, dealership, and financing, property development, life and general insurance, and infrastructure. Its operating companies are Metropolitan Bank & Trust Company (Metrobank), Toyota Motor Philippines Corporation (TMP), Toyota Financial Services Philippines Corporation (TFSPH), Sumisho Motor Finance Corporation (Sumisho), GT Capital Auto and Mobility Holdings, Inc. (GTCAM), Federal Land, Inc. (Federal Land), Philippine AXA Life Insurance Corporation (AXA Philippines), and Metro Pacific Investments Corporation (MPIC).

Metrobank
You're in good hands

Metropolitan Bank & Trust Company is a leading universal bank providing corporate and consumer banking products and services through its extensive nationwide branch network and its foreign branches and representative offices. The Bank reaches out to and serves a wide range of clients that includes large local and multinational corporations, middle market and small and medium enterprises, high net-worth individuals, and retail customers.

37.15%	Php42.2Bn
GT CAPITAL-OWNED	2023 NET INCOME

TOYOTA

Incorporated on August 3, 1988, Toyota Motor Philippines Corporation is the leading and largest automotive and mobility company in the Philippines. Established through a joint venture between GT Capital and Toyota Motor Corporation (TMC), TMP is engaged in the assembly, importation, and wholesale distribution of Toyota and Lexus motor vehicles in the Philippines. TMP operates a facility located at the Toyota Special Economic Zone in Santa Rosa, Laguna, where it currently assembles its top-selling Vios and Innova models. Through its wide array of vehicle models and robust sales distribution and service network, TMP achieved its 22nd Triple Crown in 2023, topping the industry in passenger car, commercial vehicle, and overall vehicle sales.

51%	Php13.8Bn
GT CAPITAL-OWNED	2023 NET INCOME

FEDERAL LAND

Federal Land, Inc. is a leading Philippine property developer known for its distinct design, superior customer service, and comprehensive market knowledge. With a solid track record of over 50 years, Federal Land develops innovative, well-built residential projects, commercial developments, and masterplanned, mixed-use communities. The company primarily caters to the luxury and upper middle-income market segments with developments in prime locations. The company's land bank, most of which is highly concentrated in key cities within the boundaries of Metro Manila, is sufficient for many years' worth of project development.

100%	Php2.1Bn
GT CAPITAL-OWNED	2023 NET INCOME

AXA

AXA Philippines is one of the largest and fastest growing insurance companies in the country, offering financial security to close to two million individuals through its group and individual life insurance products. AXA Philippines is a pioneer in the bancassurance industry and is also a market leader in variable unit-linked life insurance products. The company also offers general insurance products and services.

25.3%	Php2.6Bn
GT CAPITAL-OWNED	2023 NET INCOME

METRO PACIFIC INVESTMENTS

Metro Pacific Investments Corporation is a leading infrastructure conglomerate in the Philippines. Committed to transforming and growing its infrastructure assets, Metro Pacific continuously seeks investment and partnership opportunities for the benefit of all its stakeholders. Metro Pacific currently manages a diverse business portfolio including power generation and distribution, toll roads, water, healthcare, light rail, property, and agriculture.

18.19%	Php19.5Bn
GT CAPITAL-OWNED	2023 NET INCOME

Table of Contents

About this Report

GT Capital's 2023 Integrated Report presents a holistic and integrated view of how the organization provides short, medium, and long-term shared value to its stakeholders through its strategy, businesses, performance, and impacts. It aims to address information requirements on topics material to GT Capital's stakeholders and demonstrate its commitment to continuously contribute to the nation's sustainable development.

Scope

This report contains information about the financial, environmental, social, and governance (ESG) performance of GT Capital and its top five operating companies, namely Metropolitan Bank & Trust Company, Toyota Motor Philippines, Federal Land, Inc., AXA Philippines, and Metro Pacific Investments Corporation, for the calendar period from January 1 to December 31, 2023.

Reporting Standards and Frameworks

This report has been prepared and presented in reference to the International Integrated Reporting Framework, on the identified topics material to GT Capital and its priority stakeholders, following the Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB), Task Force for Climate-Related Financial Disclosures (TCFD) recommendations, and the United Nations Sustainable Development Goals (UN SDGs).

Data Gathering Methodology

Data across operating companies varied depending on the relevance, availability, applicability, and confidentiality constraints. The availability of information was also impacted by the distinct sustainability stages and journeys of its operating companies. This Integrated Report is intended to continue the establishment of a baseline upon which GT Capital can identify opportunities and targets with respect to its sustainability initiatives. Feature stories on select programs and policies are also provided to give additional substance and context for a better appreciation of the Group's efforts.

External Assurance

Financial Disclosures

SGV & Co. was GT Capital's external auditor for the calendar year 2023. GT Capital is compliant with SRC Rule 68, Paragraph 3 (b) (ix) (Rotation of External Auditors), which states that the independent auditors, or in the case of an audit firm, the signing partner, shall be rotated after every five (5) years of engagement, with a two-year cooling off period to be observed in the re-engagement of the same signing partner or individual auditor.

GT Capital's financial statements comply with Philippine Accounting Standards and Philippine Financial Reporting Standards and are submitted and disclosed in compliance with the applicable laws, rules and regulations. GT Capital did not revise its financial statements in 2023.

Non-Financial Disclosures

GT Capital engaged DNV Business Assurance Singapore Pte Ltd (DNV) to verify the company's non-financial data for sustainability reporting using DNV's assurance methodology, VeriSustainTM, and global best practices such as the International Standard on Assurance Engagements (ISAE) 3000 Revised, the GRI Principles for Defining Report Content, the Report Quality Standards, and SASB industry-specific standards. The assurance process involved desk reviews, interviews, sample-based data checks and site visits to GT Capital and material operating companies' head offices. DNV was not involved in developing our sustainability disclosures or publication of any of its contents.

Disclaimer

This report contains forward-looking statements that are based on GT Capital's projections, analysis of trends, and strategies based on currently available information. These are only intended to offer reasonable estimates and should not be taken as definite predictions or guarantees on the company's future performance. Actual outcomes may differ from the ones stated herein due to changes in the external environment, unforeseeable risks, and new opportunities, among others. Investors and stakeholders are advised to exercise caution. These forward-looking statements are identified by the words "expect," "anticipate," "estimate," "forecast," "can," "may," and other similar terms or expressions.

Feedback

This report was published in May 08, 2024 and is available for download at **https://www.gtcapital.com.ph/sustainability-report.**

For feedback, inquiries, and other concerns, please send an email to our Investor Relations Department at ir@gtcapital.com.ph.

Statement of the Board

The Board acknowledges its responsibility and provides oversight to ensure the integrity of the Integrated Report through its Audit and Risk & Sustainability Oversight Committees.

It is the Board's opinion that the Integrated Report is presented in accordance with the Integrated Reporting <IR> Framework and presents a fair and balanced view of GT Capital's overall performance and how the business is creating sustainable value for our stakeholders.

To provide assurance on the credibility and quality of the disclosures, SyCip Gorres Velayo & Company (SGV & Co.) assured the company's financial performance while DNV Business Assurance Singapore Pte Ltd (DNV) assured the non-financial performance. The University of Asia and the Pacific Center for Social Responsibility (UA&P CSR) provided support in 2022 for the first adoption of the Integrated Report to ensure alignment to the Integrated Reporting <IR> Framework.

The Board unanimously approved this report on May 08, 2024.

About the Company

Our Vision

To be a leading conglomerate, dominant in all sectors invested, most sought strategic partner in the Philippines, as a major contributor to the nation's sustainable development.

Our Mission

GT Capital Holdings, Inc., a Philippine conglomerate with a strategic business portfolio, has a heritage of leadership in the vital sectors of financial services, automotive assembly distribution, and mobility, insurance, property development, and infrastructure and utilities that are essential to national development.

It has earned its stature of prominence in these key sectors by blending local ingenuity and resources with the technology and expertise of best-of-class global business partners.

Anchored on our core values of integrity, excellence, respect, and sustainable value creation, we fulfill our mission to ensure long-term value for our stakeholders by creating a synergistic business portfolio and exploring new sectors that contribute to our nation's sustainable development.

Our Corporate Values

Integrity

Above everything else, we practice consistent adherence to ethical and moral values under all circumstances both from an institutional and individual basis. Such values are embedded in our corporate culture, which has earned for us the trust and confidence of our clients, investors, and business partners.

Excellence

Each of the group subsidiaries and affiliates has a solid track record of consistently delivering excellence in all our products and services, resulting in the highest level of satisfaction to our customers and stakeholders, who account for our continued success and leadership in each of the sectors where we are present. Our human capital or workforce is highly equipped with the proper education, knowledge, and expertise to successfully carry out their respective roles and responsibilities within the Group to the best of their ability. Our excellence and capability as an organization have allowed us to become one of the most credible and trusted conglomerates in the country.

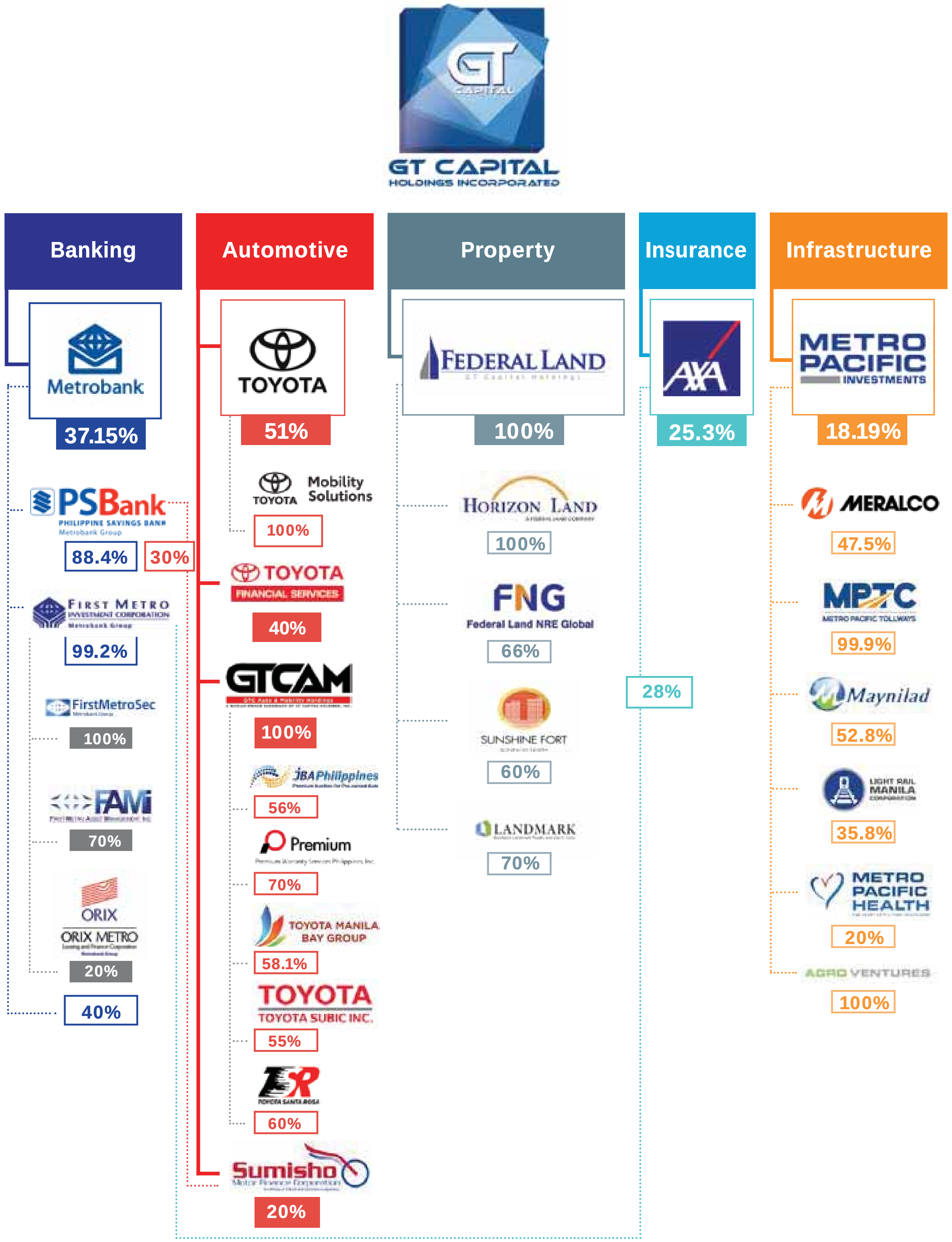
Respect

We take a special regard for the individual, for their empowerment, and for the diversity of opinions, resulting in a more balanced view of our business proposition, open to different perspectives, constantly challenging assumptions and revisiting previously set ways, within the framework of a shared vision and a shared corporate culture, with the end objective of constant improvement.

Sustainable Value Creation

We are committed to planting the seeds today that will result in the creation of sustainable stakeholder value in the future. We believe that taking a long-term and sustainable perspective is essential to contributing to the nation's sustainable development.

GT Capital Portfolio



Strategic Global Partners

Toyota Motor Corporation (Japan)

A top automotive company worldwide engaged in the design, manufacture, assembly, and sale of passenger cars and commercial vehicles. The wide range of vehicles the company manufactures includes compact, subcompact, mid-sized, sports utility, and hybrid cars, as well as minivans and pick-up trucks, among others. Toyota is the brand name the company uses for these vehicles, while luxury cars are under the Lexus brand. Aside from vehicles, Toyota also manufactures spare parts and offers financial services for retail and wholesale financing, retail leasing, insurance, credit cards, and housing loans. Toyota operates in over 170 countries worldwide.

AXA, S.A. (France)

Primarily engaged in providing life insurance coverage, as well as property and casualty insurance. Asset management is another service that the group offers, which includes employee benefit plans, medical plans, and investment advice. The bulk of AXA's customers are in Europe, the Mediterranean, and Latin America, whereas other customers come from North America, Asia, and the United Kingdom. The organization's roots may be traced to the time when Claude Bebear decided to join the Ancienner Mutuelle insurance company – France's oldest insurance company – in Rouen, France in 1958.

Mitsui & Co. Ltd. (Japan)

One of the most diversified and comprehensive trading, investment, and service enterprises in the world. Utilizing global operating locations, network, and information resources, Mitsui is multilaterally pursuing businesses that range from product sales, worldwide logistics, and financing to the development of major international infrastructure and other projects. It is involved in iron and steel projects, mineral and metal resources, infrastructure projects, motor vehicles, marine and aerospace, chemicals, energy, food resources, food products and services, consumer services, IT, finance and new businesses, and transportation logistics.

Metro Pacific Investments Corporation

A leading infrastructure conglomerate in the Philippines. MPIC's intention is to maintain and continue to develop a diverse set of infrastructure assets through its investments in water utilities, toll roads, electricity distribution, hospital operations and light rail. MPIC is therefore committed to investing through acquisitions and strategic partnerships in prime infrastructure assets with the potential to provide synergies with its existing operations.

Toyota Financial Services Corporation (Japan)

Wholly owned by Toyota Motor Corporation, the entity was established as a holding company for Toyota's financial subsidiaries worldwide. The TFS Group mission is to provide sound financial services that contribute to the prosperous life for Toyota customers and others. The company has expanded its global presence, covering more than 30 countries in different regions. TFS offers a diverse range of products and services, such as motor vehicle financing, to meet the various needs of its valued customers.

Orix Corporation (Japan)

Engages in non-depository credit intermediation such as leasing, installment loans, life insurance, and other related financial services. It is also involved in property development. In the automotive industry, the company is engaged in corporate and personal leasing, rental, car sharing, and used-vehicle sales. The company's corporate financial services include lending, building lease, e-commerce, corporate pension, life and accident insurance consulting, and investment banking. ORIX also is into energy conservation, energy recycling, and electric power.

In property development, the company offers housing, real estate investment, and building management.

Nomura Real Estate Development (Japan)

Nomura Real Estate Development (NRE) is one of Japan's largest real estate developers. Established in 1954, NRE is involved in residential development, corporate real estate brokerage, commercial property development, building leasing, and architectural design. It is a sister company of the Nomura Holdings financial conglomerate and is a part of the Nomura business group.

Sumitomo Corporation (Japan)

An international trading company that operates in various industries including finance, insurance, metal products, transportation and construction systems, infrastructure, mineral resources, energy, chemicals, electronics, real estate, media, and new industry development, among others. The company also provides information technology (IT) solutions, mobile communications, and Internet services, and operates TV shopping channels, supermarkets, and drugstores. It develops and imports coal, iron ore, and other minerals. The company also engages in business development, planning, production management, processing, logistics, and construction and real estate ventures.

Isetan Mitsukoshi Holdings (Japan)

Isetan Mitsukoshi Holdings Ltd. is the Japanese parent company of world-renowned Isetan and Mitsukoshi department stores. The Isetan Mitsukoshi Group was created in 2008 with the vision of becoming the world's foremost retail services group. With over 19,000 employees in Japan and around the globe, the Isetan Mitsukoshi Group is Japan's largest department store group. It operates a total of 26 stores nationwide and 10 outlets overseas and encompasses four separate department store brands: Mitsukoshi, Isetan, Iwataya and Marui-Imai.

Grand Hyatt Hotels (USA)

A distinguished brand of the Hyatt global hospitality company, Grand Hyatt Hotels are largescale hotels that provide upscale accommodations in major cities. All Grand Hyatt hotels boast of dramatic, energetic lobbies, exquisite dining options, state-of-the-art technology, spas, fitness centers, and comprehensive business and meeting facilities. Located in the heart of the cities and destinations they serve, Grand Hyatt hotels combine breathtaking spaces, unforgettable experiences, and signature hospitality that create truly grand moments.

Marco Polo Hotels (Hong Kong)

Offers a legendary blend of Asian hospitality and Western innovation, served in modern, chic sophistication. Located in strategic business and cultural centers of Hong Kong, China, and the Philippines, Marco Polo Hotels provide its guests with a unique travel experience that embraces the local charm and the adventure of travel with the deeply instilled elegance and warmth of the in-house culture of the Marco Polo group. In the Visayas, Marco Polo Plaza Cebu provides a panoramic view of the city while still accessible from the shopping and business districts of cosmopolitan Cebu City. It is one of the 5-star hotels in the city, offering spacious and comfortable guest rooms and suites

JBA Philippines, Inc.

An auction house for used cars established through a strategic partnership between GT Mobility Ventures, Inc. and Japan Bike Auction Co. Ltd. JBAP utilizes an APP-based Inspection System where each vehicle undergoes a 935-point check to accomplish a Vehicle Information and Grading Sheet that summarizes the car's exterior, interior, and engine inspection results. With this uniquely transparent and fair system, JBAP provides sellers with a stable auction platform and promises buyers an exciting car purchase experience.

Premium Warranty Services Philippines, Inc.

A wholly-owned subsidiary of Japan's largest and leading automotive warranty provider, Premium Group Co. Ltd. It is also a key strategic partner of GT Mobility Ventures, Inc. The company serves a critical need in the used car market by providing high-quality vehicle inspection services and warranty for used vehicles. Using an extensive 200-point vehicle inspection procedure covering exteriors, interiors, engine, transmission, and electronics, the company can certify the quality of used cars being bought and sold and can also offer warranty services for eligible vehicles. These services create a more transparent used car market in the Philippines that provides used car buyers and sellers with a clear and fair value proposition. It enhances GT Capital's footprint in the automotive value chain.

Toyota Corolla Sapporo Philippines

A wholly-owned subsidiary of Toyota Corolla Sapporo Corporation Ltd., one of the largest Toyota dealers in Japan with over 110 outlets across the country. With over 50 years of experience and combined sales of over 40,000 units for new and used vehicles for 2019 alone, Toyota Corolla Sapporo brings a wealth of best practices, experience, and expertise into the Philippine market. As a strategic partner in Toyota Santa Rosa, Laguna, the company's commitment is to elevate operational efficiency and to build the dealership's used car sales operations as part of GT Capital's objective to add value across the entire automotive value chain.

2023 at a Glance

March

June

January

- MPIC is one of only four global companies that have been featured by the Climate Governance Initiative (CGI) of the University of Cambridge's Centre for Climate Engagement

February

- Launch of The Vegetable Greenhouse Project under Metro Pacific Agro Ventures, Inc.

March

- Toyota Motor Philippines receives national and provincial recognitions for tax contributions
- Federal Land launches The Grand Midori Tower Ortigas Tower 2
- AXA Philippines completes merger with Charter Ping An
- MPIC wins Gold Award for Asia's Best Integrated Report (First Time Category) by the 8th Integrated Reporting Awards
- GT Capital wins Silver Award for Asia's Best Integrated Integrated Report (First Time Category) by the 8th Asia Integrated Reporting Awards
- GT Capital receives an upgrade to A from BBB for its ESG risk rating from MSCI

April

- GT Capital awarded Best Mid Cap Company in the Philippines (Bronze) by FinanceAsia
- PLDT Enterprise fuels 'myTOYOTA Connect' with Smart IoT eSIM solutions
- Federal Land launches Quantum Residences Tower 3

May

- TMSPH launches Toyota RentaCar
- GT Capital awarded Best Investor Relations in the Philippines by World Business Outlook for the third consecutive year

June

- Toyota Zenix Launch
- Federal Land launches Siena Tower 2
- GT Capital receives award as Asia's Best CFO, Best IR Professional and Best Investor Relations at the 13th Asian Excellence Awards 2023

September

September

October

July

- Toyota launches all-new Wigo
- Federal Land launches Fuyu Tower of The Seasons Residences
- Launch of Federal Land Communities

August

- Toyota celebrates 35th Anniversary
- Toyota launches all-new Yaris Cross
- Metrobank awarded as the Philippines' Best Domestic Bank by Asiamoney
- GT Capital awarded as the Most Outstanding Company in the Philippines (Automotive & Components Sector) by Asiamoney

September

- Toyota Motor Philippines opens 73rd dealership
- Metrobank awarded as the Strongest Bank for the third consecutive year by The Asian Banker
- Federal Land awarded as Best Retail Interior Design (MITSUKOSHI BGC) Regional Winner (Best in Asia) and Best Mixed-Use Developer (Federal Land) Country Winner (Philippines) by PropertyGuru Asia Property Awards
- GT Capital receives Four Golden Arrows Recognition from Institute of Corporate Directors

October

- GT Capital increases share in MPI to 20%
- GT Capital receives Nation Builders' Commendation by the Philippine Chamber of Commerce and Industry

November

- Federal Land launches Yume
- Federal Land launches The Observatory

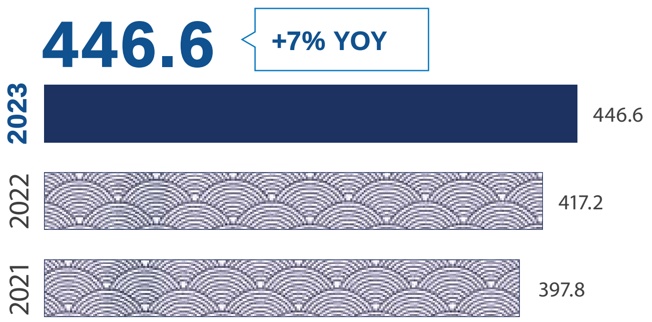
December

- Federal Land awarded as Best Residential High-Rise Development (Grand Hyatt Manila Residences South Tower) by Asia Pacific Property Awards
- Metrobank receives Best Bank of the Year Award from The Banker for the second consecutive year

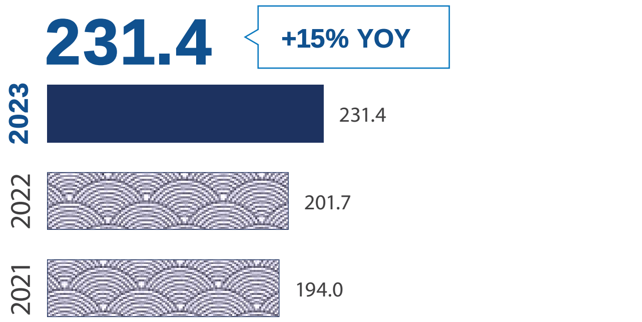
December

Consolidated Financial Highlights

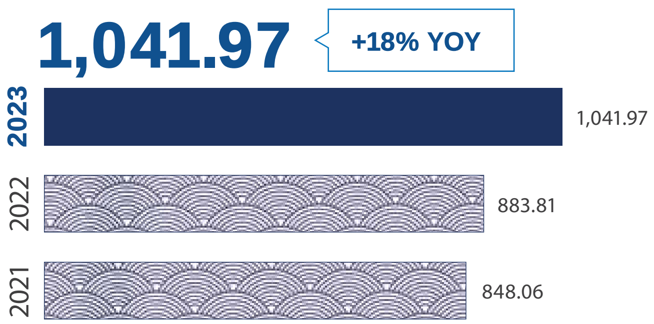
Total Assets
(In Php Billion)



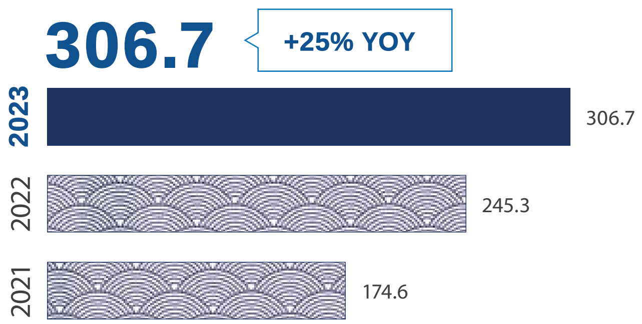
Total Equity Attributable to Equity Shareholders *(In Php Billion)*



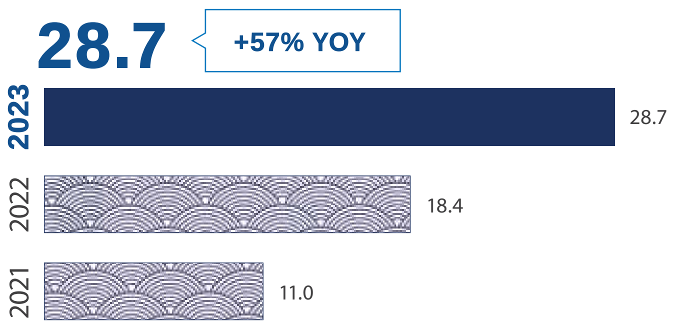
Book Value of Common Shares
(In Php)



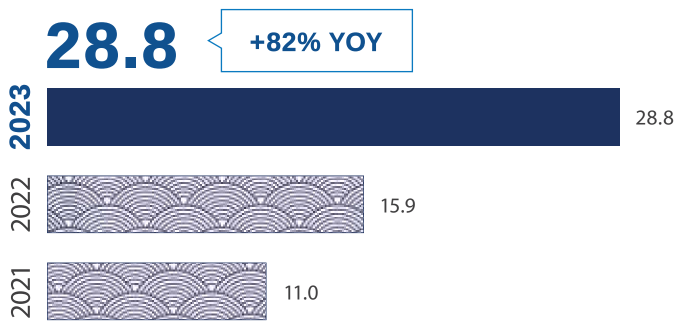
Total Revenues
(In Php Billion)



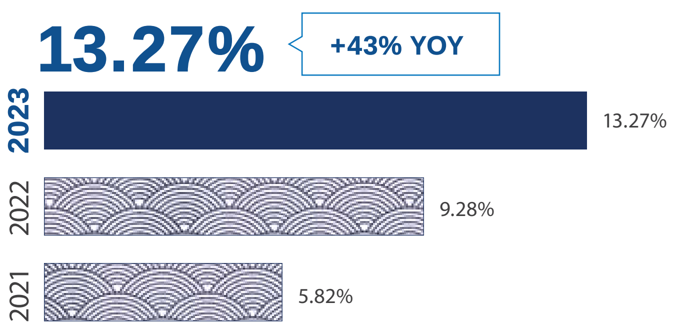
Consolidated Net Income
(In Php Billion)



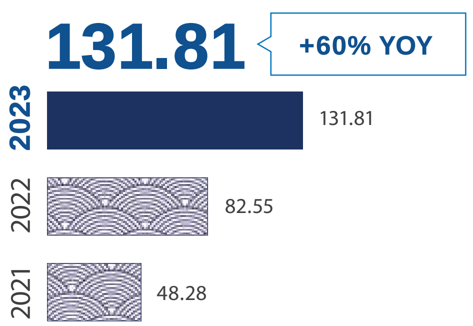
Core Net Income
(In Php Billion)



Return on Average Equity (ROAE)
(in %)



Earnings per share
(In Php)



GT Capital Consolidated
All numbers in Php Billion, unless otherwise stated

	2021	2022	2023
Consolidated Net Income	11.0	18.4	**28.7**
Core Net Income	11.0	15.9	**28.8**
Total Revenues	174.6	245.3	**306.7**
Earnings Before Interest and Taxes (EBIT)	20.4	30.0	**50.0**
EBITDA	22.6	32.1	**52.2**
EBITDA Margin (in %)	12.9%	13.1%	**17.0%**
Total Assets	397.8	417.2	**446.6**
Total Liabilities	192.7	204.1	**199.4**
Total Equity	205.1	213.0	**247.3**
Total Equity Attributable to Equity Shareholders	194.0	201.7	**231.4**
Earnings per share (in Php)	48.28	82.55	**131.81**
Book Value of Common Shares (in Php)	848.06	883.81	**1,041.97**
Current Ratio (x)	2.37	1.94	**1.51**
D/E Ratio (x)	0.70	0.71	**0.56**
Return on Average Assets (ROAA) (in %)	2.81%	4.51%	**6.66%**
Return on Average Equity (ROAE) (in %)	5.82%	9.28%	**13.27%**

ESG Highlights

GT Thought Leadership Series on Advancing Sustainability: From Goals to Action held in Grand Hyatt, BGC

Priority SDGs

SDGs where our business portfolio creates the most meaningful impacts to Philippine sustainable development.

CSR SDGs

SDGs that are impacted by our corporate social responsibility programs which add to our contributions to Philippine sustainable development.

ESG Ratings

MSCI — ESG Risk Rating: A

The MSCI rating measures a company's management of financially relevant ESG risks and opportunities. In March 2023, GT Capital's rating was upgraded to A from BBB, making it one of the first Philippine companies under the industrial conglomerates subsector to achieve an A rating.

MORNINGSTAR SUSTAINALYTICS — ESG Risk Rating: 12.3 Low Risk

The Sustainalytics ESG Risk Rating scores a company's exposure to material, industry-specific ESG risks and how it manages these risks. GT Capital's score improved to 12.3, signifying low risk, from 14.2 the previous year.

S&P Global — Corporate Sustainability Assessment (CSA) Score: 42

S&P Global's Corporate Sustainability Assessment ("CSA") scores companies' sustainability performance based on industry-specific and financially material criteria. GT Capital maintains a score of 42, within the 79th percentile of its industry.

CDP — Climate Change Engagement Score: B- (Management)

The CDP score focuses on the completeness of a company's response and its performance on climate action. GT Capital's score, which increased to B- (Management) from C (Awareness), indicates that the company is taking coordinated action to address climate-related issues.

ENVIRONMENTAL

59,458 MWh	of renewable energy consumed
8.63 million tons-CO_2e	of scope 1 and 2 emissions (equity-based)
5%	reduction in energy intensity (in MWh per million peso revenue) vs 2022

SOCIAL

39,000+	total employees across the Group
46%	females in the workforce
Php 1 Billion	spent on communities

GOVERNANCE

4 Golden Arrows	at the 2023 ACGS Golden Arrow Awards by the Institute of Corporate Directors
5 Independent Directors	of which one is a female Director
Corporate Governance	Training on ESG Issues for GT Capital and Operating Companies' Directors and Officers

Chairman’s Message and President’s Report

(Left)
FRANCISCO C. SEBASTIAN
Chairman

(Right)
CARMELO MARIA LUZA BAUTISTA
President

Dear fellow shareholders,

GT Capital Holdings, Inc. (GT Capital) achieved record results in 2023 with noteworthy performance from its key businesses, particularly Metropolitan Bank & Trust Company (Metrobank), Toyota Motor Philippines Corporation (TMP), and Federal Land, Inc. (Federal Land).

Your holding company’s core net income of Php28.84 billion exceeded its pre-Covid earnings of Php15.78 billion, and more significantly, attained the highest level in its 11-year history as a publicly listed company.

GT Capital was established under the visionary guidance and leadership of the late Dr. George S.K. Ty, Metrobank founder and Group Chairman. Over the years, the conglomerate has brought together a variety of leading brands from different sectors, integrating them into a single holding company that shares a unified strategy, mission, and vision. This integration enables GT Capital to generate value for its stakeholders and contribute significantly to the development of our nation.

In 2023, GT Capital sustained its growth, buoyed by the recovering Philippine economy, with its gross domestic product (GDP) expanding by 5.6%, exceeding consensus expectations and outperforming our ASEAN peers.

Household consumption grew by 5.3% as inflation rates slowed down towards the close of 2023 to 3.9% in December, against the average of 6% for the whole year.

Amidst rising interest rates and volatile financial markets, the local banking industry realized a complete recovery from the pandemic years on the back of the country’s sustained economic growth, resumption of business activities, normalization of trade, and digital technology adoption.

The motorization of the Philippine economy resumed with vehicle sales targets achieving a 20% year-on-year increase to 432,936 units, up from 360,644 units in 2022.

The Philippine property sector in 2023 once again demonstrated robustness amid economic fluctuations, international dynamics, and the challenges left behind by the global pandemic. Both the residential and commercial markets experienced consistent growth, maintaining their upward trajectory through the closing months of the year.

The infrastructure sector also saw notable growth in 2023, with a significant uptick in construction activities and the reactivation of essential projects that had been put on hold during the pandemic. Concurrently, government investment in infrastructure and other capital expenditures increased, contributing to robust economic expansion. Moreover, the resurgence of economic operations spurred heightened demand for power and water services throughout the year.

As stated earlier, GT Capital experienced in 2023 record growth in its core net income, reaching Php28.84 billion, for an increase of 82% from Php15.89 billion in 2022. Consolidated revenues grew 25% to Php306.7 billion from Php245.3 billion the previous year. Earnings per share also saw significant growth, moving up to Php131.81 from Php82.55 during the previous year. Book value per share, in turn, rose from Php883.81 in 2022 to Php1,041.97 in 2023, an increase of 18%.

82%
increase in core net income from 2022

The stellar performance of GT Capital in 2023 can be attributed to a combination of factors, including the substantial growth in income of Metrobank, robust auto sales from TMP, the successful launch of new projects and joint ventures by Federal Land, and the significant contributions from AXA Philippines and Metro Pacific Investments Corporation (MPI).

Chairman's Message and President's Report

GT Capital is setting the stage for a strategic 2024, with a keen focus on expanding and enhancing its core sectors, namely property, automotive, and banking, while also exploring opportunities in new business segments.

4

Golden Arrows awarded from the Institute of Corporate Directors (ICD)

Advancements in ESG Performance and Strategy

In 2023, GT Capital made significant strides in its Environmental, Social, and Governance (ESG) initiatives, demonstrating a strong commitment to sustainable practices and governance throughout the year.

The company's ESG ratings have seen a notable improvement over the past five years, with 2023 marking a year of substantial achievements. Efforts to manage the impact of climate change have been recognized, alongside the company's initiatives in awareness and disclosure regarding climate-related issues. This progress is reflected in the enhanced ratings from various ESG raters, indicating GT Capital's strong dedication to sustainability.

In corporate governance, GT Capital was awarded four Golden Arrows from the Institute of Corporate Directors (ICD) during the 2023 Golden Arrow Awards, signifying exemplary corporate governance practices. The recognition is based on the 2022 ASEAN Corporate Governance Scorecard where companies are assessed in areas such as shareholder rights, stakeholder relations, transparency, accountability, and board matters, among others. The four-arrow recognition affirms the company's commitment to adhere to local and international corporate governance standards and recommendations, which GT Capital has demonstrated since 2015.

Furthermore, GT Capital strengthened its board-level oversight of environmental and social issues with the reorganization of the Risk Oversight Committee (ROC) to the Risk and Sustainability Oversight Committee (RSOC). This move, corresponded with an amendment of the RSOC charter to expound on sustainability-related duties and responsibilities, demonstrates the company's focus on strong governance and ESG.

The company has been working on laying the groundwork to address climate-related risks and establish mitigation and adaptation plans through capacity-building activities, synergy sessions, and disclosure improvements. GT Capital organized thought leadership sessions that engaged over 500 leaders and ESG champions across the GT Capital Group and received positive feedback. The company also facilitated the formation of councils made up of representatives of different companies within the Group, promoting collaboration with a focus on sustainability.

GT Capital has also made commendable progress in its disclosures. It received a Silver Award for the Best First Integrated Report from the Asia Integrated Reporting Awards, a testament to the company's best practices in corporate reporting, integrated thinking, and value creation. It continues to expand its climate-related disclosures, reporting scope 1 and 2 emissions in accordance with global standards.

Overall, GT Capital's ESG achievements reflect a comprehensive and forward-looking approach to sustainability, governance, and community engagement, positioning the company as a leader in responsible business practices.

Strategic Investments and Growth Plans for 2024 and Beyond

GT Capital is setting the stage for a strategic 2024, with a keen focus on expanding and enhancing its core sectors, namely property, automotive, and banking, while also exploring opportunities in new business segments such as healthcare and renewable energy. We have earmarked substantial resources in capital expenditures to drive this expansion, signaling a positive outlook for the future.

A significant portion of the investment is designated for strategic acquisitions, investments, and debt repayments at the parent level, underscoring our commitment to strengthening the foundation of our diverse business portfolio. Our property arm, Federal Land, is poised to develop key projects, aiming to further cement its position in the property sector. TMP, a pivotal player in the automotive sector, continues to introduce new models and enhancements.

Additionally, Metrobank will allocate more resources primarily for IT investments, highlighting the importance of technological advancement in our strategic planning. The remainder of the funds will support other vital subsidiaries engaged in automotive financing and dealership, insurance, infrastructure, and utilities, facilitating comprehensive growth across all fronts. Meanwhile, we are in the preliminary stages of exploring strategic partnerships and investments in the healthcare and renewable energy sectors, reflecting our commitment to diversification and sustainable growth.

This strategic allocation of resources, coupled with our exploratory initiatives in new areas, reflects GT Capital's unwavering dedication to achieving its strategic objectives. These include the pursuit of synergistic opportunities, the expansion of our value chain in established sectors, and investments in new ventures. Financed through a combination of internally generated funds and debt, these investments will be a testament to our proactive approach to capital management and our vision for sustained growth.

As we embark on this journey of growth, we extend our deepest gratitude to you, our esteemed stakeholders for your unwavering support and trust in GT Capital. Be assured that as we move forward into 2024 and the years ahead, our dedication to serving as a premier conglomerate, devoted to nation-building and delivering superior products and services to the Filipino people, will remain at the core of our endeavors.

Sincerely yours,

FRANCISCO C. SEBASTIAN
Chairman

CARMELO MARIA LUZA BAUTISTA
President

Our Business Approach

Value Creation Model

EXTERNAL ENVIRONMENT: MACROECONOMY | DIGITAL ECONOMY | CLIMATE RISKS

INPUT

FINANCIAL CAPITAL

Strong balance sheet
- Php 247.3 Bn total equity
- Php 199.4 Bn total liabilities

Access to debt supported by capital allocation strategy
- 0.56x debt-to-equity ratio

MANUFACTURED CAPITAL

Strong nation-wide footprint
- 900+ branches and 2,000+ consolidated ATMs under Metrobank group
- 74 Toyota and Lexus dealerships, 82-hectare Toyota Manufacturing Plant, 32-hectare Batangas Vehicle Center
- 600-hectare Riverpark community, new projects under Federal Land NRE Global, Inc (FNG)
- 50+ life and non-life branches under AXA
- Utility and services infrastructure for power, water, transport and other industries under MPIC

INTELLECTUAL CAPITAL

Best-in-Class Strategic Partners
- 14 global strategic partners from Japan, France, US and Hong Kong

Continuous ESG Integration into Business Strategy
- Adoption of the Integrated Reporting <IR> Framework and approval of the Responsible Investment Policy

Strong organizational capital focused on strengthening knowledge, systems, procedures and protocols

Expertise in Philippine business, economic landscape, and key industries

HUMAN CAPITAL

Best-in-Class Talents
- 39,000+ employees, 9,000+ new hires

Corporate culture focused on employee development, welfare, well-being and health and safety
- Tailored training, career development and employee engagement programs
- Competitive compensation and benefits packages

SOCIAL & RELATIONSHIP CAPITAL

Long-term relationships with investors, partners, customers, communities, banks, and government

Foundations for CSR Initiatives
- Programs on education, livelihood, health and nutrition, community service, disaster reduction and preparedness and arts through the GT Foundation, Metrobank Foundation, GT Capital Purple Hearts Club, Toyota Motor Philippines Foundation, Federal Land, AXA, and MPI Foundation

NATURAL CAPITAL

Responsible use of natural resources
- 59,458 MWh of energy consumed from renewable sources (group-wide)
- 430+ hectares of land bank under GT Capital
- Adoption and support of forests and conservation areas by TMP and MPIC

Our Vision

To be a leading conglomerate, dominant in all sectors invested, most sought strategic partner in the Philippines, as a major contributor to the nation's sustainable development.

Our Mission

To ensure long-term value for our stakeholders by creating a synergistic business portfolio contributing to our nation's sustainable development.

Our Corporate Values

Integrity | Excellence | Respect | Sustainable Value Creation

Outlook
- Reasonably optimistic economic outlook
- Continuous advancement in digital transformation
- Growth in strategic sectors aligned with the Philippine Development Plan

▸ page 30

Risks and Opportunities
- Natural disasters and climate change
- Regulations
- Macroeconomy
- Geopolitics
- Competition
- Digitalization

▸ page 32

Strategy
- Enhance synergies
- Explore new sectors
- Expand existing sectors

▸ page 41

Performance
- Revenues and net income
- Return on average equity
- Number of new businesses/ partnerships established

▸ page 46

OUTPUT

FINANCIAL CAPITAL
- Php 306.7 Bn total revenues
- Php 28.7 Bn consolidated net income
- 13.27% return on average equity
- Php 131.81 earnings per share
- Php 71 Bn total taxes paid by the Group

MANUFACTURED CAPITAL
- More than 4 million customers served by Metrobank group
- 200,000+ vehicles sold and 47% market share in 2023 for TMP
- New residential towers and fully-integrated developments launched by Federal Land
- Close to 2 million customers insured
- More than 7 million customers served through MPIC's operating companies

INTELLECTUAL CAPITAL
- New Business Ventures: JBA, Premium Warranty; and Federal Land NRE Global, Inc. (FNG)
- Improvements in ESG ratings: Low risk in Sustainalytics, A in MSCI, B- in Carbon Disclosure Project
- Four Golden Arrows, ASEAN Corporate Governance Awards
- Metrobank named as Strongest Bank in the Philippines by the Asian Banker
- TMP given its 22nd consecutive Triple Crown Award
- Federal Land awarded as "Best Developer-Luzon" and "Best Mixed-Use Developer" by the PropertyGuru Philippines Property Awards
- AXA won two golds for its Smart Traveler and Health Care Access critical illness plans at the Reader's Digest Trusted Brands Awards
- MPIC earned six recognitions for corporate governance, investor relations, and corporate social responsibility at the 13th Asian Excellence Awards 2023

HUMAN CAPITAL
- Php 40.6 Bn spent for employee compensation and benefits (group-wide)
- 46% of employees are female, 57% of employees are aged between 30 to 50 years old
- More than 500,000 total training hours (group-wide)
- More than 78 million safe man-hours (group-wide)

SOCIAL & RELATIONSHIP CAPITAL
- Php 1.0 Bn spent for community investments (group-wide)
- 177 students fed through GTCAP Purple Hearts Club's Cavite feeding program
- 118,000 families given food packages since 2010 under GTFI's Bags of Blessings program
- 1,166 scholars assisted since 1995 through MBFI's ACCESS program
- 10 Toyota Lite Ace units deployed for Santa Rosa and Pasay cities under the Toyota Community Shuttle (TCS)

NATURAL CAPITAL
- 2.02 million tons-CO2e of scope 1 and 2 emissions
- 6.61 million tons-CO2e of scope 2 emissions
- Biodiversity conservation and enhancement of carbon sequestration of areas adopted by TMP and MPIC

OUTCOMES

VALUE CREATED TO STAKEHOLDERS

Principals, Board, Investors, Strategic Partners, and Banks

Positive returns from their investments through dividends, ability to pay short-term and long-term commitments, and the company's sustainable growth

Employees

Good compensation, focus on employee well-being and opportunities for professional development and growth

Operating Companies

Access to capital markets, clear business direction, synergy opportunities and competitive advantage from strategic partnerships

Regulators

Transparency, adherence to regulations and contribution to national goals

UN SDGs

Priority SDGs

CSR SDGs

VALUE CREATION AND PRESERVATION OVER TIME

GRI: 2-6, IFRS S1: 21-22 & 46-52, IFRS S2: 13

Commitment to Responsible Investment

GT Capital aims to manage its capital responsibly, seeking to provide for the needs of its stakeholders while exercising stewardship over resources.

The company's Responsible Investment Policy outlines how it integrated sustainability considerations into its investment decisions through five commitments. By upholding these commitments, GT Capital is able to manage its risks and generate long-term returns.

COMMITMENT	BRIEF DESCRIPTION
Commitment to Shareholders	GT Capital aims to protect the long-term interest of its shareholders by ensuring sustainable investments towards sustainable returns.
Commitment to Integrate ESG factors in the investment process	GT Capital shall integrate ESG principles in the investment analysis and strategic decision-making.
Commitment to engage with our operating companies on ESG	GT Capital endeavors to jointly create a more sustainable economy towards the achievement of each operating company's ESG goals. We also acknowledge that we are collectively part of an ongoing ESG journey.
Commitment to relevant, reliable, and transparent ESG disclosures for our stakeholders and investors	GT Capital adopts global sustainability reporting frameworks in its annual sustainability report. It aspires to emulate best practices in achieving relevant, reliable, and transparent ESG disclosures.
Commitment to exclusion based on the company's activities	GT Capital will refrain from investing directly in companies or entities whose products or activities are harmful or exploitative.

GT Capital's Responsible Investment Policy can be accessed under the Policies, Governance webpage in the GT Capital website.

Contribution to the UN SDGs

The United Nations Sustainable Development Goals are a global thrust toward achieving social, economic, and environmental sustainability. The 17 SDGs, each with their own targets for measuring progress, cover the areas of people, planet, prosperity, peace, and partnership. To achieve these Goals, nations and organizations around the world are called to commit themselves to the cause by aligning their actions with the UN SDGs

Collective action and partnerships are crucial to making sustainable development happen. The private sector, and thus business, has a significant role to play in this regard. Innovation, economic stimulation, and opportunities for collaboration are only some of the capabilities that businesses can contribute to the UN SDGs.

Sustainable development is integral to GT Capital. Cognizant of its responsibility toward creating value for society through business excellence, the company identified three priority SDGs and three CSR SDGs in 2021. The Goals were selected through an integrated approach and are based on GT Capital's operating companies' strengths, where their capitals are invested, where they are making meaningful contributions, and the Group's strategic direction.

Priority SDGs

SDGs where our business portfolio creates the most meaningful impacts to Philippine sustainable development.

8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES
13 CLIMATE ACTION

CSR SDGs

SDGs that are impacted by our corporate social responsibility programs which add to our contributions to Philippine sustainable development.

1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION

	GT	Metrobank	TOYOTA	FEDERAL LAND	AXA	METRO PACIFIC INVESTMENTS	Metrobank Foundation	GT Foundation
8 DECENT WORK AND ECONOMIC GROWTH	●	●	●	●				
11 SUSTAINABLE CITIES AND COMMUNITIES	●			●		●		
13 CLIMATE ACTION	●		●		●			●
1 NO POVERTY	●				●		●	
3 GOOD HEALTH AND WELL-BEING	●		●		●			●
4 QUALITY EDUCATION	●		●				●	●

Operating Companies' SDGs

Metrobank

As one of the countries most trusted banks, Metrobank's services spur economic growth and impart financial education, while its social responsibility programs hone in on addressing poverty and food insecurity.

1 NO POVERTY
2 ZERO HUNGER
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

TOYOTA

A leader in the Philippine automotive industry, TMP contributes to national development by caring for the welfare of its Team Members, innovating its products with the environment in mind, and enhancing technical education.

3 GOOD HEALTH AND WELL-BEING
4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

FEDERAL LAND

Federal Land aims to create sustainable cities and residences that adopt green technologies while providing communities with a holistic lifestyle through world-class features and design.

8 DECENT WORK AND ECONOMIC GROWTH
11 SUSTAINABLE CITIES AND COMMUNITIES

AXA

AXA Philippines empowers its customers with its broad range of health products and insurance, while keeping inclusivity at the forefront of its social responsibility initiatives and policies.

1 NO POVERTY
3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
7 AFFORDABLE AND CLEAN ENERGY
10 REDUCED INEQUALITIES
13 CLIMATE ACTION
14 LIFE BELOW WATER
15 LIFE ON LAND

METRO PACIFIC INVESTMENTS

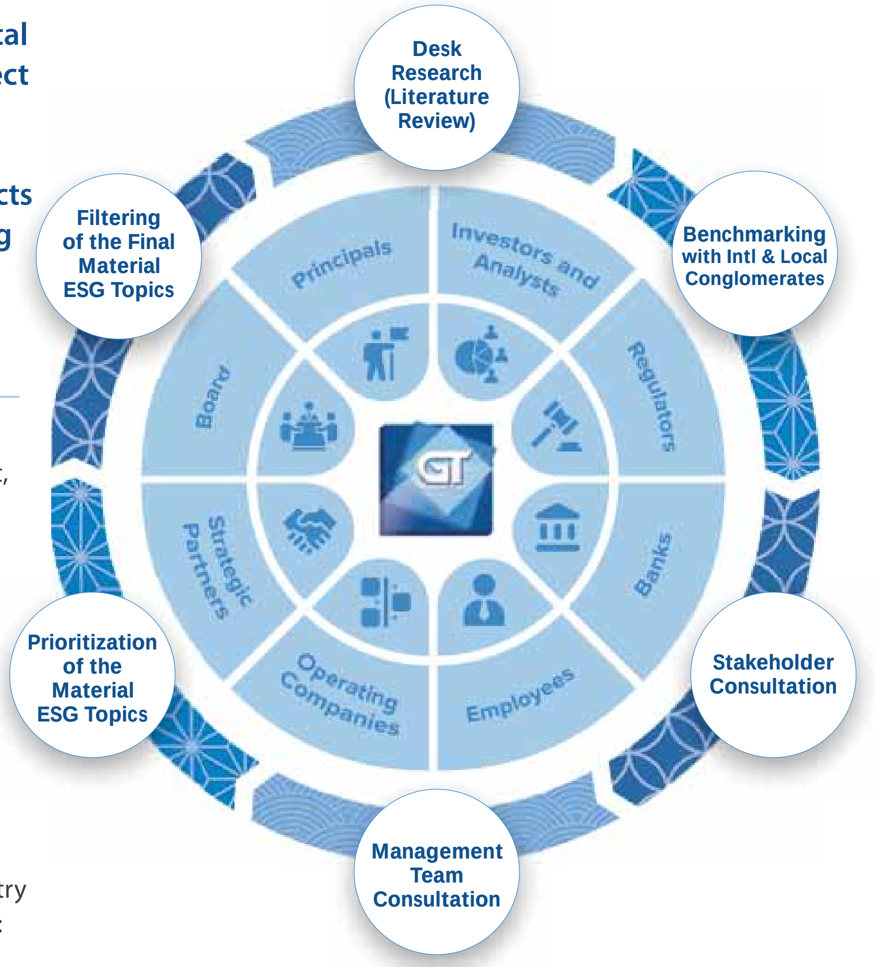
By building essential public infrastructure, MPIC enables efficiency in mobility and utilities, serving consumers around the country.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
11 SUSTAINABLE CITIES AND COMMUNITIES

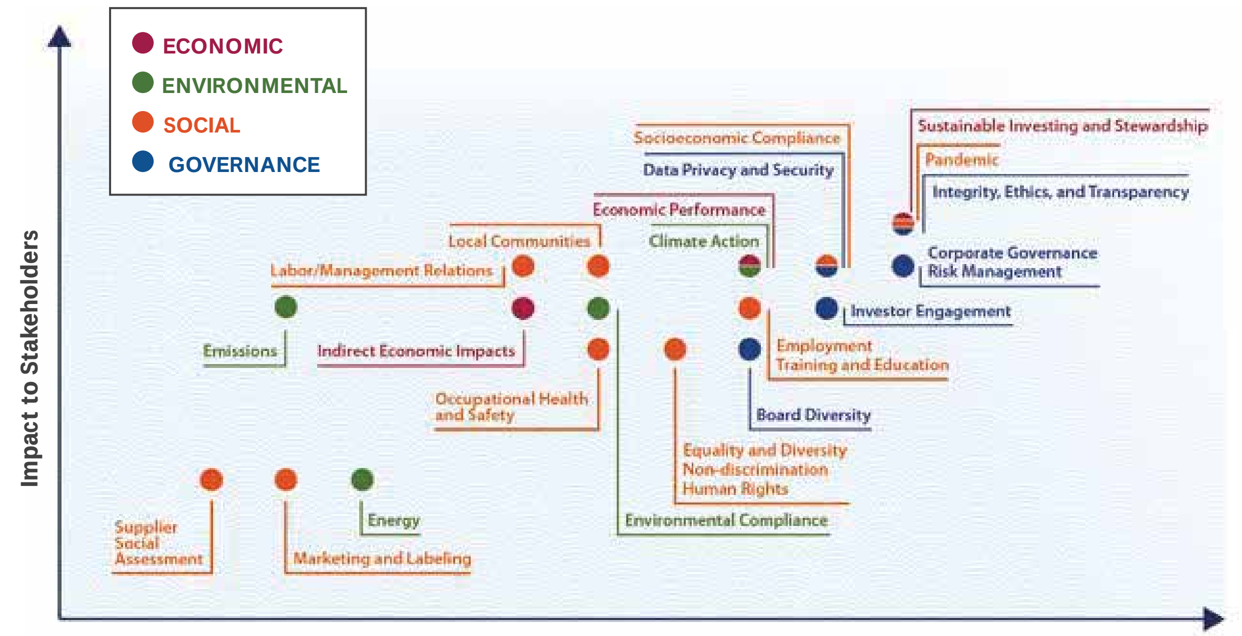
Approach to Materiality

To guide its strategic direction, GT Capital proactively assesses the trends that affect its business environment to determine its material issues. The Company conscientiously gauges its possible impacts on stakeholders with respect to emerging economic, environmental, social, and governance (EESG) topics in line with its commitment to value creation.

GT Capital periodically conducts a materiality assessment every three years. Its last assessment, done in 2021, was conducted with the help of the University of Asia and the Pacific - Center for Social Responsibility (UA&P-CSR) using a double materiality approach. This provided GT Capital an objective and robust evaluation of EESG topics material to both the company and its priority stakeholders. The assessment started with a desk research of sustainability topics that are relevant to international organizations, regulators, investors, industry associations, and academic institutions. Material topics were then benchmarked with international and local industry peers. Consultations with stakeholders followed: first, with GT Capital's priority stakeholders, then with the Management Committee. The last step was the prioritization and filtering of final material topics through a plenary session with the Management Committee.



The assessment identified 25 material EESG topics for GT Capital: three (3) economic, four (4) environmental, twelve (12) social, and six (6) governance.



Material Topics and Impact on Value Creation

Material Topics	FINANCIAL	MANUFACTURED	INTELLECTUAL	HUMAN	SOCIAL & RELATIONSHIP	NATURAL	8	11	13	1	3	4
ECONOMIC												
Economic Performance	●	●			●		●					
Indirect Economic Impacts	●	●			●		●	●	●	●	●	●
Sustainable Investing & Stewardship	●		●				●					
ENVIRONMENTAL												
Environmental Compliance		●				●		●	●			
Energy		●				●			●			
Emissions		●			●	●			●			
Climate Action		●				●			●			
SOCIAL												
Employment				●			●			●		
Labor/Management Relations				●			●			●		
Occupational Health & Safety		●		●	●		●				●	
Training & Education				●			●					●
Equality & Diversity				●			●			●		
Non-Discrimination				●			●			●		
Human Rights				●	●		●			●		
Local Communities		●			●	●	●			●	●	●
Supplier Social Assessment		●			●		●					
Marketing & Labeling		●	●		●							
Socioeconomic Compliance		●			●		●			●		
Pandemic					●						●	
GOVERNANCE												
Corporate Governance	●		●	●	●		●					
Board Diversity				●								
Risk Management	●		●				●		●			
Integrity, Ethics, & Transparency			●		●		●	●	●			
Investor Engagement			●		●		●		●			
Data Privacy & Security			●				●					

Our Stakeholders

Stakeholder Engagement

GT Capital recognizes the crucial role of consistent and transparent stakeholder engagement in becoming an empowering corporate citizen. The Company utilizes various modes of engagement to hear, understand, and address stakeholder needs and ensure that it responds to concerns in a timely and relevant manner.

STAKEHOLDER	CONCERNS	MODE OF ENGAGEMENT
Principals	— Vision, Mission, and Values — Strategic Direction — Succession Planning — Business and Financial Performance — Investment Opportunities — Nation Building	— Executive Committee Meetings — Board and Committee Meetings
Board	— Strategic Decision Making — Corporate Governance — Appointment of Board Members and Election of Corporate Officers — Risk Oversight — Audit and Financial Performance — Shareholder and Board Matters	— Pre-Board, Regular, Special and Organizational Board Meetings — Board and Committee Meetings — Annual Stockholders Meeting — Board Director Self-Assessment and President's Assessment Forms
Investors and Analysts	— Presentation, Explanation, and Dissemination of the Company's Financial and Operating Performance, Business Model, and Strategy	— Financial and Operating Results Briefings — Domestic and Foreign Investor Conferences and Roadshows — One-on-One and Group Investor Meetings — Investor Materials — Press Releases, Presentations, Speeches, Slides and Integrated Report — Annual Stockholders Meeting — Special Engagements
Regulators	— Market Transparency	— Disclosures & Filings — Meetings — Governance Hotline — Other Correspondences with Regulators
Banks	— Balance Sheet — Debt Management	— Client Calls — Investor Briefings — ESG Surveys
Employees	— Townhalls and Meetings — Engagement Surveys — Governance Hotline	— Career Growth — Financial Stability — Compensation & Benefits

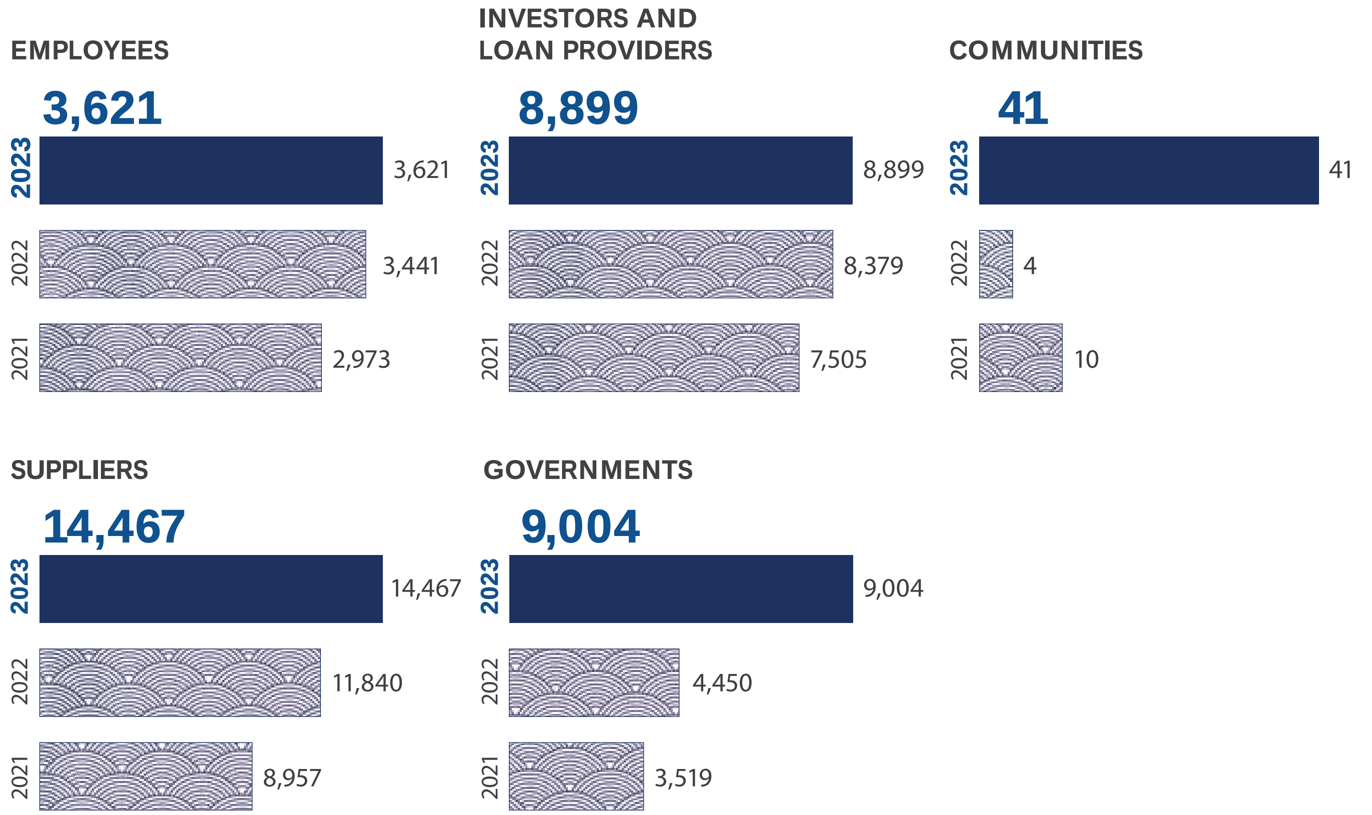
The trust built through stakeholder engagement is the foundation of the strong, long- term relationships that enable GT Capital to become the conglomerate that it is today.

STAKEHOLDER	CONCERNS	MODE OF ENGAGEMENT
Operating Companies	— Business Concerns — Financial Performance — Synergy & Strategic Direction	— Monthly & Quarterly Meetings — Representation at the Board and Management Level
Strategic Partners	— Existing Business and Financial Performance — New Business Opportunities — Synergy Initiatives	— Shareholder, Board and Committee Meetings — Shareholder Agreements

GT Capital also impacts its stakeholders through the company's financial capital and payments to various activities. This allows economic value to be distributed to its stakeholders for the sustainability and growth of their respective operations.

GT Capital's Economic Value Distributed to Stakeholders

(In Php million)



External Environment and Outlook

GT Capital remains resilient in the face of challenges posed by its external environment. After grappling with the COVID-19 pandemic, the Company now maneuvers around persisting economic, geopolitical, regulatory, environmental, digital, and industry-specific issues that may potentially impact the business. Nevertheless, the Company maintains a responsive and adaptive attitude to continue creating value for its stakeholders.

ECONOMIC

While global growth slowed down, the Philippines remained resilient. GT Capital enjoyed record profits. The Philippines' resilience is expected to continue.

As pent-up demand caused by the pandemic dissipated, global growth expectations decelerated as well. Monetary policies were tightened to curb inflation. Advanced economies were projected to grow at 1.5% according to the IMF's report in January 2024.

Meanwhile, the Philippines' GDP expanded faster than its ASEAN peers on the back of strong household consumption and increased public spending on infrastructure and social services. Rating agencies maintained their positive outlook for the country: Moody's reaffirmed its Baa2 rating, S&P kept its BBB+, and Fitch maintained its BBB. The optimism was carried by the strong labor market, remittances, and BPO sector. This economic resilience, reflected by positive consumer and business sentiment, propelled GT Capital's overall profitability and performance as proven by its record figures. The country is projected to maintain its resilience going into 2024 driven by the services and industry sectors, easing inflation, low unemployment, and growing remittances.

GEOPOLITICAL

Geopolitical issues threaten the global economy. Escalations may trigger economic effects.

Geopolitical tensions continue to persist and threaten the global economy. The Philippine-China dispute over the West Philippine Sea heightened as China increased pressure in the territory. Though trade between the two countries remained stable, an escalation may significantly hit the Philippines' exports since China remains one of its

biggest export markets. Risk is expected to stay low due to the Philippines' mutual defense treaty.

Hamas' surprise attack on Israel also posed risks. If the conflict drags on, neighboring countries like Egypt, Jordan, and Lebanon would feel the economic repercussions. Tourism would suffer most alongside employment and foreign exchange.

Western sanctions on Russia and a short-lived internal rebellion in the country did not deter the Ukraine-Russia war. When the conflict broke out, it indirectly caused a spike in food and energy prices that was felt across developing Asia. Oil and natural gas prices have stabilized by 2023. However, historical trends indicate that further escalations may lead to a resurgence in energy prices.

REGULATORY

Benefits and drawbacks on the horizon for the automotive industry. ISSB released its first sustainability reporting standards.

GT Capital's automotive business is seen to benefit as the government extended its Comprehensive Automotive Resurgence Strategy (CARS) Program for another five years. For years, the program has helped the local automotive manufacturing industry improve competitiveness and paved the way for job creation and transfer of technology. On the other hand, there is a possibility of additional taxes being imposed on Toyota, which may increase acquisition costs and temper consumer demand.

In 2023, the International Sustainability Standards Board released its first reporting standards—IFRS S1 and IFRS S2—that encompass sustainability-related financial information and climate-related disclosures. Local regulators are expected to adopt these with emphasis on climate risks pertinent to the Philippines. While the adoption of these standards would incur additional resources, GT Capital remains very much willing to adhere and to improve its reporting practices.

ENVIRONMENTAL & CLIMATE CHANGE

Philippines to experience more severe impacts of climate change. The more intense El Nino season's economic effects may be felt until mid-2024.

The Philippines is highly vulnerable to natural catastrophes that may cause loss of lives, livelihood, and property. Combined with its lack of coping and adaptive capacities, this makes the country among the highest according to the World Risk Index. PAG-ASA has reported that the El Niño phenomenon may peak between November 2023 and May 2024 and lead to dry spells and droughts. Economic effects include increased prices for power, rice, and some food items. These inflationary pressures may impact interest rates.

According to the Climate Change Commission's projections, the Philippines is likely to experience harsher heat, more intense flooding in Luzon and Mindanao, a faster-rising sea level, and less frequent but more destructive typhoons.

DIGITAL TRANSFORMATION

Power of AI acknowledged by businesses. Adoption is crucial.

While 97% of businesses acknowledge the power of AI, actual adoption has not moved as fast according to a report by Cisco. In fact, the Philippines ranked 54th out of 181 countries in the 2022 Government AI Readiness Index by Oxford Insights. Nevertheless, the growth of industries such as e-commerce and fintech may help accelerate digital adoption in the country. Embracing AI opens a lot of possibilities; misadoption may lead to missed opportunities, especially in terms of improving customer experience, productivity, and profitability. On the other hand, AI may also cause displacement of jobs and aggravate digital inequality.

INDUSTRY-SPECIFIC

The Philippines faces labor market risks. Electric vehicle adoption offers opportunities for growth.

According to studies, the Philippines is bound to face challenges regarding its labor market. The 2024 WEF survey revealed the country is at risk of labor shortages and unemployment for the next two years. Willis Towers Watson found that voluntary turnover and attrition went up from 14.2% in 2022 to 15.9% in 2023. Businesses may struggle with disrupted operations and loss of institutional knowledge due to these trends.

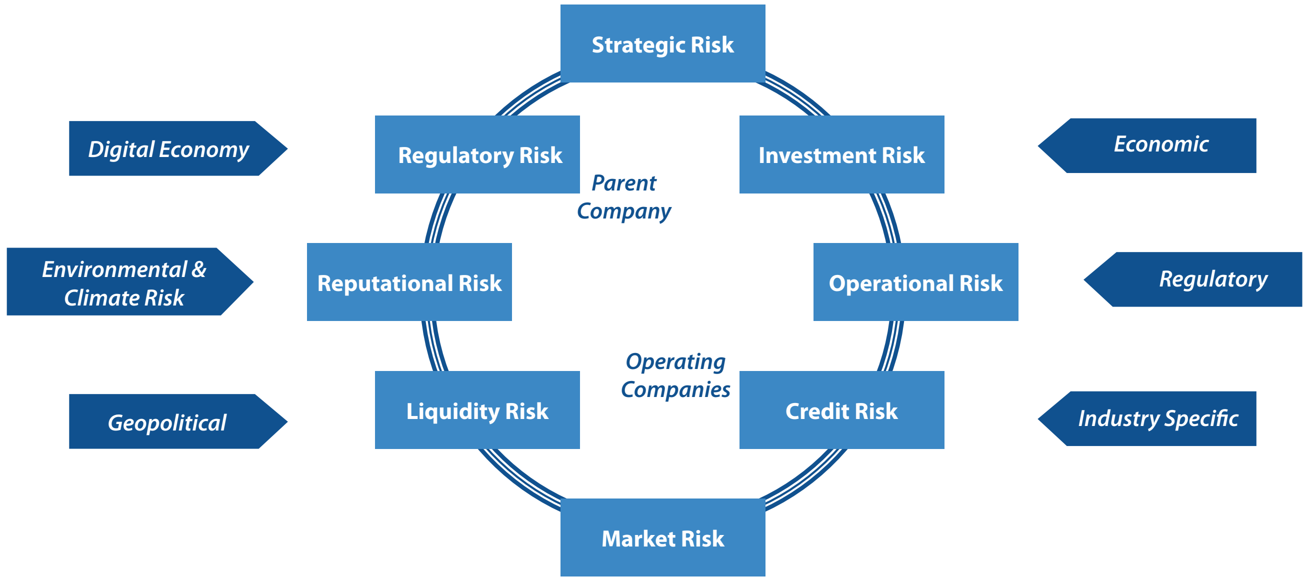
The Philippines still has a long way to go in terms of electric vehicle adoption, but the positive shift in consumer preferences provides optimism for EVs. According to government data, there are approximately 9,000 registered EVs in the country, most of which are passenger vehicles. Government support for the industry remains strong. Its Comprehensive Roadmap for the Electric Vehicle Industry targets to have 852,100 EVs and 20,400 EV charging stations by 2040.

Risks and Opportunities

Risk Management in Context

Risk-taking of a holding company is driven by the risk-taking of its operating companies, as profits mainly come from its investment in them. GT Capital's Risk Management practice is designed to anticipate potential risks in the various businesses it invests in, identifying risks in the business landscape classified under Table 1 "Risk Universe and Taxonomy".

The Risk Taxonomy of the organization covers the External Risk Drivers which increases the exposure to certain types of risks the company has identified as material. External drivers are classified under (a) Economic (b) Regulatory (c) Industry Specific Developments (d) Geopolitical (e) Environmental or Climate Risk and (f) Digital Economy. The process encourages a forward-looking and proactive mindset for Risk Managers within the group.



Enterprise Risk Management Framework

GT Capital's Risk Management recognizes the importance of establishing a solid foundation for different areas of the Risk Management practice. In order to promote a strong and effective Risk Management, the following building blocks are key focus areas.

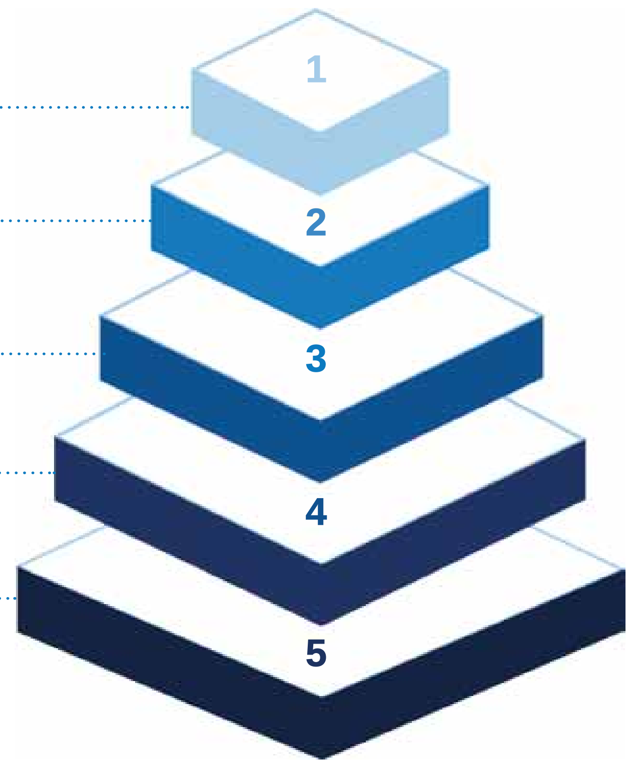
1 **Risk Governance & Oversight**

2 **Risk Appetite & Strategy**

3 **Risk Management Practices, Policies & Processes**

4 **Risk Management Function**

5 **Risk Culture**



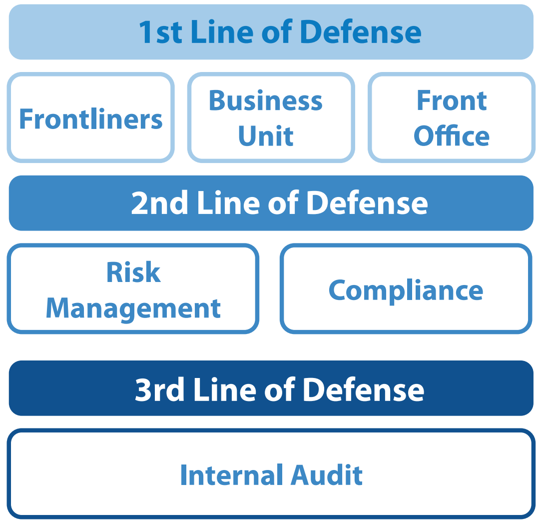
Enterprise Risk Management Standards

GT Capital has adopted an Enterprise Risk Management ("ERM") Policy and Framework for the promotion of increased awareness of risks, minimization of GT Capital's exposure to financial losses, and boosting shareholder confidence. GT Capital seeks to maintain an effective risk management process, designed to meet the requirements of generally accepted good corporate governance.

The goal of the enterprise risk management process is to apply a consistent methodology to identify, assess, and manage business risks across GT Capital. GT Capital undertakes an annual assessment of its risks using a methodology aligned with global risk management standards - ISO 31000 and COSO Framework.

Enterprise Risk Management Process

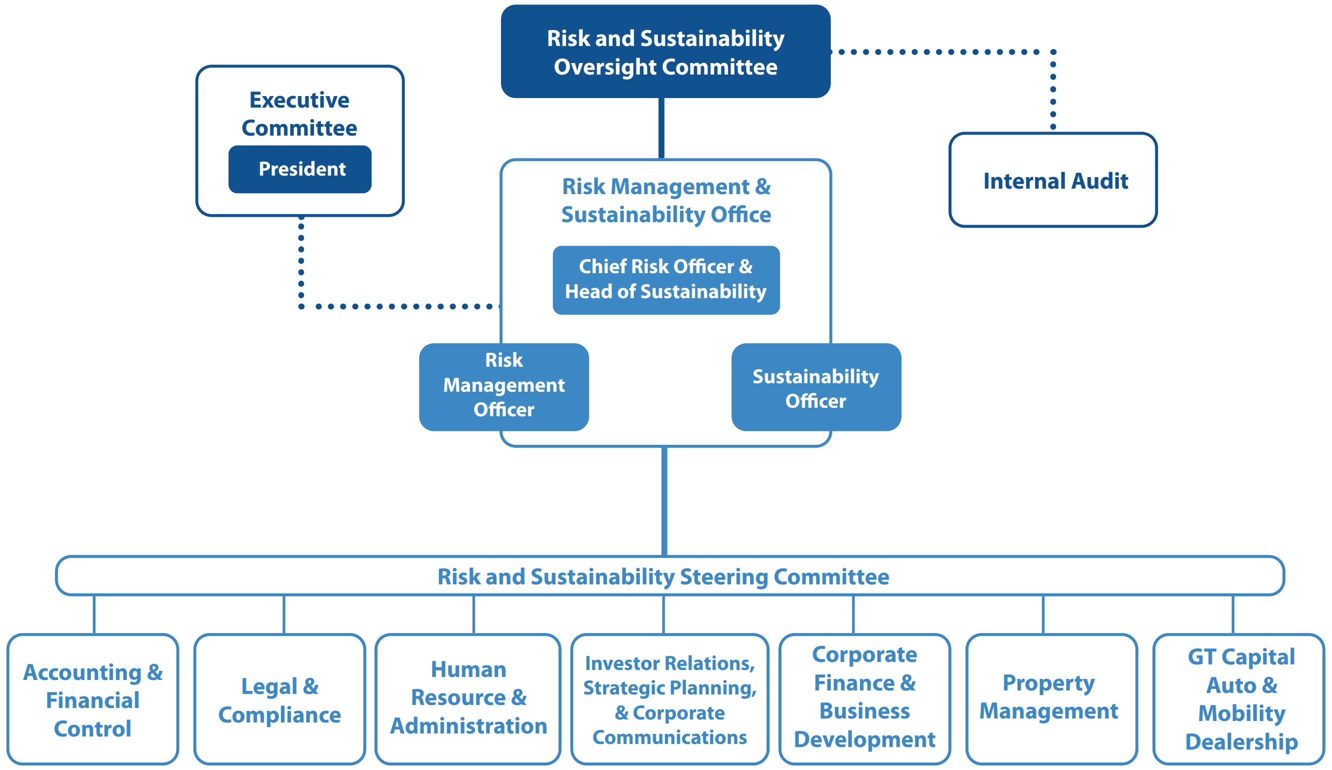
The company follows the three lines of defense model integrating risk management in the everyday activities of the business. All employees are trained and expected to participate and be responsible in the implementation of the Enterprise Risk Management Process which is comprised of the following steps:



Risks and Opportunities

Risk Governance Structure

GT Capital's risk governance structure ensures that risk management is not the sole responsibility of one individual but rather occurs and is supported at all levels in the Corporation. The effectiveness of the risk governance structure and process is supported by well-defined risk management roles and responsibilities and periodic review conducted by the Internal Audit Department.



The Board of Directors, through the Risk Oversight Committee, has the ultimate oversight role over the Corporation's risk management activities, and approves risk management related policies, procedures, and parameters that govern the management of risks.

The **Board of Directors**, with guidance from the Executive Committee, determines the strategic direction of GT Capital and creates the environment and the structures to properly align risk management with strategic objectives.

The **Chief Risk Officer ("CRO")** is the enterprise-wide risk advocate who facilitates the execution of the ERM process. His primary responsibility is to own, develop, implement, and continuously improve the ERM process. He is assisted by a full time risk management officer.

The **Risk and Sustainability Steering Committee members** are the risk owners composed of heads of departments who are responsible for the identification, assessment, and monitoring of key risks, and the establishment of countermeasures.

The **Internal Audit Department** provides an independent assurance of the effectiveness of the risk management process. In accordance with the Risk Charter, the risk management system is subjected to regular internal audits to identify any gaps in the performance of the process. The audit results are reported to Senior Management, the Audit Committee, and the Risk Oversight Committee, and are addressed accordingly.

Risk Appetite & Strategy

Risk Management's goal is to provide a reasonable assurance regarding the company's achievement of its core objectives of optimizing risk and return. To be value creating and effective, Risk Management must be embedded in and connected directly to the enterprise's strategic planning process and execution. Aligned to this, the Risk Appetite Statements are reviewed and approved by the Risk Steering Committee and the Risk Oversight Committee on an annual basis.

Toyota Motor Philippines conducts Annual Risk Management workshop in collaboration with GT Capital

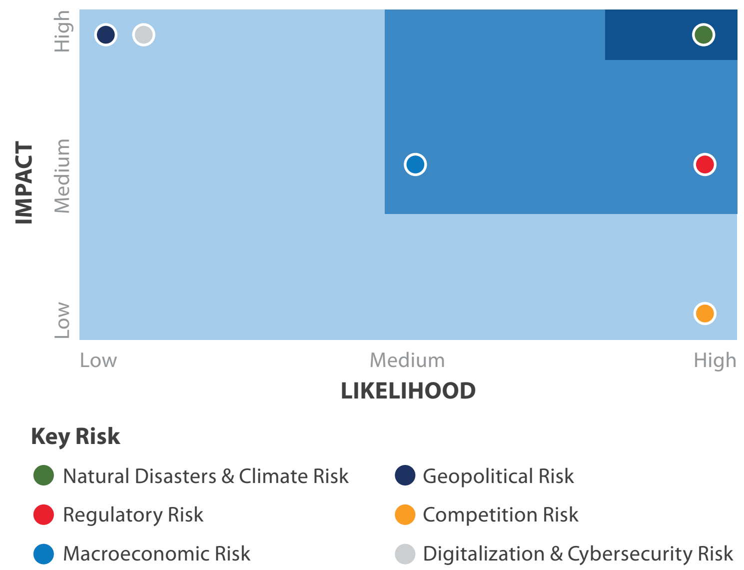
Risk Management Culture

Creating and promoting a risk culture that requires the highest standards of ethical behavior among all personnel is a must. This is achieved through the following:

— Transparent and consistent policies aligned with the risk appetite statements
— Pro-active engagement of first line of defense in risk management actions
— Promoting awareness among employees via culture building activities
— Onboarding process for employees
— Risk management KPIs in employee performance review
— Continuing education for all members of the organization
— Synergize learning opportunities across the Group for risk management

Risks and Opportunities

Prudent risk management played a vital role in GT Capital's record performance and resilience. By anticipating and responding to the changes in its business environment, GT Capital continues to create and deliver value. It effectively puts up mechanisms that safeguards it from risk and enables it to maximize opportunities. The following section outlines the Company's key risks alongside their likelihood, impact, and time horizon. It also discloses emerging risks that may arise in the next few years.



IFRS S1: 30-42, 44, IFRS S2: 10, 25

Risks and Opportunities

NATURAL DISASTERS AND CLIMATE RISK

	Risk Drivers	Mitigation and Opportunities
Time Horizon ✓ Short-Term ✓ Medium-Term ✓ Long-Term **Risk Score Impact** ✓ High ○ Medium ○ Low **Likelihood** ✓ High ○ Medium ○ Low **Source of Risk** ○ Internal ✓ External	• The Philippines has maintained its position at the top of the World Risk Index among 193 countries for the 13th consecutive year, highlighting the country's vulnerability and inadequacy to fully adapt to unforeseen natural disasters. • Depending on their proximity to natural and climate hazards, businesses face the risk of: — Immediate or long-term damage or losses to infrastructure — Disruption of supply chains and operations — Long-term decline in productivity — Shifts and changes in product demand	• As part of its Climate Risk Roadmap, the Group is baselining its data and continually building organizational capacity to craft and develop adaptation and mitigation plans. • Operating companies establish thorough business continuity programs integrating risk assessment, business impact analysis, and contingency planning complemented by regular testing and focused training efforts. • Implement strategic site planning as a key factor in investment decisions to effectively mitigate the impact of hazards on physical assets. • Operating companies implement high impact climate adaptation activities such as mangrove planting as part of its CSR programs to offset emissions and protect the communities from social vulnerability.
Impact to Capital	FINANCIAL, MANUFACTURED, HUMAN, SOCIAL & RELATIONSHIP, NATURAL	

REGULATORY RISK

	Risk Drivers	Mitigation and Opportunities
Time Horizon ✓ Short-Term ✓ Medium-Term ✓ Long-Term **Risk Score Impact** ○ High ✓ Medium ○ Low **Likelihood** ✓ High ○ Medium ○ Low **Source of Risk** ○ Internal ✓ External	• ESG and sustainability regulations are becoming more prevalent and stringent. Punitive and incentive mechanisms are still being studied by the government. — The Philippine government is studying carbon taxes and cap & trade mechanisms to promote or penalize ESG/climate activity. • New expectations on reporting practices arise. — Climate disclosures (IFRS S1&S2) are widely expected to be adopted first for publicly listed companies then later on as mandatory part of a company's standard disclosures.	• Continue to build capacity, enhance baseline data, and implement the sustainability roadmap, which delivers strategic value to the group's stakeholders by embedding ESG as a strategy. • Act as a value center for both risk management and sustainability engaging operating companies in order to coordinate efforts toward strategic and synergistic goals. • Continuously monitor and anticipate shifts in the global and local regulatory environments while, collaborating closely with the government and peer companies to ensure alignment of company goals with national strategies fostering sustainable growth. • Actively seek out strategic business opportunities that support and contribute to the country's transition to a low-carbon and circular economy.
Impact to Capital	FINANCIAL, MANUFACTURED, INTELLECTUAL, HUMAN, SOCIAL & RELATIONSHIP, NATURAL	

MACROECONOMIC RISK

	Risk Drivers	Mitigation and Opportunities
Time Horizon ✓ Short-Term ✓ Medium-Term ○ Long-Term **Risk Score Impact** ○ High ✓ Medium ○ Low **Likelihood** ○ High ✓ Medium ○ Low **Source of Risk** ○ Internal ✓ External	• Global growth is expected to slow down. According to the World Economic Forum's Global Risks Report 2024: — Global growth will stay at 3.1% and 3.2% in 2024 and 2025, respectively. — Governments and central banks are seen to tighten monetary policies in response to inflation. — Fiscal support in response to soaring debt — Inflation has started to stabilize in the majority of regions. Global headline inflation may slide to 5.8% in 2024 and 4.4% (or less) in 2025. — Amid global economic pressures, the Philippines is seen to exhibit resilience as forecasts for the country's GDP growth in 2024 remain optimistic.	• Explore new avenues for growth and diversification to broaden the business portfolio, boosting both profitability and synergy. — Accelerate the extended value chain (used car industry) • Actively assess and discuss key financial highlights and overall performance with component companies. • Secure sufficient credit facilities with banks to address potential funding shortfalls from unforeseen crisis events. • Safeguard profitability by implementing stringent cost management initiatives to control expenses effectively.
Impact to Capital	FINANCIAL	

GEOPOLITICAL RISK

	Risk Drivers	Mitigation and Opportunities
Time Horizon ✓ Short-Term ✓ Medium-Term ○ Long-Term **Risk Score Impact** ✓ High ○ Medium ○ Low **Likelihood** ○ High ○ Medium ✓ Low **Source of Risk** ○ Internal ✓ External	• Geopolitical issues between and among countries persist, both in the local and international front. — Local: PH-China. The maritime tension causes a constant threat to businesses. — International: Ukraine-Russia war (2 years), Israel-Hamas (since Oct 2023), Red Sea Conflict, US-China-Taiwan and the newly elected officials in Taiwan, US elections coming up. Though these tensions have not ballooned into broader regional conflicts, they added to the lingering sense of uncertainty.	• Maintain a thorough oversight and close monitoring of geopolitical conflicts to understand and foresee any potential impact on the local markets and in the group's business operations. • Further improve business resiliency towards geopolitical risks by anticipating impacts throughout the value chain including suppliers and customers. • Integrate heightened geopolitical risk in scenario assessments for capital planning and stress testing exercises. Develop a comprehensive recovery plan.
Impact to Capital	FINANCIAL	

Risks and Opportunities

COMPETITION RISK

	Risk Drivers	Mitigation and Opportunities
Time Horizon ✓ Short-Term ✓ Medium-Term ○ Long-Term **Risk Score Impact** ○ High ○ Medium ✓ Low **Likelihood** ✓ High ○ Medium ○ Low **Source of Risk** ○ Internal ✓ External	• The business landscape is characterized by heightened competition, driven by the reopening of various sectors. Companies must also navigate expansion opportunities while carefully balancing against high interest rates. • As the Philippine economy continues to grow, financing companies face intensified competition as banks assume and take-on additional risk. • Chinese-branded vehicles have entered the market, clawing in some market share	• Enhance product development and customer service strategies utilizing on digital technologies with personalized experience and offerings. • Emphasize customer loyalty and maintaining a reputable brand image. • Capitalize on the group's wide range of products to cross-sell and capture customers. • Foster a culture of continuous improvement (Kaizen) within the organization to drive innovation and efficiency.
Impact to Capital	FINANCIAL, MANUFACTURED, INTELLECTUAL	

DIGITALIZATION & CYBERSECURITY RISK

	Risk Drivers	Mitigation and Opportunities
Time Horizon ✓ Short-Term ✓ Medium-Term ○ Long-Term **Risk Score Impact** ✓ High ○ Medium ○ Low **Likelihood** ○ High ○ Medium ✓ Low **Source of Risk** ○ Internal ✓ External	• Pandemic accelerated digital adoption. • Cyber incidents increased. This trend may persist as threat actors utilize AI tools that emerged in 2023.	• Significant capital investments are allocated to cover the enhancement of IT infrastructure and cybersecurity measures to address the growing utilization of digital platforms. • Ensure continuous communication, support, and sharing of best practices among operating companies. The group is committed to deliver internal and external cyber security campaigns. • Ensure customer protection through education and awareness campaigns against fraudulent schemes while promoting additional security measures.
Impact to Capital	FINANCIAL, MANUFACTURED, INTELLECTUAL, SOCIAL & RELATIONSHIP	

Emerging Risks

While navigating through current risks, GT Capital prepares itself for emerging risks at the same time. The Company considers a risk as "emerging" if it arises externally—from factors beyond its influence and control—and is getting increasingly important. While emerging risks are not projected to cause significant effects for the next 3-5 years, some consequences may have started to manifest already. These consequences may push the Company to modify its strategy in order to adapt.

Carbon Transition

Context	Our Response
With policies becoming more stringent with regards to environmental impacts, businesses are impelled to lessen their carbon footprint. The Electric Vehicle Industry Development Act (EVIDA) has recently been signed into law as part of the Philippine government's push to promote electric vehicles. However, the infrastructure required for EVs has not yet fully developed for mass adoption. EVIDA opens two possibilities for GT Capital and Toyota. First, an increase in customer demand may necessitate substantial investments in manufacturing facilities and supply chain to support EV production. Second, when EV charging infrastructure is in place, customer preferences may change and the Company may face stronger competition.	While the infrastructure to support fully Electric Vehicles (EVs) still hasn't fully developed in the country, Toyota adds value as one of its several approaches to vehicle electrification that lead to carbon neutrality is by using hybrid technology. Toyota & Lexus hybrid line allows Filipinos to drive more sustainably by offering the widest range of Hybrid Electric Vehicles (HEV) in the market including Toyota's Altis, Camry, Corolla Cross, RAV4, Yaris Cross, Alphard, and Zenix; and Lexus ES300h, IS300h, LS500h, NX350h, RX350h, RZ300e, RZ450e, UX250h, LM350h that make them lead the electrified market today.

Energy Supply

Context	Our Response
The Philippines' energy supply issues are caused by an amalgamation of various factors such as increasing demand, dependence on fossil fuels, vulnerability to global market prices, susceptibility to natural disasters, disruption of supply chains and inadequate infrastructure investments. These may lead to power outages especially during peak months. These may also result in decreased productivity and even compel the country to resort to carbon-intensive fuel sources to meet energy demands.	The government is heavily investing in and integrating more renewable energy sources like solar and wind, as outlined in the Philippine Development Plan, where renewable energy remains a prioritized sector. This commitment is further emphasized by initiatives such as the Renewable Energy Act, which incentivizes investments in the sector. Efforts by the Department of Energy (DOE) and Energy Regulatory Commission (ERC) to boost capacity are evident through initiatives such as the Green Energy Auction Program, reflecting a concerted push towards sustainable energy development. Other notable projets include the Mindanao-Visayas interconnection project and the partnership for the floating solar projects on Laguna Lake. The company fully supports the nation's development across critical sectors and is actively studying the renewable energy sector as part of its plan in diversifying into new business segments.

Digital Information and Artificial Intelligence

Context	Our Response
Businesses are increasingly becoming receptive to Artificial Intelligence (AI), looking for ways to integrate it into their operations. AI has shown promise in improving different areas of business including customer service, sales and marketing, and risk management, among others at low costs. However, adoption requires that a company must be adequately prepared to implement AI systems, lest it may be challenging to use.	GT Capital and its operating companies have been strengthening their capacity to utilize advanced technology in the modernization of internal legacy systems, application of automation processes, development of mobile applications and utilizing analytics to enhance overall efficiency and user experience. GT Capital has spearheaded numerous initiatives, such as roundtables, fostering synergy among experts within the group and in the industry to discuss topics encompassing digitization, analytics, and cybersecurity. Moreover, the Legal Council of the group has organized events to reinforce compliance and best practices on data privacy among companies within the Group. These initiatives are crucial in safeguarding against the rampant data breaches prevalent in today's digital landscape.

Workforce Demographic Change

Context	Our Response
With the changes happening in the labor market, employers are pushed to think of strategies to retain talent. The rising cost of living forces people to continuously seek better opportunities—some of which are overseas, leading to labor shortage of skilled workers locally. Remote work is growing in popularity, opening possibilities for both employment and competition. Employers must also consider the younger workforce's prioritization of their work-life balance.	GT Capital has mechanisms in place to ensure its employees' satisfaction and professional growth. It invests in learning and development and offers programs that promote career advancement. The Company also gives its people the freedom to identify areas for improvement and express their needs through regular feedback mechanisms and open communication channels.

Climate Risk

GT Capital acknowledges the need to address and mitigate physical and transition risks from climate change impacts. As part of its climate roadmap, the company is in the process of measuring, studying and reporting climate risks and opportunities. The company is aligning its disclosures with the recommendations of the Task Force for Climate-Related Financial Disclosures (TCFD) framework and the International Financial Reporting Standards (IFRS) S2 Climate-related Disclosures built on four pillars: governance, strategy, risk management, and metrics and targets.

PILLAR	GOALS	PROGRESS AS OF 2023 AND NEXT STEPS
Governance	— Establish oversight and role in managing climate-related risks and opportunities at the Board and Senior Management level — Continuous training and capacity building on climate-related risks and opportunities for the Board and Senior Management	— Climate-related risks and opportunities overseen at the Board-level by the Risk and Sustainability Oversight Committee — Climate Risk Roadmap approved by the Risk and Sustainability Oversight Committee — Continuous capacity building across all members of the organization from the Board to Senior Management to key implementation teams — 2 climate-related trainings and 1 energy sector briefing for the Board and Senior Management of GT Capital and its operating companies — 2 out of 2 passers of the Global Association for Risk Professionals (GARP) Sustainability & Climate Risk international certification exam
Strategy	— Conduct climate-related scenario analysis for physical and transition risks — Identify climate-related risks and opportunities over the short, medium and long term — Establish climate mitigation and adaptation strategy	— The Board approved the Responsible Investment Policy to articulate principles surrounding investment decisions by ensuring ESG factors are considered towards better risk management and sustainable long-term returns
Risk Management	— Integrate climate risks in GTCAP's enterprise risk management	— Climate risk assessments embedded in investment assessment process
Metrics and Targets	— Complete the baseline scope 1, 2 and 3 emissions across the group — Establish targets in line with decarbonization strategy — Disclose climate-related performance, metrics and targets	— Public disclosures consolidate scope 1 and 2 emissions data from operating companies and prepared in accordance with the equity approach of the GHG Protocol Corporate Accounting and Reporting Standard — Rated B- (Management) in the Carbon Disclosure Project (CDP) corporate disclosure on climate change

Business Strategy

STRATEGY	CAPITALS	STRATEGIC OBJECTIVES	KPIS AND TARGETS
Enhance synergies		— Identify cross-selling opportunities within the Group and engage with operating companies to establish such connections — Measure the wallet sizes of the business — Consolidate synergy wish lists — Limit leakages from transactions — Maximize cross-selling within the GT Capital ecosystem — Link existing digital platforms of operating companies	— Increase penetration within operating companies — Lower leakage — Higher sales
Explore new sectors		— Invest in new businesses that are in underpenetrated sectors, give the potential to establish market dominance with a strategic partner, and provide synergy opportunities with existing operating companies	— Higher customer base — Higher sales volume — Higher customer retention
Expand existing sectors		— Continue growing existing businesses under the GT Capital Group — Grow operating companies organically	— Return on Equity — Internal Rate of Return — Earnings Per Share accretion — Return on Investment — Net Income Targets — Number of new business partnerships established

FINANCIAL MANUFACTURED INTELLECTUAL HUMAN SOCIAL & RELATIONSHIP NATURAL

Corporate Objectives and Non-Financial Indicators

BANKING — Metrobank

CORPORATE OBJECTIVES	NON-FINANCIAL INDICATORS
— Sustain financial growth — Increase customer base — Deliver best-in-class customer experience — Drive digital transformation — Enhance operational efficiency — Strengthen risk management framework — Invest in people development	— Over 940 branches — Over 2,300 ATMs — Over 30 foreign branches, subsidiaries, and representative offices

AUTOMOTIVE ASSEMBLY, IMPORTATION & DISTRIBUTION — TOYOTA

CORPORATE OBJECTIVES	NON-FINANCIAL INDICATORS
— Strengthen business fundamentals towards competitiveness and sustainability — Boost local manufacturing — Expand through new mobility business	— Achieved the 22nd consecutive Triple Crown for maintaining the position as number 1 in passenger car, commercial vehicle, and overall sales — 48% Market Share — Achieved all Safety KPIs, including Zero Fire Incident and Zero Critical Incident — Achieved 90% of the 200,000 CARS volume requirement — Addition of the Yaris Cross and Zenix models in the Toyota HEV product line- up — Introduction of the Lexus RZ 450 e, the Company's first BEV model in the market — Launch of KINTO One program offering HEV models

PROPERTY DEVELOPMENT — Federal Land

CORPORATE OBJECTIVES	NON-FINANCIAL INDICATORS
— Build a strong platform for business recovery — Increase sales reservations, diversify revenues, and broaden market share — Increase cost efficiency — Manage sufficient inventory levels — Capitalize on growth opportunities	— Build the brand — High returns from existing assets and achieve optimum employee productivity — Launch various products to address all market segments and support business growth — Hasten speed to launch and reduce planning bottlenecks to ensure timely launches — Scalable organizational capacity, process improvements, and a learning and customer-driven culture — Diversify product lines with the launch of Federal Land Communities

INSURANCE — AXA

NON-FINANCIAL INDICATORS
• 53 branches • Over 600 financial executives for Metrobank and PSBank • Present in over 900 Metrobank and PSBank branches — Distribution Network: • Life Agents: 5,265 • Bancassurance: 585 • GI Agents: 667

INFRASTRUCTURE AND UTILITIES — Metro Pacific Investments

CORPORATE OBJECTIVES	NON-FINANCIAL INDICATORS
MERALCO — Secure 1,500 MW of renewable energy through 2025 in line with the Department of Energy's (DOE) Renewable Portfolio Standards — Build up to 1,500 MW of renewable energy generation capacity across multiple technologies through 2027 — Build 3,500 megawatts (MW) of solar capacity and 4,000 megawatt-hours (MWh) of battery storage through MGreen and SP New Energy Corporation (SPNEC)	— **51,044 GWh** of distributed power
MPTC — Construct 32 kilometers of new toll roads by 2025, including the Cavite-Laguna Expressway (CALAX)	— **1.2 million** average daily vehicle toll road entries for both international and domestic
MAYNILAD — Reach 98.6% Water Service Coverage by 2046 — Reduce Non-revenue water (NRW) to less than 25% by 2027	— **538.5 million cubic meters** of billed water volume
METRO PACIFIC HEALTH — Double its current portfolio to 40 hospitals and 5,000 beds by 2030	— **4.3 million** patients served
LRMC — Complete the LRT-1 South Extension Project by 2027	— **107.8 million** rail passengers provided safe and efficient mobility

Our Performance

Financial Capital

GT Capital's investment decision-making is strictly guided by its core values, responsible investment policy, determined investment criteria, and risk appetite. Investments are always aligned with the goal of creating value for stakeholders while upholding sustainability principles.

Amid the persisting challenging environment, GT Capital exhibited resilience as a result of its strong balance sheet, consistent operational cash flow, and an efficient capital allocation strategy. Maintaining a healthy financial position was imperative for the holding firm to maximize opportunities and enable growth.

GT Capital's economic impacts involve the review and validation of its operating companies' annual budgets. It is supported by independent third parties such as investment consultants, actuarial professionals, and auditors in managing its financial resources to be able to maximize the value it generates for stakeholders. GT Capital's Finance and Accounting Group is responsible for managing and monitoring its financial performance through monthly meetings, annual planning, and checklists of reportorial requirements.

Economic Performance

The growth momentum GT Capital has sustained for the past couple of years has yielded the Company its best results in recent memory. Despite macroeconomic headwinds, GT Capital posted a banner year in 2023 driven by the record performances of its operating companies, particularly Metrobank, Toyota, and Federal Land.

GT Capital's economic value generated in 2023 amounted to Php 306.7 billion, a 20% increase from 2022 levels. Economic value distributed rose by 25%, with Php 271.4 billion paid to employees, suppliers, shareholders, communities, and the government.

GT Capital and its operating companies paid a total of Php 71 billion in taxes.

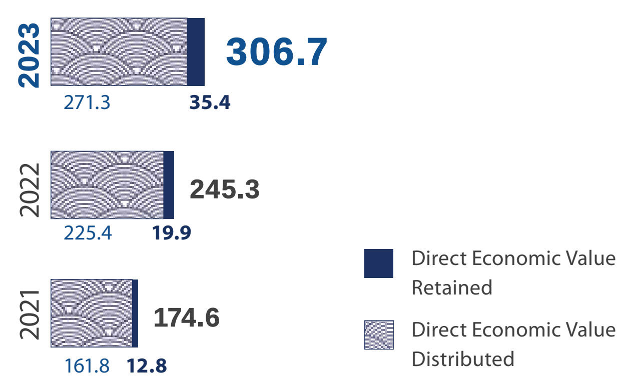
TMP continues to significantly contribute to the Philippine economy as the largest automotive distributor in the Philippines. TMP and the Toyota Group have cumulatively invested Php 30.38 billion since 2000 and paid duties and taxes of Php 479 billion as of 2023. It remains one of the country's taxpayers, remitting Php 31.3 billion in duties and taxes.

GT Capital's core net income grew by 82% in 2023, to Php 28.8 billion from Php 15.9 billion in 2022. Consolidated net income increased 57% to Php28.7 billion in 2023 from Php18.4 billion in previous year. This historic high performance is attributed to net income contributions from Metrobank at Php 42.2 billion, TMP at Php 13.8 billion, Federal Land at Php 2.1 billion, AXA Philippines at Php 2.6 billion, and Metro Pacific at Php 19.9 billion.

GT Capital's Economic Value Distribution
(In Php Million)

	2021	2022	2023
Operating Costs	138,848	197,334	**235,314**
Employee Wages and Benefits	2,973	3,441	**3,621**
Payments to Suppliers, Other Operating Costs	8,957	11,840	**14,467**
Payment to Providers of Capital	7,505	8,379	**8,899**
Payments to Government	3,519	4,450	**9,004**
Community Investments	10	4	**41**

GT Capital's Economic Performance
(In Billion Php)



Economic Performance
(In Billion Php)

	GTCAP	MBT	TMP*	FLI	AXA	MPI
Direct Economic Value Generated	306.70	155.50	224.58	12.91	19.24	61.00
Direct Economic Value Distributed	271.35	126.87	234.17	8.16	17.26	60.00
Direct Economic Value Retained	35.35	28.63	-9.59	4.75	1.98	1.00

*Unaudited figures as of April 2024

Financial Capital

Economic Impacts

METROBANK

Php **882.6** billion

of Metrobank's commercial loans aligned with UN SDGs

Metrobank, being a leading financial institution in the Philippines, plays a significant role in nation-building. It mobilizes capital to support sustainable development, aligning its portfolio to support the UN SDGs.

As of December 2023, Metrobank's commercial loans that aligned with UN SDGs amounted to Php 882.6 billion.

2	Zero Hunger	10.39%
3	Good Health and Well-being	0.61%
4	Quality Education	0.03%
6	Clean Water and Sanitation	1.64%
7	Affordable and Clean Energy	19.78%
8	Decent Work and Economic Growth	21.74%
9	Industry, Innovation and Infrastructure	25.46%
11	Sustainable Cities and Communities	19.68%
12	Responsible Consumption and Production	0.49%
14	Life below water	0.17%

In addition, Metrobank is committed to promote financial inclusion and bring more Filipinos into the banking system through its affordable and accessible financial offerings. It has loaned Php 30.4 billion during the year to micro-, small- and medium-enterprises (MSMEs) which represent 7.6% of the bank's clientele. Metrobank also offers accessible interest-bearing savings accounts that have low to zero maintaining balance, no dormancy fee, and the features of a normal savings account. These accounts were availed by more than 700,000 clients in 2023.

Php **5.4** billion

investment by TMP for the Next Generation Tamaraw

TOYOTA

In 2023, TMP ramped up its investments to revitalize the Tamaraw model as an Innovative International Multi-Purpose Vehicle Zero or IMV 0. It has earmarked a total of PHP5.4 billion to produce and introduce a new-generation light commercial vehicle. The 'Next Generation Tamaraw' is expected to mirror the qualities consumers loved about the iconic Tamaraw: affordable, versatile, and easy to run.

Furthermore, TMP extends its economic impact by participating in the government's Comprehensive Automotive Resurgence Strategy (CARS) Program. The CARS Program aims to boost the global competitiveness of the local automotive manufacturing industry, consequently generating jobs and spurring innovation. As its commitment to the CARS Program, TMP is expected to manufacture 200,000 Vios units with total investments amounting to Php 5.5 billion.

FEDERAL LAND

Federal Land goes beyond just building structures; its aspiration is to build sustainable communities that upgrade the life of its stakeholders.

In 2023, Federal Land introduced its new product line Federal Land Communities (FLC). FLC features a collection of multi-use, master-planned communities that reflect the Company's expertise in creating versatile, human-scaled, and sustainable design. FLC's first project in development is the 600-hectare Riverpark in Cavite.

Through the joint venture Federal Land NRE Global, Inc. (FNG), Federal Land and Japanese property developer Nomura Real Estate Development Co. have earmarked a capital investment of Php 16 billion to develop 250 hectares across Metro Manila, Cavite, and Cebu.

Federal Land has also expanded its retail portfolio with the grand opening of MITSUKOSHI BGC. The first Japanese-themed mall in the Philippines, MITSUKOSHI BGC presents customers a highly curated selection of well-renowned Japanese, local, and global brands. Among these are Japanese fashion brands Snidel and Fray I.D. Loved by consumers for their more sophisticated take on designs, Snidel is known for its "street meets formal" aesthetic while Fray I.D is popular for its high-quality and well-manufactured everyday wear.

AXA

AXA Philippines' purpose is to act for human progress by protecting what matters. Protection remains to be at the core of its business by offering life and savings, health and non-life insurance plans tailor fit to the various needs and lifestyles of its customers.

For health, AXA Philippines offers Global Health Access with worldwide access and coverage of up to 175 million pesos and Health Care Access, a local affordable and comprehensive health and hospitalization plan with easy access to teleconsultation and mental health services. In partnership with The Medical City, AXA Philippines further extends quality healthcare services such as emergency care, outpatient services, annual physical exams, executive checkups, laboratory tests, and in-patient services to Global Health Access (GHA) VIP policyholders. For an affordable critical illness plan, Health Start Lite has a life insurance benefit, coverage for minor illnesses and the top 3 critical illnesses - cancer, stroke, and heart attack for as low as PHP535 monthly.

For an all-around life insurance plan, AXA Philippines introduced an even better AXA MyLifeChoice with coverage for income protection, health, and investments for as low as ₱157 per day.

The company also developed microinsurance products that cater to low- and middle-income customers. This includes Property Microinsurance that aims to provide protection for Micro, Small and Medium Enterprises (MSMEs) against calamities, burglary, and robbery. The product was lauded by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) for championing insurance for the lower socioeconomic classes.

On responsible investing, AXA Philippines actively pursues measures to manage climate-related risks and opportunities. On Environmental, Social, and Governance (ESG) Investments, the company adopts sector-based restrictions to businesses with exposure to social, human rights, ethical, or environmental challenges.

Php **16** billion

investment by Federal Land NRE Global, Inc. (FNG) for projects across Metro Manila, Cavite and Cebu

MPIC

Tireless, unabated service defines Metro Pacific. Providing essential services and utilities that keep the economy running, the Company ensures the reliability and quality of its service.

Maynilad, MPIC's clean water and wastewater services provider, has invested over P100 billion in capital, repaired 485,000 leaks, and replaced 3,200 kilometers of old pipeline since 2007, improving water availability to 97% from 32%. It continues to invest in wastewater management, aiming to increase sewer coverage and address pollution as included in its service obligation. To promote water sustainability, Maynilad's five-year service enhancement program is focused on developing alternate and climate-independent raw water sources, as well as protecting existing sources to improve reliability of service. Four new reservoirs in Quezon City, Valenzuela and Muntinlupa have been constructed, increasing water storage capacity by 28% and bringing the total capacity to 926 million liters (ML) of potable water supply by 2026. The The Php 11 billion Poblacion Water Treatment Plant in Muntinlupa City was also unveiled to provide water for about one million Maynilad customers in Parañaque, Las Piñas, Muntinlupa, and Cavite.

Metro Pacific's energy arm, Meralco, has committed Php 43 billion to build solar and wind energy projects with 4 gigawatts (GW) of gross renewable energy capacity. This is in line with Meralco's sustainability agenda for a just, affordable and orderly transition to clean energy.

Php **71** billion

total taxes paid by GT Capital, Metrobank, TMP, Federal Land, AXA and MPIC

Manufactured Capital

Being one of the largest conglomerates in the Philippines, GT Capital boasts of a strong nationwide footprint. Its ubiquitous presence in several strategic locations across the country allows it to serve tens of millions of Filipinos.

900+
Metrobank branches

74
Toyota and Lexus dealerships

METROBANK

Committed to championing financial inclusivity, Metrobank's nationwide network reaches some of the country's less developed areas. The bank serves its clients primarily through its 949 branches and 2,501 ATMs across the country. Additionally, Metrobank caters to overseas Filipinos through 30 foreign branches, subsidiaries, and representative offices.

TOYOTA

TMP's manufacturing plant in the 82-hectare Toyota Special Economic Zone in Santa Rosa City, Laguna has produced over 56,000 units in 2023. Meanwhile, the 32-hectare Batangas Vehicle Center located near the Batangas port acts as a logistics hub for streamlined vehicle handling and efficient delivery of units. TMP also has 74 dealerships for both the Toyota and Lexus brands spread out nationwide: 19 in Metro Manila, 29 in Luzon, 15 in Visayas, and 11 in Mindanao. The latest addition to this in 2023 is Toyota Ormoc, Leyte in Visayas.

In December 2023, TMP made a massive stride in greening its facilities. The Sta. Rosa plant has started sourcing renewable energy to power 100% of its operations. A more detailed discussion is provided on page 65.

FEDERAL LAND

Federal Land's multi-use communities, residential buildings, and commercial, retail, and office spaces are located in strategic locations nationwide. With a healthy lineup of launches and pipelined projects, this manufactured capital is poised to sustain the Company's aggressive growth in the medium-term.

Adapting to the evolving needs of the market, Federal Land Communities (FLC) is the Company's answer to the need for master planned developments that enable holistic living—communities that promote a healthy balance of working and living, enjoying and learning. Federal Land Communities bring residents closer to job opportunities, wellness amenities, retail and dining options, and outdoor recreations through its developments. These are envisioned to be multi-use—a step above mixed-use—as their open spaces are able to support multiple uses, compared to mixed-use whose residential, commercial, and industrial areas are not as versatile.

First in FLC's lineup is the Riverpark in Cavite, a 600-hectare community touted as the Next Gen City of the South. Riverpark seamlessly integrates rivers, streams, and waterways as well as a 2.6-kilometer central park into its masterplan. Residential areas, commercial lots, office buildings, schools, and hospitals are set to rise within the community. It is also highly accessible through the Daang-Hari Extension and direct connections to the Cavite-Laguna Expressway (CALAX).

FLC has a pipeline portfolio of 10 townships, including existing developments Grand Central Park (GCP) in Bonifacio Global City, the Met Park in Pasay, and another one at the heart of the thriving city center of Marikina, along with several new launches in Laguna and Cebu among others.

Meanwhile, Federal Land NRE Global, Inc. has unveiled three projects in development: Riverpark in Cavite within FLC's Riverpark community, Met Park in Pasay, and The Observatory in Mandaluyong City.

Japanese aesthetic and spacious homes are to be expected at the Riverpark Cavite residential neighborhood. Its lot sizes ranging from 300 to 527 sq.m. are ideal for families. Meanwhile, the upcoming Met Park residential development mirrors the cosmopolitan area's youthful and modern vibe. It will offer studios to three-bedroom units. The Observatory, with its strategic location, highlights convenience and comfort. Its units range from studios to penthouses.

AXA

In line with its commitment to making insurance more accessible, AXA Philippines continues to grow with over 50 AXA branches nationwide. It also has over 600 financial executives stationed in Metrobank and PSBank branches nationwide, maximizing synergistic possibilities within the GT Capital group.

MPIC

Metro Pacific is invested in essential and/or high potential industries that have the capacity to drive sustainable progress: power, toll roads, water, healthcare, light rail, fuel storage, real estate, waste management, and agribusiness. The Company has an expansive nationwide and regional footprint.

Power

Meralco has a unique role in nation-building and sustainable growth by lighting up homes, businesses, communities and other vital public institutions. In collaboration with government agencies and industry partners, Meralco's distribution business aims to deliver electricity safely, reliably, and affordably at rates.

Meralco PowerGen Corporation, the power generation arm of Meralco provides reliable and cost-competitive power supply to its clientele through its diversified power generation portfolio that utilizes advanced, highly efficient, and sustainable technologies.

Toll Roads

Metro Pacific Tollways Corporation operates 253 km of expressways in the Philippines. It also holds interests in Vietnam and Indonesia.

Water

Maynilad is the clean water and wastewater services provider for the West Zone of Greater Metro Manila. Its concession area covers 540 square km encompassing 17 cities and municipalities.

Healthcare

Metro Pacific Health is the largest hospital operator in the Philippines with a portfolio of 23 hospitals nationwide. It also operates a network of primary care clinics and cancer centers among other investments in allied healthcare services.

mWell is a health technology platform that offers telemedicine, health and wellness programs, e-commerce, among others, in an integrated, tech-based healthcare digital ecosystem. It has a nationwide reach and is accessible by Filipino migrant workers globally.

Light Rail

Light Rail Manila Corp. operates and maintains the LRT-1 that runs across 20 stations in Metro Manila.

Fuel Storage

Philippine Coastal Storage & Pipeline Corporation operates petroleum storage and pipeline facilities in Subic with a total capacity of five million barrels.

Real Estate

LandCo Pacific Corporation is a pioneer upscale real estate developer specializing in the development of leisure communities and resort-inspired condominiums.

Waste Management

MetPower Ventures Partners Holdings, Inc. provides waste management services, deriving biogas from the anaerobic digestion of organic waste.

Agribusiness

Carmen's Best group produces homegrown premium ice cream as well as other premium milk derivative products such as fresh milk, yogurts, and cheeses that are locally produced with world-class quality dairy products. Its farm is located in Bay, Laguna, with authorized resellers nationwide.

600 hectare
development through Federal Land's Riverpark in Cavite

53
AXA branches

Intellectual Capital

At the heart of GT Capital's business model is strategic partnerships—and global brands consider the Company a top choice because of its intellectual capital. The Company's knowledge of the local business landscape complements global partners' industry expertise to make for an exceptional partnership. As of 2023, GT Capital has 14 strategic global partners from Japan, France, US, and Hong Kong.

Digital Solutions

METROBANK

Recognizing the market's growing need and preference for digital services, Metrobank continuously improves its digital platforms in order to give a better customer experience. It recently launched the new Metrobank App that offers more features and heightened security. As of Feb 2024, the Metrobank App has reached 1.4 million users. Transactions such as money transfer, bills payment, Cash PickUp, and credit card services such as Cash2Go, Balance Transfer, and Balance Conversion can be easily availed through the app. An online onboarding platform for credit card and personal loan applicants was also launched in 2022.

In 2023, Metrobank Online rolled out a new feature called Wealth Manager. This facility enables customers to more closely and easily manage their investments by allowing them to view their outstanding treasury portfolio, explore investment options, and contact an Investment Specialist. It also gives customers access to Metrobank Wealth Insights. Wealth Insights is a free portal where customers may peruse through in-depth reports, analyses, and recommendations made by experts from Metrobank and independent third-party research providers.

Parallel to that, Metrobank also promotes financial education to all its customers through the Moneybility e-book. Moneybility is an interactive e-book that aims to guide clients through their financial journey. It provides practical and easy to follow guides on how to manage personal finances. It has questionnaires, a money tracker, and a calculator, making learning more experiential.

TOYOTA

In a big move to integrate smart technology in automotives, TMP partnered with telecommunications giant PLDT to launch myToyota Connect. This smart platform enables car owners and fleet operators to monitor their vehicles' location, car condition, driver's speed, and more. The myToyota Connect is currently available on select Hilux, RAV4, HiAce, and Fortuner variants and may be accessed and activated through the myToyota App.

AXA

AXA Philippines continues to enhance its Emma by AXA mobile app, positioning the platform as its customers' "partner for health and financial wellness." More than allowing customers to manage their transactions conveniently, the app also gives health policyholders access to Medical Network, a database of AXA-accredited hospitals, clinics, and doctors. It allows users to request a Letter of Guarantee and book teleconsultation services. Global Health Access policyholders may directly file Claims for Over-the-Counter Vitamins through Emma.

Meanwhile, insurance with investment policyholders are given more control over their investment funds with the new Fund Allocation, Fund Switch, and Fund Top-Up features. These allow policyholders to adjust the amount in their portfolios, transfer money from one fund to another, and add funds, respectively.

Furthermore, the adoption of the Emma by AXA has facilitated the transition to digital services, e-policies, and e-receipts, significantly reducing paper usage.

To reach more Filipinos, AXA Philippines has a partnership with the mobile wallet app GCash which offers SMS Insure to fully verified GCash members. It enables customers to avail of insurance via text message. SMS Insure provides personal accident coverage, term life coverage, and daily hospitalization income for as low as Php 39 per month.

AXA Philippines has also tied up with GrowSari, an ordering platform devised for MSMEs, which provides free insurance to sari-sari store owners. The coverage includes a daily hospital income benefit of P1,500 for 3 days of confinement and life insurance worth P35,000. Available to Gold Members of GrowSari's Loyalty Program, this free insurance is enjoyed by over a thousand qualified sari-sari store owners.

TOYOTA & AXA

A testament to the strong synergy within the GT Capital Group, TMP and AXA Philippines launched the country's first "pay-how-you-drive" auto insurance product. Connected Toyota Insure is an innovative product that factors in actual, personal data on vehicle use and driving behaviors in computing for the premium due. A connected device will analyze how carefully the vehicle is used—by inferring from how the driver brakes, accelerates, et cetera—and give the customer a score. A high score with low mileage can cut the customer's premium dues by up to 25%. Not only does it lower costs for customers, but it also promotes road safety as it incentivizes careful driving habits. Connected Toyota Insure is available on Innova Zenix, Corolla Altis, Alphard, Land Cruiser LC300, Hilux, RAV4, HiAce, and Fortuner models with connected devices.

MPIC

Cognizant of technology's power in advancing industries, Metro Pacific has sought opportunities to improve business operations, enhance cost efficiency and improve

Intellectual Capital

customer experience. The MPT Drive Hub app by Metro Pacific Tollways Corp (MPTC) offers real-time traffic data, payment options and other services to address customer pain points. Light Rain Manila Corp (LRMC), on the other hand, has partnered with digital banking app Maya for the QR Ticketing system for LRT-1, allowing commuters to conveniently purchase their single-journey ticket using the LRT-1 ikotMNL app or Maya app. The partnership enables digital payments from Maya, other e-wallets, banks, credit, debit and prepaid cards to be accepted for buying QR tickets.

To support employee wellness and productivity, mWell's mWell@Work program supports employee health through digital innovations that provide comprehensive and personalized wellness solutions. The program is available for enterprise partners through the mWell app, the country's leading digital health platform. Through mWell@Work, employees can easily consult family doctors, specialists and mental health experts, allowing them to immediately address any health concern. The mWell app also features the mWellness Score that provides employees the ability to track their daily health or enroll into fitness and nutrition programs designed by health experts.

Marketing and Labeling

METROBANK

Acknowledging that banking is a business of trust, Metrobank aims to protect and maintain its clients' confidence by upholding truth. Metrobank adheres to all regulations concerning information on financial products and services set by the Bangko Sentral ng Plipinas, Philippine Deposit Insurance Corporation, the Securities and Exchange Commission (SEC), the Department of Trade and Industry (DTI), and BancNet.

Promotional and brand materials, statements, and disclaimers are kept clear, concise, and presented in compliance with marketing and labeling requirements. Additionally, print and digital communications follow regulations set by the Intellectual Property Office.

TOYOTA

TMP protects its image as a trusted global brand by observing truthfulness and integrity in its marketing and advertising materials. Different internal departments review and verify the accuracy of product information and imagery in TMP's communication materials. To ensure adherence to branding and communication guidelines, periodic training is conducted for authorized dealers' advertising and marketing departments. Marketing services, dealer development and sales training teams are also in charge of monitoring TMP's social media presence.

Data Privacy and Security

GT Capital manages data in compliance with Republic Act No. 10173 or the Data Privacy Act (DPA). The Company implements security measures for the company's organizational, physical, and technical dimensions.

GT Capital has in place a Data Privacy Manual that complies with requirements laid out by the DPA and the National Privacy Commission. It also designates a Data Protection Officer and a Data Breach Response team that works in conjunction with the Legal and Compliance Department and Human Resources and Administration Department (HRAD) to ensure that no data breach would transpire.

GT Capital also protects its data through the adoption of organizational and physical security measures such as setting rules for data and file-sharing with third parties, back-up of personal data, security monitoring, regular testing, and auditing storage type and location of personal data.

METROBANK

Aligned with the DPA, Metrobank's Privacy Policy contains its approach to the use of personal data. It lays out how data is collected, used, stored, and protected. Metrobank collects personal information with consent from the subject and only for purposes stated in its Policy and Notices. Data subjects are welcome to contact the Bank for data privacy concerns. Third parties who interact with said data are also expected to comply with Metrobank's Privacy Policy.

Metrobank strictly maintains confidentiality in financial transactions and any personal data shared during these interactions. All customer-related information such as accounts, transactions and dealings with the bank are handled with the highest level of confidentiality. To ensure compliance with information security and data privacy laws and regulations, Metrobank continuously reviews and updates its information security program. Metrobank reported no data breaches in 2023 to the National Privacy Commission.

Customer Welfare and Safety

TOYOTA

Toyota is a global automaker known for maintaining the highest levels of quality and safety in all of its vehicle models. All of Toyota's affiliates and manufacturers worldwide, including TMP, closely adhere to the Toyota Quality Management (TQM) System, which was created by the business.

In addition to adhering to Toyota's principles of customer first, kaizen or continuous improvement, and full participation, TMP produces its vehicles in compliance with the global and national standards.

All Toyota vehicles, prior to introduction in the Philippine market, undergo testing in Japan or at the regional headquarters in Thailand using the Toyota standards. Toyota vehicles' parts and components are tested for compliance with the Philippine National Standards set by the Bureau of Philippine Standards of the Department of Trade and Industry (DTI-BPS). For it to offer Toyota vehicles in the Philippine market, TMP complies with the Philippine regulations on fuel efficiency and emissions. The testing follows the Euro Standards (as prescribed in the Economic Commission for Europe of the United Nations or ECE Regulation N 94 or ECE Regulation N 94).

Voluntarily, various models are applied in the ASEAN New Car Assessment Program (NCAP), which is based on European Standards for safety ratings and testing, and the Philippine National Standards. Majority of Toyota models from TMP's product lineup have an ASEAN NCAP rating.

TMP also maintains its active membership in the Chamber of Philippine Automobile Manufacturers or CAMPI, the premier vehicle industry a Philippine association that represents 14 international car brands. CAMPI participates in the process of developing government policies, programs, regulations and standards for the automobile sector in the Philippines.

For its dealerships, 70 out of 74 Toyota and Lexus dealers have earned Bagwis Accreditation from the Department of Trade and Industry. The accreditation is given to organizations adhering to Fair Trade laws, encouraging practices that uphold business ethics, service excellence and self-regulation.

FEDERAL LAND

In September 2023, Federal Land signed a landmark agreement with Manila Doctors Hospital (MDH) to extend quality healthcare services to Federal Land's communities, including residents, tenants, and their employees.

Manila Doctors Hospital and Federal Land, Inc. MOA Signing

This strategic alliance kickstarts the implementation of the "Wellness-By-Design" Program. Through this community wellness program, members get access to MDH's Homecare Plus services and enjoy special rates and discounts for select health services. Homecare Plus includes home care visits, teleconsultation, nursing, and caregiving. MDH also has its Roving Med, a van facility that can provide diagnostic and laboratory services and procedures. This partnership pioneered in the Met Park township is designed to be replicated across several FLC townships in the future.

Initially piloted at Federal Land's Met Park, the Wellness-By-Design Program is a testament to the Company's commitment to provide its stakeholders an upgraded lifestyle.

Integrity, Ethics, and Transparency

GT CAPITAL

Integrity is one of GT Capital's core values. Along with its operating companies, GT Capital upholds the highest degree of integrity and ethics in doing business.

The Company's Code of Ethics stipulates that in exercising their duties for the company, all directors, officers, and employees shall ensure that business transactions are done fairly without being influenced by personal interests. Corruption is not tolerated; the Code of Discipline lays out penalties for transgressors. A more detailed discussion is available in the Corporate Governance section on pages 138 onwards.

Human Capital

Becoming a best-in-class company necessitates attracting and retaining the best talents. GT Capital does so by hiring highly qualified candidates, giving them benchmarked compensation packages, nurturing a working environment conducive for growth, maintaining employee satisfaction, and prioritizing their well-being.

Employment

Aligned with GT Capital's strategic vision of becoming a world-class conglomerate, GT Capital is steadfast in its commitment to establish itself as a leader in the global market by effectively attracting and retaining exceptional talent. The company strategy is focused on recruiting candidates with high potential and extensive experience and providing them with competitive compensation packages. GT Capital is dedicated to fostering a workplace environment that promotes professional development, employee satisfaction, and overall well-being.

The Human Resources, Administration, and Information Technology Department (HRAITD) at GT Capital is crucial in maintaining turnover rates that are significantly below the industry average. Guided by the Head of HRAITD, the department orchestrates vital HR functions such as talent acquisition, leadership development, total rewards, and employee engagement. The talent acquisition process includes partnerships with third-party assessment centers to conduct detailed and objective competency evaluations, assessing potential hires for organizational fit, flight risk, and individual strengths and weaknesses. This approach not only enhances productivity by focusing on developing strengths and addressing areas for improvement but also supports the company's leadership development program. This program uses customized and evidence-based assessments to identify critical skill gaps and readiness levels of prospective leaders, crafting personalized development plans. Such initiatives optimize talent for advanced roles within the organization for succession management, thereby promoting talent retention and employee engagement.

The Human Resources Committee, with the approval of the Executive Committee, consistently reviews and suggests enhancements to compensation and benefit frameworks. All regular employees benefit from a comprehensive package that includes life insurance, healthcare, disability coverage, automobile and housing benefits, various leave options, and retirement plans. GT Capital's robust payroll system ensures the accuracy and efficiency of its compensation and benefits distribution.

GT Capital and Operating Companies' Employee Headcount*

COMPANY	2021	2022	2023
GTCAP	51	55	58
MBT	13,565	13,821	14,859
TMP	3,781	3,742	3,968
FLI	430	529	603
AXA	2,354	2,170	2,155
MPI	17,867	17,955	17,453
TOTAL	38,048	38,272	39,186

*Covers permanent and temporary employees for all companies.

GT Capital and Operating Companies' New Hires

COMPANY	2021	2022	2023
GTCAP	12	9	12
MBT	755	1,991	2,966
TMP	84	105	99
FLI	101	218	188
AXA	575	587	769
MPI	5,272	5,334	5,053
TOTAL	6,799	8,244	9,087

GT Capital offers an extensive onboarding and compliance training program for all employees, which includes education on the Code of Conduct, Information Security, and specific functional work processes relevant to their roles. This training guarantees that all team members are thoroughly acquainted with the company's ethical standards and are committed to upholding them. To reinforce this dedication, GT Capital requires all employees to annually certify their understanding of and compliance with these standards.

In 2023, GT Capital and its operating companies employed more than 39,000 people, a 2% increase from previous year. In terms of new hires, the Group employed 9,087 in 2023, 10% higher than in 2022.

Employee Benefits

GT Capital and its operating companies offer competitive benefits packages. The table below lists the major benefits each operating company provides to regular employees.

GT Capital and Operating Companies' Benefits Offered to Full-Time Employee

COMPANY	Life Insurance	Health Care	Disability and Invalidity Coverage	Parental Leave	Retirement Provision	Stock Ownership
GTCAP	•	•	•	•	•	
MBT	•	•	•	•	•	
TMP	•	•	•	•	•	
FLI	•	•	•	•	•	
AXA	•	•	•	•	•	•
MPI	•	•	•	•	•	

Human Capital

GT Capital and its operating subsidiaries provide competitive benefits packages to all employees. This includes fully paid maternity and paternity leaves in accordance with local laws and policies. Additionally, employees receive generous vacation and sick leave credits, which can be converted to cash or carried over for future use. The company also provides paid medical, emergency, and bereavement leave as needed. To support employee well-being, GT Capital offers mental health services through an in-house physician and our healthcare provider. Flexible work schedules and other adjustments are also available, empowering employees to manage their time effectively while enhancing productivity and job satisfaction.

METROBANK

Metrobank attracts talent by offering a fulfilling and progressive career, fostering an environment conducive to professional growth while giving competitive compensation and benefit packages. The following policies and perks are enjoyed by employees:

Employee Medical and Dental Benefits
Retirement Plan
Leave Privileges
Allowances
Educational Assistance Programs
Loan Privileges

FEDERAL LAND

Federal Land offers a generous compensation package to attract competent employees. Regular employees are provided with life insurance, health care, paid parental leaves, and retirement provisions.

AXA

The AXA Global Parent Policy is an inclusive initiative that provides equal leave benefits to parents who typically would not be covered by traditional maternity and paternity leave policies. The AXA Global Parent Policy instead offers primary parent and co-parent leaves—a way to acknowledge different contexts of parenthood and to cover biological, adoptive, same-sex, and single parents.

Under this policy, primary parents are given a 16-week fully-paid leave while co-parents get 4 weeks of paid time off. AXA defines primary parents as those who take primary responsibility for welcoming a child into the family. Co-parents are the partners who don't take the primary leave. In cases involving pregnancy, a pregnant employee is the primary parent; an employee whose partner is pregnant is the co-parent.

AXA Philippines also offers mental health support through its Employee Assistance Program which allows employees to avail of free, confidential sessions with mental health professionals and counselors. The Company's employee benefits package includes HMO.

GT Capital and Operating Companies' Parental Leaves Breakdown

COMPANY	% of Employees Entitled to Parental Leave		Return-to-Work Rates		Retention Rates	
	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE
GTCAP	100%	100%	0%	100%	N/A	N/A
MBT	100%	100%	100%	100%	95%	94%
TMP	100%	100%	100%	100%	100%	100%
FLI	100%	100%	100%	100%	73%	44%
AXA	100%	100%	100%	97%	72%	57%
MPI	100%	100%	99%	99%	95%	96%

* Employees entitled to parental leave: All regular employees are entitled to parental leave subject to the conditions stated by Philippine laws on maternity and paternity leaves.
* Return-to-work rate: Percentage of employees who returned to work after taking parental leave
* Retention rate: Percentage of employees who returned to work and are still employed by the company after 12 months
* In GT Capital, 1 female and 1 male availed parental leaves during the year.

Employee Engagement

Employee satisfaction is crucial for retaining talent. GT Capital administers a Comprehensive Engagement Survey every two years, to measure satisfaction and gather employee feedback. In 2023, a survey was conducted with participation from 79% of GT Capital's workforce. The results showed an overall engagement score of 87%, with 93% of respondents endorsing GT Capital as an excellent workplace.

METROBANK

Metrobank provides multiple channels where employees can freely raise concerns, suggestions, feedback, and questions. First is the Employee Feedback portal in the Bank's Insight Online channel handled by the Business Systems Division. Different help desks in Workplace are also available, manned by the business units or owners of the Helpdesk. Employees are encouraged to share their thoughts and feedback during business unit-specific town halls, focus group discussions, and performance discussions.

In July 2023, the Bank conducted its bank-wide employee engagement survey using MetroVoice in cooperation with Willis Tower Watson. To encourage all employees to participate, they were allowed to anonymously share their thoughts about working for the Bank. The 2023 MetroVoice survey results yielded a 92% sustainability engagement score, demonstrating the level of engagement and motivation of 99% responding Metrobankers.

GT Capital and Operating Companies' Employee Turnover Rates

COMPANY	2021	2022	2023
GTCAP	4%	11%	**14%**
MBT	7%	12%	**13%**
TMP	7%	7%	**3 %**
FLI	28%	23%	**19%**
MPI	21%	29%	**26%**

Training and Education

GT Capital attributes much of its success to a corporate culture that champions excellence and continuous improvement. The company encourages ongoing growth and learning among its staff by providing ample opportunities for skill and competency development.

Employees at GT Capital are supported throughout their career journeys with individual development plans (IDP) tailored to their competency levels, areas for development, and career aspirations. The Development and Engagement of Employees Program (DEEP) sponsors further studies and professional certifications when aligned with an employee's IDP requirement.

Whether full-time or part-time, employees pursuing degree programs or certifications receive financial support from the company. This includes access to in-house professional development programs, e-learning platforms, and physical classroom lectures at reputable educational institutions. Contractual employees working toward undergraduate degrees are also supported, enhancing their prospects for eventual regularization.

METROBANK

Metrobank promotes professional development among employees through curated training programs that hone three areas of talent development: foundational, functional, and leadership capabilities. Foundational capabilities cover "must know" knowledge such as regulatory policies, core values, and organizational skills. Taking it up a notch, functional capabilities help build expertise in role-specific skills such as Treasury certifications and Java Programming, among others. Employees with leadership potential undergo the leadership training to equip them with effective executive-level skills aligned with MBTC's Leadership Behaviors on Intellectual Capacity, Interpersonal Skills and Intensity.

Metrobank monitors employee productivity performance and uses it as a basis for career advancement and promotion.

To ensure smooth succession, Metrobank identifies high-performing, high-potential employees and holistically develops their skills to prepare them for future leadership. The Bank implements Talent Reviews and utilizes a 360 tool to support readiness assessments. The potential leaders then undergo cross-posting assignments and immersions. Decision-makers regularly discuss talent management and succession planning to train and retain high-potential individuals for critical positions.

Human Capital

TOYOTA

Taking advantage of its global network, TMP participates in collaboration initiatives for knowledge sharing within the Toyota affiliate network. TMP currently has two programs that give its employees exposure to regional Toyota operations: the Intra-Company Transfer (ICT) Program and the Global Skill-up Training (GST) Program.

The ICT Program is a talent exchange program wherein Office Team Members from various Toyota affiliates visit a designated overseas site to learn global/regional best practices which they shall cascade to their respective local operations. The GST Program gives Line Leaders on-the-job training by immersing them in manufacturing site operations in Japan to gain experience in the Toyota way of ensuring safety, quality, productivity, teamwork, and team mentoring.

TMP also cares for the welfare of its employees nearing retirement age with its Re-Tire Program. Employees aged 45 and above are provided with enrichment programs that tackle different aspects of life: psychological, financial, physical, social, and spiritual. This initiative came as a response to the growing number of retirees in the Company.

In terms of succession planning, TMP's Human Resource Department works closely with key departments to determine its leadership development pipeline. Competent candidates are identified, and then exposed to development programs that enhance their skills. The process involves mentoring, coaching, and participation in both internal and external training programs.

To support skills development and advancement of automotive education in the Philippines and the ASEAN region, in 2023, the TMP School of Technology (TMP Tech) hosted the Technical & Vocational Education and Training (TVET) Mobility program, an initiative between the Association of Southeast Asian Nations (ASEAN) and the Republic of Korea (ROK). The ASEAN-ROK TVET Mobility Program aims to provide participants with priority vocational skills, including skills to support the automotive industry. TMP Tech was chosen by the Technical Education and Skills Development Authority (TESDA) to provide two batches of trainees from ASEAN member states with quality training on automotive servicing. The first batch was completed during the year, with TMP Tech giving courses on fundamentals of engine, overhauling of gasoline and diesel engine, and the introduction of the Hybrid Electric Vehicle (HEV) system to 21 students and four faculty members.

FEDERAL LAND

Acknowledging the importance of a highly competent workforce to maintain the strength of the organization, Federal Land promotes continuous holistic learning for its people. This holistic learning, launched as Federal Land University, covered five main categories in 2023: soft skills enhancement, functional, leadership, behavioral programs, and government-mandated seminars.

AXA

AXA upholds its vision of becoming a self-learning organization by providing an upskilling framework, dubbed Continuous Learning @ AXA, which is designed to support its employees in delivering business results.

GT Capital and Operating Companies' Average Training Hours

COMPANY	2021	2022	2023
GTCAP	56	40	**26**
MBT	28	10	**31**
TMP	9	5	**7**
FLI	8	14	**14**
AXA	29	32	**43**
MPI	22	20	**20**

GT Capital and Operating Companies' Average Training Hours By Gender in 2023

COMPANY	MALE	FEMALE
GTCAP	23	29
MBT	27	34
TMP	7	6
FLI	15	14
AXA	41	43
MPI	15	27

It applies the 70-20-10 learning model by adjusting AXA's focus from developing structured learning programs to integrating learning in our ways of working through social and on-the-job learning experiences.

AXA also continues to offer online on-demand playlists via Linked In Learning. Regardless of where employees are located, they can continue to learn by participating in Let's Dive In – online instructor-led training sessions. Employees can also test their newly acquired knowledge by participating in Skills Lab – facilitated onsite workshops to practice their skills and receive immediate feedback for improvement.

For 2023, AXA Philippines aimed to achieve 70,000 total learning hours and 40 average learning hours per employee. AXA successfully exceeded both targets through different training initiatives including the launch of AXA Week For Growth. AXA Week For Growth is a week-long celebration designed to inspire employees to pursue personal growth and career development with AXA.

AXA Philippines continuously trains its employees to ensure awareness and adherence to evolving requirements set by Philippines regulatory bodies and AXA organization. This reflects AXA's understanding of the critical role compliance plays in maintaining integrity of its operations and safeguarding the interests of its clients.

MPIC

For Metro Pacific, fostering a culture of excellence is a never-ending process. Continuous learning is prioritized and employees are provided with opportunities to enhance their skills through an employee training plan. This holistic plan revolves around professional development and mental well-being, focusing on mental health, sustainability and climate change, job-specific knowledge, and communication. Metro Pacific strives to create a healthy environment conducive to growth, allowing its people to thrive and perform better.

Diversity, Inclusivity, and Non-discrimination

GT Capital and its operating companies value the importance of diversity in the workplace and are committed to providing equal opportunities to all, irrespective of gender, ethnicity, or race.

The HRAIT, Human Resources Committee, and relevant department heads are tasked with ensuring diversity, inclusivity, and non-discrimination at all levels in the organization. Key initiatives include:

- Eliminating pay disparities between male and female employees
- Creating a workplace free from harassment, violence, intimidation, and discrimination.
- Preventing discrimination based on gender, sexual orientation, age, marital status, pregnancy, political beliefs, ethnicity, religious beliefs, disability, or any other characteristics irrelevant to job performance.

There were no incidents of discrimination reported for GT Capital and its operating companies in 2023.

METROBANK

Metrobank strives to create a welcoming and harmonious working environment where diversity is embraced; people are treated fairly regardless of gender, age, religion, race, or any other factor; and equal opportunity is accorded to all.

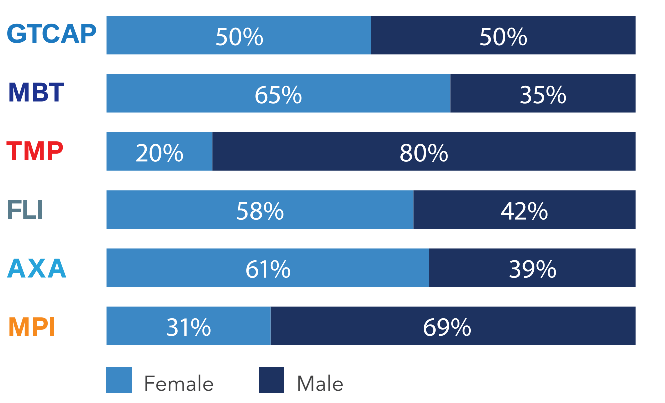
The Bank has several mechanisms in place such as the Bank's Code of Conduct that lays out consequences for non-compliance and the HR Policy - Anti-Sexual Harassment Control Standards. In 2023, there were zero reported cases of unlawful discrimination and discrimination-related incidents.

Furthermore, Metrobank enacted several women empowerment initiatives under the EmpowHER campaign that inspire and celebrate women by giving female leaders a platform to share their success stories. These were: 1) Breakthrough of Women Leaders which put the spotlight on remarkable achievements made by the Bank's female senior leaders, 2) an interview with 3 female senior leaders aired on the Purple Table Podcast, 3) the HEroes supporting SHEroes Webinar in partnership with Maxicare that talked about how to support women in life, and 4) W.E. S.H.O.U.T. (Women Empowerment through Surgical Help for Ovarian and Uterine Tumors), Metrobank's CSR campaign in partnership with Manila Doctors Hospital.

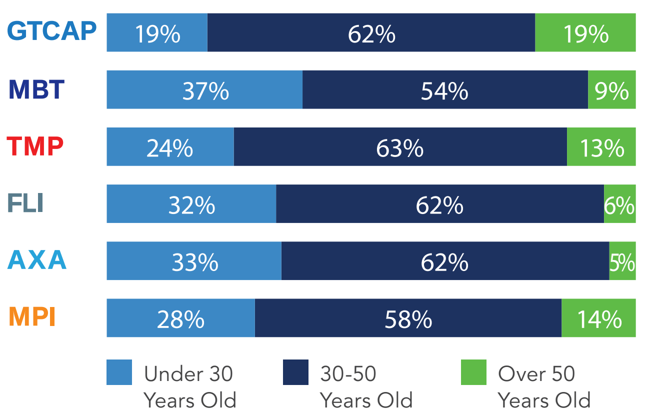
Human Capital

GT Capital and Operating Companies' Employee Demographics In 2022*

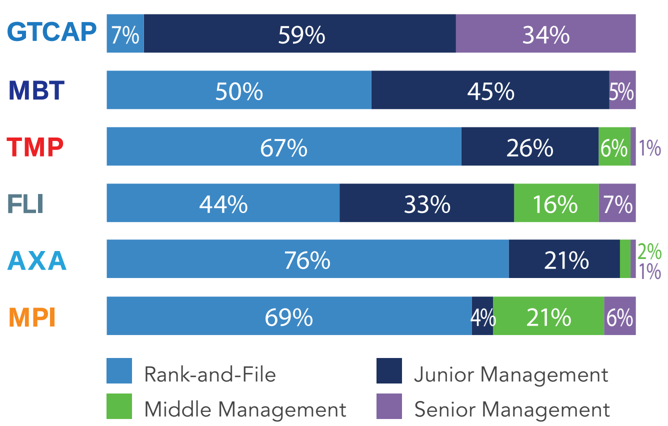
Employee Distribution by Gender



Employee Distribution by Age Group



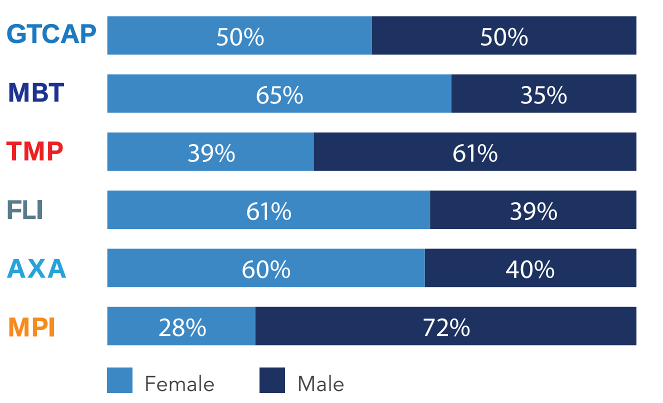
Employee Distribution by Rank



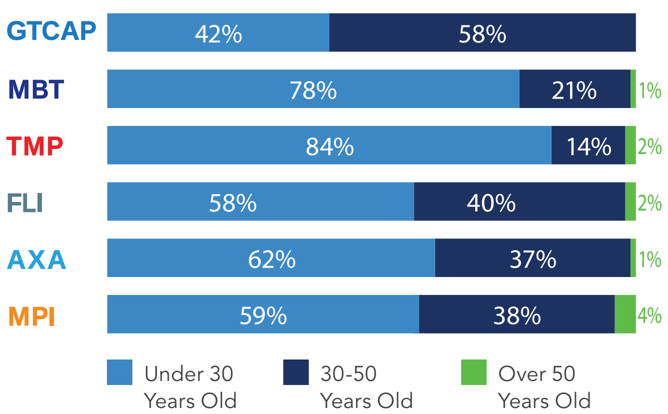
* covers permanent and temporary employees for all companies except Toyota

GT Capital and Operating Companies' New Employee Demographics In 2022

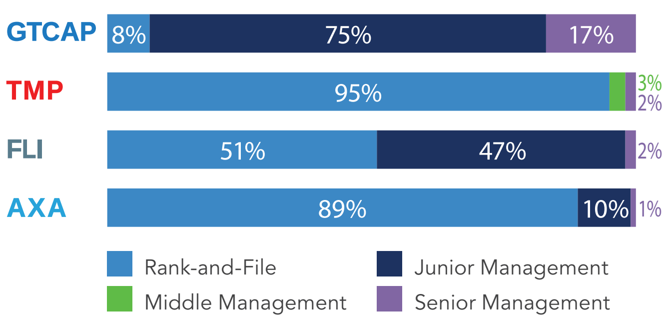
New Employees by Gender



New Employees by Age Group



New Employees by Rank



In 2023, the W.E. S.H.O.U.T. program raised Php340,000 which was utilized to help 20 indigent patients receive surgeries to remove uterine and ovarian tumors.

MPIC

A solid, tangible proof of Metro Pacific's commitment to promote gender equality in the workplace is the success of Meralco's women empowerment initiatives bannered by its #Mbrace Program. As part of the program, Meralco increased the number of women in its workforce by 22.5%, surpassing the global sector average of 13%. Under the MpowHER initiative, classroom and on-the-job education are given to female scholars taking up electrical engineering. Meralco is the first and only electric utility company in the Philippines in the Bloomberg Gender Equality Index.

Across the Group, 46% of the employees are female while 54% are male. Based on age group, 32% were under 30 years of age, 57% were between 30 to 50 years old, and 11% were more than 50 years old.

There were more than 9,000 new employees hired in 2023 from GT Capital and its operating companies. By gender, 44% of the new hires are female while 56% are male. Majority of the new hires fall under the under 30 years old category at 65%.

Workplace Safeguards

GT Capital strives to foster a respectful environment where employees are protected from harassment and discrimination. Each operating company has implemented a Whistleblowing Policy that allows employees to report violations and misconduct, including threats to health and safety, without fear of retaliation. In entities with specific non-discrimination policies, this policy supports anonymous reporting.

Details on these policies and programs are elaborated in the Corporate Governance section of this report.

Labor Management

Transparency is fundamental to employee welfare at GT Capital and its subsidiaries. The Group is committed to notifying employees about operational changes well in advance, maintaining a standard 30-day notice period before any implementation. This policy is upheld across various entities within the Group, including GT Capital, TMP, FLI, AXA, and MPIC.

METROBANK

Metrobank promotes collaborative partnerships between management and union through regular Labor Management Committee (LMC) meetings. In 2023, six meetings were held, serving as crucial forums for communication, strategy dissemination, and addressing work-related concerns raised by the union. The bank aims to resolve all concerns raised in a timely and effective manner.

Metrobank's union is governed by a collective bargaining agreement (CBA). It currently has 5,945 members, representing 81% of its regular rank-and-file workforce.

TOYOTA

TMP's relationship with its people is underpinned by mutual respect and understanding. Looking at past engagements as proof, negotiations are conducted with careful consideration for each party. Stakeholders are notified of changes in organizational structure, rules, and regulations with an advance notice (nemawashi), helping implementation be carried out smoothly.

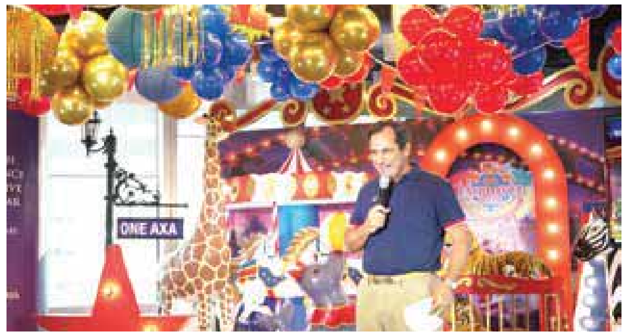
Two labor unions represent TMP's workforce: the TMPC-Labor Organization (TMPCLO) for rank & file Team Members and the TMPC-Supervisory Union (TMPCSU) for supervisory Team Members. Confidential and non-union certified Team Members are represented by the TMP-Labor Management Council (TMP-LMC) to address the gap in the employee representation and engagement of Team Members. One hundred percent of TMP's Team Members are covered by a collective bargaining agreement, regardless of membership in unions.

Human Rights

GT Capital recognizes the critical importance of supporting human rights as a cornerstone of responsible and sustainable business practices. The company adheres to strict human rights policies and procedures and ensures comprehensive training on these matters. Additionally, the track record on human rights is a significant consideration in investment decisions. The HRAD, Corporate Planning and Business Development Department, and Legal and Compliance Department are responsible for implementing these policies.

Anti-corruption and business ethics practices outlined in GT Capital's Code of Discipline demonstrate a strong commitment to anti-corruption and ethical business conduct. This code ensures that all employees conduct business with honesty and integrity, promoting

Human Capital



AXA President Bernardo Serrano at the 2023 Employee Week

professionalism, ethical standards, and discipline. Practices such as bribery and the acceptance of personal gains in official dealings are strictly prohibited, with violations leading to severe penalties, including dismissal. The Code of Discipline is reviewed biennially as part of the HR Audit by GT Capital's Internal Audit.

Under the Whistleblowing Policy, reports are managed by the Chief Audit Executive (CAE), who oversees investigations, appoints investigating officers, and decides whether cases should be managed by a Special Task Force or escalated to the Discipline, Ethics, and Value Committee.

METROBANK

Metrobank aims to create a workplace that evokes safety, security and respect—a place where human rights are upheld. The Bank ensures that all complaints in violation of human rights are resolved in a timely and effective manner.

Moreover, the Bank also complies with the Commission on Higher Education's Revised Guidelines for Student Internship Program in the Philippines (SIPP). In line with this memorandum, students under Metrobank's Student Internship Program must be at least 18 years old and are entitled to an internship allowance.

AXA

AXA ensures that its relations with employees are properly regulated and that the rights of its employees are protected. AXA respects the rights of all its employees and is committed to promoting diversity and inclusion, leading and maintaining a healthy working environment, advocating an agile working culture, providing employees with a formal whistleblower mechanism, and consulting employees and collecting feedback for any grievances.

AXA orients new employees on human rights upon onboarding. New hires are oriented on communication channels that allow them to report violations or untoward incidents. They get familiarized with the AXA's Whistleblowing Policy.

Occupational Health and Safety

Upholding the highest standards and safety at the workplace and promoting the well-being of its employees is a priority for GT Capital and its operating companies. To this end, occupational health and safety (OHS) policies, standards and practices are in place within each company.

METROBANK

Metrobank focuses not just on preventive measures that ensure safety in the workplace, but also on improving the well-being of its employees. Its health and wellness arm, the MetrobankCARES Program, encompasses physical, emotional, mental, social, spiritual, financial and occupational wellness.

Metrobank has established a Risk Incident Reporting process for the escalation of OSH issues. Business Units have their own certified First Aiders and certified Safety Officers. The Bank is compliant with DOLE rules and regulations on emergency & disaster preparedness.

In 2023, the Bank promoted OSH by conducting health assessments via Annual Physical Exams and Executive Check-Ups, providing health & wellness resources via various webinars and infographics, and encouraging employees to participate in health and wellness caravans in various MBTC sites.

TOYOTA

TMP's Industrial Health Services (IHS) Group spearheads the company's health initiatives. When it comes to physical health, the IHS focuses on common illnesses and the prevention of health problems through proper nutrition. Mental health programs are also made available for employees.

As an automotive manufacturing company, TMP ensures that systems are in place to prevent workplace accidents and look after employee safety. Occupational safety at TMP is guided by three pillars: human safety, machine and construction safety, and worksite safety.

TMP educates its employees on workplace hazards through the following:

— **Defensive Driving Seminar** for Team Members who use company vehicles in their operations to further improve their driving skills by anticipating risks and utilizing safe driving strategies;

— **Occupational Safety and Health Management System (OSHMS) Training & Workshop** to promote awareness and prevention of unsafe acts and conditions in the workplace that are extended to every Team Member's household;

— **Lock Out, Tag Out, Try Out (LOTOTO) Training** to prevent injury of servicing and/or maintenance employees due to the unexpected energization or startup of machines, equipment, or processes after long periods of machine shut-off.

TMP's Safety and Health Section (SHS) supervises its safety initiatives. It abides by the Department of Labor and Employment's Occupational Safety and Health Standards (OSHS).

FEDERAL LAND

As a property developer, Occupational Safety and Health is of paramount importance to Federal Land. It has established a Corporate Safety and Health Committee for this purpose.

The Company deploys Health and Safety personnel in compliance with the Department of Labor and Employment's Department Order 198. It ensures that all its construction sites strictly observe basic safety measures such as safety canopies, fences, overhead street canopies, and safety nets. Housekeeping, safety meetings onsite, tool box meetings, and installation of safety signages are regularly conducted.

Federal Land employees involved with project development and construction are mandated to attend occupational safety training; meanwhile, contractors are expected to give such training to their construction workers. An Emergency Response Team is stationed in every site in case of emergencies. Fire and earthquake drills and safety orientations are conducted regularly for all workers onsite. Federal Property Management Corp. implements safety and evacuation procedures in case of fire, earthquake, typhoon, mass incidents, and natural calamities, among others.

AXA

AXA Philippines is committed to complying with the requirements of Republic Act No. 11058, an act strengthening compliance with occupational safety and health standards. In line with this, the company developed an Occupational Safety and Health Management System that is anchored on 8 Program Pillars:

Hazard Identification Risk Management
Communication, Participation, and Consultation
Campaign and Promotion
Training and Awareness
Educational Assistance Programs
Legal and Other Requirement Compliance
Continuous Improvement
Rewards and Recognition
Corporate Social Responsibility

All new hires undergo Occupational Health and Safety orientations while select employees undertake specialized training essential to the demands of their positions. AXA Philippines mandates Basic Occupational Safety and Health for Branch Safety Officers, Standard First Aid and Basic Life Support for the Head Office Emergency Response Team members, and Occupational First Aid for Branch First Aiders. The company has delegated safety responsibilities to its reorganized Emergency Response Team, Incident Commanders, and Safety Marshals.

MPIC

Metro Pacific and its operating companies have company-specific Hazard Identification, Risk Assessment and Determining Control (HIRADC) policies and measures in place. It also promotes workplace safety by designating safety specialists and giving them First Aid and Basic Occupational Safety and Health training. In 2023, Metro Pacific recorded a total of 69.7 safe man-hours.

Social and Relationship Capital

GTFI, Metrobank Group and GT Capital distributed food packages under the Bags of Blessings Program

GT Capital maintains robust, enduring connections with investors, business partners, clients, communities, financial institutions, and governmental bodies. These bonds are cultivated over time and are built on trust from the company's commitment to excellence, creating enduring value for stakeholders. They thus form the foundation of GT Capital's social and relationship capital.

GT Capital also enhances and supports communities through various corporate social responsibility (CSR) and strategic development initiatives across its group. Embracing the principles championed by the late GT Capital Group Chairman Emeritus, Dr. George Ty Siao Kian, the company aims to constantly make a positive difference in society.

Local Community Engagement and Development

GT FOUNDATION

GT Foundation, Inc. (GTFI) is the foundation of Metrobank founder Dr. George S.K. Ty. and his family that carries out philanthropic activities focused on education, health, and the environment.

Since its inception, GTFI has pursued the philanthropic initiatives of the family by investing in strategic development programs that empower communities and respond to the basic needs of the Filipino people.

Under the Bags of Blessing program, GTFI and its partners the Metrobank Group and GT Capital distributed food packages to 118,000 families since 2010. The program is a nationwide gift-giving activity held each year to celebrate the Chinese tradition of sharing prosperity to welcome the Lunar New Year. GTFI also provided essential eye care services to indigent public school children and the elderly to detect and correct common treatable vision problems, with more than 25,000 beneficiaries as of April 2023.

GT Foundation is committed to empower individuals to become productive members of society through educational grants and scholarships. Under the formal education program, GTFI has implemented various programs with 9 partner schools and 272 scholars to provide access to quality education from the primary level to the tertiary level. In addition, GTFI's Scholarship for Technical-Vocational Education Program (STEP) aims to help financially disadvantaged young women and men through quality technical-vocational education. As of 2023, the program has worked with 4 partner schools and provided assistance to 430 scholars.

As a reflection of the Foundation's various initiatives to support nation-building, GTFI received two awards during the 20th Philippine Quill Awards held on January 2023. These include a Quill Award of Merit through its Program, Salamin Sa Maliwanag na Bukas, and a Quill Award of Excellence for 2022 PaGTitipon: A Food Augmentation Program in Commemoration of the Death Anniversary of Dr. George S.K. Ty.

GT CAPITAL PURPLE HEARTS CLUB

The GT Capital Purple Hearts Club is a volunteer initiative driven by the company's employees with a specific focus on three areas: health and nutrition, education, and community development. Throughout 2023, the Purple Hearts Club continued its mission to effect positive change within the society by engaging in a broad spectrum of impactful projects.

In a collaborative effort to bolster community well-being, GT Capital, through the Purple Hearts Club, partnered with Federal Land and launched a feeding program initiative entitled *Masustansyang Kinabukasan Program* at Navarro Elementary School in General Trias, Cavite.

This initiative was designed to address the nutritional needs of 177 students from Kindergarten to Grade 5 by providing them nutritious meals five days a week for six months.

The program was supported by The Annunciation of the Lord Parish in General Trias, which generously provided MannaPacks – a special kind of nutritious rice, and was brought to life by the help of 10 parent-teacher volunteers who dedicated their time to the daily feeding activities. The beneficiaries, comprising 83 boys and 94 girls between the ages of five and 13, all achieved normal weight by the end of the program and also saw marked an overall improvement in their school attendance and academic performance exhibiting a significant milestone in the initiative's success.

The feeding program was enriched with several activities aimed at promoting nutrition, physical health, and education. Notable events included a Nutrition Talk by Ms. Jerrica B. Suarez, a registered nutritionist-dietitian (RND), who provided valuable dietary education to students and parents; a Zumba session led by a licensed Zumba instructor to encourage physical activity; and *Brigada Pagbasa*, where volunteers engaged in story reading and educational games, and was complemented by the donation of 175 storybooks, which aimed at enhancing the school's learning resources.

GT Capital and Federal Land also participated in the annual *Brigada Eskwela* program of the Department of Education at Navarro Elementary School, where volunteers provided repair works and repainting of school facilities and buildings. Further to this, GT Capital also extended donations of school supplies for the students.

177

students from kindergarten to grade 5 provided with nutritious meals 5 days a week under the *Masustansyang Kinabukasan Program*

Federal Land and GT Capital joined forces to launch Brigada Eskwela 2023 initiative

Social and Relationship Capital

Zumba session during the Brigada Eskwela 2023 initiative

The feeding program culminated in a celebration event on November 11, 2023, attended by notable local officials and marked by the significant achievements of the participants. Principal Imelda Arevalo highlighted the successful outcomes, while the community acknowledged the collective effort and dedication of GT Capital, Federal Land, and all the volunteers.

As part of its broader CSR efforts, GT Capital also held a year-end community outreach activity for 100 families in the LRT-A Subdivision in General Trias, Cavite, a community of families displaced by the construction of the Light Rail Transit (LRT) Extension project in Metro Manila. The event commenced with a Holy Mass conducted by Fr. Randel Marero, parish priest of The Annunciation of the Lord Parish, emphasizing themes of hope and community. Following the mass, GT Capital employees distributed Christmas bags filled with various goods to the families.

In a generous display of support and engagement with local community institutions, GT Capital also made donations to The Annunciation of the Lord Parish in celebration of its feast day demonstrating support for local religious activities and community spirit.

METROBANK FOUNDATION

Through grants and other means of support, Metrobank Foundation (MBFI) made significant contributions in health, food security, and education in 2023. It also continued to celebrate the talents and contributions of different sectors of Philippine society through its numerous awards and recognition programs.

Collaborations defined the year for MBFI as it worked with other organizations that share its vision for a more inclusive society. MBFI supported Pilipinas Shell Foundation's (PSFI) Roots to Shoots Program with a PHP7.2 million endowment. The program is intended to address the high incidence of malnutrition in Barangay Santa Rosa del Sur, Pasacao, Camarines Sur. It also partnered with Food for the Hungry Inc. to implement an anti-malnutrition program in eight barangays in Eastern Visayas. Under MBFI's Helping Hands program, over 200 Metrobankers from Metro Manila volunteered to distribute hot meals and loot bags with grocery items, toiletries, candies, and biscuits to 3,500 indigent individuals along the metro.

MBFI also started backing the International Institute of Rural Reconstruction's initiative to promote food self-sufficiency by providing seeds and equipment for home gardens. This program was devised to support 250 families with pregnant and lactating women in Guinayangan, Quezon. MBFI also pledged PHP25 million to build a cold storage facility for onions for the Department of Agriculture.

MBFI's ACCESS Scholar

MBFI's flagship scholarship program, Assistance for the Completion of College Education for Superior Students (ACCESS), added 60 scholars to its roster in 2023. ACCESS scholarship grants are awarded based on need and merit. Brilliant but underprivileged students are thoroughly screened and once they qualify, the Foundation assists them in their journey to uplift their lives through education. Aside from the complete scholarship package, ACCESS scholars are also provided internship and employment opportunities at Metrobank and its affiliate companies. ACCESS has sponsored 1,166 students since its inception in 1995.

MBFI also donated two flat-screen televisions, a refrigerator, a portable speaker, and seven tablet computers to Department of Science and Technology Day Care centers as a token of gratitude to Secretary Renato U. Solidum Jr. for being one of the esteemed judges in the 2023 MFI Search for Outstanding Filipinos.

Furthermore, MBFI partnered with Edukasyon.ph to enhance the skills of 100 public school teachers through the latter's EDGE Teacher Training Program. By promoting teachers' continuous learning, ultimately, this program seeks to improve students' vocabulary, comprehension, and speaking skills. MBFI also extended its support to the RMN Foundation to construct handwashing facilities in select schools in Region III, Region IV, CARAGA, and BARMM.

MBFI also seeks to provide street children a chance to get formal education by supporting Virlaine Foundation's Walk Your Way to School Program.

In 2023, MBFI celebrated the achievements of the 2023 Metrobank Foundation Outstanding Filipinos, awarding individuals from the academe, the military, and the police who have made significant societal contributions. Each awardee was recognized for their service beyond excellence, receiving a cash prize, a medal of excellence, and "The Flame" trophy in a series of ceremonies that highlighted their impactful work.

The Metrobank Art & Design Excellence (MADE) program stood out as a platform for visual artists to showcase their talent and further their careers. In its 2023 edition, themed "Connect: Stronger Ties, Bolder Strides," MADE awarded seven artists from over 400 participants, encouraging the exploration of creative collaborations and the transformative power of art in linking communities and transcending boundaries. The awards and exhibition, co-presented by Samsung, provided an immersive art experience at 'The M' (the Metropolitan Museum of Manila).

Through these diverse initiatives, MBFI demonstrated its dedication to nurturing excellence, creativity, and social development, marking another year of meaningful impact and continued support for Filipino communities.

1,166

scholars assisted since 1995 through MBFI's ACCESS program

The 2023 Metrobank Foundation Outstanding Filipinos

MADE Awarding and Exhibition at the Metropolitan Museum of Manila

Social and Relationship Capital

TMPF

The TMP Foundation (TMPF) is committed to supporting the communities in which TMP is active, focusing on initiatives in education, health, environment and community service.

In 2023, TMPF continued its support to its adopted school, Pulong Sta. Cruz Elementary School (PSCES) in Santa Rosa City, Laguna. A Breast Care Cancer Awareness Project was conducted through a collaboration among the TMPF, Breast Care Imperative Inc. (BRCAI), and Philippine Foundation for Breast Care, Inc (PFBCI). This involved breast care and cancer awareness activities for teachers, including breast care talk and clinical breast examination. This initiative is important to address gaps in health knowledge among teachers, promoting the importance of personal care and ensuring their continued educational impact.

TMP announced in 2023 a pioneering partnership with the city governments of Santa Rosa and Pasay to introduce the Toyota Community Shuttle (TCS), a complimentary on-demand shared transportation service. Starting December 2023, Santa Rosa and Pasay City residents started to benefit from a year of free rides within city boundaries. This initiative, commemorating TMP's 35th anniversary, employs a fleet of five new, air-conditioned Toyota Lite Ace units in each city.

10

Toyota Lite Ace units deployed for Santa Rosa and Pasay cities under the Toyota Community Shuttle (TCS)

The TCS service can be accessed through the 'myToyota Shuttle PH', a user-friendly mobile application developed by Toyota Mobility Solutions Philippines Inc., TMP's mobility service arm. This app facilitates efficient shuttle management by allowing users to book rides, track shuttle locations in real time, and view estimated arrival time.

TMP President Atsuhiro Okamoto highlighted the project's aim to support the evolution of Santa Rosa into a "High-level Smart City" and Pasay into a "Sustainable Eco-City." This endeavor aligns with Toyota's global vision of embracing "Connected, Autonomous/Automated, Shared, and Electrified" (CASE) mobility solutions, furthering innovation and digitalization in public transportation to improve community life.

TMP Chairman Alfred V. Ty (left) and TMC Chairman Akio Toyoda (right) presented 35 brand new vehicles to President Ferdinand Marcos, Jr.

TMP and TMPF received awards for outstanding CSR Programs during the 4th Driven to Serve Awards from the Society of Philippine Motoring Journalists

FEDERAL LAND

In 2023, Federal Land's dedication to community enrichment and development was prominently showcased through a series of impactful CSR initiatives.

The company joined forces with GT Capital to launch their Brigada Eskwela 2023 initiative, aimed at supporting the Department of Education's annual campaign for school preparation and cleanup.

Through its CSR initiative MOVE (Make our Volunteerism Enrich Lives), Federal Land mobilized over 50 of its employees and agents to clean, paint, and repair facilities at Navarro Elementary School in General Trias, Cavite. This project benefited around 3,000 students and teachers.

Federal Land and GT Capital also initiated a monthly feeding program for 175 children at Navarro Elementary School in General Trias, Cavite. Spanning over six months, the program was designed to provide nutritious meals and educational activities to support the well-being and development of young community members.

GT Capital Purple Hearts Club Cavite Feeding Program

FLI President Thomas Mirasol and GT Capital President Carmelo Maria Luza Bautista participate in the Brigada Eskwela 2023 in Navarro Elementary School

AXA

AXA Philippines' dedication to community engagement is evident in its wide-ranging volunteer activities. AXA Hearts in Action (AHIA), volunteer arm of AXA Philippines, organizes monthly volunteering activities related to Inclusive Protection, and Climate Action and Biodiversity.

AHIA was able to engage 587 unique volunteers producing 1,200 volunteer hours for the whole of 2023. In support of local communities, AHIA was able to reforest trees in Masungi Georeserve, plant approximately 2,500 trees in Bulacan, and facilitate an array of outreach activities in Metro Manila.

2,500

trees planted in Bulacan by 587 AXA employee volunteers

The company also continued to champion women empowerment and environmental protection during AXA Week For Good 2023, a week-long volunteering activity for all AXA employees focused on anchoring AXA's commitment to inclusive protection for women. AXA employees assembled 1,200 hygiene kits and produced 414 liters of dishwashing soap donated to women communities in Binangonan, Rizal; Paco, Manila, and Cardona Rizal to provide livelihood assistance and promote entrepreneurship.

Other volunteering activities conducted during AXA Week For Good 2023 were a blood donation drive, a hair donation drive, and an urban gardening activity in a public school in Mandaluyong.

AXA employees assembled 1,200 hygiene kits and produced 414 liters of dishwashing soap donated to women communities in Binangonan, Rizal; Manila and Cardona Rizal

Social and Relationship Capital

49

units of drinking fountains donated for LGU offices in 5 cities

MPIC

Over the past 15 years, MPIC has continuously broadened our group's impact to address persistent societal challenges beyond our core operations.

In July 2021, MPIC and the MVP Group of Companies launched the Gabay Advocacies for a Sustainable Philippines. The program is structured around six focal areas aligned with the United Nations Sustainable Development Goals: Livelihood, Youth and Leadership, Environment, Community Work, Health and Sports, and Education.

"Gabay," translating to "guide" in Filipino, signifies our group's collective aim to lead and support communities towards self-sufficiency and sustainable growth.

Central to Gabay's advocacy is the principle of "malasakit," or empathetic care, a value championed by MPIC's Chairman, Manuel V. Pangilinan. This principle fosters a nurturing corporate culture of heartfelt guidance and support to empower individuals and communities to navigate and overcome their challenges.

Recognizing the urgent need for action, Metro Pacific Investments Foundation (MPIF) started the Shore It Up! campaign. Its mission to rescue, restore, and revive coastal and marine ecosystems has evolved from a simple outreach initiative in 2009 into a comprehensive stewardship program, engaging in many environmental conservation activities.

In 2023, MPIF intensified its efforts across various Shore It Up! partner sites, channeling resources towards environmental initiatives to safeguard the country's marine biodiversity. With an allocation of P7.5 million for Shore It Up's ecological In the education sector, Gabay Guro – one of the country's longest-running teacher focused education programs –reaches another milestone in its rich history as it produces a new batch of 142 fresh graduates – all scholars who finished their B.S. Education degree through Gabay Guro.

The tougher the natural disasters in the Philippines are, the brighter the Filipinos' spirit of resiliency shines. Amid frequent typhoons, Filipinos show remarkable tenacity and a deep sense of solidarity. This spirit of collaboration in uncertain times is at the heart of the Metro Pacific Investments Foundation's (MPIF) Disaster Response & Relief Programs.

In 2023, MPIF spent over P2.7 million in various efforts aligned with Gabay Komunidad, a flagship advocacy within the MVP Group that pioneers groundbreaking initiatives like the world's first private sector-led national emergency operations center. Gabay Komunidad underscores the MVP group's dedication to safeguarding Filipino communities' well-being. During difficult times, these initiatives embody the spirit of bayanihan, or community solidarity.

Subsidiaries

Metro Pacific's subsidiaries implement their own corporate social responsibility programs in line with the group's advocacies:

Gabay Guro and MPIF supports 50 high school scholars from DepEd Rizal

— Meralco, under the Household Electrification Program, assisted more than 5,700 low-income families in the Meralco franchise area to gain access to safe and reliable electricity services.

— MPTC conducted a series of gift-giving activities that benefited over 505 children and elderly from select host communities and charities and over 17 barangays and organizations under the NLEX-SCTEX Pamaskong Handog and NEX-SCTEX assistance program to stakeholders, respectively.

— Maynilad donated 49 units of drinking fountains for LGU offices in Quezon City, Las Piñas, Valenzuela, North Caloocan and Muntinlupa, and installed rainwater harvesting facilities to provide alternative water source for irrigation in four LGUs and one national government agency.

— LRMC provided free rides to LRT-1 passengers in celebration of the Philippine Independence Day

Top: One Meralco Foundation School Electrification Program
Bottom: MPT South's Road Safety Caravan Campaign

Supplier Environmental and Social Assessment

GT Capital ensures that its activities are assessed to prevent and mitigate their negative social and environmental impacts, if any, on the supply chain. These include impacts that are directly related to its activities, products, and services

METROBANK

Metrobank secures certifications from regulators to ensure that its vendors are legitimate independent contractors and are up-to-date on payments and contributions with the Social Security System, Pag-IBIG Fund, and PhilHealth. As part of vendor accreditation, Metrobank requires securing an Environmental Compliance Certificate for projects that may potentially impact the environment.

TOYOTA

In accordance with the Toyota Green Purchasing Guidelines, TMP's suppliers must have obtained and maintained the ISO 14001 certification.

AXA

AXA Philippines mandates all its suppliers to undergo an accreditation process. During the due diligence review, suppliers are required to complete a Corporate Responsibility Questionnaire focusing on responsible procurement, human rights, and environmental, health, and safety standards.

Natural Capital

Volunteers from TMP participate in a tree-planting activity on its adopted site in Maragondon, Cavite

GT Capital recognizes that in order to create long-term value for its stakeholders, responsible use and stewardship of natural resources is imperative. Environmental issues are indubitably connected to an enterprise's vitality and stewardship is an integral part of a firm's social license to operate. GT Capital and its operating companies have long been instituting programs and policies, as well as adjusting their business strategies to address pressing environmental issues.

Environmental Impact Assessment and Compliance

Environment impact assessments are undertaken by GT Capital and its operating companies to determine impacts on potential areas of operation as part of their due diligence process. This allows the company to adhere to all necessary government regulations and demonstrate commitment to managing natural resources judiciously.

Each of GT Capital's operating companies has measures in place to assess, manage and monitor its environmental impacts as applicable to the nature of their business.

METROBANK

Metrobank maintains its integrity and reputation by fully complying with relevant environmental laws and regulations. The Bank has appointed Department of Environment and Natural Resources (DENR) Pollution Control Officers to its areas of operation. Metrobank also prioritizes the development and promotion of environmentally friendly products.

TOYOTA

The TMP Environmental Management System (EMS) ensures the Company's compliance with government environmental regulations. The EMS is composed of seven subcommittees that oversee various facets of the Company's operations: non-manufacturing, manufacturing, logistics, sales and service, purchasing, communication, and chemical management. The EMS also includes two task forces dedicated to monitoring TMP's alignment with the global Toyota Environmental Challenge 2050 (TEC 2050)—the Plant Zero CO2 Task Force and the End-of-Vehicle Life Task Force.

TMP also secures all necessary requirements, permits, and licenses from government bodies in order to continue its operations.

Across its value chain, TMP also engages responsible management of environmental impacts. To green its supply chain, TMP's suppliers are encouraged to abide by the Toyota Green Purchasing Guidelines which promote ISO 14001 certification, carbon emissions reduction, water conservation, recycling, and chemical management.

To address downstream activities and life-cycle impacts of its products, TMP continues to pursue ISO 14001 certifications across its dealerships. 73 out of 74 dealerships have obtained certification while the newest one, Toyota Ormoc, Leyte, is working on getting certified.

FEDERAL LAND

Federal Land secures an Environmental Compliance Certificate for every construction project to prove its compliance with all pre-construction, construction, and operation conditions required for each project. The Company also appoints a Pollution Control Officer who oversees its environmental impacts and concerns.

MPIC

Metro Pacific ensures that it coordinates and complies with government agencies and environmental regulatory bodies to secure permits necessary to start and continue its projects. Mindful of its indirect impacts, it also performs an Environment, Social and Impact Assessment (ESIA) as part of its due diligence in developing new projects or entering mergers and acquisitions.

Energy and Emissions

Efforts to increase energy efficiency and conservation are continuously implemented by GT Capital and its operating companies. These include switching to more energy-efficient office equipment and minimizing consumption only to necessary usage. The Group also aims to reduce energy consumption to lower energy costs and improve business operations.

METROBANK

Metrobank is dedicated to reducing its environmental footprint by implementing energy conservation policies and initiatives. In 2023, it has revisited existing contracts, identified opportunities within our operations to transition to renewable energy where feasible, and engaged potential providers. In addition, it has replaced 100% of its lighting fixtures to LED for six corporate centers, 100% of its air conditioning units to inverter-type in four centers, and installed all corporate centers with motion sensors.

To reduce its GHG emissions, Metrobank regularly maintains its bank vehicles and generator sets to ensure they are in optimal condition and conducts routine oil changes for vehicles and emission testing for generators.

TOYOTA

Clean energy sourcing and energy efficiency in manufacturing operations are a priority for TMP. As these are ways to reduce CO2 emissions, TMP implement them in various operations.

Likewise, emissions at various locations are rigorously monitored and managed.

Scope 1 Emissions

The company constantly monitors its direct CO2 emissions at various controllable sources, such as the manufacturing plant's diesel-fueled generators and boilers, LPG fueled ovens at the painting shop, and company-owned vehicles. Progressive reduction targets are set to ultimately achieve a goal of zero CO2 emissions. TMP optimizes every possible manufacturing process, using simple machines or alternative energy resources. If necessary, the company invests in new technology or facilities after a thorough study.

Scope 2 Emissions

TMP is addressing indirect emissions from electricity use by sourcing renewable energy. The company aims to achieve a 100% renewable energy (RE) ratio in its manufacturing plants by 2035. To this end, TMP marked a major milestone in 2023.

The plant in Sta. Rosa has started sourcing its electricity from a local RE Supplier (RES). Approximately 90% of the manufacturing plant's power needs come from the RES while the remaining 10% is sourced onsite from a 1.46-megawatt rooftop solar power system. This accomplishment significantly helps TMP meet its commitments to the TEC 2050.

Scope 3 Emissions

While motorization is expected to continue as the Philippine economy grows, TMP takes on the challenge to reduce the CO2 that is indirectly emitted across its value chain.

TMP's Scope 3 CO2 emissions come from logistics operations, as well as electricity and fuel consumption from both supplier and dealer networks. To this end, TMP encourages its suppliers to use renewable energy. As of 2023, four suppliers are already sourcing 100% of its power requirements from onsite and offsite renewable energy sources. With the huge support and strong involvement of its stakeholders, such as logistics service

Natural Capital

providers, suppliers, and dealers, TMP reduces the CO2 emissions throughout the entire life cycle of every Toyota vehicle.

MPIC

In line with the Department of Energy's (DOE) goal to increase the share of renewable energy in the energy mix to 35% by 2030, MPIC continues to invest in renewable energy projects through its subsidiaries.

— Meralco is undertaking a low-carbon transition through twin commitments of contracting 1,500 MW of RE supply and building 1,500 MW of attributable RE capacity through 2030.

— Maynilad has begun to decarbonize its fleet operations with the aim of shifting 50% of its fleet or 413 units to electric vehicles by 2037.

— MPTC is focusing on solar-powered toll plazas and transitioning to electric vehicles.

In 2023, total energy consumption of GT Capital and its operating companies amounted to 88.3 million MWh, a 21% increase from the previous year. Higher energy consumption was recorded due to the expanded reporting scope of TMP and Federal Land, and higher energy requirements of MPIC group. Renewable energy consumption more than tripled, from 12,593 MWh to 59,458 MWh, due to the initiatives of TMP, MPIC and AXA to transition to using more renewable energy sources.

Energy Intensity (in MWh per million Php revenue)

COMPANY	2021	2022	2023
MBT*	470	541	**343**
TMP	301	247	**284**
FLI**	3,685	509	**2,053**
AXA	48	110	**89**
MPI***	586,802	453,212	**605,284**

*2021 and 2022 data restated
**Higher intensity in 2023 due to expanded reporting scope
***Excludes energy sold

Total Energy Consumption Within the Organization (in MWh)*

COMPANY	2021	2022	2023
MBT**	41,085	56,662	**53,283**
TMP	38,764	44,758	**63,759**
FLI	44,756	6,845	**26,508**
AXA	848	1,793	**1,713**
MPI**	25,819,298	23,060,324	**37,120,863**
MPI (energy sold)	46,072,898	49,554,540	**51,044,013**
TOTAL	72,017,649	72,724,922	**88,310,139**

*A detailed explanation of the reporting methodology and coverage is available in the annex of this report
**2021 and 2022 data restated

Energy Consumption by Source (in MWh)*

COMPANY	2021	2022	2023
Renewable	8,335	12,593	**59,458**
Non-Renewable**	25,936,416	23,157,789	**37,206,668**

*Excludes energy sold by MPIC
**2021 and 2022 data restated.

2023 Energy Consumption by Source (in MWh)

COMPANY	RENEWABLE	NON-RENEWABLE
MBT*	-	53,283
TMP	1,558	62,201
FLI	-	26,508
AXA	761	952
MPI**	57,139	37,063,724
TOTAL	59,458	37,206,668

*2021 and 2022 data restated
**Excludes energy sold by MPIC

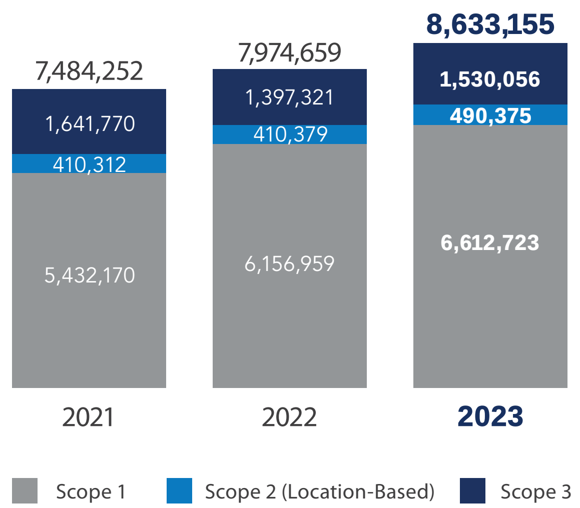
LRMC's solar panels in substations and depot

Given GT Capital's nature as a holding company, it follows the equity share approach in calculating its GHG emissions. This reflects GT Capital's economic interest in each operating company and allows it to consider carbon footprint in investment decisions.

In 2023, GT Capital recorded a total of 8.63 million tons-CO2e of scope 1, 2 and 3 emissions from the group. Due to the nature of its businesses, MPIC contributed to the majority of GT Capital's emissions at 99% or 8.58 million tons-CO2e. Total emissions rose by 8% due to higher scope 1, 2 and 3 emissions of 9%, 17% and 7%, respectively, as a result of improvements in data coverage and higher energy consumption across the group.

GT Capital continues to improve its GHG inventory, ensuring that its methodology is aligned with international standards. It aims to complete its GHG baseline next year.

GHG Emissions (Equity-Based) in tons-CO2e*



*2021 and 2022 emissions restated

GHG Intensity (Equity-based; in million tons-CO2e per million Php revenue)

COMPANY	2021	2022	2023
Scope 1	9.40	5.70	**4.99**
Scope 2 (Location-based)	2.54	1.86	**1.81**

2023 Emissions Breakdown per Operating Company (in tons CO2e)

COMPANY	Scope 1	Scope 2 (Location-Based)
MBT	304	40,523
TMP	8,280	19,870
FLI	83	20,423
AXA	136	876
MPI	8,387,038	2,443,884
TOTAL	8,395,842	2,525,576

Natural Capital

Climate Action

GT Capital and its operating companies are committed to environmental stewardship and managing its carbon footprint. It aims to promote climate action through various mitigation and adaptation activities.

To reduce emissions across the value chain, each company prioritizes minimizing the use of scarce resources. Biodiversity conservation efforts are also implemented as a mitigation and adaptation strategy.

TOYOTA

In support of the global Toyota Environmental Challenge (TEC) 2050, TMP aims to achieve zero C02 emissions and a net positive environmental impact by accomplishing 6 challenges:

Life Cycle Zero CO2 Emissions Challenge
New Vehicle Zero CO2 Emissions Challenge
Plant Zero CO2 Emissions Challenge
Challenge of Minimizing and Optimizing Water Usage
Challenge of Establishing a Recycling-based Society and Systems
Challenge of Establishing a Future Society in Harmony with Nature

The Sta. Rosa manufacturing plant has begun powering its operations with RE, enabling TMP to accomplish the Plant Zero CO2 Emissions Challenge. At the same time, TMP significantly helps accelerate vehicle electrification in the country through electrified vehicles including hybrid electric vehicles (HEV) and battery electric vehicles (BEV).

TMP sees HEVs as a necessary transitory step toward electrification as the Philippines is not yet prepared to go fully electric. Charging infrastructure, while improving, is still in its infancy stage in the country. HEVs offer the best of both worlds – they reduce emissions, increase fuel efficiency and can do without a charging infrastructure network. TMP, with its Toyota and Lexus brands, offers the widest HEV lineup in the country with 14 models.

Both Toyota and Lexus saw a triple-digit spike in HEV sales percentages in 2023. Toyota's HEV sales jumped by 222% while Lexus' skyrocketed by 331%. Lexus also launched in 2023 its very first BEV, the Lexus RZ 450e. The model combines sustainability, innovation, and top-notch performance. These developments speak of TMP's preparedness to offer what the market demands and the market's increasing openness to adopt electrified vehicles.

FEDERAL LAND

Federal Land's climate mitigation actions are deeply ingrained into its developments. From planning and designing, climate change significantly figures in Federal Land's properties and communities.

The Company implements a 'Tree Ratio' policy in all its new commercial, institutional, and high-density residential projects. Under this policy, at least one 4-inch caliper tree shall be planted for every 500 square meters of open space, including road reserves, easements, parks and playgrounds, and any other public space within the development. Additionally, the Company encourages the planting of native trees as they prove to be beneficial to the local ecosystem while being low maintenance.

Federal Land also utilizes design to promote mobility. It ensures the presence of wide, tree-lined, and well-lit sidewalks for pedestrians in its master-planned communities. Bike lanes are designated to encourage biking and lessen the dependence on cars. These consequently urge people to engage in more physical activities and social interactions, as well as reduce air and noise pollution.

Riverpark, General Trias, Cavite

Sustainable materials are also increasingly utilized in building Federal Land's projects. Energy-efficient lighting technologies, particularly LED, are now standard in new projects. Paint colors with high Solar Reflectance Index (SRI) and double-glazed windows are used to reduce heat while maintaining a brighter look for the interiors. Outdoors, Federal Land uses permeable paving to reduce heat flux from the pavement surface to the atmosphere.

AXA

AXA is incorporating climate change measures into its policies, strategies, and planning. As a purpose-led company, it commits to improving awareness regarding climate change adaptation and mitigation whether as an investor, as an insurer, or as an exemplary company.

As an investor, it commits to reducing the carbon footprint of its investment portfolio and then prioritizing to increase its green investments.

As an insurer, it commits to offering products that encourage good customer behavior in relation to carbon emissions.

As an exemplary company, AXA ensures to upskill 100% of its employees in climate issues. The company created the AXA Climate Academy aimed at imparting a critical understanding of climate change to employees – expound on what it means for the business, and how it can be acted upon. As of December 2023, 100% of AXA employees are AXA Climate Academy Certified.

AXA remains committed to addressing climate change through its core operations. An environmental management system is in place covering the monitoring of its emissions from energy, car fleet, and business travel. AXA also monitors its office consumption of water, paper, and waste.

MPIC

Metro Pacific recognizes its role as a steward of natural resources. Sustainability is practiced by responsibly utilizing resources and doubling efforts to mitigate climate issues.

Biodiversity protection and restoration is a common initiative among Metro Pacific component companies. Meralco has been implementing the One for Trees (OFT) program since 2019, having planted and nurtured 2.3 million trees as of end-2023 across 35 sites covering approximately 768 hectares. In addition, the program has been extended to coastal and wetland conservation, with more than 300,000 mangroves planted across different sites.

Maynilad conducts its Plant-for-Life program in vital watersheds annually. In 2023, the Company successfully planted 210,000 tree saplings and mangrove propagules in Ipo Watershed in Bulacan, Kaliwa Watershed in Quezon Province, La Mesa watershed in Quezon City, and Manila Bay coastline in Cavite Province. This covers approximately 525 hectares which helps enhance carbon sequestration, increase the soil's water retention capacity, and prevent erosion in watersheds.

Business Review

Metropolitan Bank & Trust Company

Metrobank

(Left)
ARTHUR V. TY
Chairman

(Right)
FABIAN S. DEE
President

Established in 1962, the Metropolitan Bank & Trust Company (Metrobank) has grown to become the premier universal bank and one of the foremost financial institutions in the Philippines. With a history spanning more than 60 years, it aims to deliver meaningful banking to Filipinos across the globe. The bank offers a diverse product portfolio, including investment banking, thrift banking, leasing and financing, and bancassurance.

It delivers comprehensive services to a broad spectrum of clients, including major local and international corporations, middle-market companies and small- and medium-sized enterprises (SMEs), individuals with high net worth, and the general consumer market.

2023 Awards and Recognitions

Metrobank strengthened its position as the premier financial institution in the country, known for providing high-quality services to its customers, as underscored by the variety of awards it earned in 2023.

During the year, The Asian Banker again named Metrobank the Strongest Bank in the Philippines, making it the first Philippine financial institution to hold the title for three consecutive years. Metrobank also got the 2023 Best Bank of the Year award from The Banker for the second consecutive year.

Metrobank brought home multiple achievements from notable global financial publications in 2023. Euromoney gave the bank the number one "Best Service" award for the Overall Financial Facilities and Medium Companies categories while placing second and fourth "Best Service" in the Overall Tech Provisions and Overall Services categories, respectively.

Asiamoney named Metrobank the "Best Domestic Bank," the "Best Service for Cash Management in the Philippines," the "Best Bank from the Ultra-High Net Worth," and the "Best Domestic Private Bank."

In The Asset's 2023 Benchmark Research, Metrobank garnered four awards: number one Top Investment House in Philippine Currency Bonds, Bank Category; number one Top Sell-side Firm in the Secondary Market in the Php Government Bonds and Corporate Bonds categories; and number two Top Arranger Investors' Choice for Primary Issues, Php Government Bonds category.

Locally, it was given the "Cesar E.A. Virata Award" under the Bank Category for the ninth year and it received five other Trading Awards because of its exceptional performance on fixed-income securities trading at the recently held 2023 Philippine Dealing System Awards Night.

Also during the year, Metrobank was cited as the Top Market Maker for Government Securities Eligible Dealers (GSED) by the Bureau of Treasury and was one of the 2023 Best Fixed Income Houses in the Philippines of the Fund Managers' Association of the Philippines (FMAP).

We Build a Business That Creates a Lasting Impact on Communities

Metrobank, the second largest private bank in the Philippines, consistently works towards enabling both corporate and individual clients achieve their business goals and maximize their potential.

We create and customize financial solutions to meet our stakeholders' needs, continuously expand our operational scope and reach, and lead in community service. This is our way of living up to our brand promise, "You're in Good Hands," embodying our customer-centric view.

Together with our subsidiaries, we aim to be the trusted partner of our valued customers by providing them with tailored products and services in new and meaningful ways.

Metropolitan Bank & Trust Company

Our key strategies are anchored on:

- enhancing customer experience
- expanding digital banking solutions
- improving operational efficiency
- having sound and effective corporate governance and risk and compliance management
- investing in people development

As the Parent company, Metrobank sets the tone for the overall strategy of the Group, directing management's focus with respect to near and long-term planning. Major initiatives implemented at the Parent level are always cascaded down to subsidiaries, ensuring the entire Group moves in cadence towards achieving a common goal.

Growth
We aspire to be the preferred bank of our valued customers and further boost our market share by being a client-obsessed, agile, and innovative organization. To achieve this ambition, we will:

- Maintain our dominance in the corporate and commercial segments, and further expand our retail customer base.
- Continue to expand our reach through new distribution channels, intensify our marketing campaigns, and further grow our presence in Metro Manila and in developing areas in the countryside to serve new markets and contribute to nation building.
- Acquire new customers by elevating customer experience, and offering relevant products and services with distinct features and strong value propositions.
- Continue to apply our effective pricing strategy framework to loan products to provide affordable yet competitive rates to our customers.
- Continuously review our credit policy to ensure this is updated and remains relevant to potential new target market, without compromising on credit quality.
- Deepen our existing client relationships by employing data mining anchored on a risk assessment framework. We will apply a targeted approach to identify customers who represent cross-selling opportunities, leading to a delightful client experience.

Customer Experience
Metrobank strives to provide exceptional customer experience, which we regard as a collective and shared responsibility of every Metrobanker. To meet this goal, we have adopted the following strategies and taken certain actions:

- We established the Customer Governance Committee to ensure customer protection standards are understood and followed across the organization.
- We require all Metrobankers to undertake relevant courses on Metrobank's Customer Protection Policy to promote customer experience and complaints-handling standards, and continuously build a culture of excellence across the organization.
- We invested in a Customer Feedback Management platform that enables us to quickly receive and evaluate customer feedback, and promptly resolve customer requests and complaints.
- We continue to roll out initiatives to enhance customer experience, such as undertaking process and structural changes in our Consumer Lending group's after-sales servicing, improving client responsiveness, and making the management of customer complaint cases more efficient.

Operational Efficiency
Continuously assessing our systems and processes across all stages of the customer journey remains a priority. We will evolve, optimize, and streamline these using process re-engineering, robotics, and automation to eliminate duplicate functions, reduce turnaround time, and improve cost-management. To this end:

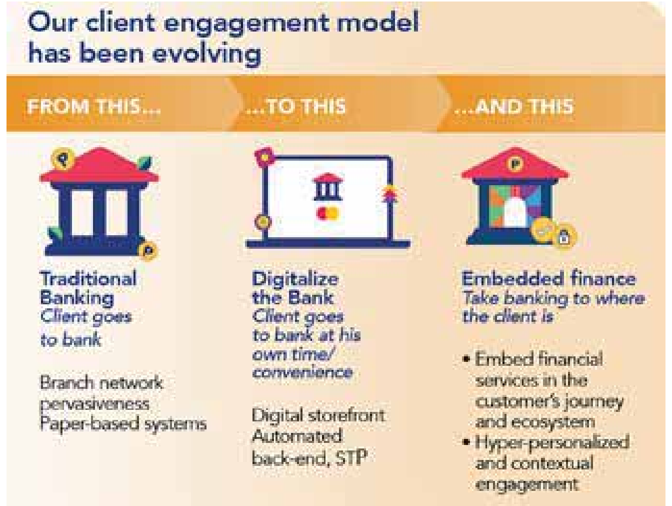
- We started to centralize the back-end processing of consumer lending for more effective process and service level management. Initiatives include transferring the administrative or non-customer facing functions from our branches to our front-liners, converting these customer touch points into more meaningful conversations such as product or investment advisory instead of just transactional servicing.
- We mounted a campaign to transition our retail and corporate clients into digital banking in order to give them the convenience of "anytime, anywhere" banking using secured online and mobile platforms.
- Together with our subsidiaries, we are keeping our IT infrastructure robust by continuously making substantial investments into IT projects and improving our data management and analytics to support the changing needs and preferences of our clients.

In support of our goal, our subsidiaries, First Metro Investment Corporation (First Metro), ORIX Metro Leasing and Finance Corporation (ORIX), and Philippine Savings Bank (PSBank), are also carrying out the initiatives to achieve enhanced operational efficiency.

Digital Initiatives
We recognize the need to keep in step with today's fast-changing digital environment and are thus evolving the way we engage with our customers.

Through digitalization, we aim to transition our customers from a multi-channel state (i.e., engagement is across various touchpoints of the Bank) to a mobile-enabled and omni-channel experience, enabling customers to avail of self-service options at their convenience. To achieve this goal:

- We are further enhancing and upgrading our digital platforms by migrating relevant branch services to digital channels.
- We plan to utilize QR codes in shifting our traditional sales channels to a digital application to reduce operational costs and streamline application process.
- For corporate clients, we will continuously enhance our Metrobank Business Online Solutions (MBOS), a seamless and secure end-to-end cash management facility that facilitates various business banking transactions servicing.
- To support our aspiration to become our customers' primary financial adviser, in addition to being their preferred bank, we are also digitally transforming our financial education initiatives.



Corporate Governance, Compliance, and Risk Management
Sound and effective corporate governance enables Metrobank to build a culture of integrity and sustain our business amidst a rapidly-evolving business environment. The Group maintains a steadfast view on compliance changes in the regulatory landscape and continuously strengthens its adherence to regulatory requirements through the following:

- Our Data Privacy Department, through its ongoing Privacy Impact Assessment, conducts end-to-end bank process reviews to identify potential issues on data privacy. It also implements required changes to align/standardize processes across all areas nationwide.
- The Group also aligns their products and services, as well as their operations, with the UN Sustainable Development Goals to comply with various regulations and ensure the viability and sustainability of our business models.

The Group aims to further improve its risk management framework by integrating best industry practices, as well as its understanding of risks, based on customer behavior.

- We continue to institutionalize risk awareness by aligning our risk management framework across the Group using a top-down approach. We will continuously conduct risk awareness training and mentoring programs so that every employee is equipped to identify and address potential risks, contributing to the overall resilience of the company.
- We will also continue to exercise prudence in risk management by adopting risk mitigation and controls in areas such as Anti-Money Laundering/Know Your Customer policy, lending and deposit-taking, automation of client pre-transaction notifications, generation of billing statements, and the use of clients' digital signatures.

People Development
We believe that an engaged workforce ultimately leads to satisfied customers:

- We continuously invest in people development by strengthening the professional development program of our employees, equipping them with the necessary skills training and knowledge transfer they need to perform their jobs effectively. These trainings/ workshops are in areas such as communication and presentations skills, critical and analytical thinking, product and project management, and leadership.
- We will establish specific work-related Key Result Areas (KRAs) to guide employees on how they can positively impact the organization, and for the Bank to properly monitor employee performance.

Meaningful Banking
We are firmly focused on our growth and core business objectives anchored on delivering "Meaningful Banking" to our clients through relevant financial solutions, best-in-class customer experience, and secured and efficient operations. All these are guided by our mission, vision, and values to deliver on our brand promise, "You're in Good Hands with Metrobank" to our customers, employees, and all our stakeholders.

Toyota Motor Philippines

(Left)
ALFRED V. TY
Chairman

(Right)
ATSUHIRO OKAMOTO
President

Toyota Motor Philippines Corporation (TMP) is a strategic alliance between GT Capital Holdings, Inc., and Toyota Motor Corporation of Japan. As the leading automotive company in the Philippines, TMP is involved in the assembly, importation, and comprehensive wholesale distribution of Toyota and Lexus vehicles, offering an unmatched variety of product offerings, with 25 Toyota and 13 Lexus models.

OBJECTIVES	STRATEGY	KEY METRICS AND TARGETS	2023 ACHIEVEMENTS
Short-term	• Maintain leadership in the Philippine Aarket	• Number 1 passenger car, commercial vehicle, and overall sales	• Achieved the 22nd consecutive Triple Crown for maintaining the position as number 1 in passenger car, commercial vehicle, and overall sales • 48% Market Share
	• Cost management to cushion the impact of COVID-19 pandemic	• Stable revenue growth and income	• 24% year-on-year growth in consolidated revenues (2023 vs 2022) • 145% increase in consolidated income versus 2022
	• Strengthen fundamentals	• Overall safety, quality, efficiency competitiveness • Performance excellence through the Philippine Quality Award's (PQA) principles of Total Quality Management	• Achieved all Safety KPIs, including Zero Fire Incident and Zero Critical Incident
Medium-term to long-term	• Participation in the Philippine government's CARS program with the Vios Completely Knocked Down (CKD) model	• 200,000 Vios units produced by 2026 (starting 2018) • Net positive impact to manufacturing output and national economy	• Achieved 90% of the 200,000 CARS volume requirement
	• Local production of TMP's 3rd CKD model, the IMV 0 or 'Next Generation Tamaraw' Light Commercial Vehicle (LCV)	• Share of locally produced IMV 0 (Tamaraw) in the LCV segment	• PHP 1.1-billion additional Investment of vehicle conversion capability • Unveiled IMV 0 prototypes to public
Medium-term to long-term	• Transformation of traditional business (automotive manufacturing and distribution)	• No. 1 in customer satisfaction and retention • Introduction of 'new mobility solutions' based on the areas CASE – Connected Cars, Autonomous Driving, Shared, Electrified • Wider demographic reach leading to less urban congestion and balanced economic growth nationwide • MSMEs reached to support operational efficiency and overall growth	• Piloted the 'Toyota Community Shuttle' program in the cities of Santa Rosa and Pasay to demonstrate free-app based (myTOYOTA Shuttle PH) on-demand shuttle system to public
	• Organizational transformation	• Increased number of experts and trainers • National recognition for being "one of the best employers/ workplaces in the Philippines"	
	• Decarbonization and multi-pathway electrification	• Zero carbon dioxide emissions at TMP's manufacturing plant by 2035 • 100% Renewable Energy (RE) use before 2035 • Electrified mobility product line-up expansion across various segments	• Achieved 100% RE ratio at Santa Rosa manufacturing plant, neutralizing the company's Scope 2 C02 emissions • Addition of the Yaris Cross and Zenix models in the Toyota HEV product line-up • Introduction of the Lexus RX 450 e, the Company's first BEV model in the market • Launch of KINTO One program offering HEV models

IFRS S1: 29, 46-52, IFRS S2: 14, 27-37

Toyota Motor Philippines

TMP's extensive dealership network includes 74 outlets nationwide, including a Lexus dealership in Bonifacio Global City, Taguig. The corporate headquarters and assembly plant are located in the 82-hectare Toyota Special Economic Zone in Santa Rosa City, Laguna, a facility best known for assembling the Vios, the country's best-selling passenger car, and the Innova, a highly popular multi-purpose vehicle, with an annual production capacity of over 54,000 units.

In 2023, marking its 35th year of operations, TMP maintained its position as the top automotive brand in the country, capturing a significant 47% share of the overall market. The company introduced new models, including the All-New Alphard Hybrid Electric Vehicle (HEV), the All-New Toyota Yaris Cross HEV—heralded as the "Most Affordable HEV yet"—the All-New Toyota Zenix HEV, the new Hilux GR-Sport, and the All-New Toyota Wigo. With a wide range of HEVs in its lineup, TMP is aggressively stepping up its efforts to expand its footprint in electrified mobility.

Amid a resurgent post-pandemic automotive market, TMP continued the growth momentum it built the previous year, with sales exceeding pre-Covid levels by 24%. The recovery of automotive sales in 2023 was aided by the normalization of the country's vehicle supply chain, the launch of new models, and the revitalization of consumer financing for automobiles.

2023 Awards and Recognitions

TMP secured its 22nd consecutive Triple Crown Award in 2023, finishing the year as the leader in passenger car sales, commercial vehicle sales, and overall sales. In addition, the company was recognized for its significant contributions beyond the automotive industry, showcasing its commitment to corporate social responsibility and economic support in the Philippines.

Notably, TMP was recognized by the Bureau of Customs (BOC) for its customs revenue contributions as one of the country's Top Three Importers. This also recognizes TMP for its substantial remittance of Php34.6 billion in duties and taxes in 2022, significantly bolstering the BOC's positive collection performance. This accolade underscores TMP's role not only as a leader in the automotive sector but also as a key contributor to the nation's economic vitality.

Furthermore, TMP's commitment to compliance and civic duty was highlighted through the Outstanding Taxpayer Award 2023, bestowed by the provincial government of Laguna. This award acknowledges TMP's consistent, diligent, and responsible approach to tax payments, reinforcing the company's reputation as a steadfast corporate citizen.

Through its commitment to transparency and accountability, TMP demonstrates responsible corporate governance, contributing positively to the local business environment. These recognitions serve to underscore TMP's role in supporting both the automotive sector and the broader economic and social landscape of the Philippines.

TMP's electrified vehicle line-up

Advancing Towards Sustainable Mobility Solutions

In alignment with its vision to transition into a mobility company and enhance car usership across the country, TMP introduced the Toyota Community Shuttle (TCS) Program in the cities of Santa Rosa, Laguna and Pasay, Metro Manila. This 'libreng sakay' (free ride) initiative is part of TMP's commitment to innovative mobility solutions and supportive of the city governments' respective drive to build a 'sustainable community' or 'eco-city.'

Accessible through the 'myTOYOTA Shuttle PH' mobile application, developed by Toyota Mobility Solutions Philippines, Inc. (TMSPH), this flagship service platform enables efficient on-demand shuttle management. It simplifies route planning and seat reservation, allowing commuters to book rides via personal devices, track the shuttle's location in real-time, and view expected arrival times. TMP anticipates that this initiative will pave the way for new mobility opportunities, benefiting the local communities at large.

TMP's Rent a Car service

Embracing Renewable Energy

As part of its efforts to achieve carbon neutrality, TMP has entered into a Retail Supply Contract (RSC) with a domestic supplier to procure electricity generated from renewable sources for its manufacturing processes. This initiative enables TMP to attain a 100% Renewable Energy (RE) ratio for its manufacturing plant by covering around 90% of its total electricity needs, with the remainder being met by an existing 1.46-megawatt rooftop solar power system on site.

This achievement is a notable milestone for TMP and its commitment to address climate change, as it positions its Santa Rosa plant as a leading and early achiever of the 100% RE ratio target among Toyota manufacturing plants in the ASEAN region.

TMP's 1.46-MW Solar Array project

GT Capital Auto & Mobility Holdings, Inc.

GTCAM
GTC Auto & Mobility Holdings
A WHOLLY-OWNED SUBSIDIARY OF GT CAPITAL HOLDINGS, INC.

VICENTE SANIEL SOCCO
Chairman

GT Capital Auto and Mobility Holdings, Inc. (GTCAM), a fully owned subsidiary of GT Capital, manages the conglomerate's automotive and mobility investments. Fully aligned with GT Capital's holistic strategy towards economic development and nation-building, GTCAM plays a pivotal role in aiding motorization and providing access to mobility for every Filipino through its strategic partnerships in both the new and used car sectors.

Business Strategy

GTCAM will continue to enhance its synergistic, collaborative, and innovative contributions in automotive retail distribution, after-sales, pre-owned cars, value chain services, and new mobility solutions through its ownership of Toyota dealerships. These initiatives will be executed by leveraging advancements in digital sales, increasing customer retention, broadening revenue channels, and maximizing profitability across its affiliated dealers.

GTCAM is also looking to further increasing and establishing its footprint in the used car market by providing a high-level of quality, value, professionalism, and transparency in an otherwise highly fragmented sector through its strategic ventures in the auto auction and warranty businesses.

Growth Initiatives

Over the medium and long term, GTCAM will support GT Capital's overarching business strategy of expanding existing sectors, exploring new sectors and enhancing synergy by continuing to explore new dealer investments that are in line with Toyota Motor Philippines' expansion plans, re-shaping its portfolio through further strategic partnerships in adjacent sectors and growth areas of the new and used car value chain, and enhancing its role as an active investor through more group-wide synergies and projects.

Federal Land, Inc.

(Left)
ALFRED V. TY
Chairman

(Right)
WILLIAM THOMAS F. MIRASOL
President

Federal Land, Inc. (Federal and), a leading property developer in the Philippines and a wholly owned subsidiary of GT Capital, has been at the forefront of the real estate industry for over 50 years. Federal Land has consistently introduced and completed groundbreaking projects, spanning vertical and horizontal developments, including master-planned and multi-use townships in prime locations across the country.

Yume at Riverpark

In 2023, Federal Land marked another significant year of growth and innovation in the country through a series of ten signature launches.

New Homes Designed for Inspired Living

First among these launches is the second tower of The Grand Midori Ortigas, epitomizing the essence of Zen living in the heart of Ortigas Center. Federal Land unveiled the highly anticipated addition to the two-tower residential complex designed to embody mindfulness and tranquility.

Smart Value Homes by Horizon Land

Under its smart value brand, Horizon Land, Federal Land launched Quantum Residences - Amber Tower and Siena Towers - Tower 2, which cater to the aforementioned smart-value segment. Quantum Residences, a three-tower condominium along Taft Avenue in Pasay City, promises strategic urban living near major city districts and thoroughfares, while Siena Towers in Marikina City offers modern residential comforts in a two-tower complex. These developments underscore Horizon Land's dedication to providing fresh new inventory of diverse living solutions that cater to various lifestyles and preferences thus further cementing Federal Land's status as a key player in the Philippine real estate industry.

Multi-use, Masterplanned Communities by Federal Land

Last year also marked the debut of Federal Land Communities (FLC), the developer's pioneering venture into fully-integrated developments with a portfolio of ten townships, including existing and upcoming communities. Among them are the innovative Grand Central Park in Bonifacio Global City, the Met Park in Pasay City, and a burgeoning community in Marikina.

FLC's development expansion continued with the unveiling of Riverpark, a sprawling 600-hectare township in General Trias, Cavite, which sets a new benchmark for integrated living environments.

A New Slice of Japan in Manila

Federal Land has undertaken numerous projects through strategic alliances with best-in-class international companies. These collaborations include partnerships with prominent Japanese organizations, such as Nomura Real Estate Development Co., Ltd. (NRE), ORIX Corporation, and Isetan Mitsukoshi Holdings Ltd., in addition to global partners such as the Hyatt Hotels Corporation from the United States and Marco Polo Hotels based in Hong Kong.

Federal Land launched the fourth and final tower of The Seasons Residences in Bonifacio Global City. Meant to bring a slice of Japan to Manila, the well-thought-out vertical development was conceptualized in partnership with NRE and Isetan Mitsukoshi Holdings.

Japanese Shopping Experience

At the podium of The Seasons Residences, MITSUKOSHI BGC finally opened through a Grand Opening Matsuri – showcasing a plethora of lifestyle options the iconic 350-year-old Japanese brand can offer.

In time for the grand opening, two of Japan's beloved fashion labels debuted in the country at MITSUKOSHI BGC. SNIDEL and FRAY I.D offer consumers sophisticated outfits

Federal Land, Inc.

with a Japanese flair. The two brands are known to bridge modernism, functionality, and art with their "street meets formal" concept design.

Testament to Philippines-Japan's Enduring Friendship

Federal Land NRE Global Inc. (FNG), a synergistic partnership between Federal Land and NRE, introduced its brand with a focus on merging Japanese innovation with Filipino sensibilities. The Observatory, FNG's debut project, is a residential complex set to redefine urban living in Mandaluyong City. It is strategically positioned within a short distance from the country's major business districts. The new joint venture company also launched Yume at Riverpark, an 18-hectare Japanese-inspired neighborhood within Federal Land's expansive Riverpark township in Cavite. The horizontal residential project aims to bring an added touch of Japanese elegance and design philosophy to the Philippine landscape. These developments are part of Federal Land and NRE's broader initiative to infuse global cultural style into local communities.

Promises Fulfilled

Federal Land marked another key construction milestone during the year with the topping-off ceremony of the Tower 2 of The Grand Midori Ortigas in Ortigas Center, Pasig City, and the Peony Tower, the third tower of the Four Season Riviera development in Binondo, Manila. These events signify the structural completion of these residential towers, moving closer to the completion of new, high-quality living spaces in historic areas of the capital.

In addition to construction milestones, the developer celebrated project completions and unit handovers for Mi Casa Tower 1 in Bay Area, Times Square West in BGC and Marco Polo Residences Tower 4 in Cebu – fulfilling the promise to homeowners and stakeholders across the country.

Recognition of Excellence

In a remarkable year of achievements, Federal Land and its subsidiaries received multiple prestigious awards, highlighting their leadership in the Philippine property sector. Grand Hyatt Manila Residences South Tower, developed by Federal Land subsidiary North Bonifacio Landmark Realty and Development, Inc., won the "Five-Star Award for Best Residential High-Rise Development in the Philippines" at the 2023–2024 International Property Awards—Asia Pacific Region in Bangkok, Thailand.

MITSUKOSHI BGC

The Observatory, Mandaluyong

The Grand Midori, Ortigas

This recognition reflects Federal Land's successful collaboration with ORIX Corporation to introduce Southeast Asia's first Grand Hyatt-branded residential condominium.

Federal Land Communities Launch. (From left to right): Stephen Comia, Federal Land, Inc. Project Development Group Head; Thomas Mirasol, Federal Land President and COO; Francisco Sebastian, GT Capital Holdings Chairman; Yusuke Hirano, Federal Land NRE Global, Inc. Vice Chairman; Alvin Ty, Federal Land Technical Execution Group Head; and Carmelo Bautista, GT Capital Holdings President.

Federal Land was also recognized at the 11th Property Guru Philippines Property Awards, where the developer secured a total of nine awards. These included prestigious titles such as "Best Developer-Luzon" and "Best Mixed-Use Developer." The Grand Hyatt Manila Residences South Tower was hailed as the "Best Branded Residential Development," while MITSUKOSHI BGC again received accolades for both "Best Retail Development" and "Best Retail Interior Design." Other projects like The Grand Midori Ortigas and Quantum Residences also received commendations, highlighting Federal Land's diverse portfolio and its impact on elevating living and shopping experiences in the country.

The Property Guru Asia Property Awards Grand Finals further celebrated Federal Land's industry leadership with two Best in Asia titles. The developer's Grand Hyatt Manila Residences South Tower was recognized as the "Best Branded Residential Development in Asia." Meanwhile, MITSUKOSHI BGC was awarded "Best Retail Interior Design in Asia," showcasing Nomura Co. Ltd.'s design that blends traditional Japanese elements with a modern shopping experience.

As country winners representing the Philippines, Federal Land received honors in several categories. The Grand Midori Ortigas was awarded the "Best Condo Architectural Design in the Philippines" for its Zen-inspired aesthetics and design. MITSUKOSHI BGC, in turn, was named the "Best Retail Development in the Philippines." Additionally, Federal Land received recognition as the "Best Mixed-Use Developer in the Philippines," underscoring its commitment to building multi-use versatile living spaces, as seen in the Riverpark township in Cavite.

Strategic Growth and Partnerships: Elevating Urban Development

In 2024 and beyond, Federal Land aims to enhance its market presence and brand equity by further diversifying its product offerings and forming more strategic partnerships, as it achieved with Nomura, a collaboration poised to leverage years of combined real estate expertise to transform urban development in the country.

Federal Land's strategy focuses on expanding its market share by improving customer experience, innovating product lines for inclusivity, and boosting profitability and cash flow by increasing revenue from its existing portfolio, thereby strengthening its position and brand in the industry.

AXA Philippines

(Left)
SOLOMON S. CUA
Chairman

(Right)
BERNARDO RAFAEL SERRANO LOPEZ
President

Since its establishment in 1999, AXA Philippines has grown into one of the country's leading and fastest-growing insurance companies, offering financial protection to over a million individuals through a diverse portfolio of group and individual life insurance, along with general insurance offerings.

AXA Philippines is one of the first to introduce bancassurance services in the country and was one of the first to offer investment-linked insurance products, reinforcing its leading position in the market.

The company currently offers a comprehensive suite of insurance and financial security products tailored to meet the varied needs of its clientele. This includes options for savings and investments, healthcare coverage, income protection, and an array of general insurance services such as fire, motor, marine cargo, personal accident, bonds, casualty, and engineering insurance solutions.

AXA Philippines is a joint venture between the AXA Group, headquartered in Paris, France, GT Capital, a leading conglomerate in the Philippines, and Metrobank, one of the country's largest financial institutions.

The company operates over 50 dedicated offices and is present in the 949 Metrobank and PSBank branches across the country.

AXA Philippines ended 2023 with a consolidated net income of Php2.6 billion from its life and general insurance operations. AXA currently has over 7,000 financial advisors in its own network and 4,000 financial executives in Metrobank and PSBank branches nationwide.

In 2023, AXA Philippines expanded its offerings with enhanced new products. The introduction of Asset Protect, a seven-year endowment insurance plan, provides investors with protection against market fluctuations and guaranteed annual cash endowments. Furthermore, the company upgraded its AXA MyLifeChoice plan, delivering comprehensive life coverage, including benefits for accidental injuries, critical illness protection, and investment opportunities to support desired lifestyles and ensure future financial security.

AXA Philippines also launched the Global REIT and Property Income Fund via Asset Master, allowing local investors access to global real estate markets in sectors such as communication infrastructure, data centers, and healthcare facilities. This fund offers a minimum of 125% life insurance coverage, ensuring legacy protection and smooth wealth transfer to heirs, highlighting AXA Philippines' commitment to innovative investment solutions and enhanced financial security for its clients.

In 2023, AXA Philippines also partnered with some of the largest companies in the country. Metrobank offered an exclusive deal in its first travel and lifestyle fair with a special 20% discount for the AXA Smart Traveler, a plan with comprehensive coverage against travel inconveniences. Together with Toyota Motor Philippines (TMP), AXA launched the first Pay-How-You-Drive car insurance, Connected Toyota Insure (CTI), accessible via the myToyota App. This initiative rewards safer driving with potential premium discounts, encouraging better driving habits while offering a unique value proposition for insurance customers.

AXA Philippines also partnered with GCash, the leading mobile wallet app in the Philippines, for SMS Insure, an insurance product that provides financial protection in the event of hospitalization, accidents, or death.

PSBank offers distinctive programs integrating AXA Health Start Lite for comprehensive protection against three major critical conditions, namely cancer, stroke, and heart attack. With "Ikaw at Auto Mo, Sagot Ko," customers can add this health insurance to their PSBank Auto Loan, providing a lump sum cash benefit for medical needs or to cover remaining auto loan payments. Similarly, "Protektadong Bahay at Buhay" combines a home loan with health insurance, offering the same critical illness protection and financial support to manage medical bills or home loan amortizations.

AXA launched its global campaign, "Being a woman should not be a risk" in the Philippines, focusing on empowering women through financial literacy and business ownership opportunities. The campaign, aligned with AXA's vision that "the future should not be a risk," aims to bridge protection gaps and enhance women's well-being with specialized healthcare and critical illness products, such as Global Health Access (GHA), Health Care Access (HCA), Health Max, and Health Start, addressing their unique needs.

2023 Awards and Recognitions

AXA Philippines received several significant recognitions in 2023, winning two golds at the Reader's Digest Trusted Brands Awards for its Smart Traveler and Health Care Access (HCA) critical illness plans. Additionally, the company's "Make Time for Me Time" campaign, encouraging women to focus on their health, and won the Health Marketing Initiative of the Year at the Insurance Asia Awards 2023.

Moreover, AXA Philippines set industry standards by receiving the Excellence Award in the Industrial Safety Awards 2023 for its commitment to employee safety. Its Transformation and Technology team was recognized as the Team of the Year at the CIO 100 Awards for their efforts in digital transformation. Furthermore, the company was recertified as a Great Place to Work, with an increased survey score from the previous year highlighting the growing trust and satisfaction among its employees.

IFRS S1: 29, 46

Metro Pacific Investments Corporation

MANUEL V. PANGILINAN
Chairman and President

Metro Pacific Investments Corporation (MPIC) is the leading infrastructure holding company in the Philippines. The Company builds and operates some of the Philippines' most critical infrastructure assets and facilities in power, water, toll roads, light rail, healthcare, and agriculture through various investments and partnerships.

Some of MPIC's Operating Companies, clockwise from top left: Manila Electric Company, Metro Pacific Tollways Corporation, Light Rail Manila Corporation, Metro Pacific Health, Maynilad Water Services

Its operating companies include Manila Electric Company, Metro Pacific Tollways Corporation, Maynilad Water Services, MetroPacWater Investments Corporation, Light Rail Manila Corporation, METPower Venture Partners, Metro Pacific Health, Landco Pacific Corporation, Philippines Coastal & Storage Pipeline Corporation, Metro Pacific Health Tech Corporation, and Metro Pacific Agro Ventures, Inc.

Since its incorporation, MPIC has always channeled its investments into vital public infrastructure to widen the Philippines' access to essential services. It views the challenges of an emerging market and a developing economy as opportunities for impact investing and private-sector-driven sustainable growth.

Every day, MPIC provides high-quality, affordable vital services that make a difference in the lives of millions – powering commerce and households, connecting people and places, supplying clean and safe water, offering world-class healthcare services, and helping alleviate food security challenges.

2023 Awards and Recognitions

The following is a snapshot of Metro Pacific's awards and recognitions in 2023. During the year, the company:

— Received the Gold Award for the First Time category at the 8th Asia Integrated Reporting Awards (AIRA), widely considered the most distinguished accolade for integrated reporting in the region. The company was recognized alongside other integrated reporting leaders in Asia. The company's inaugural integrated report, which outlines its value creation journey, adheres to international frameworks and standards, meeting the expectations of its investors and shareholders.

— Earned six coveted recognitions for corporate governance, investor relations, and corporate social responsibility at the 13th Asian Excellence Awards 2023 of Corporate Governance Asia. The awards were: Best CEO (Investor Relations) for Mr. Manuel V. Pangilinan, Best CFO (Investor Relations) for Ms. Chaye Cabal-Revilla, Best Corporate Social Responsibility, Best Investor Relations Professional for VP for Investor Relations Maricris Aldover-Ysmael, Best Investor Relations Company (Philippines), and Best Environmental Responsibility.

Metro Pacific Investments Corporation

The Asset Triple Awards

The Asset Triple Awards

Quill Excellence Award for Communication Skills

— Won the Gold Anvil during the 59th Anvil Awards for its 2022 Integrated Report titled "Investing in the Filipino" in the PR Tools: Publications category. The company also secured the Silver Anvil in the PR Programs: Employee Engagement category for its significant positive impacts and contributions through the Metro Pacific Internal Sustainability Campaign.

— Bagged a 3-Golden Arrow Award at the Institute of Corporate Directors (ICD) 2022 ASEAN Corporate Governance Scorecard (ACGS) Recognition Ceremony. The ICD is the leading institution in the field of corporate governance in the Philippines, and a national and regional resource for corporate governance policy advocacy, discussions, and training for directors.

— Was given Asia's Best Employer Brand Award 2023 for the company's outstanding HR best practices in employer branding at the 2023 Employer Brand Awards. This accolade highlights the company's effective implementation of marketing communications strategies for attracting, retaining, and fostering overall employee engagement. The awards were organized by the Employer Branding Institute, World HRD Congress, and Stars of the Industry Group.

— Maintained a low-risk profile in 2023, according to Sustainalytics assessments. This achievement reflects the company's commitment to environmental, social, and governance (ESG) principles, underpinning its strategic operations and business practices. Maintaining such a low-risk rating indicates Metro Pacific's effective management of ESG-related risks, showcasing its leadership in sustainable and responsible business conduct within the industry.

— Remained a certified constituent company of the FTSE4Good Index Series for the second straight year. The FTSE4Good Index Series is a series of benchmark and tradable indexes for ESG investors. FTSE Russell's ESG scores and data model allow investors to understand a company's exposure to, and management of, ESG issues in multiple dimensions.

Business Strategy

MPIC stands out for its focus on sustainable development and inclusive growth, investing in sectors critical for the long-term advancement of developing nations like the Philippines. MPIC leverages innovative models and public-private partnerships to foster large-scale solutions and entrepreneurial initiatives.

Central to its strategy are sustainability and the enhancement of the quality of life, guiding its investments to positively impact communities and ecosystems while navigating regulatory challenges and market volatility. The company actively engages with governmental bodies and communities to fulfill its commitments and promote supportive regulatory frameworks for sustainable business practices.

Acquisition and Development of Businesses

MPIC takes a meticulous approach to evaluating new investments, initiating in-depth due diligence to scrutinize every facet of the potential venture. This process involves a critical assessment of risks, financial outcomes, and the formulation of dispute resolution measures to ensure comprehensive risk management.

Sustainability stands at the forefront of MPIC's investment criteria, with a keen analysis of economic, environmental, social, and governance dimensions to ascertain that the company's investments not only foster long-term value but also bolster economic development and meet the aspirations of its stakeholders. As a utility service provider, the company strives to offer cost-effective products and services while ensuring it remains profitable and capable of sustainable value creation over time.

Transition and Asset Management

MPIC is committed to maintaining the highest standards of integrity and transparency in its operations, especially concerning new investments. The company ensures strict adherence to all applicable laws and regulations, diligently manages and enhances its assets, and protects its workforce and the broader public interest. Investment decisions are based on the financial stability of the target entity and Metro Pacific's fiscal capabilities.

Although MPIC focuses primarily on the Philippines, it also seeks opportunities in Southeast Asia, particularly those that promise to augment its intellectual and social capital, preferring partnerships with reputable, influential local firms that share risk and commit necessary resources.

Value Realization and Divestments

MPIC is dedicated to creating and enhancing value for its customers and the communities it serves by actively seeking new investment opportunities. The company emphasizes improving the quality, efficiency, and accessibility of its infrastructure assets, working closely with regulators to ensure alignment with communal and societal objectives.

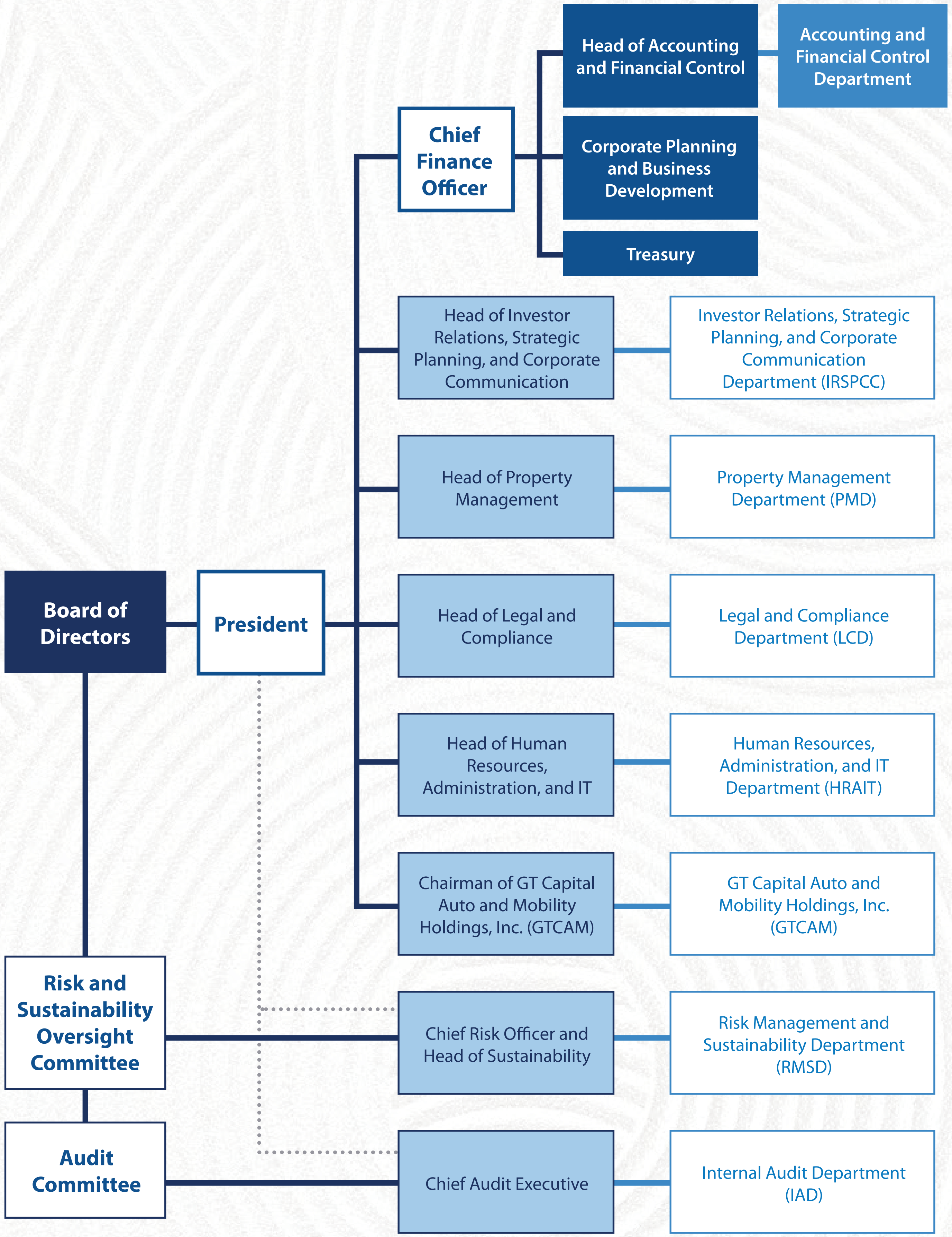
As investments mature, the company balances the interests of its shareholders with the needs and well-being of the public, managing its assets and operations to support both financial success and societal benefits.

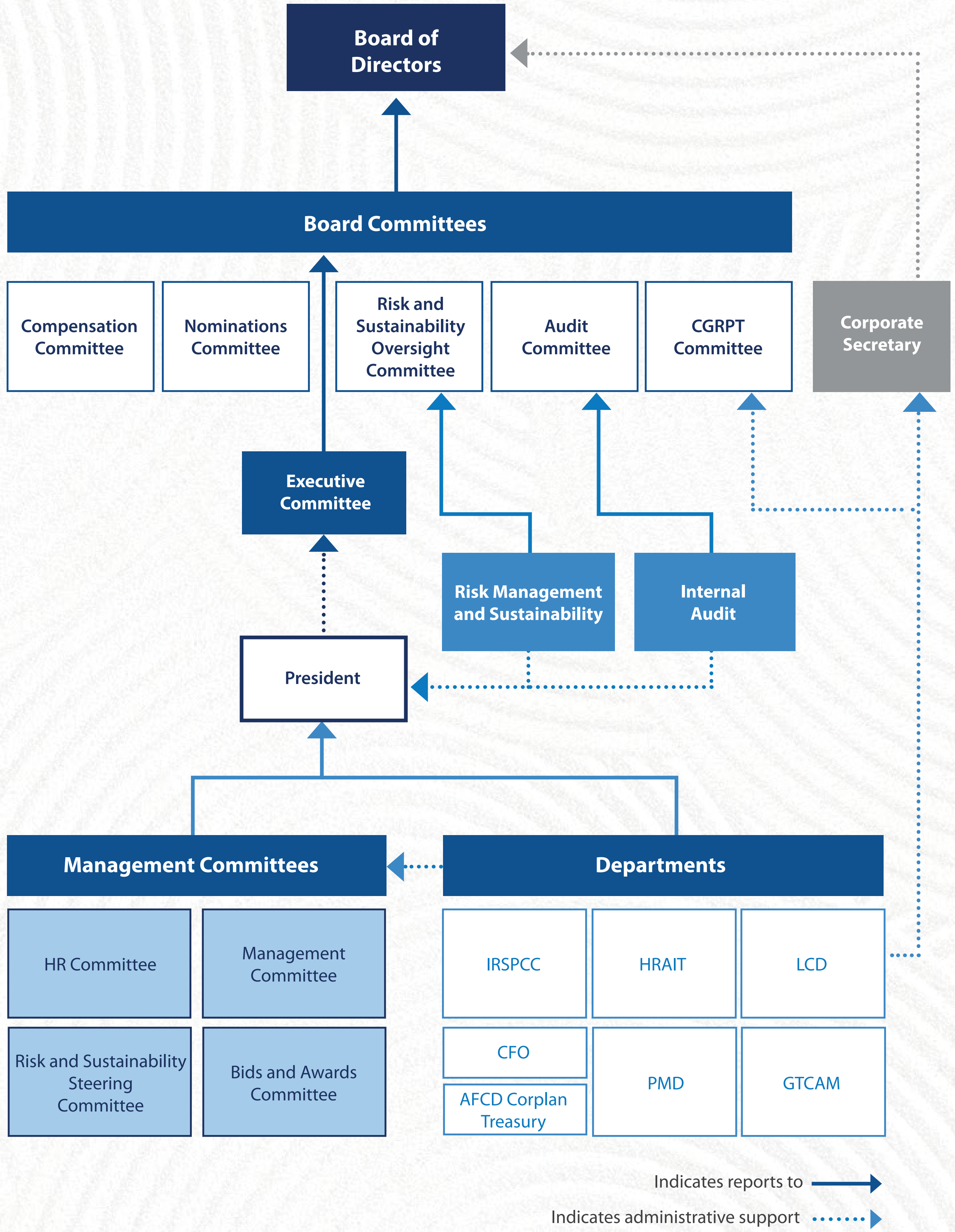
MPT South solar panels

ESTII's Visayas operations

Corporate Governance

GT Capital Organizational Structure





GRI: 2-13, 2-14, IFRS S1: 27, IFRS S2: 6

Board of Directors

FRANCISCO C. SEBASTIAN
Chairman

ALFRED V. TY
Vice Chairman

ARTHUR V. TY
Director

MARY VY TY
Board Adviser

CARMELO MARIA LUZA BAUTISTA
Director

ATTY. REGIS V. PUNO
Director

DR. DAVID T. GO
Director

GRI: 405-1, SASB: FN-AC-330a.1

GRI: 405-1, SASB: FN-AC-330a.1

Board of Directors

RENATO C. VALENCIA
Lead Independent Director

CARLOS G. DOMINGUEZ III
Independent Director

RENE J. BUENAVENTURA
Independent Director

GIL B. GENIO
Independent Director

CONSUELO D. GARCIA
Independent Director

JAIME MIGUEL G. BELMONTE
Board Adviser

GUILLERMO C. CHOA
Board Adviser

PASCUAL M. GARCIA III
Board Adviser

Board of Directors

Francisco C. Sebastian

Francisco C. Sebastian, 69 years old, Filipino, was re-elected as Chairman of GT Capital Holdings, Inc. in May 2022. Prior to assuming this post, he was co-Vice Chairman of GT Capital since May 2016. He was appointed in 1997 as president of the investment banking arm of the Metrobank Group, First Metro Investment Corporation, a position that he held for 13 years, and as chairman for another 12 years. He continues to serve as First Metro's senior adviser today. Mr. Sebastian concurrently serves as Vice Chairman of Metrobank since 2006. He is also a director of Metro Pacific Investments Corporation (MPIC), and Federal Land, Inc. Mr. Sebastian started his financial career when he was seconded by Ayala Investment and Development Corporation to Hong Kong in 1977 in Ayala International Finance Limited and subsequently Filinvest Finance (HK) Ltd. until 1984. He then started his own corporate and financial advisory firm, Integrated Financial Services Ltd. (HK), which he owned and managed until his return to the Philippines to join the Metrobank Group in 1997. He earned his Bachelor of Arts in Economics (Honors) from the Ateneo de Manila University and graduated Magna Cum Laude in 1975.

Alfred V. Ty

Alfred V. Ty, 56 years old, Filipino, has been Vice Chairman of GT Capital since February 14, 2012 and has served as a Director of the Corporation since 2007. He is also a Director of Metropolitan Bank and Trust Company (Metrobank), Chairman of Toyota Motor Philippines Corporation (TMP), and Chairman of Federal Land, Inc. He graduated from the University of Southern California in 1989 with a degree in Business Administration. Some of his other current roles and positions include: Vice Chairman of Metro Pacific Investments Corporation, Member of the Board of Trustees and Vice Chairman, Metrobank Foundation, Inc.; Chairman, Toyota Motor Philippines Foundation (TMPF); and Member of the Board of Trustees and President, GT Foundation, Inc. (GTFI).

Arthur V. Ty

Arthur V. Ty, 57 years old, Filipino, is a Director of GT Capital Holdings, Inc. Prior to this, he served as the Chairman of GT Capital from 2012 until 2014 and again from 2016 until 2022. He was also the Corporation's Vice Chairman since its inception in 2007 before assuming the Chairmanship in 2012. He was the President of Metropolitan Bank and Trust Company (Metrobank), a listed company, from 2006 to 2012 and was appointed as its Chairman in April 2012. He also serves as the Chairman of Metropolitan Bank (China) Ltd., Inc., GT Foundation, Inc., and Metrobank Foundation, Inc.; Vice Chairman and Director of Philippine Savings Bank (PSBank), a listed company. He is also a Director of Federal Land, Inc. He earned his Bachelor of Science degree in Economics from the University of California, Los Angeles and obtained his Master in Business Administration degree from Columbia University, New York in 1991.

Mary Vy Ty

Mary Vy Ty, 83 years old, Filipino, was appointed as Board Adviser of GT Capital in June 2014. Prior to this, she served as the Corporation's Treasurer since its incorporation in 2007. Mrs. Ty has more than 50 years of experience in banking and general business. She currently holds the following positions: Board Adviser, Metropolitan Bank & Trust Company (Metrobank); Adviser, Metrobank Foundation, Inc. and Federal Land, Inc.; Adviser, Manila Medical Services, Inc.; Director, Grand Titan Capital Holdings, Inc. Previously, Mrs. Ty held the position of Director for First Metro Investment Corporation. She earned her collegiate degree from the University of Santo Tomas.

Carmelo Maria Luza Bautista

Carmelo Maria Luza Bautista, 66 years old, Filipino, assumed the role of President and Director of GT Capital in 2011. Prior to his election, Mr. Bautista joined First Metro Investment Corporation (FMIC) in April of 2008 as Executive Director and was appointed as Chairman of the Risk Management Committee. He later assumed the position of Head of FMIC's Investment Banking Group in 2009. Mr. Bautista has been in the Banking and Financial Services sector for 45 years. Some highlights of his previous scope of responsibilities over this period include: Program Director at Citibank Asia Pacific Banking Institute; Vice President and Head of the Local Corporate and Public Sector Groups at Citibank-Manila; Vice President-Real Estate Finance Group, Citibank N.A.-Singapore Branch; Vice President-Structured Finance at Citibank N.A.-Singapore Regional Office; Country Manager of ABN AMRO Bank-Philippines; and President and CEO of Philippine Bank of Communications (PBCOM). Mr. Bautista has a Master's degree in Business Management from the Asian Institute of Management, where he graduated in the Dean's Citation List. He also has a Bachelor's degree, Major in Economics, from the Ateneo de Manila University. Mr. Bautista currently serves as Chairman of Toyota Financial Services Philippines Corporation (TFSPH), as well as Director of Federal Land, Inc., Toyota Motor Philippines Corporation (TMP), AXA Philippines, GT Capital Auto and Mobility Holdings, Inc. (GTCAM), Toyota Subic, Inc., GT Mobility Ventures, Inc., and Toyota Manila Bay Corporation (TMBC). He is also an Adviser to the Board of Trustees of GT Foundation, Inc. and an Independent Director of Vivant Corporation, a listed company.

Atty. Regis V. Puno

Atty. Regis V. Puno, 65 years old, Filipino, assumed the role of Director and Member of the Audit Committee of GT Capital in 2018. He is currently the General Counsel and Corporate Secretary of Metropolitan Bank & Trust Company (Metrobank). In addition, he is also Of Counsel of Angara Abello Concepcion Regala & Cruz Law Offices (ACCRALAW). He was formerly a Senior Partner of Puno & Puno Law Offices and formerly Undersecretary of the Department of Justice. Atty. Puno has a Master of Laws Degree from the Georgetown University Law Center, Washington D.C., U.S.A. He obtained his Bachelor of Laws degree from the Ateneo de Manila University, where he graduated with honors, and has a Bachelor's degree in Economics from the University of the Philippines. He is currently a Director of Lepanto Consolidated Mining Co. and LMG Corporation (formerly LMG Chemicals Corporation), both publicly listed companies.

Dr. David T. Go

Dr. David T. Go, 70 years old, Filipino, has been a Director of GT Capital since May 2014. He garnered his Doctor of Philosophy degree in International Relations from New York University in 1982. He currently serves as Vice Chairman and Treasurer of Toyota Motor Philippines Corporation (TMPC). He is also the Vice Chairman of Toyota Aisin Philippines, Inc.; Director and Treasurer of Toyota Financial Services Philippines Corporation (TFSPH); President of Toyota Motor Philippines Foundation, Inc. and Toyota Motor Philippines School of Technology, Inc.; Chairman of Toyota San Fernando, Inc., Toyota Manila Bay Corporation (TMBC), and TMP Logistics, Inc.; Advisor to the Board and Treasurer of Lexus Manila, Inc. (LMI); Comptroller of LMI Insurance Agency, Inc.; Chairman and President of TMBC Insurance Agency Corporation; and Director of Toyota Mobility Solutions Philippines, Inc. Dr. Go has no directorship in other listed companies aside from GT Capital.

Renato C. Valencia

Renato C. Valencia, 82 years old, Filipino, is the Chairman of Omnipay, Inc., Lead Independent Director of GT Capital and iPeople Inc., and Independent Director of EEI Corporation. His past positions include: President/CEO, Social Security System (SSS); Chairman/CEO, Union Bank of the Philippines; President/CEO, Roxas Holdings, Inc.; Vice Chairman/Director, San Miguel Corporation (SMC); Chairman, Philippine Savings Bank (PSBank); Independent Director, Metropolitan Bank & Trust Company (Metrobank); Advisory Board Member, Philippines Coca-Cola System Council, and Director: Philippine Long Distance Telephone Company (PLDT), Manila Electric Company (Meralco), Philex Mining Corporation, Far East Bank and Trust Company, Roxas and Company, Inc., Bases Conversion Development Academy (BCDA), Fort Bonifacio Development Corporation, Philippine Veterans Bank, and Makati Stock Exchange. He is a graduate of the Philippine Military Academy, with a Bachelor's degree in General Engineering, and the Asian Institute of Management, with a Master's degree in Business Management.

Carlos G. Dominguez III

Carlos G. Dominguez III, Filipino, 78 years old, was nominated for the first time as Independent Director of GT Capital in August 2023. He was Secretary of the Department of Finance ("DOF"), from July 1, 2016 to June 30, 2022. As Secretary of Finance, he served as a member of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP), the Governor for the Philippines at the Asian Development Bank (ADB), the Governor for the Philippines at the World Bank, and Alternate Governor for the Philippines at the International Monetary Fund (IMF). His post also made him ex-officio Chairman of various government-owned institutions – the LANDBANK, the Philippine Deposit Insurance Corporation (PDIC) and the Social Security System (SSS). He has over 40 years of experience in both the government and the private sector. From 1969 until 1982, Mr. Dominguez managed agriculture-related enterprises ranging from agricultural machinery distribution and 5,000 hectares of farmland producing bananas for export, as well as coconuts, cacao, rice, and cattle. He joined the Bank of the Philippine Islands (BPI) in 1983 as President of the BPI Agricultural Development Bank before being invited by President Corazon Aquino to join her administration to serve as the head of the Ministry of Natural Resources, and then with the Department of Agriculture in 1987. After leaving government service in 1989, Mr. Dominguez entered the

Board of Directors

tobacco, energy, real estate, retail, hospitality, mining, and copper smelting industries and served as CEO of companies such as the Retail Specialist Inc., Philippine Tobacco Flue-Curing and Redrying Corp., Philippine Associated Smelting and Refining Corp. as well as Halifax Capital Resources Inc. He joined Philippine Airlines in 1993 and served as its Chairman and CEO in the 1990s. Mr. Dominguez served on the boards of RCBC Capital Corp. House of Investments, Shangri-la Plaza Corp., Northern Mindanao Power Corp., Roxas Holdings, and MERALCO. He was conferred by the President of the Philippines with the Order of Lakandula with the Rank of Grand Cross (Bayani) for his exemplary service to the nation and was also conferred by the Emperor of Japan with the Grand Cordon of the Order of the Rising Sun for exercising outstanding leadership in promoting cooperation between Japan and the Philippines. Mr. Dominguez graduated from the Ateneo de Manila University with a bachelor's degree in Economics in 1965, and a master's degree in Business Administration in 1969. He completed the Executive Management Program offered by Stanford University's Graduate School of Business in 1982.

Rene J. Buenaventura

Rene J. Buenaventura, 69 years old, Filipino, is an Independent Director of GT Capital Holdings, Inc. He is also the Vice Chairman of Equicom Manila Holdings, Inc., a holding company for businesses engaged in healthcare, banking and finance, and information technology. In addition to his appointment to GT Capital's Board, he also holds the following positions: Independent Director of UBS Philippines, Inc., Independent Director of Lorenzo Shipping Corporation, and Independent Director of DDMP REIT, Inc. He is likewise a Director and Member of the Executive Committee of Maxicare Healthcare Corporation and President of Cliveden Management Corporation. Mr. Buenaventura is a Certified Public Accountant and graduated Summa Cum Laude for Bachelor of Arts, major in Behavioral Sciences and Bachelor of Science in Commerce, major in Accounting at De La Salle University in the Philippines. He also earned his Master in Business Administration from the same university.

Gil B. Genio

Gil B. Genio, 64 years old, Filipino, was elected as an Independent Director of GT Capital in May 2022. He is also an Independent Director of Puregold Price Club Inc. Mr. Genio worked as an executive for Globe Telecom and Ayala Corporation for a combined 24 years. He was Globe Telecom's Chief Technology and Information Officer (CTIO) from November 2015 to April 2021, as well as its Chief Strategy Officer (CSO) from 2011 to April 2021. As CTIO, Mr. Genio led all functions related to product development and management, network, information technology, and information security. He drove the overall vision, development and execution of architecture and strategies, proactively responding to business and market demands. In addition, Mr. Genio's CTIO responsibilities included the enterprise data analytics function and enterprise fraud risk management. As CSO, Mr. Genio led overall corporate strategy and business development efforts. He also performed other legal entity functions for Globe such as CEO of Globe Capital Venture Holdings, and Director at its strategic joint ventures, Global Telehealth, Inc., BellTel, ETPI, and others. He also became COO of Bayan Telecommunications (Bayantel) and Isla Communications (Islacom) as they were acquired, and before they were integrated into Globe. His executive roles in Globe prior to his CTIO appointment included: COO for Business and International Markets (2010-2015), Group Head for Business Customers (2003-2010), Head of Carrier Services (2002-2010), Group Head for the Residential and Business Fixed Network Group (2000-2003), and Chief Financial Officer (1997-2000). Mr. Genio was hired by Ayala Corporation in 1997 and was seconded to Globe Telecom. He retired from Ayala Corporation in 2018 and became a direct employee of Globe, finally retiring at the end of 2021. Before joining Ayala in 1997, Mr. Genio had spent more than 12 years with Citibank in the Philippines, Singapore, Japan, Hong Kong, and New York, with stints in financial control, risk management, product development, treasury audit, corporate audit and market risk review. Mr. Genio was an Independent Director at Insular Life Assurance Company from May 2018 to March 2022. Mr. Genio has previously served with a variety of industry associations. His past affiliations include: Vice Chairman (2012-2014) then Chairman (2014-2016) of the GSM Association Asia Pacific (GSMA AP); member (2012-2014) of the Advisory Board for Mobile World Capital Barcelona; member of the Board of Trustees of the IT and Business Process Association of the Philippines or iBPAP (2011-2013 and 2015-2016). He had also served in the Advisory Boards of Globe's technology partners Amdocs and Cloudera. Mr. Genio obtained a Master's degree in Business Management, With Distinction, from the Asian Institute of Management in 1986. He earned his Bachelor of Science degree in Physics, Magna Cum Laude, from the University of the Philippines in 1980.

Consuelo D. Garcia

Consuelo D. Garcia, 69 years old, Filipino, was elected as an Independent Director of GT Capital Holdings, Inc. in May 2021. She currently holds the following positions: Independent Director of Lopez Holdings Corporation, and Far Eastern University, Incorporated, both publicly listed corporations, and Life Investment Management and Trust Corporation, a non-bank BSP supervised financial institution, and a Director of Murrayhill Realty and Development Corporation. She was formerly an Independent Director of The Philippine Stock Exchange Inc. and ACEN Corporation. She is also currently an Independent Director and Trustee of ING Foundation Philippines, Inc.; Member of the Board of Trustees of the FINEX Academy and of FINEX FOUNDATION, a Fellow of the Institute of Corporate Directors, and a Member of the Filipina CEO Circle. Ms Garcia worked for ING Bank for 31 years. She was formerly the Country Manager and Head of Clients of ING Bank N.V., Manila Branch for 9 years from September 2008 until November 15, 2017, and a Senior Consultant for ING Bank Asia, Challengers and Growth Markets, with focus on digital banking, for 5 years from Nov 16, 2017 to June 30, 2022. Prior to these roles, she headed Financial Markets for ING which had overall responsibility for FX, Local Fixed Income and Local Interest Rate Derivatives, Debt Capital Markets, High Yield Bond Trading and Credit Derivatives. Ms. Garcia previously worked with SGV in audit and in Bank of Boston, Philippine Branch where she was involved in internal audit, trust, corporate finance and special projects. Ms. Garcia is a Certified Public Accountant and she graduated Magna Cum Laude for Bachelor of Science in Business Administration, majoring in Accounting from the University of the East.

Jaime Miguel G. Belmonte

Jaime Miguel G. Belmonte, 60 years old, Filipino, is a Board Adviser of GT Capital. Prior to this, he was an Independent Director of GT Capital from 2012 until 2020. He is also the President and Chief Executive Officer of The Philippine Star (since 1998); President and Chief Executive Officer of BusinessWorld (since 2015); President and Publisher of Pilipino Star Ngayon (since 1994) and PM Pang-Masa (since 2003); President of Pilipino Star Printing Company (since 1994); President of Nation Broadcasting Corporation of the Philippines (since 2016); and President of Hastings Holdings Inc. Mr. Belmonte is also the President of Cebu-based The Freeman and Banat News (since 2004); Vice Chairman of People Asia magazine; Member of the Board of Trustees of Metrobank Foundation (since 2022); and a former member of the Board of Advisers of Manila Tytana College (since 2008 to 2022). Mr. Belmonte also sits on the board of Cignal TV and TV5. He earned his undergraduate degree from the University of the Philippines in Diliman. Mr. Belmonte has no directorships in other listed companies aside from GT Capital.

Guillermo C. Choa

Guillermo Co Choa, 64 years old, Filipino, was appointed as Board Adviser of GT Capital in June 2016. He is currently the Chairman of Maplecrest Group, Inc. and Property Company of Friends, Inc. Mr. Choa earned his Bachelor's Degree in Commerce, Major in Marketing, from De La Salle University and his Master's degree in Business Economics from the University of Asia and the Pacific.

Pascual M. Garcia III

Pascual M. Garcia III, 70 years old, Filipino, is a Board Adviser of GT Capital Holdings, Inc. He previously served as a director of the company from May 2018 until August 2023 and as a Board Adviser from May 2013 to May 2018. He held several positions in other companies, among which are: Vice Chairman, Cathay International Resources Corporation; Chairman, Central Realty & Development Corporation; Chairman, Crown Central Properties; Chairman, Alveo-Federal Land Communities, Inc.; President, Bonifacio Landmark Realty & Development Corporation; President, North Bonifacio Landmark Realty and Development Inc.; President, Federal Land-Orix Corporation; President, ST 6747 Resources Corporation; Director, Horizon Land Resources Development Corporation and Director, Sunshine Fort North Bonifacio Realty and Development Corporation. He is also the former President of Federal Land, Inc. Prior to joining Federal Land, he was the President and Director of Philippine Savings Bank (PSBank) from 2001 to 2013; Co-Vice Chairman of Property Company of Friends, Inc. from 2016 to 2019; Director of Toyota Financial Services Philippines Inc. from 2007 to 2017 and Director of Sumisho Motor Finance Corporation from 2009 to 2016. Mr. Garcia earned his Bachelor's degree in Commerce, major in Management, from the Ateneo de Zamboanga University

Senior Management

ALESANDRA T. TY
Assistant Treasurer

CARMELO MARIA LUZA BAUTISTA
President

ANJANETTE TY DY BUNCIO
Treasurer

ATTY. ANTONIO V. VIRAY
Corporate Secretary

VICENTE SANIEL SOCCO
Chairman, GT Capital Auto and Mobility Holdings, Inc.

FRANCISCO H. SUAREZ, JR.
Executive Vice President
Chief Finance Officer

JOSE B. CRISOL, JR.
Senior Vice President
Head, Investor Relations, Strategic Planning, and Corporate Communication

JOCELYN Y. KHO
Assistant Corporate Secretary

GRI: 405-1, SASB: FN-AC-330a.1

Senior Management

STEPHEN JOHN S. COMIA
First Vice President
Head, Property Management

JOYCE B. DE LEON
First Vice President
Chief Risk Officer and
Head of Sustainability

SUSAN E. CORNELIO
Vice President
Head, Human Resources,
Administration and IT

REYNA ROSE P. MANON-OG
First Vice President
Controller and Head, Accounting
and Financial Control

ATTY. RENEE LYNN C. MICIANO-ATIENZA
Vice President
Head, Legal and Compliance

CHERYLL B. SERENO
Vice President
Chief Audit Executive

DON DAVID C. ASUNCION
Vice President
GT Capital Auto and Mobility
Holdings, Inc.

ATTY. MARIA SOFIA A. LOPEZ
Assistant Corporate
Secretary

GRI: 405-1, SASB: FN-AC-330a.1

GRI: 405-1, SASB: FN-AC-330a.1

Senior Management

Alesandra T. Ty

Alesandra T. Ty, 43 years old, Filipino, was appointed Assistant Treasurer of GT Capital on February 14, 2012. She graduated from the Ateneo de Manila University with a Bachelor of Science degree in Legal Management. She then earned her Master's in Business Administration from the China Europe International Business School in Shanghai, China. She is currently Director and Corporate Treasurer of AXA Philippines; Corporate Secretary of GT Foundation, Inc.; Senior Vice President and Treasurer of Federal Homes, Inc.; and Executive Vice President of Grand Titan Capital Holdings, Inc.

Carmelo Maria Luza Bautista

Carmelo Maria Luza Bautista, 66 years old, Filipino, assumed the role of President and Director of GT Capital in 2011. Prior to his election, Mr. Bautista joined First Metro Investment Corporation (FMIC) in April of 2008 as Executive Director and was appointed as Chairman of the Risk Management Committee. He later assumed the position of Head of FMIC's Investment Banking Group in 2009. Mr. Bautista has been in the Banking and Financial Services sector for 45 years. Some highlights of his previous scope of responsibilities over this period include: Program Director at Citibank Asia Pacific Banking Institute; Vice President and Head of the Local Corporate and Public Sector Groups at Citibank-Manila; Vice President-Real Estate Finance Group, Citibank N.A.-Singapore Branch; Vice President-Structured Finance at Citibank N.A.-Singapore Regional Office; Country Manager of ABN AMRO Bank-Philippines; and President and CEO of Philippine Bank of Communications (PBCOM). Mr. Bautista has a Master's degree in Business Management from the Asian Institute of Management, where he graduated in the Dean's Citation List. He also has a Bachelor's degree, Major in Economics, from the Ateneo de Manila University. Mr. Bautista currently serves as Chairman of Toyota Financial Services Philippines Corporation (TFSPH), as well as Director of Federal Land, Inc., Toyota Motor Philippines Corporation (TMP), AXA Philippines, GT Capital Auto and Mobility Holdings, Inc. (GTCAM), Toyota Subic, Inc., GT Mobility Ventures, Inc., and Toyota Manila Bay Corporation (TMBC). He is also an Adviser to the Board of Trustees of GT Foundation, Inc. and an Independent Director of Vivant Corporation, a listed company.

Anjanette Ty Dy Buncio

Anjanette Ty Dy Buncio, 55 years old, Filipino, was appointed as GT Capital's Treasurer in May 2015. Prior to this, she served as the Corporation's Assistant Treasurer since 2007. She holds several other positions in other companies, among which are: Director, Treasurer and Executive Vice President of Federal Land, Inc.; Treasurer of Federal Land NRE Global, Inc.; Director and Chairman of the Board of Manila Medical Services, Inc.; Director, Treasurer and Corporate Secretary of Bonifacio Landmark Corporation; Director, Treasurer and Executive Vice President of Horizon Land Property Development Corporation; Senior Vice President of Metrobank Foundation, Inc.; Board of Trustee and Senior Vice President of GT Foundation, Inc.; and Executive Vice President and Corporate Secretary of Pro Oil Corporation. She graduated from the International Christian University in Tokyo, Japan with a Bachelor of Social Science Degree in Economics.

Atty. Antonio V. Viray

Atty. Antonio V. Viray, 84 years old, Filipino, has served as Corporate Secretary of GT Capital since 2009. His legal profession started as a litigation lawyer of the Feria Law Office (then Feria Manglapus & Associates). He then embarked on a banking career with the Philippine Savings Bank (PSBank) holding the positions of Senior Vice-President for Loans, Legal, Administrative, Branch Operations and Corporate Secretary. When PSBank was acquired by Metropolitan Bank & Trust Company (Metrobank), he was recruited as General Counsel (then Special Counsel) of Metrobank, later becoming Senior Vice President, Corporate Secretary, and Director. He is currently Corporate Secretary of Grand Titan Capital Holdings, Inc., Chief Legal Adviser of the Bankers Institute of the Philippines (BAIPhil) and Of Counsel of Feria Tantoco Daos Law Firm.

His foundations as a respected corporate lawyer and secretary were provided by Colegio de San Juan de Letran (Letran College), where he graduated Valedictorian of his Associate in Arts, the University of Santo Tomas, where he finished his Bachelor of Laws as Valedictorian and Magna Cum Laude; and Northwestern University School of Law in Chicago, Illinois, U.S.A., where he obtained his Master of Laws (emphasis on Corporation Law) degree through a Ford Foundation Fellowship Grant. He placed 19th in the 1961 BAR exams.

He was principal counsel in the joint ventures of the Metrobank Group with Toyota Motors Corporation, AXA Insurance and ANZ Bank (for Metrobank Card). As Of Counsel of Feria Law Office, he helped oversee some joint ventures of the Federal Land Group.

Atty. Viray's latest publication is a book titled "Close Corporations" (2022 edition).

Vicente Saniel Socco

Vicente Saniel Socco, 64 years old, is the Chairman of GT Capital Auto and Mobility Holdings, Inc. (GTCAM). GTCAM is a wholly-owned subsidiary of GT Capital and is the vehicle for the management of the Group's mobility initiatives and automotive dealerships. He brings forty-two years of expertise in the automotive sector. Mr. Socco began his career with Toyota in the Philippines as a member of its marketing team. He was then appointed General Affairs Manager of Toyota's Manila Representative Office in 1984, until Toyota Motor Philippines Corporation (TMP) opened in 1988, where he rose through the ranks to become Senior Vice President (SVP) for Marketing and After-Sales. In 2001, Mr. Socco joined the regional headquarters of Toyota in Singapore. Mr. Socco was appointed SVP of Lexus Asia in 2007, concurrent with his roles as the Executive-in-Charge for country operations at Toyota Motor Asia Pacific (TMAP). In 2012, he assumed the role of Executive Vice President and acting Chief Operating Officer for the region. Then, in 2014, he was assigned to Toyota's global headquarters as Project General Manager for TMAP in Japan. He then returned to Singapore in 2017 as EVP for Lexus Asia until his retirement in July 2019. Mr. Socco garnered his Bachelor of Science in Economics at the University of the Philippines in Diliman and completed the Executive Development Program of the Wharton School of the University of Pennsylvania.

Francisco H. Suarez Jr.

Francisco H. Suarez, Jr., 64 years old, Filipino, serves as GT Capital's Executive Vice President and Chief Financial Officer (CFO). He was appointed to the position on February 16, 2012. He is also a Director and the Treasurer of GT Capital Auto and Mobility Holdings, Inc., GT Mobility Ventures, and JBA Philippines, Treasurer of Toyota Subic, Inc. and Premium Warranty Services Philippines, Inc., Adviser to the Board of Toyota Manila Bay Corp., Adviser to the Executive Committee of Toyota Santa Rosa, Laguna, Inc., and Corporate Secretary of Toyota Financial Services Philippines Corporation. Over his tenure, he successfully supervised the launch of the Corporation's initial public offering, a top-up private placement, two retail bond issuances, several bilateral fixed-rate term loans and two series of perpetual preferred shares. Mr. Suarez brings to GT Capital over 40 years of solid and extensive experience in investment banking and financial management. Prior to joining GT Capital, he was the CFO of three subsidiaries of the ATR KimEng Group. For a time, he also served as Executive Director of ATR KimEng Capital Partners, Inc. Before this, he was appointed as the CFO of PSI Technologies, Inc., and, prior to that, of SPI Technologies, Inc. Previously, he was a Director for Corporate Finance at Asian Alliance Investment Corporation. He has also assumed various positions in Metrobank, International Corporate Bank (InterBank), Far East Bank and Trust Company, and the National Economic Development Authority. Mr. Suarez graduated from De La Salle University with a Bachelor of Science degree in Applied Economics and is a candidate for the Master in Business Administration degree at the Ateneo de Manila University.

Jose B. Crisol Jr.

Jose B. Crisol, Jr., 57 years old, Filipino, serves as Senior Vice President and Head of the Investor Relations, Strategic Planning, and Corporate Communication Department of GT Capital. He was appointed to the position on July 26, 2012. He also serves as a Director and the Audit Committee Chairman of Toyota Sta. Rosa, Inc. Before joining the Corporation, he was the Assistant Vice President for Investor Relations of SM Investments Corporation (SM). Prior to working with SM, he was a Director at the Republic of the Philippines Department of Trade and Industry (DTI), heading its Trade and Industry Information Center. He also served for a time, on a concurrent basis, as Head of DTI's Office of Operational Planning. His other past employment includes occupying various positions at The Philippine American Life Insurance Company and Merrill Lynch Philippines, Inc., among others. He holds a Master in Business Economics degree from the University of Asia and the Pacific, and a Bachelor of Science degree in Economics from the University of the Philippines - Diliman. He completed his primary and secondary education at the Ateneo de Manila University.

Jocelyn Y. Kho

Jocelyn Y. Kho, 69 years old, Filipino, has served as GT Capital's Assistant Corporate Secretary since June 2011. Previously, she was the company's Controller until 2010. Before this, Ms. Kho worked for Metropolitan Bank & Trust Company (Metrobank) as Vice President under the Office of the Assistant to the Group Chairman from 1978 to 2009. She concurrently holds the following positions: Assistant Corporate Secretary, Grand Titan Capital Holdings, Inc.; Director and Treasurer, Global Business Holdings, Inc.,

Senior Management

and Horizon Royale Holdings, Inc.; Director, Senior Vice President and Corporate Secretary, Federal Homes, Inc.; Director, Treasurer and Corporate Secretary of Crown Central Properties Corporation; Director of Cathay International Resources, Inc. and Magnificat Resources Corporation; Corporate Secretary, Federal Land, Inc.; and Norberto & Tytana Ty Foundation, Inc.; Chairman, Multi Fortune Holdings, Inc.; Chairman and President, MBTC Management Consultancy, Inc., Solid Share Holdings Philippines, Inc., Granview Realty and Development Corporation, Cellini Holdings, Inc., City Tower Realty Corporation, Ocean Park Condominium and Realty, Inc.; Director and President, Harmony Property Holdings, Inc., Splendor Fortune Holdings, Inc., and Splendor Realty Corporation; Independent Director, AP Securities, Inc. She earned her Bachelor of Science degree in Commerce, major in Accounting, from the University of Santo Tomas in 1975, and is a candidate for the Master of Science degree in Taxation from Manuel L. Quezon University.

Stephen John S. Comia

Stephen John San Juan Comia, 46 years old, Filipino, serves as First Vice President and Head of the Property Management Department of GT Capital and concurrently, Head of the Project Development Group of Federal Land. He brings to GT Capital more than 17 years of experience in the property sector having worked for Ayala Land, Inc. from 2005 until 2021 where he served as Estate Development Head. Mr. Comia handled land acquisition and overall master-planning, development, sales, marketing, and property management of various estate developments. The estates that he handled include Nuvali in Sta. Rosa and Calamba, Laguna, Arca South in Taguig, The Junction Place in Novaliches, and Vermosa in Imus and Dasmariñas, Cavite. Mr. Comia holds a Master in Business Administration degree from the Asian Institute of Management and a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University.

Joyce B. De Leon

Joyce B. De Leon, 50 years old, Filipino, serves as Chief Risk Officer, Head of Sustainability, and First Vice President of GT Capital Holdings, Inc. She was appointed to the role on October 19, 2020. Ms. De Leon brings close to 17 years of solid risk management experience to the company, across various local and international financial institutions. Prior to GT Capital, she was the First Vice President and Head of Market and Liquidity Risk for BDO Unibank, Inc. and a member of its asset and liability committee.

Previously, for close to a decade, she served as Senior Vice President and Head of Risk Management for Maybank ATR Kim Eng, building the Risk Management function from the ground up and engaging in the investment bank and stock brokerage's management risk, credit and underwriting, management, and executive committees. Before this, she was the Country Head for Market Risk of Standard Chartered Bank, with purview of the bank's risk reporting in Vietnam. For a time, she also served as Market Risk Manager for Philippine Savings Bank (PSBank), the thrift bank subsidiary of the Metrobank Group. Ms. De Leon is Head of Sustainability for GT Capital, and established a framework that embeds ESG in the business strategy, aligning with best practices by communicating and coordinating with Board, management, investors, shareholders, component companies, and employees to address sustainability issues. Ms. De Leon garnered her Master's degree in International Business (MIB) at the University of Melbourne in Australia, her Master in Business Administration (MBA) degree, major in Finance, with distinction, and Bachelor of Arts in Psychology from De La Salle University. Ms. De Leon has received her climate risk management credential from a globally recognized certification from the Global Association for Risk Professionals (GARP) as a Sustainability and Climate Risk (SCR) professional. She is also an alumnus of the University of the Asia & Pacific (UA&P) Applied Sustainability Management in Asia Pacific (ASMAP) program.

Susan E. Cornelio

Susan E. Cornelio, 52 years old, Filipino, joined GT Capital on July 4, 2012 as its Head of Human Resources and Administration. Prior to this, she served as Vice President and Head of Compensation and Benefits of Sterling Bank of Asia and as Assistant Vice President and Head of Compensation and Benefits of United Coconut Planters Bank. She has had other HR stints from the following institutions: Metrobank, ABN AMRO Offshore Banking, Solidbank, and Citytrust. She holds a Bachelor of Science in Commerce major in Accounting from Sta. Isabel College-Manila and a Master Certificate in Human Resources and International HR Practices from Cornell University's School of Industrial and Labor Relations. She obtained a Master's degree in Business Economics from the University of Asia and the Pacific and is a candidate for the Doctor of Philosophy in Human Resource Management at the University of Santo Tomas.

Reyna Rose P. Manong-og

Reyna Rose Paner-Manon-og, 42 years old, Filipino, is the Controller and First Vice President of GT Capital. She was appointed Controller in October 2011 and serves as Head of the Accounting and Financial Control Department. She also serves as a Director of Toyota Manila Bay Corporation and serves as its Chairman of the Audit Committee. Before joining the conglomerate, she was the Assistant Vice President and Head of the Financial Accounting Department of United Coconut Planters Bank. This role was preceded by a foundational experience at Sycip Gorres Velayo & Company (SGV & Co.), where she dedicated seven years mastering the discipline of external audit. Ms. Manon-og's academic credentials complement her professional endeavors, holding a Certified Public Accountant license and graduating Cum Laude from Bicol University with a Bachelor of Science degree in Accountancy. She furthered her studies by completing the Strategic Business Economics Program of the University of Asia and the Pacific.

Atty. Renee Lynn C. Miciano-Atienza

Atty. Renee Lynn Miciano-Atienza, 41 years old, Filipino, is Vice President and Head of the Legal & Compliance Department of GT Capital. She was appointed to her position on May 11, 2016 and has been with GT Capital since August 2012. She concurrently holds the following positions: Director, GT Capital Auto and Mobility Holdings, Inc.; Director, Toyota Subic, Inc.; Corporate Secretary, AXA Philippines; Prior to joining the Corporation, she was the Head of the Investigation and Enforcement Department of the Capital Markets Integrity Corporation (CMIC). Before joining CMIC, she was the Officer-in-Charge of the Prosecution and Enforcement Department of the PSE. She was also Legal Counsel of the Office of Senator Miguel Zubiri, and prior to entering law school, a trader for United Coconut Planters Bank. She earned her Bachelor of Science degree in Management from the Ateneo de Manila University and finished her Juris Doctor degree in the same university. In 2019, she completed the Strategic Business Economics Program of the University of Asia and the Pacific.

Cheryll B. Sereno

Cheryll B. Sereno, 43 years old, Filipino, was appointed Chief Audit Executive on November 10, 2023. Before this, Ms. Sereno was Head of Enterprise-wide Risk Management at Manila Electric Company. Prior to that, she served as Head of Opportunity and Risk Management at Megaworld Corporation from 2017 to 2022. She has also served in varying roles in Ayala Land from 2005 to 2017 including Risk Management Associate Manager and Business Continuity Program Officer. She is a Certified Public Accountant, a Certified Business Continuity Professional, and holds a Bachelor's degree in Accountancy from Ateneo De Naga University.

Don David C. Asuncion

Don David C. Asuncion, 44 years old, Filipino, is the Vice President of GT Capital Auto and Mobility Holdings, Inc. (GTCAM), the conglomerate's wholly-owned subsidiary for the Group's automotive and mobility holdings. He brings to GT Capital more than 20 years of expertise in the automotive sector. Mr. Asuncion began his career with Toyota Motor Philippines in 2002 before moving to Ford Philippines, Bermaz Auto Philippines and Mitsubishi Motors Philippines Corporation handling diverse roles in the areas of Customer Service, Sales and Marketing prior to joining GTCAM in 2020. Mr. Asuncion garnered his Bachelor of Science degree in Management at the Ateneo de Manila University.

Atty. Maria Sofia A. Lopez

Atty. Maria Sofia A. Lopez, 56 years old, Filipino, was appointed as GT Capital's Assistant Corporate Secretary on November 10, 2022. Before this, Ms. Lopez worked for Metropolitan Bank & Trust Company (Metrobank) as Legal Counsel from 2005 to 2022. She concurrently holds the following positions: Corporate Secretary of Metrobank Foundation, Inc., GT Foundation, Inc., Manila Medical Services, Inc., MDH Clinic Management, Inc., Manila Tytana Colleges, Inc., Metrobankers Foundation, Inc., Circa 2000 Homes, Inc., and Sumisho Motor Finance Corp.; Assistant Corporate Secretary of Norberto and Tytana Ty Foundation, Inc. She earned her Bachelor of Science degree in Business Administration, major in Accountancy, from the University of the East (Manila) and graduated Cum Laude in 1987, and earned her Juris Doctor degree from San Beda College (Mendiola) in 1992.

GT Capital Group Management

FABIAN S. DEE
President
Metropolitan Bank & Trust Company

ATSUHIRO OKAMOTO
President
Toyota Motor Philippines Corporation

WILLIAM THOMAS F. MIRASOL
President
Federal Land, Inc.

BERNARDO RAFAEL SERRANO LOPEZ
President
AXA Philippines

MANUEL V. PANGILINAN
Chairman and President
Metro Pacific Investments Corporation

ANICETO M. SOBREPEÑA
President
Metrobank Foundation, Inc.

GRI: 405-1, SASB: FN-AC-330a.1

GT Capital Group Management

Fabian S. Dee

Fabian S. Dee, 61 years old, Filipino, is the President of Metropolitan Bank and Trust Company (Metrobank), the country's premier universal bank, recognized by financial experts as the Best Corporate Bank and the Strongest Bank in the Philippines today. He is a seasoned banker with approximately 38 years of experience in treasury, corporate banking, and retail banking. Mr. Dee joined the Metrobank Group in 2000 to lead the Bank's largest business center. He then moved to Corporate Banking to reinforce Metrobank's stronghold among the large conglomerates and middle market accounts. In 2006, he was appointed National Branch Banking Sector Head, successfully improving the Bank's footprint in the retail business. Within Mr. Dee's term as President of Metrobank, he had concurrently held various positions including Chairman and Director of Metrobank Card Corporation from 2006 until 2020, Chairman of Metro Remittance Singapore PTE Ltd. from 2010 until 2019, Chairman of LGU Guarantee Corporation from 2017 until 2019, Chairman of SMBC Metro Investment Corporation from 2014 to 2017, Director of Bancnet from 2015 to present and President of Bancnet from 2021 to present.

Atsuhiro Okamoto

Atsuhiro Okamoto, 55 years old, Japanese, is the President of Toyota Motor Philippines Corporation, Chairman of Toyota Mobility Solutions Philippines, Inc., and a Director of Toyota Financial Services Philippines Corporation. He has over 29 years of experience in both the Toyota and Lexus brands. Mr. Okamoto started his career in Toyota Motor Corporation in 1992. In 2012, he was assigned as the Department General Manager of the Lexus Planning Division. In 2015, Mr. Okamoto was seconded to Toyota Motor Asia Pacific (TMAP) as the Vice President of Marketing and Sales. Prior to his post with TMP, he served as Executive Vice President of TMAP since 2019. Mr. Okamoto earned his Bachelor's degree in Economics at Keio University in Tokyo, Japan.

William Thomas F. Mirasol

59 years old, Filipino, is currently the President and Chief Operating Officer of Federal Land, Inc., the property arm of GT Capital Holdings. Mr. Mirasol has over 32 years of management experience in strategic planning, project development, commercial operations, sales, and marketing. He joined Federal Land as General Manager in 2019 and was then appointed President and Chief Operating Officer in 2020. His tenure is marked by a record of building high-performing teams that drive business growth and expansion in project portfolio and unit sales, guiding Federal Land's position as an award-winning player in the real estate sector.

In addition to his role at Federal Land, Mr. Mirasol concurrently serves as the Chairman of the Board for several entities within the Federal Land group, including Bonifacio Landmark Hotel Management Corp., Sunshine Fort North Bonifacio Commercial Management Corp., Federal Retail Holdings Inc., Alveo-Federal Land Communities Inc., and Topshpere Realty Development Company, Inc. Mr. Mirasol also serves as the President of Federal Land NRE Global Inc., Bonifacio Landmark Realty and Development Corp., Federal Land Orix Corp., Horizon Land Property Development Corp., Federal Property Management Corp., Magnificat Resources Corp., North Bonifacio Landmark Realty and Development Inc., Cathay International Resources, and Sunshine Fort North Bonifacio Realty Development Corp., He is also a Director at Mirai Properties, Inc., Central Realty and Development Corp., and ST 6747 Resources Corp.

Prior to joining Federal Land, Mr. Mirasol was previously the Chief Operating Officer and Senior Vice President of Ortigas & Company (OCLP Holdings, Inc.), seconded by Ayala Land, Inc., from 2016 until 2018. Mr. Mirasol earned his Master of Business Management at the Asian Institute of Management and his Bachelor's in Commerce from De La Salle University.

Bernardo Rafael Serrano Lopez

Bernardo Rafael Serrano Lopez, 56 years old, Spanish, is the President and CEO of AXA Philippines, one of the largest insurance companies in the country. He assumed this position in November 2022. He is an industry veteran with more than 20 years of senior leadership experience. He began his journey with AXA in Latin America in 2001 and subsequently General Manager of AXA Spain in 2003. Between 2006 and 2011, Mr. Serrano left AXA to set up his own successful company. In 2011, he re-joined AXA as CEO of AXA Brazil, overseeing the arrival of AXA in South America. He was named CEO of AXA Colpatria in 2016. Mr. Serrano has a Master of Business Administration Degree from IESE Business School in Barcelona, and a bachelor's degree in Business and Economics from the University of Navarra, Spain.

Manuel V. Pangilinan

Age 77, Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts degree in Economics. He received his MBA degree from the Wharton School at the University of Pennsylvania. In Manila, he worked for Philippine Investment Management Consultants Inc. (PHINMA) in the Philippines, and in Hong Kong with Bancom International Limited and American Express Bank. Thereafter he founded First Pacific in May 1981.

Mr. Pangilinan served as Managing Director of First Pacific from its founding in 1981 until 1999. He was Executive Chairman until June 2003, after which he was named Managing Director and Chief Executive Officer. Mr. Pangilinan holds the positions of President Commissioner of PT Indofood Sukses Makmur Tbk in Indonesia. In the Philippines, Mr. Pangilinan is the Chairman, President and Chief Executive Officer of Metro Pacific Investments Corporation, the Chairman and Chief Executive Officer of Manila Electric Company (Meralco), the Chairman, President, and Chief Executive Officer of PLDT Inc., and the Chairman of Smart Communications, Inc., PLDT Communications and Energy Ventures, Inc., Global Business Power Corporation, Maynilad Water Services, Inc., Metro Pacific Tollways Corporation, NLEX Corporation, Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Medical Doctors, Inc. (Makati Medical Center), Colinas Verdes Corporation (Cardinal Santos Medical Center), Mediaquest Holdings, Inc. and Associated Broadcasting Corporation (TV 5), and the Vice Chairman of Roxas Holdings, Inc.

In recognition of Mr. Pangilinan's contributions to the country, the Philippine Air Force awarded him the rank of Lieutenant Colonel (Res) in a promotion list approved by the Philippine President in July 2021. In 2010, the Office of the President of the Philippines awarded Mr. Pangilinan the Order of Lakandula with the rank of Bayani. Mr. Pangilinan was awarded the First Honorary Doctorate Degree in Management by the Asian Institute ofManagement in 2016, Honorary Doctorate in Science by Far Eastern University in 2010, in Humanities by Holy Angel University in 2008, by Xavier University in 2007 and by San Beda College in 2002 in the Philippines. He was formerly Chairman of the Board of Trustees of the Ateneo de Manila University and was a member of the Board of Overseers of the Wharton School.

In civic duties, Mr. Pangilinan sits as Chairman of the Philippine Business for Social Progress (PBSP), PLDT-Smart Foundation Inc., One Meralco Foundation Inc., and Co-Chairman of the Philippine Disaster Resilience Foundation (PDRF), and is a Director of the Philippine Business for Education (PBED). He is Chairman of the Board of Trustees of San Beda College and Co-Chairperson of the Board of Trustees of Stratbase Albert del Rosario Institute and the U.S.– Philippine Society.

In sports, Mr. Pangilinan is Chairman of the MVP Sports Foundation, Inc. and Chairman Emeritus of the Samahang Basketbol ng Pilipinas.

Aniceto M. Sobrepeña

Aniceto M. Sobrepeña, 69 years old, Filipino, is the President of Metrobank Foundation, Inc. (MBFI) and Executive Vice President of Metropolitan Bank & Trust Company (Metrobank). Mr. Sobrepena combines both his experience in government service and an equally sterling performance in the private corporate sector. After serving the Philippine government for 22 ½ years at the National Economic and Development Authority (NEDA) and the Office of the President in Malacañang, Mr. Sobrepeña joined the private sector, initially as Executive Director from 1995 to 2006 of MBFI and later on as its President, a position he has held in the last 16 years. Mr. Sobrepeña has expertly steered MBFI to new and greater heights of institutional achievements in the areas of public affairs and human development. Under his stewardship, MBFI has emerged as one of the country's most dynamic corporate philanthropic foundations and among the most awarded organizations in business communication, public relations, and humanitarian services. Concurrently, Mr. Sobrepeña also serves as Vice Chairman of Manila Doctors Hospital, MBFI's health care affiliate, and Chairman of the Manila Tytana Colleges (formerly Manila Doctors College). He is also the Executive Director of GT Foundation, Inc., the family foundation of the late Group Chairman Dr. George S.K. Ty.

Corporate Governance

GT Capital Holdings, Inc. ("GT Capital" or the "Corporation", and together with its subsidiaries, the "Group"), embraces corporate governance best practices recognized in the Philippines and in the Association of Southeast Asian Nations ("ASEAN") Region. GT Capital devotes considerable effort formalizing policies and practices that implement and imbibe the spirit of the principles outlined in the Securities and Exchange Commission's ("SEC") Code of Corporate Governance for Publicly-Listed Companies and Integrated Annual Corporate Governance Report, the G20/OECD Principles of Corporate Governance, and the ASEAN Corporate Governance Scorecard.

GT Capital's efforts and commitment to raise its level of corporate governance have garnered recognition in the investment community, both locally and in the ASEAN region.

2023 Awards and Recognitions

Four Golden Arrows
for the 2022 ACGS Assessment, Institute of Corporate Directors

Best Investor Relations Team in the Philippines
by World Economic Magazine

Best Investor Relations Team in the Philippines
by International Business Magazine

Best Investor Relations Team in the Philippines
by World Business Outlook

Best Mid Cap Company in the Philippines (Bronze)
by FinanceAsia

Asia's Best CEO
Asia's Best CFO
Best Investor Relations Professional
Best Investor Relations Company
Asia's Best CSR
by Corporate Governance Asia

Most Outstanding Company in the Philippines (Automotive & Component Sector)
by Asiamoney

As part of its ongoing improvement in corporate governance, GT Capital undertook the following best practices in 2023:

1. Virtual conduct of the 2023 Annual Stockholders' Meeting ("ASM") of the Corporation, in compliance with SEC Memorandum Circular No. 6 Series of 2020, with stockholders having the option to vote through proxy or through electronic voting during the ASM;
2. Re-election of a female independent director;
3. Re-organization of the Risk Oversight Committee into the Risk and Sustainability Oversight Committee with a corresponding amendment to its charter;
4. Continuation of roll out of sustainability reporting framework to component companies leading to a consolidated report;
5. Conduct of Thought Leadership Series covering various topics on Environmental, Social and Governance (ESG);
6. Conduct of Risk and Sustainability Culture building activities;
7. Codification of the oversight of the Corporation's sustainability program under the scope of the Risk Oversight Committee; and
8. Meeting of Non-Executive Directors without any executives present.

2023 Compliance

GT Capital is compliant with the Code of Corporate Governance for Publicly-Listed Companies ("PLCs") as well as with all laws, rules, and regulations pertinent to its business.

As a PLC, GT Capital acknowledges its duty and responsibility to provide timely and accurate information to the investing public. To this end, GT Capital strictly complies with all reportorial and disclosure requirements imposed by regulatory agencies such as the SEC, the Philippine Stock Exchange ("PSE"), and the Philippine Dealing and Exchange Corporation. GT Capital likewise ensures the posting of all reportorial and disclosure requirements onto GT Capital's website: www.gtcapital.com.ph.

Corporate Governance Policies and Practices

To cultivate a culture of compliance within the Corporation, GT Capital established the following policies in support of its corporate governance framework.

Manual On Corporate Governance

PURPOSE:
The Manual institutionalizes principles of good corporate governance for the entire Corporation.

UNIFIED BELIEF:
The Manual was adopted in line with the belief of its Board of Directors, Management, employees, and shareholders that corporate governance is a necessary component of what constitutes sound strategic business

MANDATORY:
Every effort necessary is undertaken to create awareness of the CG Manual and ensure compliance.

COMPREHENSVE:
The charters of the Board committees are attached to the CG Manual, and these are reviewed annually and, if necessary, amended to reflect corporate governance best practices adopted by the Corporation.

	PERSONS COVERED	IMPLEMENTING MECHANISM
CODE OF ETHICS — Promotes a culture of good governance and ethical conduct in business operations; — Guides adherence to high ethical standards; — Upholds corporate core values.	— Directors — Officers — Employees	— Corporate Governance Manual; — Whistleblowing Policy; — Policies and Procedures Manual of each department; — Annual Orientation Programs conducted by the Human Resources, Administration and IT Department; — GT Capital's Internal Audit Department audits each department to ensure compliance.

Corporate Governance

	PERSONS COVERED	IMPLEMENTING MECHANISM
CODE OF DISCIPLINE OF EMPLOYEES AND ANTI-CORRUPTION PROGRAMS — Promotes professionalism, ethics, and integrity in employee conduct — Obliges employees to conduct themselves in a manner befitting their respective positions in the Corporation by espousing the general principles of professionalism, high ethical standards, discipline, integrity, and honesty. It likewise promotes efficient, orderly, and safe conduct of the Corporation's operations. — Ensures fairness and uniformity in implementation of any disciplinary action on its employees	— Directors — Officers — Employees	— Human Resources, Administration, and IT Department regularly monitors and implements the Code of Discipline of Employees. — The Human Resources, Administration, and IT Department regularly conducts seminars for its employees, including an onboarding seminar for new employees, tackling the policies and procedures of GT Capital including the Corporation's Code of Discipline of Employees and Anti-Corruption Program.
WHISTLEBLOWING POLICY — Adopted to further strengthen GT Capital's corporate governance framework and maintain the highest standards of transparency, probity, and accountability, consistent with its stature as a publicly listed corporation — Strictly prohibits fraudulent practices and unethical conduct by any of its board members, officers, and employees. It defines who qualifies as a whistleblower and provides the procedure to be followed by such whistleblower to report in good faith, acts or omissions which he or she reasonably believes violate a law, rule or regulation or constitutes unethical conduct or fraudulent accounting practice	— Directors — Officers — Employees	— Whistleblowers are protected by the confidentiality and non-retaliation provisions in the Whistleblowing Policy. — Whistleblower confidentiality ensures that the Corporation maintains the anonymity of the whistleblower during the review and investigation process and provides sanctions to be imposed on any party who reveals the identity of whistleblower without his/her consent. — The non-retaliation policy prohibits retaliation or reprisal tactics against employee whistleblowers, such as punitive transfers, withholding of professional promotion or training, loss of seniority rights or benefits, among others, and provides that disciplinary action shall be taken against an officer or employee who engages in such conduct. — Reports by stakeholders, including employees, may be submitted by e-mail to governance@gtcapital.com.ph or directly in writing to the Chief Audit Executive ("CAE"). — The CAE may then investigate the report, appoint an investigating officer, create a special Task Force (internal or outsourced) to investigate the matter independently, or elevate the report to the Discipline, Ethics, and Values Committee composed of the CAE and the respective heads of the Human Resources, Administration, and IT Department and Legal and Compliance Department. Investigations shall be completed within sixty (60) calendar days from receipt of the report by the CAE.

	PERSONS COVERED	IMPLEMENTING MECHANISM
POLICY ON CONFLICTS OF INTEREST — Directors must observe the conduct of fair business transactions with the Corporation, ensure that his personal interest does not conflict with the interests of the Corporation, and should not use his position for profit or to gain some benefit or advantage for himself and/or his related interests. — GT Capital's directors should likewise avoid situations that may compromise their impartiality. — When actual or potential conflict of interest exists, the conflicted director is required to fully and immediately disclose the same and abstain from participating in the Board discussion of that item on the agenda.	— Directors — Officers	— Under GT Capital's Corporate Governance Manual, the Nominations Committee is mandated to consider actual or potential conflicts of interests prior to recommending prospective candidates.
POLICIES ON INSIDER TRADING — GT Capital's policies ensure that its directors, officers, and employees keep secure and confidential all material non-public information which they may acquire or learn by reason of their position. — The directors, officers, and employees are prohibited from dealing in GT Capital shares from the time they receive or become aware of material non-public information up to two (2) full trading days after its disclosure to the investing public (the "Blackout Period").	— Directors — Officers — Employees — Principal Stockholders	— The Corporation considers insider trading as a serious offense and prohibits the continued service of any director, officer, or employee who has been convicted by a court of competent jurisdiction of insider trading. Accordingly, subject to procedures required under the policies of the Corporation, a director convicted of insider trading shall be removed from his position while officers and employees shall be subject to dismissal. — Outside the Blackout Period, GT Capital requires its directors, officers, and principal stockholders to report to the Corporation all dealings and transactions in GT Capital shares within three (3) business days after the transaction. This ensures that GT Capital complies with PSE's Revised Disclosure Rules and the Implementing Rules and Regulations of the Securities Regulation Code. The appropriate disclosures are submitted to the PSE and SEC (through SEC Form 23-B) before the relevant information is posted on GT Capital's website.

Corporate Governance

Policy on Antitrust

GT Capital Holdings Inc. upholds the principles espoused by the Republic Act No. 10667 otherwise known as "The Philippine Competition Act" and its Implementing Rules and Regulations.

When necessary, the Corporation complies with Sections 16 and 17 of the Philippine Competition Act requiring the compulsory notification of the Philippine Competition Commission for covered transactions. The Corporation ensures that its contracts, agreements and transactions do not substantially prevent, restrict or lessen competition in the industry where it is engaged.

Procurement Policies

The Human Resources, Administration, and IT Department's Policies and Procedures Manual ("PPM") outlines the procurement policies of GT Capital, which ensures that risk exposure due to unreasonable and exorbitant spending is eliminated.

All purchases require review and approval of the requesting department head and GT Capital's Chief Financial Officer ("CFO") before they are processed. Transactions are then assessed in order to determine if there is a need to comply with the policies and procedures prescribed by the Bids and Awards Committee ("BAC"). Purchases not subject to formal bidding process shall undergo the informal bidding process in which at least three (3) bids/quotations shall be obtained from different suppliers. The Human Resources, Administration, and IT Department oversees all procurements, while the Accounting and Financial Control Department is responsible for payment processing of all obligations arising from procurements.

The Corporation maintains a list of accredited suppliers for office supplies and equipment which have been pre-screened to provide competitive prices. Contracts involving crucial services are reviewed and approved by the BAC or the Executive Committee for extraordinary service engagements.

Board of Directors and Management

The Board of Directors (the "Board") of GT Capital is primarily responsible for the governance of the Corporation and ensures its compliance with the principles of good governance by providing an independent check on Management. By setting policies for the accomplishment of GT Capital's corporate objectives, the Board fosters the long-term success, sustained growth, and competitiveness of the Corporation in a manner consistent with its fiduciary responsibility towards both the Corporation and its stakeholders.

Board Composition

The Nominations Committee annually pre-screens and shortlists all candidates nominated to become a member of the Board. GT Capital's stockholders elect annually members of the Board from a final list of candidates prepared by the Nominations Committee. In determining the nominees for any vacancy, the Corporation avails of the Board Director Sourcing Services of the Institute of Corporate Directors. The experience of the members of the Board encompasses a wide range of experience in business, finance, and law, as well as expertise in industries in which GT Capital's component companies is involved in.

Five (5) members of GT Capital's Board are Independent Directors. In addition to having all the qualifications and none of the disqualifications as embodied in relevant SEC regulations and in the By-laws of the Corporation, an Independent Director is a person who, apart from his fees and shareholdings, is independent of management and substantial shareholders, and free from any business or other relationship which could, or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

GT Capital's CG Manual provides that no director shall simultaneously hold more than five (5) board seats in PLCs, while an executive director shall not serve on more than two (2) boards of PLCs outside the Group. No director of the Corporation serves on more than five (5) boards of PLCs, and no executive director serves on more than two (2) boards of PLCs outside of the Group.

The roles of the Chairman and the President are separate to ensure an appropriate balance of power, increase accountability, and improve the Board's capacity for making decisions separately and independently from Management. Among others, the Chairman ensures that meetings of the Board are in accordance with the By-laws, listens and addresses governance-related issues that may be raised by non-executive or Independent Directors, and ensures that the Board of Directors exercises strong oversight over the Corporation and its Management. On the other hand, the President, among other responsibilities, plans, develops, and implements the Corporation's policies and goals, interfaces with the Chairman to revise objectives and plans in accordance with current conditions, and communicates clearly and directly with employees concerning performance expectations, productivity, and accountability. Mr. Francisco C. Sebastian has served as Chairman of GT Capital since his election on May 11, 2022. Mr. Carmelo Maria Luza Bautista has served as President since GT Capital's listing in April 2012.

Duties and Responsibilities of the Board of Directors

The duties and responsibilities of the Board, which meets at least six (6) times during the year, include: implementing a process for the selection of directors who can contribute independent judgment to the formulation of sound corporate strategies and policies; providing guidelines and insights on major investments and capital expenditures; ensuring the Corporation's compliance with all relevant laws, regulations and best business practices; establishing and maintaining an Investor Relations Program to keep stockholders apprised of important developments; identifying the stakeholders in the community and formulating a clear policy of communication with them; adopting a system of check and balance with the Board; identifying key risks and performance indicators and monitoring the same; formulating and implementing policies and procedures that would ensure the integrity and transparency of related party transactions; establishing and maintaining an alternative dispute resolution system in GT Capital; constituting committees it deems necessary to assist it in the performance of its functions; and performing such other duties and responsibilities as may be required under the relevant rules and regulations.

Board Attendance

To ensure attendance of directors, the dates of the five (5) regular Board meetings of GT Capital are set before the beginning of the calendar year, one to coincide with the Annual Stockholders' Meeting ("ASM") on the second Wednesday of May and four with the financial reports and disclosures during the year (March, May, July, November, and December). Another meeting is set for a meeting of non-executive directors without any management present. The quorum requirement for instances when important matters are to be discussed on the agenda, such as issues that will have a significant impact on the character of the Corporation, is two thirds (2/3) of all the directors. However, the Board Secretariat endeavors to ensure the attendance of at least two thirds (2/3) of all the directors for each meeting, regardless of the agenda. For the year 2023, the Board met six (6) times, and the attendance of each director is provided below:

Name	Position	No. of Meetings Attended
Francisco C. Sebastian	Chairman	6/6 (100%)
Alfred Vy Ty	Vice Chairman	6/6 (100%)
Carmelo Maria Luza Bautista*	President and Director	5/5 (100%)
Renato C. Valencia	Lead Independent Director	6/6 (100%)
Rene J. Buenaventura	Independent Director	6/6 (100%)
Consuelo D. Garcia	Independent Director	6/6 (100%)
Gil B. Genio	Independent Director	6/6 (100%)
Carlos G. Dominguez III**	Independent Director	3/3 (100%)
Arthur Vy Ty	Director	6/6 (100%)
David T. Go	Director	6/6 (100%)
Regis V. Puno	Director	6/6 (100%)
Pascual M. Garcia III***	Director	3/3 (100%)

* Did not attend meeting of non-executive directors held on August 11, 2023
** Elected August 11, 2023
*** No longer a director as of August 11, 2023

Corporate Governance

Director, Board, and Committee Self-Assessment

The Board, Committee, and Individual Director's Self-Assessment forms were adopted as a tool for the Corporation to evaluate the performance of its Board, Committees, and individual directors and to assess the efficiency of its processes. These enable the Board and Management to identify areas for improvement and determine the value and contribution of the Board and each director towards the growth and improvement of the Corporation. The Self-Assessment forms are distributed to the members of the Board and tabulated by the Board Secretariat so that results may be reported to and acted upon by the Board of Directors, Management, and/or appropriate committee, as necessary.

The criteria for the Self-Assessment of the Board, the Committees, and individual directors are as follows:

Board Self-Assessment Criteria	Director Self-Assessment Criteria	Committee Self-Assessment Criteria
— Structure and Composition — Roles and Accountability — Board Process — Board Dynamics	— Director Roles & Responsibilities — Vision, Goals and Strategies — Continuous education, development and improvement — Board Meetings — Participation and Overall Performance	— Charter — Composition and Quality — Meetings — Duties and Responsibilities — Working relationship with executives

Questions may be answered on a scale ranging from "strongly disagree" to "strongly agree", and qualitative questions are asked to solicit comments and suggestions on recommended areas of focus and on how to improve the Corporation's performance.

For the second part of the assessment process, ICD interviews select directors of the Corporation to enable ICD to ask additional questions in relation to the directors' answers to the Self-assessment forms.

Performance Assessment of President by the Board

The President's Assessment questionnaire is a tool used to evaluate the performance of the President of GT Capital and to identify areas of improvement. It is distributed to the Board and the results are provided to the President. The Questionnaire is divided into the following sub-sections: leadership, strategy formulation, strategy execution, financial planning/performance, relationship with the Board, personal qualities, transparency/effective communication, and integrity. The Board rated the President on a scale of one (1) as the lowest to five (5) as the highest. The questionnaire also includes a portion on the President's development needs where the directors can identify the President's strengths and suggest key result areas and personal development for the coming year.

Board Committees

The Board exercises authority over specific aspects of GT Capital's business through its committees, which aids in complying with the principles of good corporate governance. Each committee is governed by its own charter, which serves as a guide on its composition, frequency of meetings, and exercise of its powers, duties and responsibilities. The latest version of each committee charter may be downloaded from the GT Capital website.

Executive Committee

GT Capital's Executive Committee exercises powers and authority of the Board when the Board is not in session, or when it is impractical for the Board of Directors to meet. The Executive Committee reports all its actions to the Board of Directors, which may revise or alter the same, provided that no rights or acts of third parties are prejudiced. The Executive Committee also guides Management in the evaluation of the acts or courses of action to be taken prior to its endorsement to the Board, if required under the CG Manual and By-laws of GT Capital.

Member	Position Held in Committee	Meetings Attended
Francisco C. Sebastian	Chairman (Non-executive Director)	19/20
Alfred Vy Ty	Vice-Chairman (Non-executive Director)	19/20
Arthur Vy Ty	Member (Non-executive Director)	19/20
Carmelo Maria Luza Bautista	Member (Executive Director)	20/20
Mary Vy Ty	Adviser (Non-executive)	20/20
Solomon S. Cua	Adviser (Non-executive)	19/20

Compensation Committee

The Compensation Committee is tasked to implement formal and transparent policies and procedures to ensure that compensation of directors and key officers of GT Capital is consistent with the Corporation's culture, strategy, long-term interests, and the business environment in which it operates.

Member	Position Held in Committee	Meetings Attended
Renato C. Valencia	Chairman (Independent Director)	1/1
Rene J. Buenaventura	Member (Independent Director)	1/1
Alfred Vy Ty	Member (Director)	1/1

Nominations Committee

The Nominations Committee defines and assesses Board membership criteria and identifies and develops highly-qualified individuals to take on key Board and Board Committee positions when vacancies occur. The Nominations Committee pre-screens and shortlists candidates nominated to become a member of the Board of Directors of GT Capital and other positions requiring the Board of Directors' appointment. It ensures that all nominees possess all of the qualifications and none of the disqualifications provided under existing laws, rules, and regulations, and promotes the Corporation's policy on diversity, such that no discrimination is made based on gender, age, ethnicity, nationality or background, whether social, cultural, political or religious.

The Nominations Committee considers the Corporation's vision, mission, corporate objectives, and strategic direction as well as gaps in the skills and competencies of the currently serving directors. In determining whether there are gaps, the Nominations Committee also considers the sectors that GT Capital and its component companies are in. The Nominations Committee has the option to use an external search agency or external databases in identifying qualified candidates to the Board of Directors.

All members of the Nominations Committee are Independent Directors.

Member	Position Held in Committee	Meetings Attended
Renato C. Valencia	Chairman (Independent Director)	3/3
Gil B. Genio	Member (Independent Director)	3/3
Rene J. Buenaventura	Member (Independent Director)	3/3
Carmelo Maria Luza Bautista	Adviser (Executive Director)	3/3

Corporate Governance

Audit Committee

The Audit Committee exercises oversight responsibility over the financial reporting process, system of internal control, audit process, and the monitoring of compliance with applicable laws, rules, and regulations. It oversees the Corporation's external and internal auditors and reviews the audit and non-audit fees paid to external auditors.

Statement of the Audit and Risk Oversight Committees on Adequacy of GT Capital's Internal Controls and Risk Management System

In compliance with GT Capital's Manual on Corporate Governance and PSE's Corporate Governance Guidelines for publicly listed companies, the Audit Committee and the Risk and Sustainability Oversight Committee jointly certify, on behalf of the Board of Directors, the adequacy and effectiveness of the Corporation's internal controls and risk management system, and hereby attest that the Parent Corporation's governance, risk management, and control processes are adequately designed and operating effectively relative to its business objectives.

Mr. Gil B. Genio
Chairman, Audit Committee

Mr. Rene J. Buenaventura
Chairman, Risk and Sustainability Oversight Committee

Member	Position Held in Committee	Meetings Attended
Gil B. Genio	Chairman (Independent Director)	4/4
Renato C. Valencia	Member (Independent Director)	4/4
Rene J. Buenaventura	Member (Independent Director)	4/4
Regis V. Puno	Member (Non-executive Director)	4/4

At least one (1) independent director of the Audit Committee has accounting expertise. Mr. Rene J. Buenaventura is certified public accountant.

Risk and Sustainability Oversight Committee

On risk management, the Risk and Sustainability Oversight Committee is responsible for ensuring the creation and implementation of a robust and effective system of identifying, assessing, monitoring, and managing all material and relevant risks to the Corporation and its shareholders.

On sustainability, the Risk and Sustainability Oversight Committee is responsible for overseeing the sustainability program of GT Capital towards its mission to "ensure long-term value for our stakeholders by creating a synergistic business portfolio contributing to our nation's sustainable development", taking into account economic, environmental, ethical, and social issues material to the Corporation and its stakeholders.

The powers, duties and responsibilities of the Risk and Sustainability Oversight Committee on risk management include, among others, identifying, assessing, and prioritizing business risks; developing risk management strategies; and overseeing the implementation as well as reviewing and revising GT Capital's Risk Management Plan.

In addition, the Risk and Sustainability Oversight Committee's powers, duties and responsibilities include, among others, overseeing GT Capital's material environmental and social issues, providing guidance in the company's sustainability framework, strategy and policies; overseeing sustainability initiatives and targets; and reviewing the company's sustainability report.

Member	Position Held in Committee	Meetings Attended
Rene J. Buenaventura	Chairman (Independent Director)	4/4
Renato C. Valencia	Member (Independent Director)	4/4
Gil B. Genio	Member (Independent Director)	4/4
David T. Go	Member (Non-executive Director)	4/4
Consuelo D. Garcia	Member (Independent Director)	4/4

Corporate Governance and Related Party Transactions Committee

The Corporate Governance and Related Party Transactions Committee was created as a board-level committee in order to aid the Board of Directors in its primary responsibility for good corporate governance. It is tasked with ensuring the Board's effective and due observance of corporate governance principles and guidelines. The Corporate Governance and Related Party Transactions Committee is also responsible for reviewing transactions with related parties which involve disbursements of funds exceeding the amount provided in the Corporate Governance and Related Party Transactions Committee Charter. In all cases, the Corporate Governance and Related Party Transactions Committee take into consideration the best interest of the Corporation and its shareholders.

The policies which guide the Corporate Governance and Related Party Transactions Committee are found in the Corporate Governance and Related Party Transactions Committee Charter.

One of the policies outlined in the Corporate Governance and Related Party Transactions Committee Charter is the Corporation's policy prohibiting loans to directors except when the following conditions are present: (a) Management has, based on the judgment of the Board, sufficiently justified the loan or assistance to the related party; (b) the loan or assistance shall be provided on arm's length basis; and (c) the terms and conditions of the loan do not deviate substantially from market terms and conditions and do not jeopardize the best interest of the Corporation.

Member	Position Held in Committee	Meetings Attended
Renato C. Valencia	Chairman (Independent Director)	3/3
Gil B. Genio	Member (Independent Director)	3/3
Rene J. Buenaventura	Member (Independent Director)	3/3
Anjanette Ty Dy Buncio	Adviser	3/3

In 2023, all related party transactions were conducted fairly and at an arm's length basis. Further discussion on the related party transactions of the Corporation can be found under Note 27 of the Corporation's Audited Financial Statements.

Board and Committee Support

GT Capital's Corporate Secretary, Atty. Antonio V. Viray, has extensive experience in legal and company secretarial practices, and, together with Assistant Corporate Secretaries, Ms. Jocelyn Y. Kho and Atty. Ma. Sofia A. Lopez, plays a significant role in supporting the Board by ensuring the efficient flow of information among the Board of Directors, Management, stockholders, and stakeholders. They ensure that directors have reasonable access to any information they might need to deliberate on all matters on the Board's agenda and receive the requisite board materials at least five (5) business days before each meeting.

By keeping abreast with relevant laws, rules and regulations, and industry developments necessary for the performance of their duties and responsibilities, they effectively advise the Board on significant issues as they arise. In monitoring regulatory compliance, they may take appropriate corrective measures to address all regulatory issues and concerns.

Director and Executive Compensation

GT Capital's Compensation Committee is tasked with ensuring that competitive remuneration is offered to attract and retain the services of qualified and competent directors and officers. Annual compensation of the members of the Board and Board officers are determined prior to the start of their term. The Human Resources, Administration, and IT Department implements policies on compensation and benefits of employees found in its PPM, which sets forth benefits offered by the Corporation as well as the employees entitled to such benefits.

Corporate Governance

In 2023, GT Capital directors received aggregate remuneration as follows:

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
Per Diem Allowance	PhP 1.50 million	PhP 10.20 million	PhP 7.00 million
Bonuses	PhP 0.85 million	PhP 4.90 million	PhP 4.50 million
Transportation	-	PhP 0.64 million	PhP 2.47 million

Remuneration of directors (including Independent and Non-Executive Directors) consists of per diem and transportation allowances as well as a year-end bonus which is not dependent on performance. Directors do not receive any remuneration in the nature of options or performance shares.

Audit and Accounting

Internal Audit

The Internal Audit function of GT Capital is under the responsibility of its Chief Audit Executive (the "CAE"), Ms. Cheryll Sereno. Prior to the start of the year, a risk-based audit plan is prepared, which is then approved by the Audit Committee. Progress of the plan as well as significant audit findings are reported quarterly to the Audit Committee and Board.

The CAE ensures that risk-based audit plans are prepared at the component company level. Progress of these plans and significant audit findings meeting the Group's escalation criteria are reported by each component company's Internal Audit Head to the CAE on a quarterly basis. These reports are consolidated and reported to GT Capital's Management, Audit Committee, and Board.

As mandated by the Internal Audit Charter, to maintain the independence of the internal audit process, the CAE functionally reports to the Audit Committee and administratively to the President. The Audit Committee is thus responsible for the appointment, performance evaluation, and removal of the CAE.

Independent Public Accountants

SGV & Co. was GT Capital's external auditor for the calendar year 2023. GT Capital is compliant with SRC Rule 68, Paragraph 3 (b) (ix) (Rotation of External Auditors), which states that the independent auditors, or in the case of an audit firm, the signing partner, shall be rotated after every five (5) years of engagement, with a two-year cooling off period to be observed in the re-engagement of the same signing partner or individual auditor. The following SGV & Co. partners were engaged by GT Capital since its listing in 2012.

YEAR	SGV PARTNER ENGAGED
2012	Aris C. Malantic
2013 - 2017	Vicky Lee Salas
2018 - 2019	Miguel U. Ballelos, Jr.
2020 - 2021	Vicky Lee Salas
2022	Miguel U. Ballelos, Jr.
2023	Miguel U. Ballelos, Jr.

The following table sets out the aggregate fees for audit and audit-related services rendered by SGV & Co. to GT Capital, inclusive of out-of-pocket expenses and value-added-tax for each of the years ended December 31, 2022 and 2023:

	2022	2023
Audit and Audit Related Services	2.46	2.32
Non-Audit Services	4.99	0.05
Total	7.45	2.38

Audit services rendered include the audit of the financial statements and supplementary schedules for submission to SEC, and review of annual income tax computation. Non-audit services were also provided by SGV & Co. for validation of stockholders' votes during the ASM.

The Audit Committee has the primary responsibility of recommending to the Board the appointment, re-appointment or removal of the external auditor, and the fixing of the audit fees. The Board and stockholders approve the Audit Committee's recommendation.

Appointment of Independent Party

For the year 2023, GT Capital was not involved in any mergers, acquisitions and/or takeovers which required stockholders' approval. As such, it was not necessary to appoint an independent party to evaluate the fairness of any transaction price in relation to such mergers, acquisitions, and/or takeovers requiring stockholders' approval.

Financial Reporting

GT Capital's financial statements comply with Philippine Accounting Standards and Philippine Financial Reporting Standards and are submitted and disclosed in compliance with the applicable laws, rules and regulations. GT Capital did not revise its financial statements in 2023.

Ownership Structure

Stockholders holding more than 5% of outstanding shares

As of December 31, 2023, the following are the owners of GT Capital's common stock in excess of five percent (5%) of its total outstanding shares:

Record Owner	No. of Shares Held	Percentage (%)
Grand Titan Capital Holdings, Inc.	120,413,658	55.932%
PCD Nominee Corp. (Filipino)	53,985,155	25.076%
PCD Nominee Corp. (Non-Filipino)	39,932,897	18.549%

No director or officer has shareholdings in GT Capital amounting to five percent (5%) or more of its outstanding capital stock and there are no cross or pyramid shareholdings.

Direct and Indirect Shareholdings of Major Shareholder, Directors and Senior Officers

GT Capital reports quarterly to the PSE the direct and indirect shareholdings of its major shareholder, Grand Titan Capital Holdings, Inc., GT Capital's directors, and its senior officers. Their direct and indirect common shareholdings for the year 2023 are as follows:

Corporate Governance

Name	Nature of Relationship to GT Capital	(As of January 1, 2023) Number of Shares Directly Owned	(As of January 1, 2023) Number of Shares Indirectly Owned	(As of December 31, 2023) Number of Shares Directly Owned	(As of December 31, 2023) Number of Shares Indirectly Owned
Grand Titan Capital Holdings, Inc.	Principal Shareholder	120,413,658 (55.932%)	0 (0.0000%)	120,413,658 (55.932%)	0 (0.0000%)
Francisco C. Sebastian	Chairman	112 (0.000%)	173,802 (0.081%)	112 (0.000%)	173,802 (0.081%)
Alfred V. Ty	Vice Chairman	111,780 (0.052%)	25,299 (0.012%)	111,780 (0.052%)	25,299 (0.012%)
Carmelo Maria Luza Bautista	President and Executive Director	1,118 (0.0005%)	26,103 (0.012%)	1,118 (0.0005%)	26,103 (0.012%)
Arthur V. Ty	Non-Executive Director	111,780 (0.052%)	13,149 (0.006%)	111,780 (0.052%)	13,149 (0.006%)
Renato C. Valencia	Lead Independent Director	218 (0.0001%)	0 (0.0000)	218 (0.0001%)	0 (0.0000)
Rene J. Buenaventura	Independent Director	112 (0.0000%)	0 (0.0000%)	112 (0.0000%)	0 (0.0000%)
Consuelo D. Garcia	Independent Director	0 (0.0000%)	1,000 (0.0005%)	0 (0.0000%)	1,000 (0.0005%)
Gil B. Genio	Independent Director	0 (0.0000%)	9,810 (0.0045%)	0 (0.0000%)	9,810 (0.0045%)
Carlos G. Dominguez III	Independent Director	0 (0.0000%)	100 (0.0000%)	0 (0.0000%)	100 (0.0000%)
David T. Go	Non-Executive Director	112 (0.0000%)	0 (0.0000%)	112 (0.0000%)	0 (0.0000%)
Regis V. Puno	Non-Executive Director	112 (0.0000%)	2,000 (0.0010%)	112 (0.0000%)	2,000 (0.0010%)
Anjanette T. Dy Buncio	Treasurer	0 (0.0000%)	176,856 (0.082%)	0 (0.0000%)	176,856 (0.082%)
Alesandra T. Ty	Assistant Treasurer	0 (0.0000%)	21,794 (0.0101%)	0 (0.0000%)	21,794 (0.0101%)
Antonio V. Viray	Corporate Secretary	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)
Jocelyn Y. Kho	Assistant Corporate Secretary	0 (0.0000%)	14,080 (0.007%)	0 (0.0000%)	14,080 (0.007%)
Maria Sofia A. Lopez	Assistant Corporate Secretary	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)
Francisco H. Suarez, Jr.	Executive Vice President/Chief Financial Officer	0 (0.0000%)	5,589 (0.003%)	0 (0.0000%)	5,589 (0.003%)

Name	Nature of Relationship to GT Capital	(As of January 1, 2023) Number of Shares Directly Owned	(As of January 1, 2023) Number of Shares Indirectly Owned	(As of December 31, 2023) Number of Shares Directly Owned	(As of December 31, 2023) Number of Shares Indirectly Owned
Vicente Jose S. Socco	Executive Vice President	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)
Jesus G. Chua, Jr.	Executive Vice President for Finance	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)
Jose B. Crisol, Jr.	Senior Vice President/Head, Investor Relations and Corporate Communications	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)
Reyna Rose P. Manon-Og	First Vice President, Controller/Head Accounting & Financial Control	0 (0.0000%)	824 (0.0004%)	0 (0.0000%)	1,024 (0.0005%)
Joyce B. De Leon	First Vice President/Chief Risk Officer	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)
Stephen John S. Comia	First Vice President/Head of Property Management	0 (0.0000%)	1,140 (0.0005%)	0 (0.0000%)	1,140 (0.0005%)
Susan E. Cornelio	Vice President/ Head, Human Resources and Administration	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)
Renee Lynn Miciano-Atienza	Vice President/ Head, Legal & Compliance	0 (0.0000%)	50 (0.0000%)	0 (0.0000%)	50 (0.0000%)
Don David C. Asuncion	Vice President	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)
Cheryll B. Sereno	Vice President/ Chief Audit Executive	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)
Farrah Lyra Q. De Ala	Assistant Vice President	0 (0.0000%)	509 (0.0002%)	0 (0.0000%)	959 (0.0004%)
Rachel Anne R. De Leon	Assistant Vice President	0 (0.0000%)	47 (0.0000%)	0 (0.0000%)	47 (0.0000%)
Bruce Ricardo O. Lopez	Assistant Vice President	0 (0.0000%)	333 (0.0001%)	0 (0.0000%)	333 (0.0001%)

Corporate Governance

Succession Planning

In line with GT Capital's initiative to strengthen succession planning, officers, and employees were given developmental interventions in 2023 based on the results of their individual evaluations, which focused on closing their competency gaps and enhancing leadership skills.

Creditor Protection

The PPM of the Accounting and Financial Control Department outlines GT Capital's policies on creditor protection, which ensure timely payment and compliance with loan covenants, such as the maintenance of various financial ratios. These policies were applied in the review of GT Capital's loan agreements in 2023. The prospectus of each of GT Capital's existing corporate fixed rate bonds also includes provisions for the protection of bondholders, including the appointment of a trustee bank to act in their behalf. In addition, GT Capital's loan agreements include provisions on the disclosure of information to lenders, including the Corporation's financial statements.

The Treasury and Finance Officer monitors all loan provisions to ensure timely payment of interest and/or principal and works in close coordination with the Legal and Compliance Officer to monitor the Corporation's compliance with its loan covenants.

Shareholder Meetings and Dividend Policy

The By-laws of GT Capital provides for the second Wednesday of May of every year as the date of the ASM. The notice of ASM, including the details of each agenda item, is released through a disclosure to the PSE at least twenty-eight (28) days before the date of the ASM. The notice of ASM includes the agenda, the record date, the date, time and place of the ASM, and the procedure for validation of proxies. The submission of proxies must be done at least five (5) business days prior to ASM. In accordance with the provisions of the Revised Corporation Code of the Philippines, each outstanding common and voting preferred share of stock entitles the holder as of record date to one vote.

In 2023, GT Capital's annual target dividend payout was Three Pesos (P3.00) per share, payable out of its unrestricted retained earnings. This was increased to Eight Pesos (P8.00) per share in 2024. GT Capital has consistently met its target dividend payout, paying the following dividends:

Year Declared	Per share	Total amount (in millions)
2024	8.00*	1,076.42
2023	3.00	645.90
2022	3.00	645.90
2021	3.00	645.90
2020	6.00	1,291.71
2019	3.00	598.01
2018	3.00	577.79
2017	5.00	871.50
2016	6.00	1,045.80
2015	3.00	522.90
2014	3.00	522.90
2013	3.00	522.90

* On March 13, 2024, the Board approved the declaration of a P3.00 (regular) and P2.00 (special) cash dividends for common and voting preferred stockholders to be paid on April 12, 2024. The remaining P3.00 regular cash dividend will be declared by the Board with exact record and payment date to be disclosed after the regular meeting of the Board of Directors in August 2024.

GT Capital Group Directors and Officers and resource speakers discuss cybersecurity in the GT Thought Leadership Series held in Grand Hyatt, BGC

Other Stakeholders and Investor Relations

GT Capital recognizes and values its fiduciary duty towards its investors. Crucial to the establishment and maintenance of the trust and confidence of its investors is transparency in systems and communications. GT Capital's Investor Relations, Strategic Planning, and Corporate Communication ("IRSPCC") Department aims to impart a thorough understanding of GT Capital's strategies in creating shareholder value.

The IRSPCC Department compiles and reports relevant documents and requirements to meet the needs of the investing public, shareholders, and other stakeholders of GT Capital, fully disclosing these to the local stock exchange, as well as through quarterly media and analysts briefings, one-on-one investor meetings, the ASM, road shows, investor conferences, e-mail correspondences or telephone queries, teleconferences, its annual and quarterly reports, and GT Capital's website. All shareholders, including institutional investors, are encouraged to attend stockholders' meetings and other events held for their benefit.

E-mail inquiries from the investing public and shareholders are received by GT Capital's IRSPCC Department through IR@gtcapital.com.ph. Correspondence may also be addressed to:

JOSE B. CRISOL, JR.
Senior Vice President
Head, Investor Relations, Strategic Planning, and Corporate Communications
T: (+632) 8836 4500
E: jose.crisol@gtcapital.com.ph

SHERMAINE N. CHAVEZ
Investor Relations Manager
T: (+632) 8836 4500
E: shermaine.chavez@gtcapital.com.ph

Other stakeholder concerns may be sent to governance@gtcapital.com.ph.

Corporate Governance

The following is GT Capital's 2023 Investor Relations Calendar of Events:

Date	Event	Venue
January 12	Macquarie Owners Access Day	Enterprise Center, Tower 1
January 17	Maybank Invest ASEAN 2023	Kuala Lumpur, Malaysia
January 20	ACGS Awards Night	Sheraton Manila Hotel
February 24	GT Analytics Community Day	Grand Hyatt Residences
March 24	GT Capital Full Year 2022 Financial and Operating Results Briefing	Digital Platform
March 28	J.P. Morgan Philippine Conference 2023	J.P. Morgan Chase & Co Tower, Uptown Bonifacio, Taguig City
April 20	GT Capital Branding and Strategic Direction Session	Apartment 301, Level 3 Grand Hyatt Manila
May 4	GT Though Leadership Series: Positioned for Growth: Seizing Opportunities through the Philippine Development Plan & Consumer and Market Insights	Multi-Purpose Room, Grand Hyatt Residences
May 10	GT Capital Annual Stockholders' Meeting	Multi-Purpose Room, Grand Hyatt Residences, Digital Platform (Hybrid)
May 16	GT Capital First Quarter 2023 Financial and Operating Results Briefing	Digital Platform
May 30-31	UBS OneASEAN Conference 2023	Singapore
June 26	Asian Excellence Awards Night	JW Marriott Hotel, Hong Kong
August 15	GT Capital First Half 2023 Financial and Operating Results Briefing	Digital Platform
August 17	PSE Star Presentation	Digital Platform
August 24	Macquarie ASEAN Conference	Fullerton Hotel Singapore
August 24	GT Thought Leadership Series	Multi-Purpose Room, Grand Hyatt Residences
September 28	2023 Golden Arrow Recognition for GT Capital Holdings, Inc.	Okada Manila

Date	Event	Venue
October 6	FMSBC Live Webinar feat. GTCAP	Digital Platform
October 11-13	Jefferies & Regis Partners Philippines Conference	The Peninsula Manila
October 17	GT Though Leadership Series: Cybersecurity Resilience: Governance & Strategy	Digital Platform
October 17-21	First Metro Securities Non Deal Roadshow	Singapore and Hong Kong
October 24	COL Conversations with GT Capital Holdings	Digital Platform
October 26	Nation Builders' Commendation – 49th Philippine Business Conference Expo	The Manila Hotel
November 6	GT Capital Economic Briefing feat. Dr. Victor A. Abola	GT Tower Penthouse
November 14	GT Capital January to September 2023 Financial and Operating Results Briefing	Digital Platform
November 21	GT Thought Leadership Series: Future-Proofing Businesses through Climate Adaptation and Resilience	The Gallery, Grand Hyatt Manila
November 22	GT Capital Strategic Pre-Planning Session	GT Tower Penthouse
November 22 - December 1	Strategic Planning Weeks	GT Tower
December 1	GT Capital Strategic Planning Plenary	Taal Vista Hotel, Tagaytay
December 12	GT Capital Branding – Purpose, Vision, Mission, Values Workshop	GT Tower Penthouse
January 1 – December 31	24 One-on-one meetings with investors and research analysts	Digital Platforms and Metro Manila
January 1 – December 31	4 Offshore conferences with investors and research analysts	Singapore Malaysia Hong Kong
January 1 – December 31	2 Site visits to component companies	Toyota Manila Bay Times Square West, BGC

Financial Statements

Statement of Management's Responsibility for Financial Statements

The management of GT Capital Holdings, Inc. (the Company) is responsible for the preparation and fair presentation of the parent and consolidated financial statements including the schedules attached therein, as of December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders, has audited the parent and consolidated financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

(Original signed)
Francisco C. Sebastian
Chairman of the Board

(Original signed)
Carmelo Maria L. Bautista
President

(Original signed)
Francisco H. Suarez, Jr.
Chief Financial Officer

SUBSCRIBED AND SWORN to before me on 14 MAR 2024 affiants exhibiting to me their respective Tax Identification Numbers, as follows:

Francisco C. Sebastian	TIN No. 163-762-954
Carmelo Maria L. Bautista	TIN No. 106-903-668
Francisco H. Suarez, Jr.	TIN No. 126-817-465

Doc. No. 30
Page No. 6
Book No. 58
Series of 2024

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
Appointment No. M-231 until December 2024
43/F GT Tower Int'l Ayala Ave. cor. H.V. dela Costa St, Makati City
Roll No. 38610/05.13.1993/MCLE Comp. No. VII-0018672
PTR No. 10080896; 01.10.2024, Makati City
IBP No. 292932, 01.09.2023, Pasig City

Independent Auditor's Report

The Stockholders and the Board of Directors
GT Capital Holdings, Inc.
43rd Floor, GT Tower International
Ayala Avenue corner H.V. Dela Costa Street
Makati City

Opinion

We have audited the consolidated financial statements of GT Capital Holdings, Inc. and its subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs as issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs, which are applicable to the Group's Real Estate Segment, specifically under Federal Land Group, on the 2023 and 2022 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Goodwill and Customer Relationship

Under PFRSs, the Group is required to annually test the amount of goodwill and intangible assets with indefinite useful life for impairment. As of December 31, 2023, the Group has goodwill attributable to the acquisition of various businesses and an intangible asset with indefinite useful life relating to customer relationship with total carrying values of ₱5.93 billion and ₱3.88 billion, respectively, which are considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically the forecasts of future cash flows, expected gross margins, discount rates, long-term growth rates, attrition rates, and earnings before interest and taxes (EBIT) margin on key customers.

The Group's disclosures about goodwill and customer relationship are included in Notes 12 and 13 to the consolidated financial statements.

Audit Response

We obtained an understanding of the management's process for evaluating the impairment of goodwill. We involved our internal specialist in evaluating the methodologies and the assumptions used. These assumptions include forecasts of future cash flows, expected gross margins, discount rates, long-term growth rates, attrition rates, and EBIT margin on key customers. We compared the key assumptions used, such as discount rates and growth rates against the historical performance of the cash-generating unit (CGU), industry/market outlook and other relevant external data. We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive; specifically, those that have the most significant effect on the determination of the recoverable amount of goodwill and customer relationship.

Real Estate Revenue Recognition

The Group's real estate revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation in the following areas:
(a) assessment of the probability that the entity will collect the total consideration from the buyer;
(b) application of the output method as the measure of progress in determining real estate revenue;
(c) determination of the actual costs incurred as cost of sales; and (d) recognition of cost to obtain a contract.

In evaluating whether collectability of the total amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (buyer's equity). Collectability is also assessed by considering factors such as history with the buyer, and age and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the project engineers as approved by the construction manager, which integrates the surveys of performance to date of both the sub-contracted construction activities and those that are fulfilled by the Group itself.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

Independent Auditor's Report

The Group identifies sales commission after contract inception as the cost to obtain the contract. For contracts that qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain the contract and recognizes the related commission payable. The Group uses the percentage-of-completion (POC) method in amortizing sales commission consistent with the Group's revenue recognition policy.

The assessment of the stage of completion and level of buyer's equity involves significant management judgment. The disclosure related to real estate revenue are included in Note 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's real estate revenue recognition process, policies, and procedures. For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as sales and cancellation reports.

For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC. We inspected the certified POC reports prepared by the project engineers and assessed their competence, capabilities, and objectivity by reference to their qualifications, experience, and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries and obtained the supporting details of POC reports showing the completion of the major activities of the project construction.

For the cost of sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. For selected projects, we traced the accumulated costs, including costs incurred but not yet billed, to supporting documents such as accomplishment reports and progress billings from contractors.

For the recognition of cost to obtain a contract, we gained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and the portion recognized in profit or loss, particularly (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (i.e., net contract price) against the related contract to sell, and (c) the POC used in calculating the sales commission against the POC used in recognizing the related revenue from real estate sales.

Accounting for Investments in Significant Associates

The Group has investments in Metropolitan Bank & Trust Company (MBTC) and Metro Pacific Investments Corporation (MPIC) that are both accounted for under the equity method. The application of the equity method of accounting over these investments, particularly the determination of the Group's share in the net income of these associates and the assessment for impairment of these investments, is a key audit matter because the Group's equity in the net earnings of these associates contributed 19.20 billion, or 52.88% of the Group's consolidated net income in 2023, and the Group's investments in these associates accounted for 60.73% and 41.63% of the consolidated total noncurrent assets and consolidated total assets, respectively, of the Group as of December 31, 2023.

MBTC's net income is significantly affected by its application of the expected credit loss (ECL) model in calculating the allowance for credit losses for its loans and receivables; recognition of deferred tax assets; and recoverability of goodwill.

MBTC's application of the ECL model is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting MBTC's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality, taking into account extension of payment terms; determining assumptions to be used in the ECL model such as the counterparty credit risk rating, the expected life of the financial asset, expected recoveries from defaulted accounts and the impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information in calculating ECL. Meanwhile, the recognition of deferred tax assets is significant to our audit because it requires significant judgment and is based on assumptions such as availability of future taxable income and the timing of the reversal of the temporary differences that are affected by expected future market or economic conditions and the expected performance of MBTC. For the recoverability of goodwill, MBTC performed the impairment testing using the CGU's fair value less costs to sell (FVLCTS). The annual impairment test is significant to our audit because the determination of the CGU's FVLCTS requires significant judgment and is based on assumptions which are subject to a higher level of estimation uncertainty.

The CGU's assets include significant investments in unquoted equity shares and their fair values were determined using price-to-earnings (P/E) ratios of comparable companies and adjusted net asset value (NAV) method.

Meanwhile, MPIC's net income is significantly affected by the recoverability of its goodwill, service concession assets (SCAs) not yet available for use, and SCA related to the West Zone Concession; the amortization of SCAs using the units-of-production (UOP) method; and revenue on water and sewerage services from the Metropolitan Waterworks and Sewerage System (MWSS) West Service Area.

MPIC has SCAs not yet available for use, which are required to be tested for impairment at least annually and an investment in KM Infrastructure Holdings, Inc. ("KM Infra") which are tested for impairment due to its underperformance in meeting revenue targets for the past years. These are important to our audit because the impairment assessment of SCAs not available for use and investment in KM Infra involves significant management judgment and estimates. Moreover, the SCAs related to the toll roads, water and rail concession agreements of MPIC are being amortized using the UOP method. The UOP amortization method involves significant management judgment and estimates, particularly in determining the total expected traffic volume, the total estimated volume of billable water, and the total estimated rail ridership over the remaining periods of the concession agreements. In addition, water and sewerage service revenue recognition is significant to our audit because it is affected by the completeness of data captured during meter readings, which involves processing large volumes of data from multiple locations and different billing cut-off dates for different customers; propriety of the application of the relevant rates to the billable consumption of different customers classified as residential, semi-business, commercial or industrial; and reliability of the systems involved in processing bills and recording revenues.

Moreover, the Group assesses the impairment of its investments in associates and joint ventures whenever events or changes in circumstances indicate that the carrying amounts of the investments may not be recoverable. As of December 31, 2023, the fair value of the Group's investment in MBTC based on the current market capitalization has declined compared to the carrying value of the investment, which is an impairment indicator. The assessment of the recoverable amount of the investment in MBTC requires significant judgment and involves estimation and assumptions about the revenue growth rate, terminal growth rate, and discount rate.

The relevant disclosures related to the Group's investments in associates are provided in Note 8 to the consolidated financial statements.

Independent Auditor's Report

Audit Response

For MBTC's application of the ECL model, we obtained an understanding of the Board-approved methodologies and models used for the different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, and to consider the time value of money and the best available forward-looking information.

We (a) assessed MBTC's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place; (c) tested MBTC's application of its internal credit risk rating system its by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in MBTC's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) evaluated the forward-looking information used for overlay through statistical tests and corroboration using publicly available information and our understanding of MBTC's lending portfolios and broader industry knowledge, and (h) tested the effective interest rate used in discounting the expected loss.

Further, we checked the data used in the ECL models from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

We recalculated ECL provisions on a sample basis. We involved our internal specialist in the performance of the above procedures.

For MBTC's recognition of deferred tax assets, we involved our internal specialist in interpreting the tax regulations, testing the temporary differences identified by MBTC and the applicable tax rate. We also re-performed the calculation of the deferred tax assets. We evaluated the management's assessment on the availability of sufficient taxable income in the future in reference to financial forecast and tax strategies. We evaluated management's forecast by comparing the loan portfolio and deposit growth rates to the historical performance of MBTC and the industry, including future market circumstances.

For MBTC's assessment of the recoverability of goodwill, we involved our internal specialist in obtaining an understanding of MBTC's impairment assessment process including methodology and assumptions used in the assessment and in evaluating the assumptions and methodology used by MBTC in determining the FVLCTS of the CGU, in particular those relating to the use of P/E ratios of comparable companies and adjusted NAV method in the valuation of the unquoted equity shares. We tested the fair value of the other assets and liabilities by referring to the quoted prices of listed equity and debt instruments, agreeing the appraised values of real estate properties to the appraisal reports, comparing the future cash flows of unquoted debt instruments to the related contracts, and comparing the discount rates used against prevailing interest rates for similar instruments. We also reperformed the calculation of the FVLCTS.

For MPIC's impairment testing of SCAs not yet available for use and investment in KM Infra, we involved our internal specialist in evaluating the methodologies and the assumptions used in the determination of the recoverable amounts of the CGUs. These assumptions include the expected volume of traffic for the toll roads, ridership for the rail, billed water volume for the water concession, storage revenues for KM Infra, growth rates, discount rates and the assigned probabilities to various scenarios. We also compared the key assumptions such as traffic volume, rail ridership, billed water volume, and storage revenue against historical data and against available studies by independent parties that were commissioned by the respective subsidiaries. In cases where volume was determined by management specialists, we obtained the reports of the management specialists and gained an understanding of the methodology and the basis of computing the forecasted volume. We tested the weighted average cost of capital (WACC) used in the impairment test by comparing it with WACC of other comparable companies in the region. We obtained an understanding and evaluated the bases of probabilities assigned to each scenario.

For MPIC's amortization of SCAs using the UOP method, we obtained the report of management's specialists and gained an understanding of the methodology and the basis of computing the forecasted traffic volume, billable water and rail ridership. We evaluated the competence, capabilities, and objectivity of management's specialists who estimated the forecasted volumes by considering their qualifications, experience and reporting responsibilities. Furthermore, we compared the traffic volume, billable water volume, and rail ridership during the year against the historical data generated from the toll collection system for tollways, from the billing system for water and from the automated fair collection system for rail. We recalculated the amortization expense for the year and the SCAs as of year-end based on the established traffic volume, billable water volume and rail ridership.

For MPIC's revenue on water and sewerage services from the MWSS West Service Area, we obtained an understanding of the water and sewerage service revenue process, which includes maintaining the customer database, capturing billable water consumption, uploading captured billable water consumption to the billing system, calculating billable amounts based on MWSS-approved rates, and uploading data from the billing system to the financial reporting system. We also evaluated the design of and tested the relevant controls over this process. In addition, on a sample basis, we performed test recalculation of the billed amounts using the MWSS-approved rates and formulae and compared them with the amounts reflected in the billing statements. Moreover, we involved our internal specialist in understanding the information technology (IT) processes and in testing the IT general controls over the IT systems supporting the revenue process.

For the Group's recoverability of investment in associates, we involved our internal specialist in evaluating the methodology and assumptions used. For the investment in MBTC, we compared the revenue and terminal growth rates to available industry, economic and financial data. We also tested whether the discount rate used represents current market assessment of risks associated with the investment.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and the Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's Report

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC as described in Note 2 to the consolidated financial statements.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miguel U. Ballelos, Jr.

SYCIP GORRES VELAYO & CO.

Miguel U. Ballelos, Jr.
Partner
CPA Certificate No. 109950
Tax Identification No. 241-031-088
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-114-2022, January 20, 2022, valid until January 19, 2025
PTR No. 10079903, January 5, 2024, Makati City

March 13, 2024

Consolidated Statements of Financial Position

(In Millions)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱16,731	₱24,005
Financial assets at fair value through profit or loss (Note 10)	871	11,160
Receivables (Note 5)	29,203	14,135
Contract assets (Note 21)	4,092	4,707
Inventories (Note 6)	76,676	69,399
Due from related parties (Note 27)	134	356
Prepayments and other current assets (Note 7)	12,778	17,109
Total Current Assets	140,485	140,871
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (Note 10)	17,696	13,345
Receivables - net of current portion (Note 5)	6,390	6,250
Contract assets - net of current portion (Note 21)	5,489	5,636
Investment properties (Note 9)	22,326	22,247
Investments in associates and joint ventures (Note 8)	228,713	200,238
Property and equipment (Note 11)	13,589	13,951
Goodwill (Note 12)	5,926	5,926
Intangible assets (Note 13)	4,088	4,099
Deferred tax assets - net (Note 29)	1,085	1,277
Other noncurrent assets (Note 14)	829	3,316
Total Noncurrent Assets	306,131	276,285
	₱446,616	₱417,156
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 15)	₱43,790	₱36,948
Contract liabilities (Note 21)	3,293	3,207
Short-term debt (Note 16)	21,116	14,582
Current portion of long-term debt (Note 16)	16,110	7,758
Current portion of liabilities on purchased properties (Notes 20 and 27)	348	348
Current portion of bonds payable (Note 17)	3,997	6,099
Customers' deposits (Note 18)	1,062	928
Dividends payable (Note 22)	365	589
Due to related parties (Note 27)	416	166
Income tax payable	568	302
Other current liabilities (Note 19)	2,149	1,513
Total Current Liabilities	93,214	72,440

(*Forward*)

	December 31	
	2023	2022
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 16)	₱95,528	₱118,033
Bonds payable (Note 17)	–	3,992
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	981	1,300
Retirement liability (Note 28)	2,040	1,657
Deferred tax liabilities - net (Note 29)	4,409	3,414
Other noncurrent liabilities (Note 20)	3,190	3,306
Total Noncurrent Liabilities	106,148	131,702
Total Liabilities	199,362	204,142
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 22)	3,370	3,370
Additional paid-in capital (Note 22)	94,472	98,827
Treasury shares (Note 22)	(484)	–
Retained earnings - unappropriated (Note 22)	133,838	106,107
Retained earnings - appropriated (Note 22)	400	400
Other comprehensive loss (Note 22)	(2,477)	(9,284)
Other equity adjustments (Note 22)	2,322	2,322
	231,441	201,742
Non-controlling interests (Note 22)	15,813	11,272
Total Equity	247,254	213,014
	₱446,616	₱417,156

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Income

(In Millions, Except Earnings Per Share)

	Years Ended December 31		
	2023	2022	2021
REVENUE			
Automotive operations (Note 35)	**₱261,544**	₱211,945	₱150,964
Equity in net income of associates and joint ventures (Note 8)	**22,928**	16,455	11,065
Real estate sales (Note 35)	**12,673**	5,362	5,617
Rent income (Notes 9 and 30)	**1,509**	1,401	1,046
Sale of goods and services	**1,137**	957	589
Interest income (Note 23)	**1,111**	663	1,899
Commission income	**958**	667	288
Other income (Note 23)	**4,841**	7,857	3,175
	306,701	245,307	174,643
COSTS AND EXPENSES			
Cost of goods and services sold (Notes 6 and 24)	**189,348**	157,079	102,959
Cost of goods manufactured and sold (Notes 6 and 25)	**39,661**	36,366	32,111
General and administrative expenses (Note 26)	**20,257**	17,278	13,455
Interest expense (Notes 16, 17 and 30)	**7,888**	7,144	6,270
Cost of real estate sales (Note 6)	**5,400**	3,059	3,123
Cost of rental (Note 30)	**905**	830	655
	263,459	221,756	158,573
INCOME BEFORE INCOME TAX	**43,242**	23,551	16,070
PROVISION FOR INCOME TAX (Note 29)	**6,937**	1,820	1,821
NET INCOME	**₱36,305**	₱21,731	₱14,249
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱28,743**	₱18,360	₱10,983
Non-controlling interests	**7,562**	₱3,371	₱3,266
	₱36,305	21,731	14,249
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 34)	**₱131.81**	₱82.55	₱48.28

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

(In Millions)

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱36,305**	₱21,731	₱14,249
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified to profit or loss in subsequent periods:			
Changes in cumulative translation adjustments	**(25)**	30	26
Changes in cash flow hedge reserves (Note 16)	**(103)**	121	19
Equity in other comprehensive income (loss) of associates and joint ventures (Note 8):			
Cash flow hedge reserve	**159**	(182)	149
Remeasurement on life insurance reserves	**(16)**	362	236
Translation adjustments	**(342)**	92	720
Other equity adjustments	**–**	–	(21)
	(327)	423	1,129
Items that may not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of financial assets at FVOCI (Note 10)	**3,742**	(3,068)	3,661
Equity in changes in fair value of financial assets at FVOCI of associates and joint ventures (Note 8)	**5,132**	(7,489)	(4,486)
Remeasurement of defined benefit plans (Note 28)	**(284)**	235	538
Equity in remeasurement of defined benefit plans of associates and joint ventures (Note 8)	**(2,055)**	714	750
Income tax effect	**584**	(237)	(322)
	7,119	(9,845)	141
OTHER COMPREHENSIVE INCOME (LOSS)	**6,792**	(9,422)	1,270
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**₱43,097**	₱12,309	₱15,519
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱35,550**	₱8,933	₱11,979
Non-controlling interests	**7,547**	3,376	3,540
	₱43,097	₱12,309	₱15,519

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Equity

(In Millions)

	Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 22)	Additional Paid-in Capital (Note 22)	Treasury Shares (Note22)	Retained Earnings - Unappropriated (Note 22)	Retained Earnings - Appropriated (Note 22)	Other Comprehensive Income (Loss) (Note 22)	Other Equity Adjustments (Note 22)	Total	Attributable to Non-controlling Interests (Note 22)	Total Equity
Balance at January 1, 2023	**₱3,370**	**₱98,827**	**₱–**	**₱106,107**	**₱400**	**(₱9,284)**	**₱2,322**	**₱201,742**	**₱11,272**	**₱213,014**
Cash dividends declared (Note 22)	–	–	–	(1,012)	–	–	–	(1,012)	(3,006)	(4,018)
Total comprehensive income	–	–	–	28,743	–	6,807	–	35,550	7,547	43,097
Redemption of shares	–	(4,355)	(484)	–	–	–	–	(4,839)	–	(4,839)
Balance at December 31, 2023	**₱3,370**	**₱94,472**	**(₱484)**	**₱133,838**	**₱400**	**(₱2,477)**	**₱2,322**	**₱231,441**	**₱15,813**	**₱247,254**
Balance at January 1, 2022	₱3,370	₱98,827	₱–	₱88,982	₱400	₱143	₱2,322	₱194,044	₱11,035	₱205,079
Cash dividends declared (Note 22)	–	–	–	(1,235)	–	–	–	(1,235)	(3,139)	(4,374)
Total comprehensive income (loss)	–	–	–	18,360	–	(9,427)	–	8,933	3,376	12,309
Balance at December 31, 2022	₱3,370	₱98,827	₱–	₱106,107	₱400	(₱9,284)	₱2,322	₱201,742	₱11,272	₱213,014
Balance at January 1, 2021	₱3,370	₱98,827	₱–	₱79,234	₱400	(₱853)	₱2,322	₱183,300	₱8,885	₱192,185
Cash dividends declared (Note 22)	–	–	–	(1,235)	–	–	–	(1,235)	(1,755)	(2,990)
NCI share on stock issuance of a subsidiary	–	–	–	–	–	–	–	–	365	365
Total comprehensive income	–	–	–	10,983	–	996	–	11,979	3,540	15,519
Balance at December 31, 2021	₱3,370	₱98,827	₱–	₱88,982	₱400	₱143	₱2,322	₱194,044	₱11,035	₱205,079

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

(In Millions)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱43,242**	₱23,551	₱16,070
Adjustments for:			
Equity in net income of associates and joint ventures (Note 8)	**(22,928)**	(16,455)	(11,065)
Interest expense (Notes 16,17 and 30)	**7,888**	7,144	6,270
Depreciation and amortization (Note 11)	**2,196**	2,117	2,188
Pension expense (Note 28)	**367**	364	408
Provisions (reversal of provisions) (Note 26)	**(10)**	166	367
Interest income (Note 23)	**(1,111)**	(663)	(1,899)
Dividend income (Note 23)	**(450)**	(388)	(356)
Unrealized foreign exchange losses (Notes 23 and 26)	**202**	761	78
Realized and unrealized gain on financial assets at FVTPL (Note 23)	**(366)**	(137)	(89)
Gain on disposal of property and equipment (Notes 11 and 23)	**(18)**	(58)	(34)
Operating income before changes in working capital	**29,012**	16,402	11,938
Decreases (increases) in:			
Financial assets at FVTPL	**10,655**	(2,310)	(4,908)
Receivables	**(14,432)**	(550)	6,148
Contract assets	**762**	2,929	(237)
Inventories	**1,830**	(6,217)	(3,876)
Due from related parties	**221**	(201)	47
Prepayments and other current assets	**4,436**	(3,054)	(1,689)
Increases (decreases) in:			
Accounts and other payables	**6,152**	3,470	4,464
Contract liabilities	**86**	(177)	(622)
Customers' deposits	**134**	18	404
Due to related parties	**250**	(28)	(322)
Other current liabilities	**628**	308	420
Cash generated from operations	**39,734**	10,590	11,767
Dividends paid (Note 22)	**(4,242)**	(4,375)	(2,990)
Interest paid	**(7,108)**	(7,567)	(5,996)
Income tax paid	**(6,610)**	(2,315)	(2,315)
Interest received	**598**	280	1,650
Dividends received (Notes 8,10 and 23)	**6,117**	6,350	8,214
Contributions to pension plan assets and benefits paid (Note 28)	**(294)**	(130)	(103)
Net cash provided by operating activities	**28,195**	2,833	10,227

(Forward)

Consolidated Statements of Cash Flows

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment (Note 11)	**₱49**	₱150	₱240
Additions to:			
Investments in associates and joint ventures (Note 8)	**(16,390)**	(577)	(1,009)
Property and equipment (Note 11)	**(1,756)**	(653)	(5,158)
Investment properties (Note 9)	**(1,016)**	(1,230)	(101)
Intangible assets (Note 13)	**(56)**	(154)	(76)
Financial assets at FVOCI	**–**	–	(388)
Impact of business combination (Note 8)	**–**	53	–
Decrease (increase) in other noncurrent assets	**2,387**	(1,741)	(130)
Net cash used in investing activities	**(16,782)**	(4,152)	(6,622)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan availments (Notes 16 and 38)	**77,629**	52,132	57,647
Payments of:			
Loans payable (Note 38)	**(84,783)**	(42,681)	(54,377)
Bonds payable (Note 38)	**(6,099)**	–	(5,000)
Principal portion of lease liabilities (Note 30)	**(7)**	(6)	(37)
Redemption of perpetual preferred shares	**(4,839)**	–	–
DST on loan availments	**(5)**	–	–
Increases (decreases) in:			
Liabilities on purchased properties	**(319)**	(313)	(1,293)
Other noncurrent liabilities	**(62)**	(446)	(542)
Acquisition of noncontrolling interests	**–**	–	365
Net cash provided by (used in) financing activities	**(18,485)**	8,686	(3,237)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(202)**	(766)	(78)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(7,274)**	6,601	290
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**24,005**	17,404	17,114
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱16,731**	₱24,005	₱17,404

See accompanying Notes to Consolidated Financial Statements.

Notes to Consolidated Financial Statements

1. CORPORATE INFORMATION

GT Capital Holdings, Inc. (GT Capital or the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on July 26, 2007. The primary purpose of the Parent Company is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, exchange, develop or otherwise dispose of real property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned, and to secure and guarantee obligations of, and act as surety for its subsidiaries and affiliates.

On March 25, 2022 and May 11, 2022, respectively, at separate meetings, the Parent Company's Board of Directors, by a majority vote of its members, and the stockholders, by affirmative vote of more than two-thirds (2/3) of the outstanding capital stock of the Parent Company, approved the amendment of the Parent Company's Articles of Incorporation to include the following activities in the Parent Company's primary purpose: to act as commission merchant, commercial agent or factor for, or assist in any legal manner, financially or otherwise, its subsidiaries, affiliates, associates or investee companies. The Amended Articles of Incorporation was approved by the SEC on July 8, 2022.

The common shares of the Parent Company were listed beginning April 20, 2012 and have since been traded in the Philippine Stock Exchange, Inc. (PSE).

<u>Group Activities</u>
The Parent Company, Federal Land, Inc. (Federal Land) and Subsidiaries (Federal Land Group), Toyota Motor Philippines Corporation (Toyota or TMPC) and Subsidiaries (Toyota Group), and GT Capital Auto and Mobility Holdings, Inc. (GTCAM) and Subsidiaries (GTCAM Group) are collectively referred herein as the "Group". The Parent Company, which is the ultimate parent of the Group, is the holding company of the Federal Land Group (real estate business), Toyota Group (automotive business), and GTCAM Group (automotive and mobility business), and is engaged in investing, purchasing and holding shares of stock, notes and other securities and obligations, as well as buying, selling, and leasing of real estate properties.

The principal business interests of the Federal Land Group are real estate development and leasing and selling properties and acting as a marketing agent for and in behalf of any real estate development company or companies. The Federal Land Group is also engaged in the business of trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintaining a petroleum service station and food and restaurant service.

Toyota Group is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of motor vehicles including vehicle parts, accessories and instruments.

GTCAM was formerly known as GT Capital Auto Dealership Holdings, Inc. (GTCAD). GTCAM's BOD and the SEC approved the change in name from GTCAD to GTCAM on September 13, 2021 and November 29, 2021, respectively. The principal business interests of GTCAM Group are to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, exchange, develop, or otherwise dispose of real or personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any auto dealership or other corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned. Its secondary purpose is to invest in, purchase, or otherwise acquire own shares of companies engaged in mobility-related services, including those that support the used car market which include auction services, auto portal, used car retail sales operations, inspection, warranty, financing, and parts and service.

The Parent Company also has significant shareholdings in Metropolitan Bank & Trust Company (MBTC or Metrobank), Metro Pacific Investments Corporation (MPIC), AXA Philippines Life and General Insurance Corporation (AXA Philippines or Phil AXA), Toyota Financial Services Philippines Corporation (TFSPC) and Sumisho Motor Finance Corporation (SMFC).

The registered office address of the Parent Company is at the 43rd Floor, GT Tower International, Ayala Avenue corner H.V. Dela Costa Street, 1227 Makati City.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

<u>Basis of Preparation</u>
The accompanying consolidated financial statements of the Group have been prepared using the historical cost basis except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI), and derivative financial instruments that have been measured at fair value. The Group's consolidated financial statements are presented in Philippine Peso (₱), the Group's functional currency. All values are rounded to the nearest million peso unless otherwise indicated.

<u>Statement of Compliance</u>
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing component as issued and approved by the SEC in response to the COVID-19 pandemic.

The Group has availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of PIC Q&A 2018-12-D, *Assessing if the transaction price includes a significant financing component* until December 31, 2023. This reporting relief is applicable to the Group's Real Estate Segment, specifically under the Federal Land Group. The details and impact of the adoption of the financial reporting relief are discussed in the section below under "Standards Issued But Not Yet Effective".

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation

The consolidated financial statements of the Group comprise the financial statements of the Parent Company and the following wholly and majority-owned domestic subsidiaries:

	Country of Incorporation	Direct and Effective Percentages of Ownership December 31 2023	2022
Federal Land Group	Philippines	**100.00**	**100.00**
Toyota Group	-do-	**51.00**	**51.00**
GTCAM Group	-do-	**100.00**	**100.00**
TMBC Group*	-do-	–	**58.10**

** Refer to footnote on GTCAM's Subsidiaries below.*

Federal Land's Subsidiaries

	Percentages of Ownership 2023	2022
Horizon Land Property and Development Corp. (HLPDC)	**100.00**	100.00
Federal Property Management Corp. (FPMC)	**100.00**	100.00
Federal Land Orix Corporation (FLOC)	**100.00**	100.00
Topsphere Realty Development Company Inc. (TRDCI)	**100.00**	100.00
Bonifacio Landmark Hotel Management Corporation (BLHMC)	**100.00**	100.00
Fed South Dragon Corporation (FSDC)	**100.00**	100.00
Federal Retail Holdings, Inc. (FRHI)	**100.00**	100.00
Magnificat Resources Corp. (MRC)	**100.00**	100.00
Mirai Properties, Inc. (MPI)	**100.00**	100.00
Pasay Hongkong Realty Development Corp. (PHRDC)**	**100.00**	100.00
Central Realty and Development Corp. (CRDC)	**75.80**	75.80
Federal Brent Retail, Inc. (FBRI)	**51.66**	51.66

***Formerly an investment in joint venture (JV). In December 2022, Federal Land increased its ownership from 50.00% to 100.00% thereby obtaining control over PHRDC.*

Toyota's Subsidiaries

	Percentages of Ownership 2023	2022
Toyota Makati, Inc. (TMI)	**100.00**	100.00
Toyota Motor Philippines Logistics, Inc. (TLI)	**100.00**	100.00
Toyota Mobility Solutions Philippines, Inc. (TMSPH)***	**100.00**	–
Lexus Manila, Inc. (LMI)	**75.00**	75.00
Toyota San Fernando Pampanga, Inc. (TSFI)	**55.00**	55.00

**** On June 8, 2022, TMSPH was incorporated and started its commercial operations in August 2022.*

GTCAM's Subsidiaries

	Percentages of Ownership 2023	2022
GT Mobility Ventures, Inc. (GTMV)	**66.67**	66.67
Toyota Sta. Rosa Laguna, Inc. (TSRLI)	**60.00**	60.00
Toyota Subic, Inc. (TSB)	**55.00**	55.00
Toyota Manila Bay Corporation (TMBC)****	**58.10**	–

***** On October 11, 2023, the Parent Company and GTCAM, signed a Deed of Assignment of Shares of Stock (DOAS), wherein, the Parent Company offered to subscribe to 1,715,408,377 common voting shares of GTCAM with a par value of ₱1.00 per share, and to transfer to GTCAM, in payment of such subscription, its shares of capital stock of TMBC totaling 386,353,238 common shares, with a total book value of ₱1,715,408,377. The effective date of the DOAS was upon SEC's approval of GTCAM's increase in authorized capital stock, which occurred in December 2023. As a result, GTCAM took control of TMBC in December 2023*

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of subsidiaries ceases when control is transferred out of the Parent Company.

Specifically, the Parent Company controls an investee if, and only if, the Parent Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. the contractual arrangement with the other vote holders of the investee
ii. rights arising from other contractual arrangements
iii. the Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intragroup transactions, balances, income and expenses resulting from intragroup transactions and dividends are eliminated in full on consolidation.

Non-controlling Interests

Non-controlling interests (NCI) represent the portion of profit or loss and net assets in a subsidiary not attributed, directly or indirectly, to the Parent Company. The interest of non-controlling shareholders may be initially measured at fair value or share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, NCI consists of the amount attributed to such interests at initial recognition and the NCI's share of changes in equity since the date of combination.

NCI are presented separately in the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and within equity in the consolidated statements of financial position, separately from the Parent Company's equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if that results in the NCI having a deficit balance.

If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any NCI and the cumulative translation differences, recorded in equity;
- recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss; and
- reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Business Combinations Involving Entities Under Common Control

A business combination involving entities under common control is accounted for using the uniting of interest method, except when the acquisition is deemed to have commercial substance for the Group, in which case the business combination is accounted for under the acquisition method. The combined entities accounted for by the uniting of interests method reports the results of operations for the period in which the combination occurs as though the entities had been combined as of the beginning of the period. Financial statements of the separate entities presented for prior years are also restated on a combined basis to provide comparative information. The effects of intercompany transactions on assets, liabilities, revenues, and expenses for the periods presented, and on retained earnings at the beginning of the periods presented are eliminated to the extent possible.

Under the uniting of interest method, the acquirer accounts for the combination as follows:

- the assets and liabilities of the acquiree are consolidated using the existing carrying values instead of fair values;
- intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the acquiree in accordance with applicable PFRSs;
- no amount is recognized as goodwill;
- any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities; and
- comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented.

The excess of the cost of business combinations over the net carrying amounts of the assets and liabilities of the acquired companies is recognized within the equity section of the consolidated statements of financial position.

When evaluating whether an acquisition has commercial substance, the Group considers the following factors, among others:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as NCI or other third parties; and
- whether or not the transaction is conducted at fair value.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer elects whether to measure the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the date of acquisition. Acquisition-related costs are expensed and included in the consolidated statements of income.

When the Group acquires a business, it assesses the financial assets and liabilities of the acquiree for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. The Group also assesses whether assets or liabilities of the acquiree that are previously unrecognized in the books of the acquiree will require separate recognition in the consolidated financial statements of the Group at the acquisition date.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in the consolidated statements of income. Any recognized changes in the value of its equity interest in the acquiree previously recognized in other comprehensive income are recognized by the Group in profit or loss, as if the previously held equity interest are disposed of.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized either in the consolidated statements of income or as changes to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that if known, would have affected the amounts recognized as at that date. The measurement period is the period from the date of acquisition to the date the Group receives complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one (1) year.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount recognized for any NCI in the acquiree and the fair value of the acquirer's previously held interest, if any, over the fair value of the net assets acquired.

If after reassessment, the fair value of the net assets acquired exceeds the consideration transferred, the amount recognized for any NCI in the acquiree and the fair value of the acquirer's previously held interest, if any, the difference is recognized immediately in the consolidated statements of income as 'Gain on bargain purchase'.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss is recognized immediately in the consolidated statements of income and is not subsequently reversed. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination from the acquisition date irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is not amortized but is reviewed for impairment at least annually.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Change in Ownership without Loss of Control

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and NCI are adjusted by the Group to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Parent Company.

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 12, *International Tax Reform-Pillar Two Model Rules*

  The amendments to PAS 12 have been introduced in response to the Organization for Economic Cooperation and Development's Base Erosion and Profit Shifting Pillar Two rules and include:

  - A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
  - Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

  In periods in which Pillar Two legislation is substantively enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes, including both qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes.

  The Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules and has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15% in all the jurisdictions in which it operates.

- Amendments to PAS 12, *Deferred tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

  The amendments also clarify that judgement should be applied in assessing whether the tax deductions on the lease payments are related to the lease asset (and interest expense) or lease liability (and interest expense) after considering the applicable tax law.

- Amendments to PAS 8, *Definition of accounting estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition and presentation of any items in the Group's financial statements.

Material Accounting Policies

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current/noncurrent classification. An asset is current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within twelve months after the reporting period

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or there is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period

The Group classifies all other liabilities as noncurrent.

Deferred income tax asset and liability are classified as noncurrent asset and liability, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and that are subject to an insignificant risk of changes in value.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

Financial Instruments – Initial Recognition and Subsequent Measurement
Date of recognition
The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date, which is the date when the Group commits to purchase or sell assets.

a. Financial assets
Initial recognition of financial instruments
At initial recognition, financial assets are classified as, and subsequently measured at amortized cost, FVOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables, except for installment contract receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

As of December 31, 2023 and 2022, the Group does not have debt instruments classified at FVOCI.

Financial assets at amortized cost
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, receivables, and due from related parties.

Financial assets designated at FVOCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets can no longer be recycled to profit or loss. Foreign exchange revaluations are recognized in OCI. Dividends are recognized as other income in the consolidated statements of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group's financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

Financial assets at FVTPL
Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of income.

This category includes investment in UITF which are held for trading.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets
The Group recognizes an allowance for Expected Credit Losses (ECL) for all debt instruments not held at FVTPL.

ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of a financial instrument.

For trade receivables, installment contracts receivable and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as nontrade receivable, loans receivable, due from related parties and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk (SICR) since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from reputable credit rating agencies to determine whether the debt instrument has SICR and to estimate ECLs.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables and contract assets in default when contractual payment is 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a SICR for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a SICR when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed SICR since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

b. Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include "Accounts and other payables", "Short-term and long-term debts", "Bonds payable", "Liabilities on purchased properties", "Dividends payable", and "Due from related parties", and "Other current liabilities".

As of December 31, 2023 and 2022, the Group does not have financial liabilities at FVTPL.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statements of income.

This category generally applies to short-term debt, long-term debt, bonds payable and liabilities on purchased properties.

Financial liabilities at FVTPL
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of income.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVTPL.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income.

c. Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statements of financial position, if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

d. Derivative financial instruments and hedge accounting
Initial Recognition and Subsequent Measurement
The Group uses derivative financial instruments such as interest rate swaps to hedge the risks associated with foreign currency and interest rate fluctuations. Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; or,
- Cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of the hedged item.

Hedges are accounted for as fair value hedges or cash flow hedges.

Fair value hedge
The change in the fair value of a hedge instrument is recognized in the consolidated statements of income. The change in the fair value attributable to the risk hedged is recorded as part of the carrying value of the hedge instrument and is also recognized in the consolidated statements of income as other expense.

For fair value hedges carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization is initiated when an adjustment exists and no later than when the hedged instrument ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

In case of derecognition, the unamortized fair value of the hedged instrument is recognized immediately in profit or loss.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI, while any ineffective portion is recognized immediately in the consolidated statements of income.

The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged instrument.

The amounts accumulated in OCI are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which hedged cash flows affect profit or loss.

If hedge accounting is discontinued, the amount accumulated in OCI shall remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount shall be reclassified to profit or loss as a reclassification adjustment. When the hedged cash flow occurs, any amount remaining in accumulated OCI shall be accounted for depending on the nature of the underlying transaction.

Inventories
Real estate inventories
Property acquired that are being developed or constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as real estate inventory. Real estate inventories consist of land and improvements, condominium units held for sale and residential units.

Land and land improvements are carried at the lower of cost or net realizable value (NRV).

Cost includes:

- Acquisition cost of subdivision land;
- Amounts paid to contractors for construction and development of subdivision land, residential houses and lots and condominium units;
- Planning and design costs, cost of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Borrowing costs capitalized prior to start of pre-selling activities for the real estate project.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of inventories is reduced through the use of allowance account and the amount of loss is charged to profit or loss.

Construction in progress (CIP) includes development or construction costs incurred for real estate projects that have not yet reached the preliminary stage of completion and/or not yet launched. This account also includes owner supplied materials. Upon reaching the preliminary stage of completion, these are transferred to 'Condominium units held for sale'.

Costs of condominium units held for sale includes the carrying amount of the land transferred from 'Land and improvements' at the commencement of its real estate projects and those costs incurred for construction, development and improvement of the properties, including capitalized borrowing costs.

Costs of residential units include land cost, land improvement costs, borrowing costs, amounts paid to contractors for construction and development, planning and design cost, cost of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Gasoline retail, petroleum products and chemicals
Cost is determined using first-in, first-out method. The costs of oil, petroleum products and chemicals include cost incurred for acquisition and freight charges.

Automotive inventories
These are inventories of the Toyota Group which are valued at the lower of cost or NRV. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion, marketing and distribution.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and spare parts	– Purchase cost on a weighted average cost
Finished goods and work-in-process	– Cost of direct material and labor and proportion of fixed and overhead manufacturing costs allocated based on normal operating capacity
Raw materials and spare parts in-transit	– Cost is determined using the specific identification method

Joint Arrangements
Joint arrangements are arrangements with respect to which the Group has joint control, established by contracts requiring unanimous consent from the parties sharing control for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, the Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation in accordance with the PFRS applicable to the particular assets, liabilities and transactions.
- Joint venture – when the Group has rights only to the net assets of the arrangements, the Group accounts for its interest using the equity method, the same as the Group's accounting for investments in associates.

The financial statements of the joint venture are prepared for the same reporting period as the Group's financial statements. Where necessary, adjustments are made to bring the accounting policies of the joint venture in line with its policies.

The Group has no joint arrangement accounted as joint operation.

Investments in Associates and Joint Ventures
Investments in associates and joint ventures are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture of the Group. A joint venture (JV) is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control.

An investment is accounted for using the equity method from the day it becomes an associate or a joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and is neither amortized nor individually tested for impairment. Any excess of the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is included as income in the determination of the share in the earnings of the investee.

Under the equity method, the investments in and advances to associates and joint ventures are carried in the consolidated statements of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investees, less any impairment in value.

The consolidated statements of comprehensive income reflects the Group's share in the results of operations of the investee companies and the Group's share on movements in the investee's other comprehensive income (OCI) are recognized directly in OCI in the consolidated financial statements. The Group's share on total comprehensive income of an associate is shown in the consolidated statements of income and consolidated statements of comprehensive income. The aggregate of the Group's equity in net income of associates and joint ventures is shown on the face of the consolidated statements of income as part of operating profit and represents profit or loss after tax and NCI in the subsidiaries of the associate and joint venture.

Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies, and for unrealized losses, to the extent that there is no evidence of impairment of the assets transferred. Dividends received from investee companies are treated as a reduction of the accumulated earnings included under 'Investments and advances' account in the consolidated statement of financial position.

The Group discontinues applying the equity method when its investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the associates or joint venture. When the investees subsequently report net income, the Group will resume applying the equity method but only after its equity in the net income equals the equity in net losses of associates and joint ventures not recognized during the period the equity method was suspended.

Upon loss of significant influence over the associates or joint control over the joint venture, the Group measures and recognizes any retained investments at its fair value. Any difference between the carrying amount of the associate or JV upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The Group records provisional amounts when the fair value for an acquired investment is not readily available at the date of acquisition. The Group shall adjust the provisional amounts recognised at the acquisition date to reflect any information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. This measurement period shall not exceed one year from the acquisition date.

Investment Properties
Investment properties consist of properties that are held to earn rentals and that are not occupied by the companies in the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives (EUL) of the properties which is 10 to 40 years.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statements of income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

CIP is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use, including capitalized borrowing costs.

CIP is stated at cost. This includes cost of construction and other direct costs. CIP is not depreciated until such time that the relevant assets are completed and put into operational use.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against operations as incurred.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are calculated on the straight-line basis over the following EUL of the property and equipment as follows:

	Years
Buildings and land improvements	9 to 25
Building	15 to 40
Machinery, tools and equipment	2 to 10
Furniture, fixtures and equipment	3 to 5
Transportation equipment	5
Leasehold improvements	2 to 10 or lease term (whichever is shorter)
Other property and equipment	3 to 5

The assets' residual values, EUL and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Transfers are made from property and equipment, when there is a change in use, evidenced by ending of owner-occupation, and with a view of sale.

Impairment or losses of items of property, plant and equipment, related claims for or payments of compensation from third parties and any subsequent purchase or construction of replacement assets are separate economic events and are accounted for separately.

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and amortization and provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated assets are still carried in the accounts until they are no longer in use.

Intangible Assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of the acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statements of income in the year in which the expenditure is incurred.

The useful lives of intangible assets with finite life are assessed at the individual asset level. Intangible assets with finite life are amortized over their useful life. Periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier when an indicator of impairment exists. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The Group's intangible assets consist of customer relationship, software costs and franchise. A gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the consolidated statements of income when the intangible asset is derecognized.

Customer Relationship
Customer relationship pertains to Toyota's contractual arrangements with its top dealer customers, which adds value to the operations of Toyota and enhances the latter's earnings potential. This is recognized initially at fair value and is assessed to have an indefinite useful life. Following initial recognition, the intangible asset is not amortized but assessed annually for impairment.

Software Costs
Costs related to software purchased by the Group for use in the operations are amortized on a straight-line basis over a period of 3 to 5 years.

Costs that are directly associated with identifiable and unique software controlled by the Group and will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets to be measured at cost less accumulated amortization and provision for impairment losses, if any. Expenditures which enhance or extend the performance of computer software programs beyond their original specifications are recognized as capital improvements and added to the original cost of the software.

Franchise
Franchise pertains to Federal Land Group's fees paid for the operating rights of its fastfood stores with estimated useful lives of three to five years.

Goodwill
Goodwill acquired in a business combination from the acquisition date is allocated to each of the Group's cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the Group's operating segments as determined in accordance with PFRS 8, *Operating Segments*.

Following initial recognition, goodwill is measured at cost, less any accumulated impairment loss. Goodwill is reviewed for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired (see Impairment of Non-financial Assets).

Where goodwill forms part of a cash-generating unit and part of the operations within that unit is disposed of, the goodwill associated with the operations disposed of is included in the carrying amount of the operations when determining the gain or loss on disposal of the operations. Goodwill disposed of in this circumstance is measured based on the relative values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill is presented separately in the consolidated statements of financial position.

Impairment of Non-financial Assets
The Group assesses at each financial reporting date whether there is an indication that their nonfinancial assets (e.g., investments in associates and joint ventures, joint arrangements, investment properties, property and equipment, goodwill and intangible assets), may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell (FVLCTS) and its value-in-use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statements of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

This accounting policy applies primarily to the Group's property and equipment and investment properties. Additional considerations for other non-financial assets are discussed below.

Investments in associates and joint ventures
After application of the equity method, the Group determines whether it is necessary to recognize goodwill or any additional impairment loss with respect to the Group's net investment in its associates and joint venture. The Group determines at each financial reporting date whether there is any objective evidence that the investments in associates and joint ventures are impaired.

If this is the case, the Group calculates the amount of impairment as being the difference between the fair value of the associate and joint ventures and the carrying cost and recognizes the amount in the consolidated statements of income.

Intangible assets
Customer relationship is reviewed for impairment annually, similar with goodwill, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For intangible assets with finite useful lives, the carrying amount is assessed and written down to its recoverable amount when an indication of impairment occurs.

Goodwill
Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statements of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill at reporting date.

Value-added Tax (VAT)
Revenue, expenses, and assets are recognized net of the amount of value-added tax except:

- where the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of VAT recoverable from the tax authority is included under 'Prepayments and other current assets' in the consolidated statements of financial position.

Equity
The Group records common stock and preferred stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are deducted from the proceeds.

Capital stock
The Parent Company has issued common stock and preferred stock that are classified as equity. Incremental costs directly attributable to the issue of new common stock are shown in equity as a deduction, net of tax, from the proceeds. All other equity issuance costs are recognized as expense as incurred.

Where the Parent Company purchases its own common stock or preferred shares (i.e., treasury shares), the consideration paid, including any directly attributable incremental costs (net of applicable taxes) is deducted from equity attributable to the Parent Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the Parent Company's equity holders.

Additional paid-in capital
Amount of contribution in excess of par value is accounted for as an additional paid-in capital. Additional paid-in capital also arises from additional capital contribution from the shareholders.

Retained earnings
The amount included in retained earnings includes profit or loss attributable to the Group's equity holders and reduced by dividend on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are declared. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Unappropriated retained earnings represent that portion which can be declared as dividends to stockholders after adjustments for any unrealized items which are considered not available for dividend declaration. Appropriated retained earnings represent that portion which has been restricted and therefore is not available for any dividend declaration.

Other Comprehensive Income
Other comprehensive income comprises items of income and expenses that are recognized directly in equity. OCI items are either reclassified to profit or loss or directly to equity in subsequent periods.

Acquisition of Non-controlling Interest in a Subsidiary
Acquisition of non-controlling interest is accounted for as an equity transaction, whereby the difference between the fair value of consideration given and the share in the net book value of the net assets acquired is recognized in equity. In an acquisition without consideration involved, the difference between the share of the non-controlling interests in the net assets at book value before and after the acquisition is treated as transaction between equity owners under the 'Non-controlling interests' account in the consolidated statements of financial position.

Revenue Recognition

Revenue from contract with customers
The Group primarily derives its revenue from automotive operations and real estate sales. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Automotive operations
The Group derives its revenue from automotive operations from the sale of manufactured vehicles, trading of completely built-up vehicles and local and imported auto parts and sale of services. In the sales contract with customers, services other than vehicle sales such as additional service, additional warranty and other services are separated from the sale of vehicles to identify performance obligations.

Timing of revenue recognition may change depending on when the performance obligation is satisfied, either at a point in time or over time. The Group recognizes revenue from goods or services at a point in time when the goods or services are transferred to the customers and fulfills the performance obligations. In order to determine whether the control over the goods or services is transferred over time, the Group determines whether the customer simultaneously obtains and consumes the benefits provided by the Group's performance and whether the assets controlled by the customer and whether the assets created by the Group have no substitute purpose, and whether the Group has the right to make executable claims for the portion that has been completed so far. The Group allocates the transaction prices based on the stand-alone selling prices to the various performance obligations identified in a single contract.

The Group estimates the amounts of consideration depending on which method the entity expects to better predict the amount of consideration to which it will be entitled - the expected value or the most likely amount. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the cumulative amount of revenue recognized will not occur in the future periods.

If the period between the transfer of the goods or services promised to the customer and the payment of the customer is within one year, a practical simple method that does not adjust the promised price for a significant financing component is used.

Real estate sales
The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report as approved by the construction manager which integrates the surveys of performance to date of the construction activities.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as residential and office development receivables, under trade receivables, is included in the "contract asset" account in the asset section of the consolidated statements of financial position.

Any excess of collections over the total of recognized trade receivables and contract assets is included in the "contract liabilities" account in the liabilities section of the consolidated statements of financial position.

Sale of goods
Sale of goods is recognized from retail customers at the point of sale in the stores. This is measured at the fair value of the consideration received, excluding (or 'net of,' or 'reduced for') discounts, returns, rebates and sales taxes.

Rendering of services
Marketing fees, management fees from administration and property management are recognized when services are rendered.

Commission income
Commission income is recognized by reference to the percentage of collection of the agreed sales price or depending on the term of the sale as provided under the marketing agreement.

Management fees
Management fees from administrative, property management and other fees are recognized when services are rendered.

Other income
Other income also includes sale of scrap and sludge oil which is recognized when there is delivery of goods to the buyer, and recovery from insurance which is recognized when the right to receive payment is established.

Revenues outside the scope of PFRS 15

Interest income
Interest income is recognized as it accrues using the effective interest method.

Rent income
Rental income under noncancelable and cancelable leases on investment properties is recognized in the consolidated statements of income on a straight-line basis over the lease term and the terms of the lease, respectively, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

Dividend income
Dividend income is recognized when the Group's right to receive the payment is established.

Other income
Other customer-related fees such as penalties and surcharges are recognized at an amount that reflects the consideration to which the Group expects to receive taking into account the provisions of the related contract.

Expense Recognition

Cost of goods and services sold
Cost of goods sold for vehicles and spare parts includes the purchase price of the products sold, as well as costs that are directly attributable in bringing the merchandise to its intended condition and location. These costs include the costs of storing and transporting the products. Vendor returns and allowances are generally deducted from cost of goods and services sold.

Other cost of goods sold includes Federal Land's gasoline and food products, and are recognized when goods are delivered which is usually at the point of sale in stores. Cost of services are recognized when services are rendered.

Cost of goods manufactured and sold
Cost of goods manufactured and sold includes the purchase price of the products manufactured, as well as costs that are directly attributable in bringing the merchandise to its intended condition and location.

Commissions
Commissions paid to sales or marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Accordingly, when the POC method is used, commissions are likewise charged to expense in the period the related revenue is recognized. These are recorded as 'Prepaid expenses' under 'Prepayments and other current assets' account.

General and administrative expenses
General and administrative expenses constitute costs of administering the business and are expensed as incurred.

Cost of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Cost of rental
Cost of rental services includes maintenance fee, depreciation, repairs and maintenance, and taxes and licenses in relation to rendering of services. Except for depreciation which is recognized on a straight-line basis, these are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

Contract Balances

Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain a contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the "Real estate costs and expenses" account in the consolidated statements of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, derecognition and impairment of capitalized costs to obtain a contract
The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgments are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

<u>Pension Costs</u>
The Parent Company and its subsidiaries have funded, noncontributory defined benefit retirement plans, administered by trustees, covering their permanent employees.

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined benefit costs comprise the following:

a. service cost;
b. net interest on the net defined benefit liability or asset; and
c. remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries. Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on Philippine government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value only when reimbursement is virtually certain.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve (12) months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

<u>Income Tax</u>
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the financial reporting dates. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretations and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the balance sheet liability method on all temporary differences, with certain exceptions, at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefit of unused tax credits from MCIT and NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the reporting date.

<u>Foreign Currency Transactions</u>
The Group's consolidated financial statements are presented in Philippine peso, which is also the Group's functional currency. Each entity within the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions denominated in foreign currency are recorded using the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated using the closing exchange rates prevailing at reporting date. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. All foreign exchange difference are taken to the consolidated statements of income.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on the Group's business segments is presented in Note 35.

Borrowing Costs
Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Real estate inventories" and "Investment properties" accounts in the consolidated statements of financial position). Capitalization ceases when pre-selling of real estate inventories under construction commences. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

Provisions
Provisions are recognized when the Group has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. The expense relating to any provision is presented in the consolidated statements of comprehensive income, net of any reimbursement.

Provision for product warranties
Provision for product warranties are recognized when sale of the related products are consummated. The best estimate of the provision is recorded based on three (3) year warranty coverage provided by the Group as part of the sold product. Reversals are made against provision for the expired portion.

Leases
Group as lessee
The Group assesses at contract inception whether a contract is, or contains a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and Right-of-use (ROU) assets representing the right to use the underlying assets.

ROU assets
The Group recognizes ROU assets (included in 'Property and Equipment') at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received.

ROU assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Office space	2 to 3

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term (included in 'Other current liabilities' and 'Other noncurrent liabilities'). In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest (included in 'Interest expense') and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments (Note 30).

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of other equipment that are considered to be of low value (i.e., those with value of less than 250,000). Lease payments on short-term leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Residual value of leased assets and deposits on lease contracts
The residual value of leased assets, which approximates the amount of guaranty deposit paid by the lessee at the inception of the lease, is the estimated proceeds from the sale of the leased asset at the end of the lease term. At the end of the lease term, the residual value of the leased asset is generally applied against the guaranty deposit of the lessee when the lessee decides to buy the leased asset.

Group as lessor
Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income on operating leases is recognized on a straight line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

Lease modification
Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease e.g., addition or termination of the right to use one or more underlying assets, or the extension or shortening of the contractual lease term. In case of a lease modification, the lessor shall account for any such modification by recognizing a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

In case of change in lease payments for an operating lease that does not meet the definition of a lease modification, the lessor shall account for any such change as a negative variable lease payment and recognize lower lease income. No rental income is recognized when the Group waives its right to collect rent and other charges.

Earnings Per Share
Basic earnings per share is calculated by dividing the net income for the year attributable to the owners of the Parent Company by the weighted average number of common shares outstanding during the year, after considering the retroactive effect of stock dividend declaration, if any.

Diluted earnings per share attributable to owners of the Parent Company is calculated in the same manner assuming that the weighted average number of common shares outstanding is adjusted for potential common shares from the assumed exercise of dilutive instruments.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After Financial Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

Standards Issued But Not Yet Effective
The list below consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have significant impact on its consolidated financial statements.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Presentation of Financial Statements, Classification of Liabilities as Current or Non-current*
  The amendments clarify paragraphs 69 to 76 of PAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement;
  - That a right to defer must exist at the end of the statement of financial position date;
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (that is, life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:
  - A specific adaptation for contracts with direct participation features (the variable fee approach); and
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts.

  On December 15, 2021, the Financial Reporting Standards Council (FRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission, which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

- Amendments to PAS 21, *Lack of exchangeability*
  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Investments in Associates and Joint Ventures, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investor's interests in the associate or joint venture.

  On January 13, 2016, the FRSC postponed the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

- Deferral of Certain Provisions of PIC Q&A 2018-12, *PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*
  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020.

  On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

The PIC Q&A provisions covered by the SEC deferral that the Group availed in 2021 follows:

	Deferral Period
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

a. The accounting policies applied.
b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
d. Should any of the deferral options result in a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

The Group availed of the SEC relief on the accounting for significant financing component (SFC) of PIC Q&A 2018-12-D. Had this provision been adopted, the mismatch between the POC of the real estate projects and the schedule of payments provided for in the contract to sell which constitutes a significant financing component should be accounted for. The accounting guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, contract assets, provision for deferred income tax, deferred tax asset or liability for all years presented, and the opening balance of retained earnings.

As of December 31, 2023, the Group is refining its calculation of the SFC and in the process of quantifying the impact of the adoption of PIC Q&A No. 2018-12-D on the consolidated financial statements.

3. MANAGEMENT'S JUDGMENTS AND USE OF ESTIMATES

The preparation of the consolidated financial statements in compliance with PFRSs requires the Group's management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of reporting date. Actual results could differ from such estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

<u>Judgments</u>
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Assessment of control over investees
The determination on whether the Group has control over an investee requires significant judgment. For this, the Group considers the following factors: (a) power over the investee, (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns. In assessing whether the Group has power over the investee, the Group assesses whether it has existing rights that give it the current ability to direct the relevant activities of the investee.

Joint arrangements
The Group has investments in joint arrangements. The Group has joint control over these arrangements because under the contractual arrangements, unanimous consent is required from all the parties to the agreements for all relevant activities.

Determination of significant influence over another entity
The determination of significant influence over another entity, other than the rebuttable presumption of having ownership of over twenty percent (20.0%), requires significant judgment. In making this judgment, the Group evaluates existence of the following:

- representation on the BOD or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the entity and its investee;
- interchange of managerial personnel; or
- provision of essential technical information.

As at December 31, 2023 and 2022, the Group determined that it exercises significant influence over MPIC in which it holds 18.19% and 17.08% ownership interests, respectively. Although the Group holds less than 20.0% of the ownership interest and voting rights in MPIC, the Group considers that it exercises significant influence through its entitlement to nominate at least two (2) out of fifteen (15) directors of MPIC. The Parent Company's nominees also participate as member in the Audit Committee (AC), Risk Management Committee (RMC), Nomination Committee (NC), Governance and Sustainability Committee (GSC), Finance Committee (FC), and Data Privacy and Information Security Committee of MPIC.

The combination of the Parent Company's 18.19% ownership interest in MPIC and the representation in the BOD, AC, RMC and FC of MPIC provides the Parent Company with the ability to exercise significant influence over the operating and financial policies of MPIC. Accordingly, the Parent Company accounted for its investment in MPIC as an associate using the equity method of accounting.

Revenue and cost recognition
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgments based on, among others:

- buyer's initial payments in relation to the total contract price (or buyer's equity); and
- stage of completion of the project.

Existence of a contract
The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Definition of default and credit-impaired financial assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria
The Group has applied the presumption indicated within PFRS 9 pertaining to the default definition; that is, default of a financial instrument does not occur later than when a financial asset is 90 days past due.

Qualitative criteria
The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial asset has disappeared because of financial difficulties
d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Operating lease commitments - Group as lessor
The Group entered into commercial property leases on its retail mall, investment properties and certain units of its real estate projects to different parties for a specific amount depending on the lease contracts. The Group has determined that based on the evaluation of the terms and conditions of the arrangements (i.e., the lease does not transfer the ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the major part of the asset's economic life), that it retains all significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately as of financial reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Contingencies
In the normal course of business, the Group is currently involved in various legal proceedings and assessments. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Allocation of costs and expenses
Costs and expenses are classified as exclusive and common. Exclusive costs such as raw materials and direct labor are charged directly to the product line. Common costs and expenses are allocated using sales value.

<u>Management's Use of Estimates</u>
The key assumptions concerning the future and other key sources of estimation and uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition
The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate sales recognized based on the percentage of completion are measured principally on the basis of the estimated completion of a physical proportion of the contract work, and by reference to the actual costs incurred to date over the estimated total costs of the project. The estimation of the total cost of the real estate project requires technical inputs from project development engineers.

The Group recognized real estate sales in 2023, 2022 and 2021 amounting to ₱12.67 billion, ₱5.36 billion and ₱5.62 billion, respectively.

Evaluating net realizable value of inventories
Inventories are valued at the lower of cost and NRV. The Group reviews its inventory to assess NRV at least annually. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. The net realizable value of inventories are disclosed in Note 6.

Real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether those inventories are damaged or if their selling prices have declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expense for any period would differ if different judgments were made or different estimates were utilized.

Estimating the useful life of non-financial assets
The Group determines the EUL of its intangibles assets based on the period over which the assets are expected to be available for use. The Group reviews annually the EUL of property and equipment, investment properties and intangible assets based on factors that include asset utilization, internal technical evaluation, and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the EUL of intangible assets would increase the recorded amortization expense.

Customer relationship pertains to Toyota's contractual arrangements with its top dealer customers which lay out the principal terms upon which its dealers agree to do business. Management assessed the useful life of the customer relationship to be indefinite since management is of the view that there is no foreseeable limit to the period over which the customer relationship is expected to generate net cash inflows to Toyota.

The said assessment is based on the track record of stability for the auto industry and the Toyota brand. Added to this is the commitment of management to continue to invest for the long term, to extend the period over which the intangible asset is expected to continue to provide economic benefits.

The carrying values of investment properties, property and equipment and customer relationship are disclosed in Notes 9, 11 and 13, respectively.

Evaluating impairment of non-financial assets
The Group reviews investments in associates and joint ventures, investment properties, creditable withholding tax, property and equipment, customer relationship, and other noncurrent assets for impairment. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, plans in the real estate projects, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

As described in the accounting policy, the Group estimates the recoverable amount as the higher of the FVLCTS and VIU. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect investments in associates and joint ventures, and property and equipment.

The Group considers the significant or prolonged decline in the quoted market price of MBTC as an indicator of impairment. Accordingly, the Group conducted an impairment assessment of its investments in MBTC. The Group uses the higher of FVLCTS and VIU in determining the recoverable amount. The recoverable amount of the investment in MBTC has been determined based on the discounted cash flow methodology. Based on the Group's impairment testing, the investment in MBTC is determined to be not impaired.

The carrying values of input VAT and creditable withholding taxes, investments in associates and joint ventures, investment properties, property and equipment, customer relationship, and other noncurrent assets are disclosed in Notes 7, 8, 9, 11, 13 and 14, respectively.

Impairment of goodwill and intangible assets with indefinite useful life
The Group conducts an annual review for any impairment in the value of goodwill and intangible assets with indefinite useful life (i.e., customer relationship). Goodwill is written down for impairment when the net present value of the forecasted future cash flows from the business is insufficient to support its carrying value. The Group estimates key inputs such as discounted future cash flows forecasts, expected gross margins, discount rates and long-term growth rates. The Group uses the weighted average cost of capital in discounting the expected cash flows from specific CGUs.

Refer to Notes 12 and 13 for the details regarding the carrying values of the Group's goodwill and intangible assets as well as details regarding the impairment review and assessment.

Recognition of deferred tax assets
The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of deferred income tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.

The recognized and unrecognized deferred tax assets on temporary differences of the Group are disclosed in Note 29.

Estimating pension and other retirement benefits
The determination of the obligation and cost of pension and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 28 and include among others, discount rates, turnover rates and rates of salary increase. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement obligations. The carrying values of pension asset, liability and expense are disclosed in Note 28.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation. The carrying values of financial instruments are disclosed in Note 32.

Provision for product warranties
Estimated warranty costs are provided at the time of sale. The provision is based on the estimated costs of future servicing the products sold, the costs of which are not recoverable from customers. A provision is recognized for expected warranty claims on products sold during the last two (2) years, based on past experience of the level of returns and repairs. It is expected that most of these costs will be incurred in the next financial year and all will be incurred within three (3) years as of the reporting date. Provision for product warranty is disclosed in Note 20.

Purchase price allocation of investment in MPIC
The Parent Company is required to perform a purchase price allocation for its investment in MPIC. A significant portion of MPIC's net assets pertain to equity investments and service concession assets and the valuation of these assets require estimates from management. These estimates include revenue growth, gross margins, expected traffic volume and billed water volume, toll or tariff rates and discount rates.

4. CASH AND CASH EQUIVALENTS

This account consists of:

	2023	2022
Cash on hand	₱21	₱212
Cash in banks and other financial institutions (Note 27)	6,242	5,349
Cash equivalents (Note 27)	10,468	18,444
	₱16,731	₱24,005

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the prevailing interest rates ranging from 0.125 % to 6.50% in 2023, 0.025% to 5.75% in 2022 and from 0.05% to 1.25% in 2021 (Notes 23 and 27). The Group has foreign currency-denominated cash and cash equivalents (Note 33).

5. RECEIVABLES

This account consists of:

	2023	2022
Trade receivables	₱24,459	₱10,688
Loans receivable (Note 27)	5,989	6,084
Accrued rent and commission income (Note 27)	2,042	1,644
Nontrade receivables (Note 27)	1,600	1,360
Accrued interest receivable (Note 27)	1,330	817
Management fee receivables (Note 27)	329	282
Installment contracts receivables	195	249
Others (Note 27)	517	204
	36,461	21,328
Less: Allowance for credit losses	868	943
	₱35,593	₱20,385

Total receivables shown in the consolidated statements of financial position follow:

	2023	2022
Current	₱29,203	₱14,135
Noncurrent	6,390	6,250
	₱35,593	₱20,385

Noncurrent receivables consist of:

	2023	2022
Trade receivables	₱586	₱1,156
Loans receivable	5,804	5,094
	₱6,390	₱6,250

Trade Receivables
Trade receivables pertain to receivables from sale of vehicles and/or parts and services. These are noninterest-bearing and generally have 30 days to one-year term. These also include sale of lots with terms of 60 days to five years. Interest rates used in discounting the receivables on sale of lots range from 2.85% to 3.67% in 2023 and 2022. The Group has foreign currency-denominated receivables (Note 33).

Loans Receivable
Loans receivable from various counterparties in real estate segment are as follows:

					Outstanding balance	
Counterparties	Principal	Interest rates	Availment	Maturity	2023	2022
Bonifacio Landmark Corp.	₱3,311	6.75%	2020	2029	₱3,311	₱3,311
-do-	550	5.25%	2021	2028	550	550
-do-	150	6.75%	2022	2028	150	150
Cathay International Resources Corp.	705	3.15%	2012	2032	705	705
-do-	150	4.15%	2022	2032	100	150
-do-	50	6.00%	2021	2024	50	50
Multi Fortune Holdings, Inc.	40	7.90%	2023	2033	40	–
-do-	290	6.60%	2017	2032	205	290
-do-	154	4.40%	2022	2032	154	154
-do-	299	4.33% - 5.54%	2021	2031	299	299
-do-	290	5.25% - 5.95%	2020	2025	290	290
-do-	135	6.06% - 6.60%	2019	2024	135	135
					₱5,989	₱6,084

Interest income earned from these loans receivable follows:

	2023	2022	2021
Bonifacio Landmark Corp.	₱240	₱215	₱170
Cathay International Resources Corp.	63	38	36
Multi Fortune Holdings, Inc.	61	59	46
	₱364	₱312	₱252

Accrued Rent and Commission Income
Accrued rent pertains to tenants' rentals and their share in utilities (electricity, water and liquefied petroleum gas) and other charges to customers (Note 27). Commission income pertains to commission earned from sale of real estate properties (Note 27).

Nontrade Receivables
Nontrade receivables mainly consist of vehicle acquisition plan loans extended to employees which are collectible within one year and expenses of the affiliates which were advanced by the Group (Note 27).

Management Fee Receivables
Management fee receivables pertain to management fee being charged by the real estate businesses for the conduct of relevant studies for the maintenance, upkeep and improvement of real estate properties and equipment of associates and affiliated companies (Note 27).

Installment Contracts Receivables
Installment contracts receivables pertain to receivables from the sale of residential and condominium units. Titles to the sold residential and condominium units are transferred to the buyers only upon full payment of the contract price.

The details of installment contracts receivables and contract assets follow:

	2023	2022
Installment contracts receivables	₱197	₱251
Less: Unearned interest income	2	2
	₱195	₱249

Installment contracts receivables are collected over a period of one to 10 years. The fair value upon initial recognition for Federal Land is derived using the discounted cash flow methodology using discount rate of 8.00% in 2023 and 2022.

Movements in the unearned interest income in 2023 and 2022 follow:

	2023	2022
Balance at beginning of year	₱2	₱3
Additions	1	1
Accretion (Note 23)	(1)	(2)
Balance at end of year	₱2	₱2

Other Receivables
Other receivables include receivable from employees and retention, bond and guarantee fee receivables (Note 27).

Allowance for Credit Losses
Changes in the allowance for credit losses on receivables are as follows:

	December 31, 2023		
	Trade Receivables	Other Receivables	Total
Balance at beginning of year	₱230	₱713	₱943
Provision for credit losses (Note 26)	19	106	125
Reversals (Note 26)	(75)	(125)	(200)
Balance at end of year	₱174	₱694	₱868

	December 31, 2022		
	Trade Receivables	Other Receivables	Total
Balance at beginning of year	₱228	₱551	₱779
Provision for credit losses (Note 26)	2	162	164
Balance at end of year	₱230	₱713	₱943

6. INVENTORIES

This account consists of:

	2023	2022
At cost		
Real estate		
Land and improvements	₱28,312	₱34,947
Condominium units held for sale	19,191	15,016
Construction in progress	2,591	3,951
Gasoline retail and petroleum products (Note 24)	10	7
Food (Note 24)	6	5
Automotive		
Finished goods	7,859	3,277
Work-in-process	46	30
Raw materials	12,628	7,717
Raw materials in transit	4,231	3,098
Spare parts	142	104
	75,016	68,152
At NRV		
Automotive		
Spare parts	1,660	1,247
	₱76,676	₱69,399

A summary of movements in real estate inventories (excluding gasoline retail and petroleum products, and food) follows:

	2023			
	Land and improvements	Condominium units held for sale	Construction in progress	Total
Balance at beginning of year	₱34,947	₱15,016	₱3,951	₱53,914
Construction and development costs incurred	160	95	543	798
Borrowing costs capitalized	98	47	372	517
Cost of sales during the year	(5,049)	(1,307)	–	(6,356)
Reclassifications to condominium units held for sale	(2,303)	5,340	(3,037)	–
Transfers from (to) investment properties (Note 9)	(154)	–	762	608
Others	613	–	–	613
Balance at end of year	₱28,312	₱19,191	₱2,591	₱50,094

	2022			
	Land and improvements	Condominium units held for sale	Construction in progress	Total
Balance at beginning of year	₱44,142	₱13,738	₱6,926	₱64,806
Construction and development costs incurred	217	4,050	–	4,267
Land acquired during the year	92	–	–	92
Borrowing costs capitalized	105	9	286	400
Cost of sales during the year	(268)	(2,781)	(130)	(3,179)
Assets contributed in a joint venture (Note 8)	(6,297)	–	–	(6,297)
Transfers to investment properties (Note 9)	(2,773)	–	(3,131)	(5,904)
Others	(271)	–	–	(271)
Balance at end of year	₱34,947	₱15,016	₱3,951	₱53,914

Federal Land's capitalized borrowing costs in its real estate inventories are as follows:

	2023	2022
General borrowings	₱144	₱111
Specific borrowings	373	289
	₱517	₱400

The average capitalization rate used to determine the amount of borrowing costs eligible for capitalization ranged from 3.10% to 5.57% in 2023, 2022 and 2021.

The Federal Land Group has existing purchase commitments pertaining to its inventories of ongoing projects as of December 31, 2023 and 2022.

Inventories charged to operations follow:

	2023	2022	2021
Cost of goods and services sold (Note 24)	₱189,348	₱157,079	₱102,959
Cost of goods manufactured and sold (Note 25)	39,661	36,366	32,111
Cost of real estate sales	5,400	3,059	3,123
	₱234,409	₱196,504	₱138,193

The cost of real estate sales is net of ₱0.12 billion cost of land sold by the Parent Company to FNG in 2022 (Note 27).

The cost of the inventories carried at NRV amounted to ₱1.85 billion and ₱1.43 billion as of December 31, 2023 and 2022, respectively.

Allowance for inventory write-down on automotive spare parts inventories follows:

	2023	2022
Balance at beginning of year	₱186	₱143
Provision for inventory write-down (Note 26)	16	51
Write-off of scrap inventories	(8)	(8)
Balance at end of year	₱194	₱186

7. PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2023	2022
Ad-valorem tax for refund	₱2,979	₱2,704
Creditable withholding taxes (CWT)	2,917	3,653
Prepaid Ad-valorem tax	1,777	961
Advances to contractors and suppliers	1,640	1,443
Input VAT	1,392	4,920
Prepaid expenses (Note 21)	1,677	842
Advances to officers, employees and agents (Note 27)	58	90
Safeguard bonds	35	35
Assets held for sale (Note 19)	–	2,145
Others	303	316
	₱12,778	₱17,109

Ad-valorem tax pertains to the incremental Ad-valorem tax paid by Toyota in 2023 and 2022 which is subject for refund. In 2022, Bureau of Internal Revenue (BIR) issued memorandum circular which resulted to increased Ad-valorem tax payments on manufactured and imported vehicles. The said circular was repealed in February 2023.

CWT is attributable to taxes withheld by third parties arising from service fees, real estate revenue, auto sales and rental income.

Prepaid Ad-valorem tax represents advance payments to the BIR and Bureau of Customs (BOC). These are either advance payment to be applied against taxes on the manufactured vehicles or taxes on unsold inventories.

Advances to contractors and suppliers pertain to the Group's advances and initial payments for the purchase of construction materials and supplies and contractor services. These are liquidated every progress billing payment and will be due and demandable upon breach of contract.

Input VAT arises from the Group's purchases of goods and services and will be applied against output VAT on sales in the succeeding periods.

Prepaid expenses mainly include prepayments for supplies, commission, taxes and licenses, rentals, and insurance.

Advances to officers and employees amounting to ₱47.42 million and ₱80.81 million as of December 31, 2023 and 2022, respectively, pertain mainly to cash advances for business-related expenses. Advances to officers and employees are liquidated within 30 days after incurrence of expense.

Cash advances to agents amounting to ₱10.39 million and ₱9.60 million as of December 31, 2023 and 2022, respectively, pertain to mobilization funds granted to agents to finance their sales-related needs. These advances are subject to liquidation within 30 days after the release of cash advance.

Safeguard bonds represent payments made by Toyota to the Bureau of Customs for the provisional safeguard duties on imported vehicles in line with Department Administrative Order No. 20-11 of the Department of Trade and Industry. The imposition of the said provisional duties was subsequently revoked in August 2021. The ₱2.5 billion was refunded to Toyota in April and July 2022, while the remaining ₱35 million is still unclaimed as of reporting date.

On February 24, 2020, Federal Land's BOD approved the plans to transfer the "The Grand Midori - Ortigas (TGMO)" project to FLOC, a subsidiary of Federal Land. In the last quarter of 2020, Federal Land provided notice to its customers that there will be a change in the developer of TGMO. Accordingly, subject to the approval of relevant government regulatory agencies, the project owner and developer of TGMO will be changed to FLOC. In 2022, Federal Land management approved the change from FLOC to MPI, which is also a subsidiary of Federal Land, to which Federal Land will transfer TGMO. Currently, the process of transferring ownership of the property and the issuance of license to sell to MPI is not yet completed as of December 31, 2022. As a result, all assets and liabilities consisting of installment contracts receivables, real estate inventories, contract liabilities and other payables associated to TGMO were reclassified as assets held for sale and liabilities held for sale of Federal Land. In 2023, the top management of Federal Land and FLOC agreed that the latter will no longer participate in TGMO, thus Federal Land reclassified back the assets and liabilities held for sale as the transfer and sale to MPI will no longer push through (Note 19).

Others include deferred import charges, marginal deposits set aside for payment to the contractors and suppliers, security deposit for operating leases, ancillary services, and deposit for purchase of external services and materials.

8. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

This account consists of:

	2023	2022
Investments in associates	₱189,766	₱168,246
Investments in joint ventures	38,947	31,992
	₱228,713	₱200,238

There were no impairment losses for these investments in 2023 and 2022.

The movements in the Group's investments in associates follow:

	2023	2022
Cost		
Balance at beginning of year	₱112,319	₱112,319
Additional investments during the year	4,391	–
Balance at end of year	116,710	112,319
Accumulated equity in net income		
Balance at beginning of year	93,774	79,241
Equity in net income for the year	19,930	14,594
Amortization of FV increment on net assets	(161)	(165)
Elimination during the year	–	(3)
Recognition of previously deferred gain*	123	107
Balance at end of year	113,666	93,774
Dividends received		
Balance at beginning of year	(28,152)	(22,209)
Dividends received during the year	(5,883)	(5,943)
Balance at end of year	(34,035)	(28,152)
Accumulated equity in other comprehensive income (loss)		
Balance at beginning of year	(10,854)	(4,416)
Equity in fair value changes on financial assets at FVOCI for the year	5,132	(7,489)
Equity in translation adjustments	(342)	92
Equity in remeasurement of life insurance reserves	(16)	362
Equity in net unrealized gain on remeasurement of defined benefit plans	(1,536)	536
Equity in cash flow hedge reserve	5	61
Balance at end of year	(7,611)	(10,854)
Effect of elimination of intragroup profits		
Balance at beginning of year	1,159	1,685
Elimination during the year	–	3
Reclassification during the year*	–	(422)
Recognition of previously deferred profits*	(123)	(107)
Balance at end of year	1,036	1,159
	₱189,766	168,246

*Pertains to intercompany sale of lots in 2014 and 2015, which were sold to third parties in 2023 and 2022.

The movements in the Group's investments in joint ventures follow:

	2023	2022
Cost		
Balance at beginning of year	₱28,250	₱17,614
Additional investments during the year	11,999	577
Asset contribution in the form of real estate inventories (Notes 6 and 27)	–	10,159
Effect of business combination	–	(100)
Balance at end of year	40,249	28,250
Accumulated equity in net income		
Balance at beginning of year	4,744	2,801
Equity in net income for the year	3,036	1,922
Effect of business combination	–	21
Balance at end of year	7,780	4,744
Dividends received		
Balance at beginning of year	(90)	(70)
Dividends received during the year	(38)	(20)
Balance at end of year	(128)	(90)
Accumulated equity in other comprehensive income (loss)		
Balance at beginning of year	(413)	(170)
Equity in net unrealized loss on remeasurement of defined benefit plans	(5)	(1)
Equity in cash flow hedge reserve	154	(242)
Balance at end of year	(264)	(413)
Effect of elimination of intragroup profits (losses)		
Balance at beginning of year	(499)	(608)
Elimination of deferred profit on sale	(8,640)	(207)
Recognition of previously deferred profit	449	316
Balance at end of year	(8,690)	(499)
	₱38,947	₱31,992

Details regarding the Group's associates and joint ventures follow:

	Nature of Business	Country of Incorporation	2023	2022
Associates:				
MBTC	Banking	Philippines	37.15	37.15
MPIC	Infrastructure	-do-	18.19	17.08
Phil AXA	Insurance	-do-	25.33	25.33
Crown Central Properties Corporation (CCPC)	Real estate	-do-	48.00	48.00
Joint ventures:				
BLRDC*	Real estate	-do-	70.00	70.00
North Bonifacio Landmark Realty and Development Inc. (NBLRDI)*	-do-	-do-	70.00	70.00
Federal Land NRE Global, Inc. (FNG)*	-do-	-do-	66.00	66.00
Sunshine Fort North Bonifacio Realty and Development Corporation (Sunshine Fort)*	-do-	-do-	60.00	60.00
HSL South Food Inc. (HSL)*	-do-	-do-	60.00	60.00
Sunshine Fort North Bonifacio Commercial Management Corporation (SFNBCMC)*	-do-	-do-	51.00	51.00
Alveo Federal Land Communities, Inc. (AFLCI)	-do-	-do-	50.00	50.00
ST 6747 Resources Corporation (S TRC)	-do-	-do-	50.00	50.00
Mitsukoshi Federal Retail, Inc. (MFRI)	-do-	-do-	40.00	40.00
TFSPC	Financing	-do-	40.00	40.00
SMFC	-do-	-do-	20.00	20.00

** Federal Land does not exercise control at more than 51% ownership over these joint ventures (JV) entities, but instead exercises joint control as Federal Land and the JV partners have contractually agreed to share control over the relevant economic activities of the JV entities.*

The following table summarizes cash dividends declared and paid by the Group's associates and joint ventures (amount in millions, except for dividend per share):

	Declaration Date	Per Share	Total	Record Date	Payment Date
2023					
MBTC	**February 22, 2023**	**₱0.80**	**₱3,598**	**March 17, 2023**	**March 31, 2023**
MBTC	**February 22, 2023**	**0.80**	**3,598**	**September 8, 2023**	**September 22, 2023**
MBTC*	**February 22, 2023**	**1.40**	**6,296**	**March 17, 2023**	**March 31, 2023**
MPIC	**March 8, 2023**	**0.076**	**2,181**	**March 27, 2023**	**April 13, 2023**
SMFC	**June 23, 2023**	**9.60**	**192**	**July 10, 2023**	**July 19, 2023**
MPIC	**August 14, 2023**	**0.05**	**1,435**	**September 1, 2023**	**September 15, 2023**
Phil AXA	**December 11, 2023**	**100.00**	**1,000**	**November 30, 2023**	**January 17, 2024**

**Special cash dividends*

	Declaration Date	Per Share	Total	Record Date	Payment Date
2022					
MBTC	February 23, 2022	₱0.80	₱3,598	March 17, 2022	March 31, 2022
MBTC*	February 23, 2022	1.40	6,296	March 17, 2022	March 31, 2022
MBTC	February 23, 2022	0.80	3,598	September 9, 2022	September 23, 2022
MPIC	March 9, 2022	0.0678	2,031	March 25, 2022	April 6, 2022
MPIC*	March 9, 2022	0.0082	246	March 25, 2022	April 6, 2022
SMFC	June 24, 2022	5.01	100	July 11, 2022	July 20, 2022
MPIC	August 3, 2022	0.0345	1,011	August 22, 2022	September 8, 2022
Phil AXA	December 20, 2022	142.00	1,420	November 28, 2022	December 22, 2022

**Special cash dividends*

Investment in MPIC

On May 27, 2016, the Parent Company subscribed to ₱3.60 billion common shares of MPIC for a total subscription price of ₱21.96 billion. On the same day, the Parent Company entered into a Sale and Purchase Agreement with Metro Pacific Holdings, Inc. (MPHI), with the Parent Company as the buyer and MPHI as the seller of ₱1.30 billion common shares of MPIC for a total consideration of ₱7.94 billion. On August 5, 2016, the SEC approved the increase in the authorized capital stock of MPIC. As a result, the Parent Company's ownership interest is 15.55% of the issued and outstanding capital stock of MPIC.

In relation to the acquisition, the Parent Company capitalized advisory fees and other professional fees amounting to ₱0.24 billion and ₱0.04 billion, respectively, as part of the cost of the investment.

Based on the final purchase price allocation relating to the Parent Company's investment in MPIC, the difference of ₱7.41 billion between the Parent Company's share in the carrying values of MPIC's specific identifiable assets and liabilities and total cost of the Parent Company's investment was allocated to the Parent Company's share in the difference between the fair values and carrying values of MPIC's specific and identifiable assets and liabilities amounting to ₱4.68 billion and the remaining balance of ₱2.73 billion as goodwill.

As a result of MPIC's buy-back program in 2022 and 2021, the issued and outstanding shares of MPIC declined to 28,695,934,752 and 30,070,247,752 as of December 31, 2022 and 2021, respectively. This resulted to an increase in the Parent Company's ownership in MPIC to 17.08% and 16.30% as of December 31, 2022 and 2021, respectively.

On April 26, 2023, the Parent Company, together with other entities, formed a consortium to undertake a tender offer for the outstanding common shares of MPIC, with the aim of taking MPIC private through a voluntary delisting process. Pursuant to this, on various dates in September 2023, the Parent Company acquired an aggregate of ₱840 million common shares of MPIC for a total consideration of ₱4.37 billion which, increased the Parent Company's ownership interest in MPIC from 17.08% to 20.00%. In relation to the acquisition, the Parent Company capitalized advisory fees and other professional fees totaling ₱0.24 billion as part of the cost of the investment.

Subsequently, on November 8, 2023, MPIC issued an aggregate of 2.87 billion new common shares to its shareholders, of which the Parent Company did not participate, and this decreased the Parent Company's ownership interest in MPIC to 18.18%. Further, in December 2023, MPIC continued to buy back shares held by its minority shareholders who missed the opportunity to participate in the delisting tender offer. A total of 16.5 million shares were bought back from minority shareholders in December 2023, which increased the Parent Company's ownership interest in MPIC to 18.19% as of December 31, 2023.

As a result of these events, the Parent Company has recorded a provisional gain of ₱1.70 billion in 2023, representing the difference between the Parent Company's share in the net fair values of MPIC's identifiable assets and liabilities that were preliminarily determined at the acquisition date and the cost of the additional investment. The provisional purchase price allocation is subject to revision to reflect the final determination of fair values and will be completed within 12 months from acquisition date.

Further, the Parent Company recorded the effect of the dilution in ownership interest as a loss amounting to ₱1.70 billion also in 2023, representing the difference between the carrying value of the investment in MPIC before and after the deemed partial disposal of ownership interest.

Investment in BLRDC

On June 8, 2012, Federal Land and Orix Risingsun Properties II, Inc. (ORPI) entered into a joint venture agreement for the creation of BLRDC, with Federal Land owning 70% and ORPI owning 30% to develop three (3) main projects, namely (1) residential condominium project, (2) hotel/office building, and (3) hotel operation.

Investment in NBLRDI

On June 14, 2018, Federal Land entered into a Joint Venture Agreement with ORPI to incorporate a joint venture company, NBLRDI, in which Federal Land held 70% equity interest. The agreement was entered to develop Grand Hyatt Residences Tower II.

Investment in FNG

In January 2022, Federal Land signed a joint venture agreement with Nomura Real Estate Development Co., Ltd. (NRE) to incorporate Federal Land NRE Global, Inc. (FNG), in which Federal Land holds a 66% stake. FNG was incorporated on March 25, 2022. FNG will develop a new urban lifestyle, creating value, and sustainable growth. As its initial project, it will incorporate four areas of land development with a total area of about 250 hectares in Metro Manila, Cavite and Cebu. These include an initial pipeline of residential, office, commercial and industrial facilities.

In 2022, FLI and HLPDC entered into a deed of exchange agreements with NRE where FLI and HLPDC will contribute real estate inventories with a total fair value of ₱17.66 billion in exchange for common and preferred shares in FNG. The total cost of the said real estate inventories amounted to ₱6.30 billion (Note 6). The Group recognized gain on the asset-for-share swap amounted to ₱3.86 billion, net of intercompany elimination. As a result of the asset-for-share swap, the cost of investment in FNG included the cost of inventories and the gain amounting to ₱6.30 billion and ₱3.86 billion, respectively.

In May 2023, the Parent Company and FNG entered into a deed of absolute sale, wherein, the Parent Company agreed to sell to FNG certain real estate inventories located in Cavite with a gross aggregate area of eight hundred eighty-five thousand sixty-seven square meters (885,067 sqm). The total selling price and total cost of the said real estate inventories amounted to ₱9.28 billion and ₱2.74 billion, respectively. The gain on sale recognized from this transaction, recognized in the consolidated statements of income, amounted to ₱2.16 billion, net of intercompany elimination and applicable taxes.

In May 2023, Federal Land and FNG also entered into a deed of absolute sale, wherein, Federal Land agreed to sell to FNG certain real estate inventories located in Cavite with a gross aggregate area of one million two hundred thirty-four thousand five hundred sixty-six square meters (1,234,566 sqm). The total selling price and total cost of the said real estate inventories amounted to ₱11.41 billion and ₱4.86 billion, respectively. The gain on sale recognized from this transaction at the Federal Land level and recognized in the consolidated statements of income amounted to ₱588.96 million and ₱490.14 million, respectively, net of intercompany elimination and applicable taxes.

Investment in Sunshine Fort

On July 3, 2017, Federal Land entered into a Joint Venture Agreement with NREMI Development Company (NRE) to incorporate a joint venture company in which Federal Land held 60% equity interest. In 2017, Federal Land made an initial investment amounting to ₱288.75 million. In 2018, Federal Land made additional investments amounting to ₱4.33 billion.

Investment in AFLCI

On April 29, 2015, Federal Land and Alveo Land Corp. executed a joint venture agreement for the organization of a joint venture, AFLCI, to manage the development of a 45-hectare property along Laguna Boulevard in Biñan, Laguna. AFLCI was incorporated on June 16, 2015. An initial investment amounting to ₱574.13 million was reflected as additions to the investments in associates and joint ventures in 2015. In 2016, an additional investment amounting to ₱17.00 million was made.

Investment in STRC

In June 2016, SM Development Corporation (SMDC) entered into an agreement with Federal Land to incorporate a joint venture company, STRC, in which Federal Land holds a 50% stake. STRC will develop a three thousand two hundred square meter (3,200 sqm) property located along Ayala Avenue as a high-end luxury residential tower. An initial investment amounting to ₱250.00 million was reflected as additions to the investments in associates and joint ventures in 2016.

On December 12, 2016, the BOD of Federal Land approved the additional investment in STRC amounting to ₱750.00 million divided into preferred shares in the amount of ₱712.50 million and common shares in the amount of ₱37.50 million. On January 10, 2017, Federal Land has fully paid its subscription to STRC. The percentage of ownership is retained as SMDC also invested an equivalent amount.

In 2018 and 2017, Federal Land made additional investments in STRC amounting to ₱0.47 billion and ₱0.03 billion, respectively.

Investment in TFSPC

On August 29, 2014, the Parent Company signed a Sale and Purchase Agreement with MBTC and Philippine Savings Bank (PSBank), a majority owned subsidiary of MBTC, to purchase their respective shares in TFSPC representing 15.00% and 25.00%, respectively, of ownership interest for an aggregate consideration of ₱2.10 billion.

In 2021, 2020 and 2018, the Parent Company remitted ₱800.00 million, ₱800.00 million and ₱720.00 million, respectively, to TFSPC in response to the latter's equity call upon its stockholders.

Investment in SMFC
On August 11, 2017, the Parent Company acquired 4.0 million common shares, representing 20% ownership in SMFC for a total consideration of ₱379.92 million, from PSBank and PSBank Retirement Fund. In relation to the acquisition, the Parent Company capitalized documentary stamp taxes amounting to ₱1.50 million as part of the cost of the investment.

Fair Value of Investments in Associates and Joint ventures
Phil AXA and CCPC as well as BLRDC, NBLRDI, Sunshine Fort, SFNBCMC, AFLCI, STRC, PHRDC, HSL, MFRI, FNG, TFSPC and SMFC are private companies and there are no quoted market prices available for their shares.

As of December 31, 2023 and 2022, the fair values of the Group's investments in PSE-listed entities follow, which are below their respective carrying values (Note 32):

	2023	2022
MBTC	₱85,702	₱90,213
MPIC	–	16,709
	₱85,702	₱106,922

Management considers significant or prolonged decline in the quoted market price of MBTC and MPIC as an indicator of impairment. However, effective on October 9, 2023, the PSE approved MPIC's Petition for Voluntary Delisting and accordingly ordered the delisting of the MPIC's shares from its Official Registry. For 2023, there is no indication of impairment for the investment in MPIC. As such, there was no impairment assessment done.

The Group conducted an impairment assessment of its investment in MBTC in 2023 and its investments in MBTC and MPIC in 2022, respectively. The Group uses the higher of FVLCTS and VIU in determining the recoverable amount. Based on the Group's impairment testing, the investments in MBTC and MPIC are determined to be not impaired.

The recoverable amount of the investment in MBTC was based on the VIU of MBTC. The discount rate applied to MBTC cash flow projections is 9.40%. Cash flows beyond the five-year period are extrapolated using a steady growth rate of 2.00%. The calculation of VIU for the MBTC CGU is most sensitive to the assumptions on revenue and terminal growth rates, and discount rate.

For 2022, the recoverable amount of the investment in MPIC, which is the calculated VIU, was based on the sum-of-the-parts of the VIU and FVLCTS of the MPIC Group. The VIU and FVLCTS calculations for the MPIC CGU are most sensitive to the FVLCTS of its listed associate based on its market price, and the VIU of MPIC's component businesses based on net asset values, cash flow forecasts and applicable discount. Regarding the assessment of the VIU of investments in MBTC and MPIC, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

The following tables present the carrying values of the Group's material associates:

Investment in MBTC

	2023	2022
Consolidated Statements of Comprehensive Income		
Net interest income, other income and share in net income of associates and joint ventures	₱134,349	₱113,026
Expenses and provision for income tax	91,390	79,728
Net income	42,959	33,298
Other comprehensive income (loss)	9,328	(19,297)
Total comprehensive income	52,287	14,001
*Consolidated Statements of Financial Position**		
Total assets	3,104,902	2,843,090
Total liabilities	(2,738,164)	(2,515,000)
Net assets	366,738	328,090
Equity attributable to NCI	(10,073)	(9,582)
Net assets attributable to common shareholders of MBTC	356,665	318,505
GT Capital's ownership interest	37.15%	37.15%
GT Capital's share in net assets	132,501	118,326
Notional goodwill	4,162	4,162
Fair value and other adjustments	2,451	2,485
	₱139,114	₱124,793

**MBTC does not present classified consolidated statements of financial position.*

Investment in MPIC

	2023	2022
Consolidated Statements of Comprehensive Income		
Revenues	₱114,124	₱101,253
Expenses and provision for income tax	87,601	87,315
Net income	26,523	13,938
Other comprehensive income (loss)	(2,549)	4,417
Total comprehensive income	23,974	18,355
Consolidated Statements of Financial Position		
Current assets	79,778	68,903
Noncurrent assets	633,827	575,733
Current liabilities	(94,016)	(76,683)
Noncurrent liabilities	(330,113)	(322,283)
Net assets	289,476	245,670
Equity attributable to NCI	(56,467)	(45,757)
Net assets attributable to common shareholders of MPIC	233,009	199,913
GT Capital's ownership interest	18.19%	17.08%
GT Capital's share in net assets	42,384	34,145
Capitalized transaction cost	301	277
Notional goodwill	2,573	2,573
Fair value and other adjustments	1,535	3,060
	₱46,793	₱40,055

The following table presents the carrying value of the Group's material joint venture:

Investment in FNG

	2023	2022
Statements of Comprehensive Income		
Revenues	₱301	₱50
Expenses and provision for income tax	294	162
Net income (loss)	8	(112)
Total comprehensive income (loss)	8	(112)
Statements of Financial Position		
Current assets	44,828	27,169
Noncurrent assets	651	8
Current liabilities	(280)	(64)
Noncurrent liabilities	(61)	33
Net assets	45,138	27,146
GT Capital's ownership interest	66.00%	66.00%
GT Capital's share in net assets	29,791	17,916
Intercompany eliminations and other adjustments	(15,966)	(7,455)
	₱13,825	₱10,461

The following table presents the aggregate financial information of the Group's other associates and joint ventures as of and for the years ended December 31, 2023 and 2022:

	2023		2022	
	Associates	**Joint ventures**	Associates	Joint ventures
Statements of Financial Position				
Current assets	**₱267**	**₱29,605**	₱195	₱41,408
Non-current assets	**3**	**32,376**	44	20,642
Total assets*	**177,843**	**147,336**	157,262	133,287
Current liabilities	**70**	**23,217**	64	23,695
Non-current liabilities	**10**	**11,146**	9	12,117
Total liabilities*	**162,855**	**129,782**	144,762	117,963
Statements of Comprehensive Income				
Revenues	**₱19,014**	**₱34,657**	₱16,323	₱25,624
Expenses	**15,568**	**26,567**	12,876	20,014
Net income	**2,653**	**5,682**	2,571	4,112
Other comprehensive income (loss)	**798**	**350**	(190)	(577)
Total comprehensive income	**3,451**	**6,032**	2,381	3,535

**Phil AXA and TFSPC do not present classified statements of financial position.*

The aggregate carrying values of the other associates and joint ventures, which includes Phil AXA, TFSPC, SMFC, CCPC, BLRDC, NBLRDI, Sunshine Fort, SFNBCMC, AFLCI, STRC, HSL and MFRI, amounted to ₱28.98 billion and ₱24.93 billion as of December 31, 2023 and 2022, respectively.

Limitation on dividend declaration of associates and joint venture
Phil AXA
Section 195 of the Insurance Code provides that a domestic insurance company shall declare or distribute dividends on its outstanding stock only from profits remaining on hand after retaining unimpaired:

- the entire paid-up capital stock;
- the margin of solvency required;
- the legal reserve fund required; and
- a sum sufficient to pay all net losses reported or in the course of settlement and all liabilities for expenses and taxes.

MBTC and TFSPC
The Bangko Sentral ng Pilipinas (BSP) requires banks to keep certain levels of regulatory capital and liquid assets, limit their exposures to other parts of the Group and comply with other regulatory ratios.

As of December 31, 2023 and 2022, there were no agreements entered into by the associates and joint ventures of the Group that may restrict dividends and other capital distributions to be paid, or loans and advances to be made or repaid to or from other entities within the Group.

As of December 31, 2023 and 2022, accumulated equity in net earnings amounting to ₱87.23 billion and ₱70.28 billion, respectively, are not available for dividend declaration. The accumulated equity in net earnings become available for dividends upon declaration and receipt of cash dividends from the investees.

As of December 31, 2023 and 2022, the Group has no share in the commitments and contingencies of its associates and joint ventures.

9. INVESTMENT PROPERTIES

The composition and rollforward analysis of this account follow:

	December 31, 2023			
	Land and Improvements	Building and Improvements	Construction-in-Progress	Total
Cost				
At January 1	**₱7,656**	**₱11,659**	**₱6,048**	**₱25,363**
Additions	**–**	**–**	**1,016**	**1,016**
Reclassifications	**220**	**–**	**–**	**220**
Transfers (Note 6)	**154**	**–**	**(762)**	**(608)**
At December 31	**8,030**	**11,659**	**6,302**	**25,991**
Accumulated Depreciation				
At January 1	**32**	**3,084**	**–**	**3,116**
Depreciation (Note 11)	**–**	**549**	**–**	**549**
At December 31	**32**	**3,633**	**–**	**3,665**
Net Book Value at December 31	**₱7,998**	**₱8,026**	**₱6,302**	**₱22,326**

	December 31, 2022			
	Land and Improvements	Building and Improvements	Construction-in-Progress	Total
Cost				
At January 1	₱4,883	₱10,430	₱2,917	₱18,230
Additions	–	1,229	–	1,229
Transfers (Note 6)	2,773	–	3,131	5,904
At December 31	7,656	11,659	6,048	25,363
Accumulated Depreciation				
At January 1	28	2,556	–	2,584
Depreciation (Note 11)	4	528	–	532
At December 31	32	3,084	–	3,116
Net Book Value at December 31	₱7,624	₱8,575	₱6,048	₱22,247

Various parcels of land are leased to several individuals and corporations including related parties. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove any and all improvements built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit. Rent income recognized from these properties amounted to ₱1.51 billion, ₱1.40 billion and ₱1.05 billion in 2023, 2022 and 2021, respectively (Note 30).

Construction-in-progress pertains to the accumulated cost incurred for the development and redevelopment of Federal Land's malls. The mall redevelopment is expected to be completed in 2024.

The aggregate fair values of the Group's investment properties amounted to ₱66.05 billion and ₱46.86 billion as of December 31, 2023 and 2022, respectively (Note 32). The fair values of the Group's investment properties have been determined based on valuations performed by third party independent appraisers which are accredited by the SEC. The value of the land was estimated by using the Market Data Approach, a valuation approach that considers the sales, listings and other related market data within the vicinity of the subject properties and establishes a value estimate by processes involving comparison. Valuation of the Group's investment properties are done every three years with the latest valuation report issued in 2022.

The Group has contractual commitments and obligations for the construction and development costs to be incurred for investment properties amounting to ₱329.89 million and ₱884.39 million as of December 31, 2023 and 2022, respectively. These will be recognized as liabilities in the Group's consolidated financial statements when the related services are received.

10. INVESTMENT SECURITIES

Investment securities consist of:

	2023	2022
Current:		
Financial assets at FVTPL (Note 27)		
Quoted	**₱871**	₱11,160
Noncurrent:		
Financial assets at FVOCI		
Quoted	**17,420**	13,154
Unquoted	**276**	191
	17,696	13,345
	₱18,567	₱24,505

Financial assets at FVTPL
These pertain to the Parent Company and GTCAM's investments in unit investment trust fund (UITF) (Note 32).

Financial assets at FVOCI
Quoted equity securities
This includes foreign currency-denominated equity investments in Toyota Motor Corporation (TMC), a listed company in the Tokyo Stock Exchange, and investments in Vivant Corporation (VVT), a listed company in the PSE. The total of investments in TMC and VVT amounted to ₱17.07 billion and ₱12.89 billion as of December 31, 2023 and 2022, respectively. The Group has irrevocably elected to classify these investments under this category as it intends to hold these investments for the foreseeable future.

Unquoted equity securities
This account comprises shares of stocks of various unlisted private corporations. The Group has designated these equity securities at FVOCI because they will not be sold in the foreseeable future.

Unquoted equity securities include Toyota Aisin Philippines, Inc. (TAPI), representing 5.00% ownership interest, with carrying values of ₱265.22 million and ₱179.70 million as of December 31, 2023 and 2022, respectively. Also included in the balance are unquoted equity securities held by Federal Land amounting to ₱9.94 million as of December 31, 2023 and 2022.

Unquoted equity securities of Federal Land pertain to preferred shares of a utility company issued to the Group in connection with its subscription to the electricity services of the said utility company needed for Federal Land's real estate projects. The Group does not intend to dispose these investments since these are directly related to the continuity of its business.

Movements in the fair value reserves on financial assets at FVOCI follow:

	2023		
	Attributable to Parent Company	Non-controlling Interest	Total
Balance at beginning of year	₱1,928	₱220	₱2,148
Changes in fair values of financial assets at FVOCI	3,660	82	3,742
Balance at end of year	₱5,588	₱302	₱5,890

	2022		
	Attributable to Parent Company	Non-controlling Interest	Total
Balance at beginning of year	₱4,927	₱289	₱5,216
Changes in fair values of financial assets at FVOCI	(2,999)	(69)	(3,068)
Balance at end of year	₱1,928	₱220	₱2,148

11. PROPERTY AND EQUIPMENT

The composition and rollforward analysis of this account follow:

	2023									
	Building and Land Improvements	Land and Building	Machinery, Tools and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Other Property and Equipment	Right-of-use assets	Construction-in-Progress	Total
Cost										
At January 1	₱9,105	₱3,254	₱2,731	₱1,387	₱615	₱356	₱6,522	₱129	₱927	₱25,026
Additions	253	306	196	99	215	31	–	274	382	1,756
Disposals and reclassifications	30	(220)	(71)	(7)	(107)	–	–	(276)	(17)	(668)
At December 31	9,388	3,340	2,856	1,479	723	387	6,522	127	1,292	26,114
Accumulated Depreciation and Amortization										
At January 1	1,707	174	1,422	949	381	309	6,103	30	–	11,075
Depreciation and amortization	453	18	730	213	113	43	1	7	–	1,578
Disposals and reclassifications	20	–	(71)	(5)	(81)	–	–	10	–	(127)
At December 31	2,180	192	2,081	1,157	413	352	6,104	47	–	12,526
Net Book Value at December 31	₱7,208	₱3,148	₱775	₱322	₱310	₱35	₱418	₱80	₱1,292	₱13,588

	2022									
	Building and Land Improvements	Land and Building	Machinery, Tools and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Other Property and Equipment	Right-of-use assets	Construction-in-Progress	Total
Cost										
At January 1	₱9,098	₱3,225	₱2,703	₱1,216	₱667	₱297	₱6,493	₱194	₱945	₱24,838
Additions	12	29	36	170	130	56	17	–	203	653
Disposals and reclassifications	(5)	–	(8)	1	(182)	3	12	(65)	(221)	(465)
At December 31	9,105	3,254	2,731	1,387	615	356	6,522	129	927	25,026
Accumulated Depreciation and Amortization										
At January 1	1,454	142	1,186	842	458	295	5,490	53	–	9,920
Depreciation and amortization	319	32	259	152	106	14	613	22	–	1,517
Disposals and reclassifications	(66)	–	(23)	(45)	(183)	–	–	(45)	–	(362)
At December 31	1,707	174	1,422	949	381	309	6,103	30	–	11,075
Net Book Value at December 31	₱7,398	₱3,080	₱1,309	₱438	₱234	₱47	₱419	₱99	₱927	₱13,951

Construction-in-progress as of December 31, 2023 pertains to Federal Land's and Toyota's building construction and improvements, and Toyota Group's machineries and building improvements.

The Group has no significant capital commitments pertaining to its property and equipment as of December 31, 2023 and 2022.

Gain on disposal of property and equipment amounted to ₱18.42 million, ₱58.43 million and ₱33.50 million in 2023, 2022 and 2021, respectively (Note 23).

Details of depreciation and amortization follow:

	2023	2022	2021
Property and equipment	₱1,578	₱1,517	₱1,646
Investment properties (Note 9)	549	532	438
Intangible assets (Note 13)	69	68	104
	₱2,196	₱2,117	₱2,188

Breakdown of depreciation and amortization in the consolidated statements of income follows:

	2023	2022	2021
Consolidated Statements of Income			
Cost of goods manufactured	₱981	₱896	₱990
Cost of rental (Note 30)	550	529	434
General and administrative expenses (Note 26)	665	692	764
	₱2,196	₱2,117	₱2,188

12. GOODWILL

Goodwill in relation to acquisitions has been attributed to the following CGUs:

	2023	2022
Toyota	₱5,597	₱5,597
TMBC	241	241
TRDCI	88	88
	₱5,926	₱5,926

Goodwill

Goodwill comprises the excess of the acquisition cost over the fair value of the identifiable assets and liabilities of companies acquired by the Group.

Toyota

The recoverable amount of Toyota CGU was based on VIU calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 10.41% in 2023 and 11.51% in 2022. Cash flows beyond the five-year period are extrapolated using a steady growth rate of 2.81% in 2023 and 2.82% in 2022. The carrying value of goodwill amounted to ₱5.60 billion as of December 31, 2023 and 2022. No impairment loss was recognized for goodwill arising from the acquisition of Toyota.

The calculations of VIU for the Toyota CGU are most sensitive to the following assumptions:

- Budgeted gross margins - Gross margins are based on vehicle models mix per dealer and the foreign exchange movements between the Philippine Peso versus the United States (US) Dollar and the Japanese Yen versus the US Dollar.
- Growth rate - The projected growth rate is based on a conservative steady growth rate that does not exceed the compounded annual growth rate for the global automotive industry; and
- Pre-tax discount rate - Discount rates reflect management's best estimate of the risks associated with the specific CGU. This is the benchmark rate used by management to measure operating performance.

Regarding the assessment of the VIU of Toyota, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

TMBC

The recoverable amount of TMBC CGU was based on VIU calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 10.81% in 2023 and 12.05% in 2022. Cash flows beyond the forecast period are extrapolated using a long-term growth rate of 2.81% in 2023 and 2.82% in 2022. The carrying value of goodwill amounted to 241.06 million as of December 31, 2023 and 2022. No impairment loss was recognized on the goodwill arising from the acquisition of TMBC.

The calculations of VIU for TMBC CGU are most sensitive to the following assumptions:

- Expected future cash inflows from automobile sales
- Growth rate; and
- Pre-tax discount rate - Discount rate reflects management's best estimate of the risks associated with the specific CGU.

Regarding the assessment of the VIU of TMBC, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

13. INTANGIBLE ASSETS

Intangible assets consist of:

	2023	2022
Customer relationship	₱3,883	₱3,883
Software costs - net	202	214
Franchise - net	3	2
	₱4,088	₱4,099

Customer Relationship
Customer relationship pertains to Toyota's contractual arrangements with its top dealer customers which lay out the principal terms upon which its dealers agree to do business. Toyota's relationship with its top dealers adds value to the operations of Toyota and enhances the latter's earnings potential. Management assessed the useful life of the customer relationship to be indefinite since management is of the view that there is no foreseeable limit to the period over which the customer relationship is expected to generate net cash inflows to Toyota.

The recoverable amount of the customer relationship of the Group was based on VIU calculations using earnings projections from financial budgets approved by management covering a three-year period. The pre-tax discount rate applied to earnings projections is 12.55% and 14.08% in 2023 and 2022, respectively. Cash flows beyond the forecast period are extrapolated using a steady growth rate of 2.81% and 2.82% in 2023 and 2022, respectively. The carrying value of the customer relationship amounted to ₱3.88 billion as of December 31, 2023 and 2022. No impairment loss was recognized for the customer relationship arising from the acquisition of Toyota.

The calculations of VIU for the customer relationship are most sensitive to the following assumptions:

- Attrition rate - Sales to key customers for the four-year period are computed by taking into account a 5.00% attrition rate or 95.00% retention rate;
- Earnings before interest and taxes (EBIT) margin on key customers - A 6.75% EBIT margin was used in projecting the net operating profit on sales to key customers for the three-year period; and
- Pre-tax discount rate - Discount rates reflect management's best estimate of the risks associated with the specific CGU. This is the benchmark rate used by management to measure operating performance.

Regarding the assessment of the VIU of Toyota's customer relationship, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

Software Cost
The Group's software costs pertain to software cost and licenses. The rollforward analysis of the Group's software cost is as follows:

	2023	2022
Cost		
Balance at beginning of year	₱827	₱675
Additions	56	154
Disposals/reclassification	–	(2)
Balance at end of year	883	827
Accumulated Amortization		
Balance at beginning of year	613	548
Amortization (Note 11)	68	67
Disposals/reclassification	–	(2)
Balance at end of year	681	613
Net Book Value	₱202	₱214

Franchise
Franchise fee pertains to the Federal Land Group's operating rights for its fastfood stores with estimated useful lives of three to five years.

The amortization of the franchise fee amounting to ₱0.72 million, ₱1.18 million and ₱0.56 million in 2023, 2022 and 2021, respectively, is included in the 'General and administrative expenses' account in the consolidated statements of income (Note 26).

Details of amortization of intangible assets are as follows (Note 11):

	2023	2022	2021
Software cost	₱68	₱67	₱103
Franchise	1	1	1
	₱69	₱68	₱104

14. OTHER NONCURRENT ASSETS

This account consists of:

	2023	2022
Rental and other deposits (Note 30)	₱753	₱3,173
Retirement asset (Note 28)	57	29
Deferred input VAT	1	9
Derivative asset (Note 16)	–	88
Others	18	17
	₱829	₱3,316

Rental and other deposits include rental deposits for the leased offices of the Group and deposits for the initial set-up of the services rendered by public utility companies. Rental deposits are to be applied on the last month's rent of the lease contract.

15. ACCOUNTS AND OTHER PAYABLES

This account consists of:

	2023	2022
Trade payables	₱21,903	₱19,049
Accrued expenses	8,979	7,084
Telegraphic transfers, drafts and acceptances payable	4,546	3,373
Deferred output tax	1,885	3,311
Accrued commissions	1,227	1,055
Deferred income	1,092	978
Accrued interest payable	977	324
Nontrade payables	391	327
Customer advances	343	518
Royalty payable	326	302
Insurance payable	253	214
Retentions payable	95	95
Others	1,773	318
	₱43,790	₱36,948

The details of trade payables are as follows:

	2023	2022
Automotive	₱18,504	₱14,155
Real estate	3,216	4,857
Others	183	37
	₱21,903	₱19,049

Trade payables for automotive pertain to the purchase of raw materials, spare parts and vehicles which are noninterest-bearing and are normally settled on one to 30-day term.

Trade payables for real estate pertain to billings received from contractors for construction costs incurred on a per project basis and commissaries for food products ordered.

The Group has foreign currency-denominated accounts and other payables (Note 33).

The details of accrued expenses are as follows:

	2023	2022
Dealers' incentives, supports and promotions	**₱4,965**	₱3,333
Employee benefits	**858**	995
Taxes	**807**	758
Freight, handling and transportation	**426**	574
Office supplies	**241**	170
Utilities and services	**192**	164
Outsourced services	**166**	238
Professional fees	**150**	21
Insurance	**118**	76
Payable to contractors	**117**	7
Repairs and maintenance	**69**	105
Regulatory fees and charges	**7**	7
Rent	**6**	19
Others	**857**	617
	₱8,979	₱7,084

Accrued expenses are noninterest-bearing and are normally settled within a 15-to-60-day term.

Telegraphic transfers and drafts and acceptance payable pertain to the liabilities of Toyota Group arising from importations of materials, spare parts and/or vehicles. These payables are normally settled after a 30-day term.

Deferred output tax pertains to VAT on the uncollected portion of the contract price of sold units.

Accrued commissions are settled within one (1) year.

Accrued interest payables are normally settled within a 15-to-60-day term.

Customer advances pertain to payments received from buyers for the processing of transfer of units upon turnover.

Royalty payable represent cost of license for the use of technical know-how and information on data. The fees are calculated at 6.00% of the local value-added (LVA) of vehicles under production. The LVA represents the selling price less all costs for the knock-down parts, related taxes such as excise and sales tax and a certain percentage of administrative and selling costs. The fees also include charges from related affiliates and third-party suppliers representing initial costs of testing materials and trial parts and tools, sample molds and jigs that were utilized to test TMPC's present technical feasibility for the commercial production of newer car models.

Retentions payable represent a portion of construction cost withheld by the Federal Land Group and paid to the contractors after an agreed period commencing the completion of the project. Retentions payable due beyond one year are presented as noncurrent payable (Note 20).

Others include refunds from cancelled sales from Federal Land and other government-related payables which are non-interest bearing and are normally settled within one year. These also include other non-interest bearing payables which are all due within one year.

16. SHORT-TERM DEBT, CORPORATE NOTES, AND LONG-TERM DEBT

Short-term Debt

	Interest rate range		Outstanding balance	
	2023	2022	**2023**	2022
Affiliated (Note 27)				
Federal Land Group	**4.50% - 6.50%**	4.50% - 5.50%	**₱1,850**	₱1,490
Toyota Group	**5.90% - 6.35%**	5.35%	**7,150**	800
TMBC Group	**–**	5.00% - 5.80%	**–**	1,280
GTCAM Group	**6.35%**	4.95% - 5.60%	**290**	90
Non-affiliated				
Federal Land Group	**4.25% - 6.38%**	4.00% - 6.50%	**5,750**	7,108
Toyota Group	**5.25% - 6.38%**	4.00% - 6.88%	**5,126**	3,814
GTCAM Group	**5.75% - 6.35%**	–	**950**	–
			₱21,116	₱14,582

Corporate Notes and Long-term Debt

	Interest rate range	Face amount		Outstanding balance		Terms
		2023	2022	**2023**	2022	
Corporate Notes						
Federal Land Group	5.57% - 6.27%	**₱–**	₱955	**₱–**	₱955	5-year unsecured notes; Due from 2022 to 2023; Fixed interest
Long-term Debt - Affiliated (Note 27)						
Federal Land Group	8.16%	**7,325**	10,500	**7,261**	10,417	5-year unsecured loans; Due from 2022 to 2027; Fixed interest
Long-term Debt - Non-affiliated						
Parent Company Peso loans	5.00% - 7.25%	**61,975**	61,975	**61,452**	61,691	10 to 13 years unsecured loans; Due from 2025 to 2032; Fixed interest
Parent Company JPY loans	3-month JPY TONA plus 0.65%	**10,287**	10,287	9,106	9,660	JPY23.31 billion loan; Due March 2027; Floating interest
Federal Land Group	3.95% - 8.20%	**33,248**	42,385	**33,180**	42,272	5 to 10 years unsecured loans; Due from 2022 to 2029; Fixed interest
Toyota Group	2.70% - 4.20%	**246**	246	**246**	246	5 to 10 years unsecured loans; Automatically renewed upon maturity; Fixed interest
TMBC Group	4.85% - 5.94%	**–**	1,500	**–**	550	10-year secured loans; Due 2026; Fixed interest
GTCAM Group	4.85% - 5.94%	**1,500**	–	**393**	–	10-year secured loans; Due 2026; Fixed interest
Total				**111,638**	125,791	
Less: Current portion				**16,110**	7,758	
				₱95,528	₱118,033	

In July 2018, the Parent Company obtained an unsecured long-term loan from three (3) non-affiliated foreign banks for an aggregate principal amount of ¥23.31 billion. Beginning January 1, 2022, JPY Libor settings across all tenors have ceased publication. The new benchmark reference rate for the Parent Company's JPY-denominated loans and interest rate swap is the JPY Tokyo Overnight Average (TONA). This was refinanced in July 2022 with a long-term loan with the same foreign banks which will mature in March 2027.

In July 2018, the Parent Company entered into an interest rate swap agreement with a non-affiliated foreign bank. Under the agreement, the Parent Company, on a quarterly basis, pays fixed interest rate of 0.852% and receives floating interest rate of 3-month JPY Libor plus 0.65% spread from July 2018 to July 2024. On the same date, the Parent Company designated the swap as an effective hedging instrument under a cash flow hedge arrangement.

In July 2022, upon refinancing, the Parent Company derecognized the derivative liability under the 2018 interest rate swap agreement and entered into an interest rate swap agreement with a non-affiliated foreign bank with the following terms:

Pay	Receive	Terms
0.852%	JPY TONA + 0.65%	¥11.655 billion up to July 2024
0.865%	JPY TONA + 0.65%	¥11.655 billion up to July 2024
1.255%	JPY TONA + 0.80%	¥23.31 billion from July 2024 to March 2027

In July 2022, the Parent Company entered into an interest rate swap agreement with a non-affiliated foreign bank. Under the agreement, the Parent Company, on a quarterly basis, pays fixed interest rate of 0.852% - 1.255% and receives a floating interest rate of JPY TONA plus 0.65% - 0.80% spread from July 2022 to March 2027. On the same date, the Parent Company designated the swap as an effective hedging instrument under a cash flow hedge arrangement (Note 33). As such, the effective portion of the changes in fair value of the swaps was recognized under other comprehensive loss amounting to ₱14.23 million in 2023 and other comprehensive income amounting to ₱87.70 million in 2022. The derivative liability amounted to ₱14.23 million as of December 31, 2023 (Note 20), and the derivative asset amounted to ₱87.70 million as of December 31, 2022 (Note 14).

As of December 31, 2023 and 2022, the movements in the deferred financing cost follow:

	2023	2022
Parent Company		
Balance at beginning of year	₱304	₱296
Additions	–	77
Amortization	(51)	(69)
Balance at end of year	₱253	304
Federal Land		
Balance at beginning of year	198	203
Additions	5	105
Amortization	(71)	(110)
Balance at end of year	₱132	₱198
GTCAM Group		
Balance at beginning of year	₱–	₱1
Amortization	–	(1)
Balance at end of year	₱–	₱–

Total interest expense incurred on the above-mentioned debts in 2023, 2022 and 2021 follows:

	Interest expense charged to operations			Interest expense capitalized		
	2023	2022	2021	2023	2022	2021
Short-term debt	₱1,121	₱573	₱482	₱50	₱39	₱71
Corporate notes	104	81	60	33	26	47
Long-term debt	6,054	5,609	4,770	434	336	621

Required Financial Ratios
The table below presents a summary of the financial ratios required to be maintained by each entity within the Group under existing loan agreements.

Entity	Financial Ratio	Required Ratio
Corporate notes		
Federal Land	Debt-to-equity ratio	2:1
Long-term loans		
Parent Company	Debt-to-equity ratio	2.3:1
Federal Land (Affiliated)	Debt-to-equity ratio	3:1
Federal Land (Non-affiliated)	Debt-to-equity ratio	2:1
TMBC	Current ratio	1:1
TMBC	Debt-to-equity ratio	2.5:1
TMBC	Debt service ratio	1.2x

As of December 31, 2023 and 2022, the Group has complied with the foregoing required financial ratios.

17. BONDS PAYABLE

		Par Value		Amount	
Maturity Dates	Interest rate	2023	2022	2023	2022
10.0 billion Bonds					
February 27, 2023	5.0937%	₱–	₱6,100	₱–	₱6,099
12.0 billion Bonds					
August 7, 2024	5.6250%	4,000	4,000	3,997	3,992
		₱4,000	₱10,100	₱3,997	₱10,091

Unamortized debt issuance costs on these bonds amounted to ₱3.24 million and ₱9.73 million as of December 31, 2023 and 2022, respectively.

₱10.00 billion GT Capital bonds due 2020 and 2023
On February 13, 2013, the Parent Company issued ₱10.00 billion 7-year and 10-year unsecured bonds due on February 27, 2020 and February 27, 2023, respectively, with annual interest rate of 4.84% and 5.09%, respectively. Gross and net proceeds amounted to ₱10.00 billion and ₱9.90 billion, respectively, net of deferred financing cost of ₱0.10 billion. The bonds were listed on the Philippine Dealing and Exchange Corporation on February 27, 2013.

The ₱3.90 billion bonds with maturity date of February 27, 2020 were paid upon maturity. This was refinanced in February 2020 with a long-term loan from a non-affiliated local bank.

The ₱6.10 billion bonds with maturity date of February 27, 2023 were paid.

₱12.00 billion GT Capital bonds due 2019, 2021 and 2024
On July 24, 2014, the Parent Company issued ₱12.00 billion unsecured bonds with tenors of five years, seven years and ten years due November 7, 2019 (Series A Bonds), August 7, 2021 (Series B Bonds) and August 7, 2024 (Series C Bonds), respectively, with annual interest rates of 4.71%, 5.20% and 5.63% respectively. Gross and net proceeds amounted to ₱12.00 billion and ₱11.88 billion, respectively, net of deferred financing cost incurred of ₱0.12 billion. The bonds were listed on August 7, 2014.

The ₱3.00 billion and ₱5.00 billion bonds with maturity dates of November 7, 2019 and August 7, 2021 were paid upon maturity. These were refinanced in November 2019 and July 2019 with long-term loans from non-affiliated local banks.

As of December 31, 2023 and 2022, the movement in the deferred financing cost is as follows:

	2023	2022
Balance at beginning of year	₱10	₱23
Amortization	(7)	(14)
Balance at end of year	₱3	₱9

Both bonds contain negative covenants, which among others, include provision that the Parent Company should maintain a debt-to-equity ratio of 2.3:1.0. As of December 31, 2023 and 2022, the Parent Company has complied with its bond covenants.

Total interest expense incurred on bonds payable in 2023, 2022 and 2021, amounted to ₱0.27 billion (including amortization of deferred financing cost of ₱6.49 million), ₱0.55 billion (including amortization of deferred financing cost of ₱12.80 million) and ₱0.71 billion (including amortization of deferred financing cost of ₱17.40 million), respectively.

18. CUSTOMERS' DEPOSITS

As of December 31, 2023 and 2022, customers' deposits represent refundable reservation fees and advance payments received from customers which can be applied as payment to the respective automotive sale transaction with the Group.

As of December 31, 2023 and 2022, the balance of this account amounted to ₱1.06 billion and ₱0.93 billion, respectively (Note 27).

19. OTHER CURRENT LIABILITIES

This account consists of:

	2023	2022
VAT payable	₱1,509	₱386
Withholding taxes payable	492	693
Unearned management fee income	42	29
Lease liabilities (Note 30)	13	6
Unearned warranty revenue	8	–
Liabilities held for sale (Note 7)	–	346
Others	85	53
	₱2,149	₱1,513

Others pertain to payables on utilities, contracted maintenance and security agencies and regulatory premium or contribution payable of the Group. These are normally payable within one year.

20. LIABILITIES ON PURCHASED PROPERTIES AND OTHER NONCURRENT LIABILITIES

Liabilities on Purchased Properties
Liabilities on purchased properties are payables to various real estate property sellers. Under the terms of the agreements executed by Federal Land covering the purchase of certain real estate properties, the titles of the subject properties shall be transferred to Federal Land only upon full payment of the real estate loans.

In 2012, Federal Land acquired certain land and investment properties aggregating ₱3.72 billion, with 20.00% downpayment amounting to ₱0.74 billion. The outstanding balance amounting to ₱2.98 billion is payable in 13 years with 3.00% interest per annum. The outstanding balance was discounted at the prevailing market rate of 5.40% and the discounted liability as of December 31, 2023 and 2022 amounted to ₱1.15 billion and ₱1.29 billion, respectively.

On November 2019, Federal Land acquired a land located in Makati City. Of the total purchase amount of ₱1.20 billion, ₱0.29 billion was paid in 2019 as downpayment and ₱0.91 billion is payable in five equal annual installments commencing February 1, 2020 to 2024. The loan bears 3.50% interest per annum and is unsecured. The outstanding balance was discounted at the prevailing market rate of 6.87% and the discounted liability as of December 31, 2023 and 2022 amounted to ₱0.18 billion and ₱0.36 billion, respectively.

Current portion of liabilities on purchased properties amounted to ₱0.35 billion as of December 31, 2023 and 2022, respectively. Noncurrent portion of liabilities on purchased properties amounted to ₱0.98 billion and ₱1.30 billion as of December 31, 2023 and 2022, respectively (Note 27). Accretion of interest in 2023, 2022 and 2021 amounted to ₱28.18 million, ₱35.4 million and ₱55.47 million, respectively.

Other Noncurrent Liabilities

This account consists of:

	2023	2022
Retentions payable - noncurrent portion	₱1,212	₱1,502
Refundable and other deposits	894	849
Provisions (Note 36)	671	648
Finance lease obligation - net	178	110
Lease liabilities (Note 30)	155	15
Deferred output VAT	65	130
Derivative liabilities (Note 16)	14	47
Unearned rent income	1	5
	₱3,190	₱3,306

Retentions payable represent a portion of construction cost withheld by the Group and paid to the contractors after an agreed period commencing the completion of the project.

Refundable and other deposits consist mainly of tenants' rental deposit from operating lease contracts with terms ranging from five to ten years. Rental deposits are obtained to secure faithful compliance of tenants' obligation under the lease contract and to answer for unpaid bills of lessees affecting the leased premises, any damage to the leased premises, and other similar costs. Rental deposits may also be applied to the unpaid rentals upon termination of the lease contract.

Provisions consist of:

	2023	2022
Claims and assessments	₱92	₱173
Product warranties	579	475
	₱671	₱648

Provisions for other expenses pertains to liabilities with uncertain amount or timing of actual disbursement. These include regulatory fees, management incentives and other charges which payment is probable and the amount is estimable as of reporting date. The management reassesses their estimates on an annual basis to determine the reasonableness of provision. Disclosure of information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* are not provided because of reasons permitted under paragraph 92 of PAS 37. Accordingly, only general descriptions are provided.

Deferred output VAT pertains to the VAT on installment sale of lots with terms of 60 days to five years.

21. CONTRACT BALANCES AND COST TO OBTAIN A CONTRACT

The contract balances of the Group consist of the following:

	2023	2022
Contract Assets		
Current	₱4,092	₱4,707
Noncurrent	5,489	5,636
	9,581	₱10,343
Contract Liabilities		
Current	₱3,293	₱3,207

Contract assets are initially recognized for revenue earned from real estate sales as receipt of consideration is conditional on successful completion of installation. Upon completion of performance obligation and acceptance by the customer, the amounts recognized as contract assets are reclassified to trade residential and office development receivables.

Contract liabilities consist of collections from real estate customers which have not reached the 10.00% threshold to qualify for revenue recognition and excess of collections over the recognized receivables and contract assets based on percentage of completion.

The amount of revenue recognized in 2023 and 2022 from amounts included in contract liabilities at the beginning of the year amounted to ₱0.89 billion and ₱1.38 billion, respectively.

Cost to Obtain a Contract
The balances below pertain to the cost to obtain contracts included in 'Prepaid expenses' (Note 7):

	2023	2022
Balance at beginning of year	₱45	₱42
Additions during the year	601	475
Amortization	(503)	(472)
Balance at end of year	₱143	₱45

Performance Obligations
Information about Federal Land Group's performance obligations are summarized below:

Real estate sales
The Federal Land Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit covers condominium units, and Federal Land Group concluded that there is one performance obligation in each of these contracts. Federal Land Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10%-100% of the contract price to be paid over a maximum of 60 months at a monthly payment based on amortization schedule with remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from five (5) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results in either a contract asset or contract liability.

After the delivery of the completed real estate unit, Federal Land Group provides one-year warranty to repair minor defects on the delivered condominium unit. This is assessed by the Parent Company as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31 as follows:

	2023	2022
Within one year	₱2,511	₱3,311
More than one year	1,226	515
	₱3,737	₱3,826

22. EQUITY

Capital Stock and Additional Paid-in Capital
As of December 31, 2023 and 2022, the paid-up capital consists of the following (amounts in millions, except for number of shares):

	Shares		Amount	
	2023	2022	2023	2022
Voting Preferred stock - ₱0.10 par value				
Authorized	174,300,000	174,300,000		
Issued and outstanding	174,300,000	174,300,000	₱17	₱17
Perpetual Preferred stock - ₱100.00 par value				
Authorized	20,000,000	20,000,000		
Issued and outstanding	12,000,000	12,000,000	1,200	1,200
Common stock - ₱10.00 par value				
Authorized	298,257,000	298,257,000		
Issued and outstanding	215,284,587	215,284,587	2,153	2,153
Subtotal			3,370	3,370
Treasury shares	(4,839,240)	–	(484)	–
Additional paid-in capital			94,472	98,827
			₱97,358	₱102,197

The Parent Company's common shares with par value of ₱10.00 were listed on the Philippine Stock Exchange on April 20, 2012.

Voting Preferred Shares of Stock
The voting preferred shares has the following features, rights and privileges:
a. The voting preferred shares have a par value of ₱0.10 per share.
b. The Dividend Rate of 3.77% was fixed based on the 3-year PDST-R2 on April 13, 2015, subject to re-pricing every ten (10) years and payable annually;
c. These are non-cumulative and the holders thereof are entitled to the payment of current but not past dividends;
d. These are non-participating in any other further dividends beyond that specifically payable on the shares;
e. These are redeemable at par value, at the sole option of the Parent Company, under terms and conditions approved by the Board of Directors;
f. The holders of Voting Preferred Shares shall be entitled to one vote for each share in his name on the books of the Parent Company;
g. The holders of Voting Preferred Shares shall have no pre-emptive rights to any issue of shares, Common or Preferred;
h. These are not listed and not tradable in the Philippine Stock Exchange.

Perpetual Preferred Shares of Stock
The perpetual preferred shares shall have the following features, rights and privileges:
a. The perpetual preferred shares have a par value of ₱100.00 per share and issued on October 27, 2016 with an issue value of ₱1,000.00 per share. Series A issued amount to ₱4.80 billion with a dividend rate per annum of 4.6299% while Series B issued amount to ₱7.20 billion with a dividend rate per annum of 5.0949%;
b. The perpetual preferred shares are cumulative and the holders thereof are entitled to the payment of current as well as any accrued or unpaid dividends before any dividends can be paid to the holders of common shares. No dividend shall be declared or paid on the common shares unless the full accumulated dividends on all the perpetual preferred shares for all past dividend periods and for the current dividend period shall have been declared and paid by the Corporation;
c. The holders of perpetual preferred shares have preference over holders of common shares in the distribution of corporate assets in the event of dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary;
d. The perpetual preferred shares are not entitled to vote, except in those cases specifically provided by law;
e. The perpetual preferred shares are non-participating in any other further dividends beyond that specifically payable thereon;
f. The perpetual preferred shares are non-convertible to common shares or voting preferred shares;
g. The perpetual preferred shares have no pre-emptive rights to any issue of shares, common or preferred;
h. Both Series A and B of said perpetual preferred shares were listed on the Philippine Stock Exchange on October 27, 2016;
i. The Parent Company has the option, but not the obligation, to redeem in whole (but not a part of) the Shares of Series A on 5th anniversary of the Issue Date, or any dividend payment date and for Series B on the 7th anniversary of the Issue Date, or any dividend payment date;
j. If not redeemed on the optional redemption date, the dividend rate will be adjusted on the 7th anniversary of the Issue Date for Series A while the 10th anniversary of the Issue Date for Series B;
k. The dividend rate for Series A will be adjusted on the relevant Rate Adjustment Date to the higher of (1) Prevailing dividend rate of 4.6299%; or (2) the sum of: (a) simple average of closing 7-year PDST-R2 benchmark rate for each of the 3 consecutive business days immediately preceding and inclusive of the Rate Adjustment date; and (b) Series A adjustment Spread of 1.5% per annum while for Series B will be adjusted to the higher of (1) Prevailing dividend rate of 5.0949%; or (2) the sum of: (a) simple average of closing 10yr PDST-R2 benchmark rate for each of the 3 consecutive business days immediately preceding and inclusive of the Rate Adjustment date; and (b) Series B adjustment Spread of 1.875% per annum.

On October 27, 2023, the Parent Company redeemed all of its 4,839,240 perpetual preferred shares series A (GTPPA) at the issue price of ₱1,000 per share or a total redemption price of 4.84 billion including APIC amounting to ₱4.36 billion.

Common Shares
As of December 31, 2023 and 2022, the total number of shareholders of common stock of the Parent Company are 95 and 91, respectively.

Stock Dividends
The BOD and Shareholders of the Parent Company approved on March 26, 2019 and May 8, 2019, respectively, the declaration of an 8.00% stock dividend in favor of the Parent Company's common shareholders. The record and payment dates were set on July 8, 2019 and August 1, 2019, respectively. On August 1, 2019, the 8.00% stock dividend equivalent to 15,947,003 common shares were issued and listed in the Philippine Stock Exchange.

Retained Earnings
On December 6, 2018, the BOD of the Parent Company approved the appropriation of retained earnings amounting to ₱17.00 billion to be earmarked for strategic investment in property development starting in 2019. In March 2019, ₱16.60 billion out of ₱17.00 billion was reversed. The remaining ₱400.00 million was earmarked for strategic investment in property development expected to be completed until 2025.

Details of the Parent Company's dividend distributions to preferred shareholders out of the Parent Company's retained earnings as approved by the Parent Company's BOD follow:

Date of declaration	Per share	Total amount (in millions)	Record date	Payment date
Voting Preferred Shares				
March 20, 2023	₱0.00377	₱0.66	April 3, 2023	April 19, 2023
March 25, 2022	0.00377	0.66	April 8, 2022	April 22, 2022
March 22, 2021	0.00377	0.66	April 5, 2021	April 27, 2021
Perpetual Preferred Shares				
Series A				
December 16, 2022	11.57475	56.01	January 5, 2023	January 27, 2023
December 16, 2022	11.57475	56.01	April 5, 2023	April 27, 2023
December 16, 2022	11.57475	56.01	July 5, 2023	July 27, 2023
December 16, 2022	11.57475	56.01	October 5, 2023	October 27, 2023
December 17, 2021	11.57475	56.01	January 5, 2022	January 27, 2022
December 17, 2021	11.57475	56.01	April 5, 2022	April 27, 2022
December 17, 2021	11.57475	56.01	July 5, 2022	July 27, 2022
December 17, 2021	11.57475	56.01	October 5, 2022	October 27, 2022

Date of declaration	Per share	Total amount (in millions)	Record date	Payment date
Series B				
December 15, 2023	₱12.73725	₱91.21	January 5, 2024	January 29, 2024
December 15, 2023	12.73725	91.21	April 5, 2024	April 29, 2024
December 15, 2023	12.73725	91.21	July 5, 2024	July 29, 2024
December 15, 2023	12.73725	91.21	October 7, 2024	October 28, 2024
December 16, 2022	12.73725	91.21	January 5, 2023	January 27, 2023
December 16, 2022	12.73725	91.21	April 5, 2023	April 27, 2023
December 16, 2022	12.73725	91.21	July 5, 2023	July 27, 2023
December 16, 2022	12.73725	91.21	October 5, 2023	October 27, 2023
December 17, 2021	12.73725	91.21	January 5, 2022	January 27, 2022
December 17, 2021	12.73725	91.21	April 5, 2022	April 27, 2022
December 17, 2021	12.73725	91.21	July 5, 2022	July 27, 2022
December 17, 2021	12.73725	91.21	October 5, 2022	October 27, 2022

Details of the Parent Company's dividend distributions to common shareholders out of the Parent Company's retained earnings as approved by the Parent Company's BOD follow:

Date of declaration	Per share	Total amount (in millions)	Record date	Payment date
March 20, 2023	₱3.00	₱645.85	April 3, 2023	April 19, 2023
March 25, 2022	3.00	645.85	April 8, 2022	April 22, 2022
March 22, 2021	3.00	645.85	April 7, 2021	April 21, 2021

The computation of retained earnings available for dividend declaration in accordance with the SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the Parent Company's stated retained earnings as of December 31, 2023 and 2022.

In addition, certain amount of retained earnings is required to be maintained to enable the Group to meet certain financial ratios as stipulated in the loan covenants.

Details of dividend declarations of the Group's subsidiaries follow:

	Date of declaration	Class of stock	Total amount (in millions)	Record date	Payment date
Federal Land	February 27, 2023	Preferred Shares-A	₱320.00	February 28, 2023	February 28, 2023
	February 27, 2023	Preferred Shares-B	332.58	February 28, 2023	February 28, 2023
	December 20, 2021	Preferred Shares-A	320.00	December 31, 2021	February 28, 2022
	December 20, 2021	Preferred Shares-B	332.58	December 31, 2021	February 28, 2022
	December 20, 2021	Common	100.00	December 31, 2021	February 28, 2022
	December 14, 2020	Preferred Shares-A	320.00	December 31, 2020	February 28, 2021
	December 14, 2020	Preferred Shares-B	332.58	December 31, 2020	February 28, 2021
	December 14, 2020	Common	100.00	December 31, 2020	February 28, 2021
	February 24, 2020	Common	100.00	December 31, 2019	February 28, 2020
Toyota	June 8, 2023	Common	5,398.90	December 31, 2022	October 27, 2023
	June 13, 2022	Common	5,913.11	December 31, 2021	October 28, 2022
	June 29, 2021	Common	3,253.38	December 31, 2020	October 8, 2021

Other comprehensive income (loss)
Other comprehensive income (loss) consists of the following, net of applicable income taxes:

	2023	2022
Fair value reserves on financial assets at FVOCI (Note 10)	**₱5,588**	₱1,928
Cash flow hedge reserve (Notes 14 and 16)	**(14)**	88
Cumulative translation adjustments	**6**	18
Net unrealized loss on remeasurement of retirement plan	**(228)**	(97)
Equity in other comprehensive income (loss) of associates and joint ventures:		
Equity in remeasurement of life insurance reserves	**236**	252
Equity in cash flow hedge reserves	**(189)**	(348)
Equity in net unrealized loss on remeasurement of retirement plan	**(2,188)**	(647)
Equity in cumulative translation adjustments	**(2,996)**	(2,654)
Equity in fair value reserves on financial assets at FVOCI	**(2,697)**	(7,829)
Equity in other equity adjustments of associates	**5**	5
	(₱2,477)	(₱9,284)

The movements and analysis of the other comprehensive income are presented in the consolidated statements of comprehensive income.

Non-controlling interests
The following table presents the rollforward of non-controlling interests:

	2023	2022	2021
Balance at beginning of year	**₱11,272**	₱11,035	₱8,885
Share of non-controlling interest in:			
Net income	**7,562**	3,371	3,266
Other comprehensive income (loss)	**(14)**	5	274
Cash dividends paid to non-controlling interest shareholders	**(3,007)**	(3,139)	(1,755)
Acquisition of additional interest in a subsidiary	**–**	–	344
NCI on the acquisition of a new subsidiary	**–**	–	21
Balance at end of year	**₱15,813**	₱11,272	₱11,035

Financial Information of Subsidiaries
The financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interests held by non-controlling interests

	Direct and Effective Ownership	
	2023	2022
TMPC	**49.00%**	49.00%

Carrying value of material non-controlling interests

	2023	2022
TMPC	**₱13,059**	₱8,877

Net income for the period allocated to material non-controlling interests

	2023	2022	2021
TMPC	**₱7,184**	₱2,994	₱3,062

The following table presents the financial information of subsidiaries with material NCI as of and for the years ended December 31, 2023 and 2022:

	2023 TMPC	2022 TMPC
Statement of Financial Position		
Current assets	**₱58,348**	₱34,511
Non-current assets	**10,915**	10,832
Current liabilities	**45,118**	30,038
Non-current liabilities	**2,955**	2,603
Dividends paid to non-controlling interests	**2,977**	3,109
Statement of Comprehensive Income		
Revenues	**228,822**	185,180
Expenses and provision for income tax	**214,546**	179,189
Net income	**14,276**	5,991
Total comprehensive income	**14,219**	5,991
Statement of Cash Flows		
Net cash provided by (used in) operating activities	**(1,723)**	5,464
Net cash used in investing activities	**(605)**	(377)
Net cash provided by (used in) financing activities	**1,541**	(7,121)

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong and healthy consolidated statement of financial position to support its current business operations and drive its expansion and growth in the future.

The Group maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Parent Company excluding effect of uniting of interest. The Group's sources of capital are capital stock and retained earnings. No changes were made in the objectives, policies or processes in 2023 and 2022. The Parent Company considers total equity as its capital amounting to ₱142.82 billion and ₱132.49 billion as of December 31, 2023 and 2022, respectively.

The Parent Company maintains equity at a level that is compliant with its loan covenants.

23. INTEREST AND OTHER INCOME

Interest Income

This account consists of:

	2023	2022	2021
Interest income on:			
Installment contracts receivable (Note 5)	₱196	₱431	₱1,652
Cash and cash equivalents (Note 4)	886	121	23
Receivables	29	26	196
Others	–	85	28
	₱1,111	₱663	₱1,899

Interest income on installment contracts receivable consist of accretion of unamortized discount of and interest income from collections of the Group.

Other Income

This account consists of:

	2023	2022	2021
Ancillary income	₱1,271	₱1,078	₱715
Real estate forfeitures, charges and penalties	909	775	540
Management fee (Note 27)	625	409	241
Dividend income	450	388	356
CARS incentives (Note 29)	433	475	494
Realized and unrealized gain on financial assets at FVTPL	366	137	89
Subscription income	70	56	110
Gain on disposal of property and equipment (Note 11)	18	58	34
Others (Notes 5 and 8)	699	4,481	596
	₱4,841	₱7,857	₱3,175

Ancillary income represents incentives received by Toyota dealers from financing institutions for vehicles sold to financing customers and from insurance companies for policies written for buyers.

Real estate forfeitures, charges and penalties are earned when a buyer is delinquent on his payment or cancels his purchase of condominium units, after deducting any cash surrender value.

In 2021, Toyota availed of the tax incentives under Executive Order No. 182 Series of 2015 or the Comprehensive Automotive Resurgence Strategy (CARS) Program. Tax credits utilized by Toyota to pay tax dues amounted to ₱433.47 million, ₱464.68 million, and ₱493.69 million in 2023, 2022, and 2021 respectively (Note 29).

Management fee includes services rendered by Federal Land in the administration of different projects related to the joint venture (Note 27).

In 2022, other income includes the 3.86 billion gain on property exchange of Federal Land for its transfer of properties to FNG in exchange for common shares.

24. COST OF GOODS AND SERVICES SOLD

Cost of goods and services sold consists of:

	2023	2022	2021
Beginning inventory			
Automotive	₱10,085	₱7,191	₱11,023
Gasoline, retail, and petroleum products	7	10	7
Food	5	5	5
	10,097	7,206	11,035
Add: Net purchases	200,176	158,824	98,176
Total inventories available for sale	210,273	166,030	109,211
Less: Ending inventory (Note 6)			
Automotive	20,291	10,085	7,191
Gasoline, retail, and petroleum products	10	7	10
Food	6	5	5
Subtotal	189,966	155,933	102,005
Cost adjustments and intercompany elimination	(623)	(219)	283
Internal and other transfers	(1,419)	180	(109)
Direct labor	1,135	973	643
Overhead	289	212	137
	₱189,348	₱157,079	₱102,959

Overhead includes rent expense and common usage and service area charges.

25. COST OF GOODS MANUFACTURED AND SOLD

Cost of goods manufactured and sold consists of:

	2023	2022	2021
Raw materials used	₱36,199	₱32,452	₱28,122
Employee welfare & benefits	897	–	1,207
Royalty and technical assistance fees	802	728	761
Depreciation and amortization	518	636	328
Direct labor	391	347	660
Indirect labor	346	1,197	93
Manufacturing supplies	222	181	164
Repairs and maintenance	205	98	190
Utilities and services	166	221	38
Taxes and licenses	61	47	46
Stockyard operational cost	50	45	69
Miscellaneous	151	116	31,680
	40,008	36,067	31,680
Decrease (increase) in finished goods and work-in-process inventories	(231)	221	520
Effect of intragroup eliminations	(116)	78	(89)
	₱39,661	₱36,366	₱32,111

26. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

	2023	2022	2021
Advertising and promotions	**₱4,958**	₱3,296	₱2,888
Salaries, wages, and employee benefits (Notes 27 and 28)	**3,621**	3,441	2,973
Delivery and handling	**3,336**	2,403	1,571
Taxes and licenses	**2,128**	1,993	1,515
Commissions	**1,616**	1,489	1,180
Depreciation and amortization (Note 11)	**665**	692	724
Repairs and maintenance	**614**	346	377
Light, water and other utilities	**502**	430	389
Professional fees	**365**	284	237
Outside services	**285**	211	203
Administrative and management fees	**236**	248	98
Warranty	**234**	312	100
Unrealized foreign exchange loss	**202**	761	78
Office supplies	**194**	227	168
Rent (Note 30)	**135**	65	33
Transportation and travel	**130**	98	58
Communications	**97**	95	81
Insurance	**71**	64	64
Donation	**41**	4	10
Entertainment, amusement and recreation	**39**	27	20
Royalty and service fees	**24**	19	12
Provision for inventory write-down (Note 6)	**16**	51	9
Unallocated overhead costs	**–**	–	110
Provision for (recoveries from) credit losses - net (Note 5)	**(75)**	164	358
Others	**823**	558	199
	₱20,257	₱17,278	₱13,455

Unallocated overhead costs pertain to the fixed labor and overhead costs incurred during the COVID-19 pandemic when the automotive segment had no production operation. These include depreciation and amortization amounting to ₱39.72 million in 2021.

Other expenses include membership and subscription fees, dealer development, corporate events, and contractual services.

27. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities. These related parties include subsidiaries, associates, joint venture, key management personnel, stockholders and other related parties which include affiliates.

An entity is considered an affiliate if such entity and the Parent Company have common shareholders. In effect, such entity is a sister company of the Parent Company by virtue of ownership and common control. It is neither a subsidiary nor associate of the Group.

The Group, in its regular conduct of its business, has entered into transactions with its associates, joint ventures and other related parties principally consisting of cash advances for reimbursement of expenses, merger and acquisitions and capital infusion, leasing agreements, management agreements and dividends received from associates.

Transactions with related parties are made at normal market prices. Except as otherwise indicated, outstanding balances at year end are unsecured and settlement occurs generally in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The following tables show the significant related party transactions included in the consolidated financial statements. Transactions with subsidiaries have been eliminated in the consolidated financial statements.

	December 31, 2023		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Subsidiaries			
Accounts receivable	**(₱111)**	**₱181**	Receivable from sale of lots; Vehicle swapping; Current - accordingly, no provision for losses is required.
Rent receivable	**–**	**3**	Unsecured; Due and demandable
Prepayments	**1**	**1**	Advance rental payments
Security deposit	**–**	**21**	Rental deposits
Right-of-use asset	**43**	**101**	Lease of office and parking spaces
Investment in shares of stock	**16,308**	**57,652**	Additional subscription to common shares; share swap
Accounts payable	**14,742**	**1,834**	Represent payables arising from sales adjustments, warranty, sales promotions, and reimbursable expenses
Lease payable	**32**	**82**	Lease of office and parking spaces
Dividend income	**3,406**	**–**	Dividend income from subsidiaries
Rent income	**25**	**–**	Rent income from lease of office space
Amortization expense - ROU	**32**	**–**	Amortization of office and parking space leases
Cost of rental	**3**	**–**	Janitorial and security services
Dealer operation assistance fees	**86**	**–**	
Interest expense	**5**	**–**	
Service fees	**56**	**–**	Property management fees for properties in Cavite
Outside services	**12**	**–**	Security services for properties in Cavite
Rent expense	**36**	**–**	Office space rent and maintenance; Subject to 5% escalation annually
Repairs and maintenance	**5**	**–**	Repairs and maintenance of properties
Subscription fees	**2**	**–**	
Utilities expense	**1**	**–**	
Associates			
Cash and cash equivalents	**1,018,420**	**8,661**	Unsecured; Interest bearing at prevailing market rate; due and demandable
Accounts receivable	**–**	**109**	Unsecured; Non-interest bearing; due and demandable
Commission receivable	**–**	**13**	Unsecured; Non-interest bearing; due and demandable
Dividend receivable	**–**	**253**	Unsecured; Due and demandable
Rent receivable	**–**	**52**	Unsecured; Due and demandable
Interest receivable	**–**	**6**	
Receivable from sharing of expenses	**6**	**4**	Unsecured; Non-interest bearing; due and demandable
Due from related parties	**–**	**57**	Unsecured; Non-interest bearing; due and demandable
Prepaid insurance	**14**	**3**	
Other receivables	**–**	**15**	Unsecured; Non-interest bearing; due and demandable
FVTPL investments	**(5)**	**22**	Investment in UITF
Investment in shares of stock	**4,391**	**118,227**	
Short-term debt	**46,750**	**8,540**	Interest bearing; Payable within 90 days from the date of the availment
Due to related parties	**–**	**139**	Unsecured; Non-interest bearing; due and demandable
Loans payable	**–**	**7,325**	Unsecured; With interest ranging from 2.75% to 4.25%; Payable on 2024-2029
Insurance payable	**–**	**20**	
Other payables	**30**	**–**	Unsecured; Non-interest bearing; due and demandable
Commission income	**1**	**–**	
Dividend income	**5,883**	**–**	Dividend income from associates
Rent income	**374**	**–**	Rent income from associates
Interest income	**442**	**–**	Prevailing interest rate on regular peso savings deposit account and time deposit placements
Gain on FVTPL investments	**1**	**–**	
Insurance expense	**2**	**–**	
Interest expense	**259**	**–**	Interest expense on loans payable
Bank charges	**3**	**–**	

(Forward)

Category	December 31, 2023 Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Joint ventures			
Accounts receivable	₱–	₱477	Unsecured; Non-interest bearing; due and demandable
Rent receivables	–	99	Unsecured; Non-interest bearing; due and demandable
Interest receivables	–	686	Unsecured; Interest bearing at prevailing market rate; due and demandable
Loans receivables	–	4,011	Unsecured; Interest bearing at prevailing market rate; due and demandable
Commission receivable	–	905	Unsecured; Non-interest bearing; due and demandable
Due from related parties	–	257	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	–	164	Unsecured; Non-interest bearing; due and demandable
Nontrade receivables	7	2	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	–	1	Unsecured; Non-interest bearing; due and demandable
Investments in shares of stocks	–	5,561	
Security deposit	–	1	
Real estate sales	9,283	–	Sale of lots in various locations
Management fee income	333	–	Management service income
Rent income	109	–	
Commission income	958	–	
Interest income	262	–	Dividend income from joint ventures
Dividend income	38	–	Rent income from joint ventures
Others			
Cash and cash equivalents	226,315	2,519	Unsecured; Interest bearing at prevailing market rate; due and demandable
Accounts receivable	–	221	Unsecured; Non-interest bearing; due and demandable
FVTPL investments	(10,285)	849	
Trade receivables	–		Unsecured; Non-interest bearing; due and demandable
Management fee receivables	–	90	Unsecured; Non-interest bearing; due and demandable
Commission receivable	–	7	Unsecured; Non-interest bearing; due and demandable
Interest receivable	–	1	Interest on time deposit placements
Loan receivable	–	1,978	Unsecured; With interest of 4.5%; Payable in 2032
Receivable from sharing of expenses	5	4	Unsecured; Non-interest bearing; due and demandable
Other receivables	–	48	Unsecured; Non-interest bearing; due and demandable
Due from related parties	–	67	Unsecured; Non-interest bearing; due and demandable
Retirement asset	5	–	
Accounts payable	17	2	Unsecured; Non-interest bearing; due and demandable
Due to related parties	–	277	Unsecured; Non-interest bearing; due and demandable
Loans payable	(22)	1,147	With 3% interest; payable annually until 2025
Commission income	7	–	
Interest income	47	–	Interest on time deposit placements
Rent income	2	–	Rent income from affiliates
Advisory fees	6	–	Retainer's fee
Agency fees	5	–	Safekeeping and trust agreement
Interest expense	22		
Management fees	65	–	Management service fees for the year 2023
Administration expense	2	–	

Category	December 31, 2022 Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Subsidiaries			
Accounts receivable - trade	₱16,381	₱67	Receivable from sale of lots; Vehicle swapping; Current - accordingly, no provision for losses is required.
Rent receivable	–	17	Unsecured; Non-interest bearing; due and demandable
Dividends receivable	653	–	Dividends declared in 2022
Prepayments	4	2	Advance rental payments
Security deposit	5	25	Rental deposits
Right-of-use asset	5	265	Lease of office and parking spaces
Transportation equipment	2	–	Car assigned to employee
Accounts payable	384	43	Represent payables arising from sales adjustments, warranty, sales promotions, and reimbursable expenses
Lease payable	17	245	Lease of office and parking spaces
Real estate sales	68	–	Sale of lots in Cavite
Dividend income	3,016	–	
Rent income	42	–	Office space rent and maintenance for the year 2022; subject to 5% escalation annually
Amortization expense - ROU	37	–	Amortization of office and parking space leases
Cost of rental	2	–	Janitorial and security services
Service fees	80	–	Property management fees for properties in Cavite
Outside services	14	–	Security services for properties in Cavite
Rent expense	3	–	Office space rent and maintenance; Subject to 5% escalation annually
Repairs and maintenance	5	–	Repairs and maintenance of properties
Associates			
Cash and cash equivalents	940,735	17,315	Unsecured; Interest bearing at prevailing market rate; due and demandable
Rent receivables	–	16	Unsecured; Non-interest bearing; due and demandable
Commission receivable	–	1	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	6	4	Unsecured; Non-interest bearing; due and demandable
Due from related parties	–	53	Unsecured; Non-interest bearing; due and demandable
Nontrade receivables	26	3	Unsecured; Non-interest bearing; due and demandable
Other receivables	–	15	Unsecured; Non-interest bearing; due and demandable
FVTPL investments	10	25	Investment in UITF
Other current assets	51	51	Unsecured; Non-interest bearing; due and demandable
Accounts payable	1	–	Insurance payable
Short-term debt	8,300	2,380	Interest bearing; Payable within 90 days from the date of the availment
Due to related parties	–	21	Unsecured; Non-interest bearing; due and demandable
Loans payable	–	10,418	Unsecured; With interest ranging from 2.75% to 4.25%; Payable from 2024-2029
Other payables	9	–	Unsecured; Non-interest bearing; due and demandable
Commission income	3	–	Unsecured; Non-interest bearing; due and demandable
Rent income	104	–	Rent income from associates
Interest income	15	–	Prevailing interest rate on regular peso savings deposit account and time deposit placements
Interest expense	416	–	Interest expense on loans payable
Joint ventures			
Rent receivables	–	32	Unsecured; Non-interest bearing; due and demandable
Interest receivables	–	285	Unsecured; Interest bearing at prevailing market rate; due and demandable
Loans receivables	–	4,011	Unsecured; Interest bearing at prevailing market rate; due and demandable
Commission receivable	–	377	Unsecured; Non-interest bearing; due and demandable

(Forward)

	December 31, 2022		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Due from related parties	₱–	₱70	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	–	139	Unsecured; Non-interest bearing; due and demandable
Nontrade receivables	12	3	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	–	1	Unsecured; Non-interest bearing; due and demandable
Inventories	(6,297)	–	Cost of real estate inventories contributed in a joint venture
Investments in joint venture	10,736	10,736	Investments in a joint venture (Note 8)
Accounts payable	1	–	Unsecured; Non-interest bearing; due and demandable
Real estate sales	328	–	Sale of lots in Cavite
Management fee income	196	–	Management service income
Rent income	108	–	Unsecured; Non-interest bearing; due and demandable
Commission income	661	–	Unsecured; Non-interest bearing; due and demandable
Interest income	402	–	Unsecured; Interest bearing at prevailing market rate; due and demandable
Other income	3,862	–	Gain on transfer of properties to a joint venture
Cost of real estate sales	121	–	Sale of lots in Cavite
Travel and transportation expense	1	–	Employee shuttle cost
Others			
Cash and cash equivalents	117,702	1,701	Unsecured; Interest bearing at prevailing market rate; due and demandable
FVTPL investments	137	11,135	Interest bearing
Trade receivables	–	13	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	–	143	Unsecured; Non-interest bearing; due and demandable
Commission receivable	–	1	Unsecured; Non-interest bearing; due and demandable
Interest receivable	2	–	Interest on time deposit placements
Rent receivables	1	–	Square 2 rent
Loan receivable	–	905	Unsecured; With interest of 4.5%; Payable in 2032
Nontrade receivables	215	20	Within one (1) year, non-interest bearing, unsecured, no impairment
Receivable from sharing of expenses	5	4	Unsecured; Non-interest bearing; due and demandable
Other receivables	–	48	Unsecured; Non-interest bearing; due and demandable
Due from related parties	–	232	Unsecured; Non-interest bearing; due and demandable
Trade payables	304,624	13,706	Unsecured; Non-interest bearing; due and demandable
Due to related parties	–	145	Unsecured; Non-interest bearing; due and demandable
Loans payable	–	1,291	Unsecured; With 3% interest; payable annually until 2025
Insurance payable	98	98	Unsecured; Non-interest bearing; due and demandable
Other payables	42	–	Unsecured; Non-interest bearing; due and demandable
Commission income	3	–	Unsecured; Non-interest bearing; due and demandable
Interest income	75	–	Interest on time deposit placements
Rent income	166	–	Rent income from affiliates
Advisory fees	9	–	Retainer's fee
Agency fees	2	–	Safekeeping and trust agreement
Insurance expense	3	–	General comprehensive liability insurance; car insurance; D&O liability insurance
Management fees	213	–	Management service fees fty 2022
Royalty and technical assistance fees	652	174	Unsecured; Non-interest bearing; payable on the 25th day of the second month after quarter-end

	December 31, 2021		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Subsidiaries			
Accounts receivable - trade	₱14,021	₱5,290	Receivable from sale of lots; Vehicle swapping; Current - accordingly, no provision for losses is required.
Rent receivable	15	15	Unsecured; Non-interest bearing; due and demandable
Dividends receivable	1,659	753	Dividends declared in 2021
Receivables - others	6	–	Unsecured; Non-interest bearing; due and demandable
Prepayments	2	18	Rental deposits
Right-of-use asset	16	28	Lease of office space
Transportation equipment	4	–	Employee car plan
Accounts payable	647	36	Represent payables arising from sales adjustments, warranty, sales promotions, and reimbursable expenses
Lease payable	18	27	Lease of office space
Dividends payable	753	753	Non-interest bearing; due and demandable; Unsecured
Liabilities on purchased properties	310	4,474	Unsecured; With effective interest rate of 5.80%; payable up to 2035
Dividend income	2,412	–	
Rent income	55	–	Office space rent and maintenance for the year 2021; Subject to 5% escalation annually
Miscellaneous income	1	–	Management service income
Amortization expense - ROU	12	–	Amortization of office space lease
Cost of rental	7	–	Janitorial and security services
Service fees	167	–	Property management fees for properties in Cavite
Outside services	12	–	Security services for properties in Cavite
Rent expense	60	–	Office space rent and maintenance; Subject to 5% escalation annually
Repairs and maintenance	3	–	Repairs and maintenance of properties
Associates			
Cash and cash equivalents	6	5,834	Unsecured; Interest bearing at prevailing market rate; due and demandable
Rent receivables	51	9	Unsecured; Non-interest bearing; due and demandable
Commission receivable	1	7	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	2	43	Unsecured; Non-interest bearing; due and demandable
Due from related parties	21	45	Unsecured; Non-interest bearing; due and demandable
Other receivables	7	15	Unsecured; Non-interest bearing; due and demandable
Short-term notes payable	1,750	1,750	Unsecured; With interest 3%-6% due in 2022
Short-term debt	4,690	1,460	Interest bearing; Payable within 90 days from the date of the availment
Due to related parties	31	20	Unsecured; Non-interest bearing; due and demandable
Loans payable	1,051	10,000	Unsecured; With interest ranging from 2.75% to 4.25%; Payable on 2021-2022
Other payables	19	–	Insurance payable
Dividend income	7,850	–	Dividend income from associates
Rent income	132	–	Rent income from associates
Interest income	11	–	Prevailing interest rate on regular peso savings deposit account
Interest expense	380	–	Interest expense on loans payable
Joint ventures			
Dividend receivable	8	–	Dividend receivable from joint venture
Rent receivables	21	4	Unsecured; Non-interest bearing; due and demandable
Interest receivables	152	187	Unsecured; Interest bearing at prevailing market rate; due and demandable
Loans receivables	550	3,861	Unsecured; Interest bearing at prevailing market rate; due and demandable
Commission receivable	96	173	Unsecured; Non-interest bearing; due and demandable

(Forward)

Category	December 31, 2021 Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Due from related parties	₱16	₱83	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	1	27	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	1	1	Unsecured; Non-interest bearing; due and demandable
Other receivables	5	–	Unsecured; Non-interest bearing; due and demandable
Investment in shares of stocks	800	5,180	Additional investments to a joint venture
Other payables	7	4	Unsecured; Non-interest bearing; due and demandable
Dividend income	8	–	Dividend income from joint ventures
Management fee income	23	–	Management service income
Rent income	33	–	Unsecured; Non-interest bearing; due and demandable
Commission income	293	–	Unsecured; Non-interest bearing; due and demandable
Interest income	165	–	Unsecured; Interest bearing at prevailing market rate; due and demandable
Others			
Cash and cash equivalents	1,721	5,690	Unsecured; Interest bearing at prevailing market rate; due and demandable
FVTPL investments	7,852	8,712	Interest bearing
Commission receivable	1	1	Unsecured; Non-interest bearing; due and demandable
Loan receivable	743	743	Unsecured; With interest of 3.15%; Payable in 2022
Nontrade receivables	12	11	Within one (1) year, non-interest bearing, unsecured, no impairment
Receivable from sharing of expenses	355	355	Unsecured; Non-interest bearing; due and demandable
Other receivables	7	49	Unsecured; Non-interest bearing; due and demandable
Prepaid insurance	3	–	Unsecured; Non-interest bearing; due and demandable
Due from related parties	28	27	Unsecured; Non-interest bearing; due and demandable
Accounts payable	58	14	Insurance expense and agency fees
Due to related parties	224	173	Unsecured; Non-interest bearing; due and demandable
Insurance payable	93	93	Unsecured; Non-interest bearing; due and demandable
Other payables	32	1	Pertains to various credit card transactions
Loans payable	1,433	1,433	Unsecured; With 3% interest; payable annually until 2025
Commission income	1	–	Unsecured; Non-interest bearing; due and demandable
Interest income	58	–	Interest on time deposit placements
Rent income	1	–	Rent income from affiliates
Gain or loss on disposal of investments	52	–	Realized gain on investments in FVTPL
Unrealized gain from investment in UITF	37	–	MTM gain on investments in FVTPL
Advisory fees	59	–	Retainer's fee
Agency fees	3	–	Safekeeping and trust agreement
Insurance expense	3	–	General comprehensive liability insurance; car insurance; D&O liability insurance

Details of the transactions with affiliates are as follows:

Cash and cash equivalents and short-term investments
The Group maintains cash and short-term deposits accounts with MBTC, an associate. The Group also has cash and short-term deposits with other related party such as PSBank, which is a subsidiary of MBTC. Cash and cash equivalents earn interest at the prevailing investment rates (Note 4).

Financial assets at FVTPL
As of December 31, 2023 and 2022, the Group's investment in UITF amounted to ₱0.87 billion and ₱11.16 billion, respectively (Note 10).

Operating advances
Due from and to related parties consist mostly of operating advances which are non-interest bearing and due and demandable.

Loans receivable
In 2012 and 2021, Federal Land entered into loan agreements with CIRC. Federal Land agreed to lend to CIRC a total amount of ₱855.00 million with a nominal and effective interest rates ranging from 3.15% to 6.00%. The outstanding balance of loans receivable as of December 31, 2023 and 2022 amounted to ₱905.00 million (Note 5).

Affiliated bank loans
The Group's loans payable to an affiliated commercial bank bears interest rates ranging from 4.50% to 6.50 %, 4.50% to 5.80% and 2.00% to 5.50% per annum in 2023, 2022 and 2021, respectively (Note 16).

Management fee
Management fee amounting to ₱332.59 million and 195.66 million in 2023 and 2022, respectively, pertains to the income received from a joint venture of Federal Land with FNG, SFNBRDC, NBLRDI, BLRDC and STRC (Note 23).

Lease agreements
Federal Land entered into operating lease agreements for the use of office spaces in GT Tower International Building. The terms of lease range from 5 to 10 years and are generally renewable for 5 years. The rent is payable monthly with annual rent escalation rates ranging from 5% to 8%. The rental income on these leases amounted to ₱518.40 million, ₱420.49 million and ₱220.16 million in 2023, 2022 and 2021, respectively (Note 30).

Compensation of key management personnel for the years ended December 31, 2023, 2022 and 2021 follow:

	2023	2022	2021
Short-term employee benefits	**₱1,035**	₱918	₱903
Post-employment benefits	**173**	275	122
	₱1,208	₱1,193	₱1,025

Transactions with the Group Retirement Funds
The retirement funds of the Group's employees are being managed and maintained by MBTC as trustee bank. The total carrying amount and fair value of the retirement funds as of December 31, 2023 and 2022 amounted to ₱1.93 billion and ₱2.00 billion, respectively. The assets and investments of the fund include cash and cash equivalents, investments in government securities and equity securities, among others.

The following tables show the amounts of related party transactions of the Group with the retirement funds of the subsidiaries' employees as of December 31, 2023, 2022 and 2021 (in absolute amounts):

Category	**December 31, 2023 Amount/ Volume**	**Outstanding Balances**	**Terms and Conditions/Nature**
Parent Company			
Investment in equity securities	**₱3,191,560**	₱7,859,980	No impairment
Dividend income	**23,226**	–	Cash dividends
Loss on sale of investments	**(1,441,289)**	–	Loss from sale of equity securities
Associate			
Savings deposit	**(410,563)**	34,655,198	Savings account earning regular annual interest; unsecured and no impairment;
Time deposit	**(31,600,000)**	4,500,000	Interest-bearing; unsecured and no impairment
Investment in equity securities	**(498,798)**	9,733,662	No impairment
Investment in UITF	**164,180,380**	184,286,617	No impairment
Investment in other security and debt instruments	**154,201,883**	–	No impairment
Interest income	**826,532**	–	Income earned from savings and time deposit
Dividend income	**606,126**	–	Cash dividends
Trust fees	**976,769**	–	
Unrealized/realized gain on investment	**732,119**	–	Income from sale of UITF

Category	December 31, 2022 Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Parent Company			
Investment in equity securities	(₱1,110,660)	₱4,668,420	No impairment
Dividend income	32,106	–	Cash dividends
Loss on sale of investments	(832,955)	–	Loss from sale of equity securities
Associate			
Savings deposit	33,986,421	35,065,761	Savings account earning regular annual interest; unsecured and no impairment;
Time deposit	40,600,000	40,600,000	With annual interest of 3.88%, 1 - 3 months maturity; unsecured and no impairment
Investment in equity securities	(12,652,999)	10,232,460	No impairment

(Forward)

	December 31, 2022		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Investment in UITF	(31,195,532)	20,106,237	No impairment
Investment in other security and debt instruments	113,866,128	154,201,883	No impairment
Interest income	197,778	–	Income earned from savings and time deposit
Dividend income	955,432	–	Cash dividends
Loss on sale of investments	(2,331,316)	–	Income from sale of UITF

	December 31, 2021		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Parent Company			
Investment in equity securities	(₱393,840)	₱5,779,080	No impairment
Dividend income	1,165,240	–	Cash dividends
Loss on sale of investments	(590,210)	–	Loss from sale of equity securities
Associate			
Savings deposit	(3,116,567)	1,079,343	Savings account earning regular annual interest; unsecured and no impairment;
Time deposit	(6,000,000)	–	With annual interest of 3.88%, 1 - 3 months maturity; unsecured and no impairment
Investment in equity securities	9,328,039	22,885,459	No impairment
Investment in UITF	30,970,333	51,301,769	No impairment
Investment in other security and debt instruments	(1,479,519)	40,335,755	No impairment
Interest income	32,393	–	Income earned from savings and time deposit
Dividend income	500,177	–	Cash dividends
Gain on sale of investments	80,917	–	Income from sale of UITF

Transactions relating to the retirement plans are approved by the subsidiaries' respective Retirement Committees. The voting rights over the investments in the shares of entities within the Group are exercised by the Retirement Committee, who are either officers or directors of the subsidiaries.

28. PENSION PLAN

The Group provides defined benefit pension plans for substantially all of its employees. Provisions for pension obligations are established for benefits payable in the form of retirement pensions. Benefits are dependent on years of service and the respective employee's final compensation. Actuarial valuations are made annually.

Principal actuarial assumptions used to determine pension obligations follow:

		2023		
		Actuarial Assumptions		
	Date of Actuarial Valuation	Expected Return on Plan Assets	Salary Rate Increase	Discount Rate
Real estate	December 31, 2023	3.69% to 5.34%	3.00% to 8.00%	6.07% to 6.18%
Automotive	-do-	6.35% to 6.50%	2.00% to 8.00%	5.51% to 6.12%
Financial	-do-	5.04%	8.00%	6.09%

		2022		
		Actuarial Assumptions		
	Date of Actuarial Valuation	Expected Return on Plan Assets	Salary Rate Increase	Discount Rate
Real estate	December 31, 2022	3.69% to 5.34%	3.00% to 6.00%	7.22% to 7.38%
Automotive	-do-	6.01% to 7.16%	5.00% to 8.00%	5.50% to 7.22%
Financial	-do-	5.04%	8.00%	7.26%

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

Net retirement liability (asset) included in the consolidated statements of financial position follow:

	2023	2022
Retirement asset (Note 14)	(₱57)	(₱29)
Retirement liability	2,040	1,657
Net retirement liability	₱1,983	₱1,628

The net pension liability and asset recognized in the Group's consolidated statements of financial position are as follows:

		Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2023	Current service cost	Net interest	Past service cost	Subtotal	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Subtotal	Contributions paid	December 31, 2023
Present value of defined benefit obligation	₱3,631	₱270	₱240	₱–	₱510	(₱473)	₱–	₱213	(₱1)	₱30	₱242	₱–	₱3,910
Less: Fair value of plan assets	2,003	–	143	–	143	(385)	(40)	–	–	–	(40)	206	1,927
Net defined benefit liability	₱1,628	₱270	₱97	₱–	₱367	(₱88)	₱40	₱213	(₱1)	₱30	₱282	(₱206)	₱1,983

		Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2022	Current service cost	Net interest	Past service cost	Subtotal	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Subtotal	Contributions paid	December 31, 2022
Present value of defined benefit obligation	₱4,055	₱294	₱186	₱2	₱482	(₱542)	₱–	(₱421)	₱–	₱57	(₱364)	₱–	₱3,631
Less: Fair value of plan assets	2,434	–	118	–	118	(504)	(137)	–	–	–	(137)	92	2,003
Net defined benefit liability	₱1,621	₱294	₱68	₱2	₱364	(₱38)	₱137	(₱421)	₱–	₱57	(₱227)	(₱92)	₱1,628

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The fair values of plan assets by each class as at the end of the reporting periods are as follows:

	2023	2022
Cash and cash equivalents	₱39	₱76
Investment in government securities	1,326	1,305
Investment in equity securities	228	310
Investment in debt and other securities	149	278
Investment in mutual funds	187	22
Receivables	4	18
Liabilities	(6)	(6)
	₱1,927	₱2,003

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

	Possible Fluctuations	2023 Increase (Decrease)	2022 Increase (Decrease)
Discount rates	+1%	(₱127)	(₱376)
	-1%	11	429
Future salary increase rate	+1%	436	445
	-1%	(540)	(392)

The Group expects to contribute ₱225.62 million to its defined benefit pension plan in 2024.

The average duration of the defined benefit retirement liability at the end of the reporting period is 12.56 years for the Group.

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31, 2023:

	2023	2022
Less than 1 year	₱440	₱356
More than 1 year to 5 years	1,910	1,784
More than 5 years to 10 years	1,859	2,088
More than 10 years to 15 years	1,823	1,661
More than 15 years to 20 years	2,824	2,600
More than 20 years	7,496	6,921

The Group does not currently have any asset-liability matching study.

29. INCOME TAXES

On March 26, 2021, RA No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate from 30.00% to 25.00% depending on the criteria set by the law effective July 1, 2020. With the implementation of this Act, interest expense allowed as a deductible expense shall be reduced by 20.00% of the interest income subjected to final tax, compared to the 33.00% reduction prior to the Act.

The regulations also provide for MCIT of 2.00% (prior to CREATE) and 1.00% from (July 1, 2020 to June 30, 2023 before reverting to 2.00%) on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Group's income tax liability and taxable income, respectively, over a three-year period from the year of inception. For the taxable years 2020 and 2021, the NOLCO incurred can be carried over as a deduction for the next five (5) consecutive taxable years, pursuant to Revenue Regulation (RR) No. 25-2020.

Based on the provisions of RR No. 5-2021 dated April 8, 2021 issued by the BIR, the transitory RCIT and MCIT rates of the Group for the taxable year 2020 are 27.50% and 1.50%, respectively. The reduced amounts were reflected in the Group's 2020 annual income tax returns filed in 2021. However, for financial reporting purposes, the changes were only recognized in the 2021 consolidated financial statements. The deferred tax assets and liabilities as of December 31, 2020 were also remeasured using the lower RCIT rate of 25.00%. These reductions were recognized in the 2021 consolidated financial statements.

Provision for income tax account consists of:

	2023	2022	2021
Current	₱6,584	₱2,416	₱1,935
Deferred	61	(637)	(183)
Final	292	41	69
	₱6,937	₱1,820	₱1,821

The components of the Group's deferred taxes as of December 31, 2023 and 2022 are as follows:

Net deferred tax assets:

	2023	2022
Deferred tax assets on:		
Retirement benefit obligation	₱539	₱478
Allowance for impairment losses	231	249
Deferred gross profit	191	309
Warranties payable and other provisions	141	115
Accrued expenses	90	78
Unrealized foreign exchange gain	88	–
Allowance for inventory obsolescence	48	46
Deferred intercompany gain	36	149
Unamortized past service cost from pension obligation	13	14
Others	52	27
	1,429	1,465
Deferred tax liabilities on:		
Unearned gross profit in ending inventories	211	116
Capitalized customs duties	104	25
Unrealized foreign exchange loss	2	20
Others	27	27
	344	188
Net deferred tax assets	₱1,085	₱1,277

Net deferred tax liabilities:

	2023	2022
Deferred tax assets on:		
NOLCO	₱344	₱405
Unrealized gain on sale of land	350	381
Excess of cost over fair value of investment property	69	81
Unearned income	38	45
Prepaid commission	34	40
Retirement benefit obligation	31	37
Provision for impairment losses on receivables	20	23
Unearned gross profit in ending inventories	55	22
Interest expense on Day 1 loss	9	10
Allowance for impairment loss on inventories	3	4
Others	6	6
	959	1,054
Deferred tax liabilities on:		
Fair value adjustment on acquisition by Parent Company	1,895	1,959
Mark-to-market gain on FVOCI investments	1,777	629
Capitalized borrowing cost and guarantee fees	755	885
Unrealized gross profit on sale of land	344	405
Excess of book basis over tax basis of deferred gross profit	303	356
Fair value adjustment on acquisition by subsidiaries	109	117
Unamortized discount on long-term payable	40	47
Lease differential	24	21
Deferred financing costs	–	1
Retirement asset	17	5
Others	104	43
	5,368	4,468
Net deferred tax liabilities	₱4,409	₱3,414

NOLCO
As of December 31, 2023, the Group has incurred NOLCO before taxable year 2023 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The Group has incurred NOLCO in taxable years 2020 and 2021 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act.

Summary of the Group's NOLCO as follows:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Years	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2023	2024-2026	₱36	₱–	₱–	₱–	₱36
2022	2023-2025	3,168	–	–	–	3,168
2021	2022-2026	4,030	–	–	–	4,030
2020	2021-2025	4,256	–	–	2,983	1,273
		₱11,490	₱–	₱–	₱2,983	₱8,507

MCIT
Details of the Group's MCIT follow:

Year Incurred	Amount	Expired/Applied	Balance	Expiry Date
2023	₱115	₱–	₱115	2026
2022	22	–	22	2025
2021	10	–	10	2024
2020	9	9	–	2023
	₱156	₱9	₱147	

The Group has NOLCO and excess MCIT over RCIT for which deferred tax assets have not been recognized since management believes that it is not probable that sufficient taxable income will be available against which the carryforward benefit of NOLCO and excess MCIT over RCIT can be utilized prior to their expiration. These NOLCO and excess MCIT over RCIT are as follows:

	2023	2022
NOLCO	₱7,131	₱9,716
Excess MCIT over RCIT	147	42

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in the consolidated statements of income follows:

	2023	2022	2021
Provision for income tax computed at statutory rates	25.00%	25.00%	25.00%
Tax effects of:			
Nontaxable income	(9.72)	(19.97)	(19.73)
Changes in unrecognized deferred tax assets	(1.39)	2.18	6.24
Nondeductible interest and other expenses	1.43	0.53	2.09
Income subjected to final tax	(0.19)	(0.06)	(0.25)
Income subjected to lower tax rate	0.26	0.08	0.05
Changes in tax rates	–	–	(1.28)
Others	0.65	(0.04)	(0.79)
Effective income tax rates	16.04%	7.72%	11.33%

TMPC is registered with the BOI as a:

- Participant in the Car Development Program and Commercial Vehicle Development Program.
- Pioneer status for the production of Vios. Under its terms and conditions, TMPC shall be entitled to ITH from July 2, 2013 to July 1, 2019 for revenues generated from this vehicle model subject to achievement of certain percentage of local value added.
- Non-pioneer status for the production of Innova. Under its terms and conditions, TMPC shall be entitled to ITH from April 2016 to March 2020 for portion (as determined by its Logistic Efficiency Index) of revenues generated from this vehicle model.
- Participant in Comprehensive Automotive Resurgence Strategy (CARS) Program. BOI approved TMPC's enrollment of its locally-produced vehicle model to the CARS Program on June 27, 2016. Under the terms of registration, TMPC shall be entitled to Fixed Investment Support and Production Volume Incentives (as determined by its Logistic Efficiency Index) subject to achievement of production volume and localization of body shells and large plastic parts (See Note 23).

30. LEASE COMMITMENTS

Group as a lessee

The Group is a party under various lease agreements including the lease of premises occupied by the Parent Company, office space leased for the Group's branches, land leased for Federal Land Group's mall and gasoline station and lease of parking spaces with terms ranging from one (1) to 10 years.

As of December 31, 2023 and 2022, the Group recognized interest expense on lease liabilities (included in 'Interest expense' in the consolidated statements of income) amounting to ₱22.09 million and ₱23.29 million in 2023 and 2022, respectively. Rent expense from short-term leases and leases of low-value assets amounting to ₱135.38 million and ₱65.22 million in 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the carrying amounts of lease liabilities are as follows (Notes 19 and 20):

	2023	2022
Beginning balance	₱21	₱45
Additions	144	–
Accretion of interest	22	23
Disposals	–	(24)
Payments	(79)	(106)
Adjustments	60	83
	₱168	₱21

As of December 31, 2023 and 2022, the future minimum rental payments are as follows:

	2023	2022
Within one year	₱77	₱35
After one year but not more than five years	170	21
	₱247	₱56

Group as a lessor

The Group has entered into commercial property leases on its investment properties consisting of office spaces, land, mall and parking spaces with lease terms ranging from five (5) to ten (10) years. The Group's rental income on these leases amounted to ₱1.51 billion, ₱1.40 billion and ₱1.05 billion in 2023, 2022 and 2021, respectively (Note 9). The cost of rental services amounting to ₱905.15 million, ₱829.91 million and ₱655.26 million in 2023, 2022 and 2021, respectively, includes maintenance fee, depreciation, repairs and maintenance, and taxes and licenses (Note 11).

As of December 31, 2023 and 2022, the future minimum rental receipts from these lease commitments are as follows:

	2023	2022
Within one year	₱2,168	₱1,685
After one year but not more than five years	3,040	3,084
More than five years	11,285	5,353
	₱16,493	₱10,122

31. TRANSFER OF TMBC OWNERSHIP FROM THE PARENT COMPANY TO GTCAM

On October 11, 2023, the Parent Company and its wholly-owned subsidiary, GTCAM, signed a Deed of Assignment of Shares of Stock (DOAS), wherein, the Parent Company offered to subscribe to 1,715,408,377 common voting shares of GTCAM with a par value of ₱1.00 per share, and to transfer to GTCAM, in payment of such subscription, its investments in the common shares of TMBC totaling 386,353,238 common shares, with a total book value of ₱1,715,408,377. The effective date of the DOAS was upon SEC's approval of GTCAM's increase in authorized capital stock, which occurred in December 2023. As a result, GTCAM took control of TMBC in December 2023, and accordingly, all assets and liabilities of TMBC were consolidated under GTCAM effective December 2023.

The transfer of TMBC shares from the Parent Company to GTCAM has no impact on the consolidated financial statements of the Group.

32. FAIR VALUE MEASUREMENT

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents and short-term cash investments

The fair value of cash and cash equivalents approximate the carrying amounts at initial recognition due to the short-term maturities of these instruments.

Receivables

The fair value of receivables due within one year approximates its carrying amounts. The fair values of installment contracts receivable are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used were 8.00% as of December 31, 2023 and 2022. For the long-term loan receivable, the Group used discounted cash flow analyses to measure the fair value of the loan. The interest rate used was the average bank lending rate for December 31, 2023 and 2022.

Due from and to related parties

The carrying amounts approximate fair values due to short-term in nature. Related party receivables and payables are due and demandable.

Financial assets at FVTPL

These pertain to the Group's investment in UITFs. UITFs are ready-made investments that allow pooling of funds from different investors with similar investments objectives. These UITFs are managed by professional fund managers and may be invested in various financial instruments such as money market securities, bonds and equities, which are normally available to large investors only. A UITF uses the mark-to-market method in valuing the fund's securities.

Financial assets at FVOCI - quoted

The fair value of quoted equity securities is based on the quoted market prices or binding dealer price quotations, without any deduction for transaction cost.

Financial assets at FVOCI - unquoted

The fair value of unquoted equity securities is estimated based on the market data approach that makes use of market multiples derived from a set of comparables. Multiples were determined that is most relevant to assessing the value of unquoted securities (e.g., earnings, book value). The selection of the appropriate multiple within the range is based on qualitative and quantitative factors specific to the measurement.

Derivative financial instruments

The fair values of interest rate swap transactions are derived using acceptable valuation method. The valuation assumptions are based on market conditions existing at the reporting dates.

Accounts and other payables
The fair values of accounts and other payables approximate the carrying amounts due to the short-term nature of these transactions.

Loans payable and bonds payable
Current portion of loans payable approximates its fair value due to its short-term maturity. Long-term portion of loans payable subjected to quarterly repricing is not discounted. Estimated fair value of long-term portion of loans payable with fixed interest and not subjected to quarterly repricing is based on the discounted value of future cash flows using applicable interest rates for similar types of loans as of reporting date. The interest rates used ranged from 2.22% to 6.03% and 1.70% to 6.94% for the years ended December 31, 2023 and 2022, respectively.

Liabilities on purchased properties
Estimated fair value was based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date. Long-term payables were incurred in 2019, 2017 and 2012 with interest rates ranging from 3.00% to 3.25% per annum.

The following tables summarize the carrying amount and fair values of financial assets and liabilities, as well as nonfinancial assets, analyzed based on the fair value hierarchy (see accounting policy on Fair Value Measurement), except for assets and liabilities where the carrying values as reflected in the consolidated statements of financial position and related notes approximate their respective fair values.

	2023				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	**₱871**	**₱–**	**₱871**	**₱–**	**₱871**
Financial assets at FVOCI					
Quoted equity securities	**17,420**	**17,420**	**–**	**–**	**17,420**
Unquoted equity securities	**276**	**–**	**276**	**–**	**276**
	₱18,567	**₱17,420**	**₱1,147**	**₱–**	**₱18,567**
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Loans receivables	**5,804**	**–**	**–**	**5,437**	**5,437**
Non-financial Assets					
Investment in listed associates	**139,115**	**85,702**	**–**	**–**	**85,702**
Investment properties	**22,326**	**–**	**–**	**66,052**	**66,052**
	₱167,440	**₱85,702**	**₱–**	**₱71,489**	**₱157,191**
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liabilities	**₱14**	**₱–**	**₱14**	**₱–**	**₱14**
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	**₱981**	**₱–**	**₱–**	**₱1,329**	**₱1,329**
Loans payable	**95,528**	**–**	**–**	**104,363**	**104,363**
	₱96,509	**₱–**	**₱–**	**₱105,692**	**₱105,692**

	2022				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	₱11,160	₱–	₱11,160	₱–	₱11,160
Financial assets at FVOCI					
Quoted equity securities	13,154	13,154	–	–	13,154
Unquoted equity securities	191	–	191	–	191
Other noncurrent assets					
Derivative assets	88	–	88	–	88
	₱24,593	₱13,154	₱11,439	₱–	₱24,593

(Forward)

	2022				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Loans receivables	₱5,094	₱–	₱–	₱4,772	₱4,772
Non-financial Assets					
Investment in listed associates	164,998	106,922	–	–	46,861
Investment properties	22,247	–	–	46,861	265,477
	₱192,588	₱106,922	₱–	₱51,633	₱158,555
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liabilities	₱46	₱–	₱46	₱–	₱46
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	1,300	–	–	1,649	1,649
Loans payable	118,033	–	–	139,606	139,606
Bonds payable	3,992	4,048	–	–	4,048
	₱123,325	₱4,048	₱–	₱141,255	₱145,303

As of December 31, 2023 and 2022, no transfers were made among the three levels in the fair value hierarchy.

Inputs used in estimating fair values of financial instruments carried at cost and categorized under Level 3 include risk-free rates and applicable risk premium.

The fair value of the Group's investment properties has been determined based on valuations performed by third-party valuers. The value of the land was estimated by using the Market Data Approach, a valuation approach that considers the sales, listings and other related market data within the vicinity of the subject properties and establishes a value estimate by processes involving comparison.

The table below summarizes the valuation techniques used and the significant unobservable inputs valuation for each type of investment properties held by the Group:

	Valuation Techniques	**Significant Unobservable Inputs**
Land	Market Data Approach	Price per square meter, size, location, shape, time element and corner influence
Building and Land Improvements	Cost Approach or Market Data Approach	Lineal and square meter, current cost of materials, labor and equipment, contractor's profits, overhead, taxes and fees

Description of the valuation techniques and significant unobservable inputs used in the valuation of the Group's investment properties are as follows:

<u>Valuation Techniques</u>	
Market Data Approach	A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.
Cost Approach	A process of determining the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation on physical wear and tear, and obsolescence.
<u>Significant Unobservable Inputs</u>	
Reproduction Cost New	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.

Significant Unobservable Inputs

Location	Location of comparative properties whether on a Main Road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a Main Road are superior to properties located along a secondary road.
Time Element	"An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time". In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

33. FINANCIAL RISK MANAGEMENT AND OBJECTIVES

The Group's principal financial instruments are composed of cash and cash equivalents, financial assets at FVTPL and FVOCI, receivables, due from related parties, accounts and other payables, dividends payable, due to related parties, loans payable, bonds payable, liabilities on purchased properties and derivative financial instruments.

Exposures to credit, liquidity, foreign currency, interest rate, and equity price risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of financial derivative instruments (if any) is solely for the management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's respective financing and treasury functions focus on managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

Credit Risk

The Group's credit risks are primarily attributable to its financial assets. To manage credit risks, the Group maintains defined credit policies and monitors on a continuous basis its exposure to credit risks. Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

Financial assets comprise cash and cash equivalents, short-term investments, receivables, due from related parties and investment securities. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

In respect of installment receivables from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant and the requirement for remedial procedures is minimal given the profile of buyers.

Maximum exposure to credit risk after taking into account collateral held or other credit enhancements

As of December 31, 2023 and 2022, the maximum exposure to credit risk of the Group's financial assets is equal to its carrying value except for installment contracts receivable with nil exposure to credit risk since the fair value of the related condominium and residential units collateral is greater than the carrying value of the installment contracts receivable.

a. *Credit quality per class of financial assets*

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and long-term cash investment - based on the nature of the counterparty and the Group's internal rating system.

Receivables - high grade pertains to receivables that had no default in payment; medium grade pertains to receivables with a history of being 30 to 90 days past due; and low grade pertains to receivables with a history of being over 90 days past due.

The table below shows the credit quality per class of financial assets based on the Group's rating system:

	December 31, 2023						
	Neither Past Due Nor Individually Impaired				Past Due but not Individually Impaired	Individually Impaired	Total
	High Grade	Medium Grade	Low Grade	Total			
Cash and cash equivalents* (Note 4)	₱16,710	₱–	₱–	₱16,710	₱–	₱–	₱16,710
Receivables (Note 5)							
Trade receivables	20,177	384	–	20,561	3,872	26	24,459
Loans receivable	5,989	–	–	5,989	–	–	5,989
Accrued rent and commission income	1,633	–	–	1,633	4	405	2,042
Nontrade receivables	1,328	42	73	1,443	153	4	1,600
Accrued interest receivable	1,231	–	–	1,231	–	99	1,330
Management fee receivables	329	–	–	329	–	–	329
Installment contracts receivable	61	–	–	61	134	–	195
Others	23	–	45	68	3	192	263
Due from related parties (Note 27)	134	–	–	134	–	–	134
	₱47,615	₱426	₱118	₱48,159	₱4,166	₱726	₱53,051

**Excludes cash on hand amounting to ₱21.15 million*

	December 31, 2022						
	Neither Past Due Nor Individually Impaired				Past Due but not Individually Impaired	Individually Impaired	Total
	High Grade	Medium Grade	Low Grade	Total			
Cash and cash equivalents* (Note 4)	₱23,794	–	–	23,794	₱–	₱–	₱23,794
Receivables (Note 5)							
Trade receivables	7,198	165	–	7,363	3,309	16	10,688
Loans receivable	6,084	–	–	6,084	–	–	6,084
Accrued rent and commission income	1,138	–	–	1,138	4	502	1,644
Nontrade receivables	839	65	98	1,002	176	182	1,360
Accrued interest receivable	782	–	–	782	–	35	817
Installment contracts receivable	77	–	–	77	172	–	249
Management fee receivables	282	–	–	282	–	–	282
Others	120	–	83	203	1	–	204
Due from related parties (Note 27)	356	–	–	356	–	–	356
	₱40,670	₱230	₱181	₱41,081	₱3,662	₱735	₱45,478

**Excludes cash on hand amounting to ₱211.87 million*

As of December 31, 2023 and 2022, the aging analysis of past due but not individually impaired financial assets presented per class, is as follows:

	December 31, 2023								
		Past Due but not Individually Impaired							
	Neither Past Due nor Individually Impaired	<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Individually Impaired	Total
Cash and cash equivalents* (Note 4)	₱16,710	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱16,710
Receivables (Note 5)									
Trade receivable	20,561	1,240	1,061	716	324	531	3,872	26	24,459
Loans receivable	5,989	–	–	–	–	–	–	–	5,989
Accrued rent and commission income	1,633	1	1	1	1	–	4	405	2,042
Non-trade receivable	1,443	86	18	17	7	25	153	4	1,600
Accrued interest receivable	1,231	–	–	–	–	–	–	99	1,330
Installment contracts receivable	61	43	26	45	–	20	134	–	195
Management fee receivables	329	–	–	–	–	–	–	–	329
Others	68	1	–	–	–	2	3	192	263
Due from related parties (Note 27)	134	–	–	–	–	–	–	–	134
	₱48,159	₱1,371	₱1,106	₱779	₱332	₱578	₱4,166	₱726	₱53,051

**Excludes cash on hand amounting to ₱21.15 million*

	December 31, 2022								
		Past Due but not Individually Impaired							
	Neither Past Due nor Individually Impaired	<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Individually Impaired	Total
Cash and cash equivalents* (Note 4)	₱23,794	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱23,794
Receivables (Note 5)									
Trade receivable	7,363	1,014	1,029	416	177	673	3,309	16	10,688
Loans receivable	6,084	–	–	–	–	–	–	–	6,084
Accrued rent and commission income	1,138	1	1	1	1	–	4	502	1,644
Non-trade receivable	1,002	39	35	15	5	82	176	182	1,360
Accrued interest receivable	782	–	–	–	–	–	–	35	817
Installment contracts receivable	77	55	34	57	–	26	172	–	249
Management fee receivables	282	–	–	–	–	–	–	–	282
Others	203	1	–	–	–	–	1	–	204
Due from related parties (Note 27)	356	–	–	–	–	–	–	–	356
	₱41,081	₱1,110	₱1,099	₱489	₱183	₱781	₱3,662	₱735	₱45,478

Excludes cash on hand amounting to ₱211.87 million

Liquidity risk

The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions. Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Group's businesses. To serve as back-up liquidity, management develops variable funding alternatives either by issuing debt or raising capital.

The tables below summarize the maturity profile of the Group's financial assets and liabilities based on undiscounted contractual payments:

	December 31, 2023			
	Up to 1 year	> 1 to 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents* (Note 4)	₱16,717	₱–	₱–	₱16,717
Receivables (Note 5)				
Trade receivables	23,934	586	–	24,520
Loans receivable	990	7,487	–	8,477
Accrued rent and commission income	2,042	–	–	2,042
Nontrade receivable	1,600	–	–	1,600
Installment contracts receivables	195	–	–	195
Accrued interest receivable	1,330	–	–	1,330
Dividend receivable	253	–	–	253
Management fee receivable	329	–	–	329
Others	281	–	–	281
Due from related parties (Note 27)	134	–	–	134
Financial assets at FVTPL (Note 10)				
Investments in UITF	871	–	–	871
Financial assets at FVOCI (Note 10)				
Equity securities				
Quoted	–	–	17,420	17,420
Unquoted	–	–	276	276
Total undiscounted financial assets	₱48,678	₱8,073	₱17,696	₱74,447

(Forward)

	December 31, 2023			
	Up to 1 year	> 1 to 5 years	> 5 years	Total
Other financial liabilities				
Accounts and other payables (Note 15)				
Trade payables	₱21,903	₱–	–	₱21,903
Accrued expenses	8,857	–	–	8,857
Telegraphic transfers and drafts and acceptances payable	4,546	–	–	4,546
Retentions payable	95	1,213	–	1,308
Accrued commissions	1,227	–	–	1,227
Accrued interest payable	977	–	–	977
Royalty payable	326	–	–	326
Nontrade payables	391	–	–	391
Others	3,118	–	–	3,118
Dividends payable	365	–	–	365
Loans payable (Note 16)	40,940	73,629	42,758	157,327
Bonds payable (Note 17)	4,136	–	–	4,136
Due to related parties (Note 27)	416	–	–	416
Liabilities on purchased properties (Note 20)	348	770	528	1,646
Other noncurrent liabilities				
Derivative liabilities (Note 20)	14	–	–	14
Total undiscounted financial liabilities	₱87,659	₱75,612	₱43,286	₱206,557
Liquidity Gap	(₱38,981)	(₱67,539)	(₱25,590)	(₱132,110)

**Excludes cash on hand amounting to ₱21.15 million.*

	December 31, 2022			
	Up to 1 year	> 1 to 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents* (Note 4)	₱23,825	₱–	₱–	₱23,825
Receivables (Note 5)				
Trade receivables	9,593	1,156	–	10,749
Loans receivable	990	6,571	–	7,561
Accrued rent and commission income	1,644	–	–	1,644
Nontrade receivable	1,360	–	–	1,360
Installment contracts receivables	249	–	–	249
Accrued interest receivable	817	–	–	817
Management fee receivable	282	–	–	282
Others	203	–	–	203
Due from related parties (Note 27)	356	–	–	356
Financial assets at FVTPL (Note 10)				
Investments in UITF	11,160	–	–	11,160
Financial assets at FVOCI (Note 10)				
Equity securities				
Quoted	–	–	13,154	13,154
Unquoted	–	–	191	191
Other noncurrent assets				
Derivatives assets	–	88	–	88
Total undiscounted financial assets	₱50,479	₱7,815	₱13,345	₱71,639

(Forward)

	December 31, 2022			
	Up to 1 year	> 1 to 5 years	> 5 years	Total
Other financial liabilities				
Accounts and other payables (Note 15)				
Trade payables	₱17,049	₱–	₱–	₱17,049
Accrued expenses	6,995	–	–	6,995
Telegraphic transfers and drafts and acceptances payable	3,373	–	–	3,373
Retentions payable	95	1,501	–	1,596
Accrued commissions	1,055	–	–	1,055
Accrued interest payable	324	–	–	324
Royalty payable	302	–	–	302
Nontrade payables	327	–	–	327
Others	3,509	–	–	3,509
Dividends payable	589	–	–	589
Loans payable (Note 16)	28,248	88,936	58,445	175,629
Bonds payable (Note 17)	6,374	4,136	–	10,510
Due to related parties (Note 27)	166	–	–	166
Liabilities on purchased properties (Note 20)	348	1,021	700	2,069
Other noncurrent liabilities				
Derivative liabilities (Note 20)	46	–	–	46
Total undiscounted financial liabilities	₱68,800	₱95,594	₱59,145	₱223,539
Liquidity Gap	(₱18,321)	(₱87,779)	(₱45,800)	(₱151,900)

Excludes cash on hand amounting to ₱211.87 million.

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. The Parent Group's primary risk management objective is to reduce the Group's exposure to changes in foreign exchange rates. To manage the currency risk, the Group enters into hedging activities.

The Group's foreign currency-denominated financial instruments are included in cash and cash equivalents, receivables, accounts and other payables and loans payable. Cash and cash equivalents denominated in foreign currency amounted to US$73.52 million and JP¥1.82 billion as of December 31, 2023, US$63.13 million and JP¥1.17 billion as of December 31, 2022 and US$55.13 million and JP¥1.76 billion as of December 31, 2021.

Receivables denominated in foreign currency amounted to US$15.97 million as of December 31, 2023, US$1.16 million and JP¥0.62 million as of December 31, 2022 and US$0.82 million and US$1.09 million as of December 31, 2021, respectively. Accounts and other payables denominated in foreign currency amounted to US$238.26 million and JP¥1.18 billion as of December 31, 2023, US$213.84 million as of December 31, 2022 and US$152.76 million and JP¥23.49 million as of December 31, 2021. Loans payables denominated in foreign currency amounted to JP¥23.31 billion as of December 31, 2023, 2022 and 2021. In translating the foreign currency-denominated monetary assets and liabilities into peso amounts, the exchange rates used were ₱55.57 to US$1.00 and ₱0.39 to JP¥1.00 as at December 31, 2023, ₱56.12 to US$1.00 and ₱0.42 to JP¥1.00 as at December 31, 2022, 50.99 to US$1.00 and ₱0.44 to JP¥1.00 as at December 31, 2021.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso-US dollar and Philippine peso-JP¥ exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) on December 31, 2023, 2022 and 2021. There is no other impact on the Group's equity other than those already affecting the consolidated statements of comprehensive income.

	Currency	Change in Variable	Increase (Decrease) in Income Before Tax
2023	**US$**	**(2.51)**	**311**
		2.51	**(311)**
	JP¥	**(0.0233)**	**396**
		0.0233	**(396)**
2022	US$	(1.79)	201
		1.79	(201)
	JP¥	(0.0152)	252
		0.0152	(252)
2021	US$	(0.53)	22
		0.53	(22)
	JP¥	(0.0113)	182
		0.0113	(182)

The Group determined the reasonably possible change in foreign exchange rate by using the absolute average change in Philippine peso-US dollar and Philippine peso-JP¥ exchange rates for the past three (3) years.

Fair Value Hedge

The Parent Company's primary risk management strategy is to reduce the Parent Company's exposure to changes in foreign exchange rates. In this regard, the Parent Company designated a layer of its JPY-denominated long-term loan (the "Hedging Instrument") to hedge the variability in the fair value arising from the translation of its investment in Toyota Motor Corporation (TMC) (the "Hedged Item") amounting to ¥22.05 billion due to fluctuations in JPY/PHP foreign exchange (FX) rates. The hedged risk is the variability in the fair value arising from the translation of the investments (the Hedged Items) due to fluctuations in JPY/PHP FX rates (foreign currency risk). The hedged item is the variability in the fair value arising from the translation of the investments (the Hedged Items) due to foreign currency risk. The hedging instrument is the of ¥22.05 billion layer of the principal amount of its long-term loan with various lenders. The terms of the hedging relationships will end in July 2024. The effectiveness of hedging relationship is tested prospectively. All designated hedging relationships were sufficiently effective as of December 31, 2023 and 2022.

Economic relation between the hedged item and the hedging instrument was qualitatively tested by matching their critical terms. The hedged items create a foreign currency risk on the translation of investments amounting to ¥22.05 billion while the hedging instruments create the exact offset of this risk. Since the critical terms of the hedged item and hedging instrument matched, a clear economic relationship was established. The Parent Company's and the counterparty's credit risk were monitored for adverse changes. The Parent Company assessed that the risk associated with them and the counterparty is considered minimal, at inception, and during the year and did not dominate the value changes that result from the economic relationship. The hedge ratio for hedge accounting purposes is 1:1 or 100% since only a layer of the long-term loan which exactly matches the notional amount of the hedged item was designated as hedging instrument.

Cash Flow Hedge

Non-deliverable forward

In 2022, Toyota entered into non-deliverable forward (NDF) contracts with various banks to purchase U.S. Dollars at a specified rate in return for a specified amount of Philippine Peso. Delivery is on a specified future date. NDF contracts are designated as hedging instruments in cash flow hedges of forecast purchases in U.S. Dollars. These forecast transactions are highly probable, and they comprise about 50% of its total expected purchases in U.S. Dollars. The NDF contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates. These contracts have various maturity dates from January to April 2023 and were all settled in 2023.

The objective of the use of derivative financial instruments is to reduce the risk to earnings and cash flows associated with changes in foreign currency exchange rates. Toyota does not use these instruments for speculative or trading purposes. Derivative instruments are recognized as either assets or liabilities in the accompanying consolidated financial statements and are measured at fair value. Gains and losses resulting from changes in the fair values of those derivative instruments are recorded to earnings or other comprehensive income (loss).

The Group is holding the following hedging instruments designated as cash flow hedges as of December 31, 2022:

	Maturity		
	Up to 3 months	> 3 to 6 months	Total
Non-deliverable forward contracts			
Notional amount (in millions)	US$300	US$129	US$429
Average forward rate	56.10	55.58	55.94

The tables set out the outcome of the Group's hedging strategy, the carrying amounts of the derivatives and the changes in fair values used for measuring hedge ineffectiveness separately showing the effective and ineffective portions as of December 31, 2022:

	Carrying value	Change in fair value of hedged item used for measuring ineffectiveness	Effective portion recognized in OCI	Hedge ineffectiveness recognized in the consolidated statement of income
Non-deliverable forward contracts				
Derivative asset	₱–	₱–	₱–	₱–
Derivative liability	46	(26)	45	–

The Group follows a prudent policy in managing its assets and liabilities so as to ensure that exposure to fluctuation in foreign exchange rates are kept within acceptable limits. There is no ineffectiveness recognized in the profit or loss as the changes in the fair value of the hedged items used as basis for recognizing hedge ineffectiveness equals to the carrying amount of the hedging instruments.

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

	2023		
	Cash Flow Hedge Reserve	Cost of Hedging Reserve	Total
Balance at beginning of year	₱–	₱1	₱1
Effective Portion of changes in fair value	–	–	–
Amount transferred to inventories	–	–	–
Amount reclassified to profit or loss	–	(1)	(1)
Balance at end of year (net of tax)	₱–	₱–	₱–

	2022		
	Cash Flow Hedge Reserve	Cost of Hedging Reserve	Total
Balance at beginning of year	₱–	₱–	₱–
Effective Portion of changes in fair value	(46)	–	(46)
Amount transferred to inventories	20	1	21
Amount reclassified to profit or loss	26	–	26
Balance at end of year (net of tax)	₱–	₱1	₱1

Interest rate risk
The Group's interest rate exposure management policy centers on reducing the Group's overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and maintaining a debt portfolio mix of both fixed and floating interest rates. The portfolio mix is a function of historical, current trend and outlook of interest rates, volatility of short-term interest rates, the steepness of the yield curve and degree of variability of cash flows.

As of December 31, 2023 and 2022, except for the Parent Company's JPY loans, the Group has no financial instruments subject to floating interest rates. There is no sensitivity to the changes in interest rates on the Group's income before tax through the impact of floating rate borrowings because the risk is effectively hedged by an interest rate swap.

Cash Flow Hedge
Interest rate swap
The Parent Company entered into an interest rate swap ("IRS") agreement to hedge the variability in the interest cash flows arising from its floating rate loan with various lenders (the "Loan"), attributable to changes in the three-month JPY TONA ("3m JPY TONA") (Note 16). The hedged risk is variability in interest cash flows of the Loan attributable to changes in the 3m JPY TONA (interest rate risk). The hedged item is the interest cash flows on the Loan which is based on 3m JPY TONA + margin, floored at 0%. The hedging instrument is an IRS under which the Parent Company will pay fixed interest at a rate of 0.852% to 1.255% per annum and receive variable interest based on 3m JPY TONA. The terms of the hedging relationships will end in March 2027. The effectiveness of hedging relationship is tested prospectively. The designated hedging relationship was sufficiently effective as of December 31, 2023 and 2022.

An economic relation between the hedged item and the hedging instrument was qualitatively tested by matching their critical terms. The hedged item creates an exposure to pay 3m JPY TONA (floored at 0%) + 0.65% to 0.80%, settled quarterly. The hedging instrument creates an exact offset of this exposure with a consequence of paying a fixed interest payment of 0.852% to 1.255% per annum. Since most of the critical terms of the hedged item and hedging instrument matched, a clear economic relationship was established. The Parent Company's and the counterparty's credit risk was monitored for adverse changes. The Parent Company assessed that the risk associated with them and the counterparty is considered minimal, at inception, and during the year and did not dominate the value changes that result from the economic relationship. The hedge ratio for hedge accounting purposes is 1:1 or 100% since the notional amount of the IRS exactly matches the notional amount of the Loan. The hedge ineffectiveness can arise from the counterparties' credit risk differently impacting the fair value movements of the hedging instrument and the hedged item.

The Group is holding the following hedging instruments designated as cash flow hedges as of December 31, 2023 and 2022:

	Maturity				
	Up to 3 months	> 3 to 6 months	> 6 to 12 months	> 1 to 2 years	More than 2 years
2023					
Interest rate swap					
Fixed interest rate (%)					
¥11.655 billion up to July 2024	**0.852%**	**0.852%**	**0.852%**	–	–
¥11.655 billion up to July 2024	**0.865%**	**0.865%**	**0.865%**	–	–
¥23.31 billion from July 2024 to March 2027	–	–	**1.255%**	**1.255%**	**1.255%**
2022					
Interest rate swap					
Fixed interest rate (%)					
¥11.655 billion up to July 2024	0.852%	0.852%	0.852%	0.852%	–
¥11.655 billion up to July 2024	0.865%	0.865%	0.865%	0.865%	–
¥23.31 billion from July 2024 to March 2027	–	–	–	1.255%	1.255%

The tables set out the outcome of the Group's hedging strategy, the carrying amounts of the derivatives the Group uses as hedging instruments and the changes in fair values used for measuring hedge ineffectiveness separately showing the effective and ineffective portions as of December 31, 2023 and 2022:

	December 31, 2023			
	Carrying value	Change in fair value of hedged item used for measuring ineffectiveness	Effective portion recognized in OCI	Hedge ineffectiveness recognized in the consolidated statement of income
Floating rate loans				
Interest rate swap				
Derivative liability	**₱14**	**₱14**	**₱14**	**₱–**

	December 31, 2022			
	Carrying value	Change in fair value of hedged item used for measuring ineffectiveness	Effective portion recognized in OCI	Hedge ineffectiveness recognized in the consolidated statement of income
Floating rate loans				
Interest rate swap				
Derivative assets	₱88	₱88	₱88	₱–

The Group follows a prudent policy in managing its assets and liabilities so as to ensure that exposure to fluctuation in interest rates are kept within acceptable limits. There is no ineffectiveness recognized in the profit or loss as the changes in the fair value of the hedged items used as basis for recognizing hedge ineffectiveness equals to the carrying amount of the hedging instruments.

The movement in cash flow hedge reserve follows:

	2023	2022
Balance at beginning of year	₱88	(₱32)
Net unrealized gain (loss) on cash flow hedge	(102)	120
Balance at end of year (net of tax)	(₱14)	₱88

Equity price risk
Equity price risk is the risk that the fair values of investments in quoted equity securities could decrease as a result of changes in the levels of equity indices and the value of individual stocks.

The Group is exposed to equity securities price risk because of financial assets at FVOCI held by the Group.

The table below shows the sensitivity to a reasonably possible change in the Philippine Stock Exchange index (PSEi), with all other variables held constant, of the Group's equity (through other comprehensive income) due to changes in the carrying value of the Group's financial assets at FVOCI. The analysis links PSEi changes, which proxies for general market movements, to individual stock prices through their betas. Betas are coefficients depicting the sensitivity of individual prices to market movements.

The sensitivity range is based on the historical volatility of the PSEi for the past year. The analysis is based on the assumption that last year's PSEi volatility will be more or less the same in the following year.

	Percentage change in PSEi	Increase (decrease) in total comprehensive income
2023	**Increase by 20.56%**	**₱267**
	Decrease by 20.56%	**(267)**
2022	Increase by 32.51%	₱380
	Decrease by 32.51%	(380)

The table below shows the sensitivity to a reasonably possible change in the Tokyo Stock Exchange index (TSEi), with all other variables held constant, of the Group's equity (through other comprehensive income) due to changes in the carrying value of the Group's financial assets at FVOCI. The analysis links TSEi changes, which proxies for general market movements, to individual stock prices through their betas. Betas are coefficients depicting the sensitivity of individual prices to market movements.

The sensitivity range is based on the historical volatility of the TSEi for the past year. The analysis is based on the assumption that last year's TSEi volatility will be more or less the same in the following year.

	Percentage change in TSEi	Increase (decrease) in total comprehensive income
2023	**Increase by 25.09%**	**₱3,958**
	Decrease by 25.09%	**(3,958)**
2022	Increase by 5.05%	₱592
	Decrease by 5.05%	(592)

34. BASIC/DILUTED EARNINGS PER SHARE

The basic/diluted earnings per share attributable to equity holders of the Parent Company for the years ended December 31, 2023, 2022 and 2021 were computed as follows (amounts in millions, except earnings per share):

	2023	2022	2021
a. Net income attributable to equity holders of the Parent Company	₱28,743	₱18,360	₱10,983
b. Effect of dividends declared to voting and perpetual preferred shareholders of the Parent Company	(365)	(589)	(589)
c. Net income attributable to common shareholders of the Parent Company	28,378	17,771	10,394
d. Weighted average number of outstanding common shares of the Parent Company (Note 22)	215	215	215
e. Basic/diluted earnings per share (c / d)	₱131.81	₱82.55	₱48.28

Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

35. OPERATING SEGMENTS

Segment Information

For management purposes, the Group is organized into business units based on their products and activities and has the following reportable segments:

- Real estate is engaged in real estate and leasing, development and selling of properties of every kind and description, as well as ancillary trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintenance of a petroleum service station, engaging in food and restaurant service and acting as a marketing agent for and in behalf of any real estate development company or companies;
- Financial institutions are engaged in the banking and insurance industry and financing institution;
- Automotive operations are engaged in the assembly, manufacture, importation, sale and distribution of all kinds of automobiles including automobile parts, accessories, and instruments;
- Infrastructure is engaged in the water distribution, toll operation, power sector, hospitals and rail; and
- Others pertain to other corporate activities of the Group (i.e., capital-raising activities, acquisitions and investments).

The Chief Operating Decision Maker (CODM), which is the Executive Committee, monitors the operating results of the Group for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, earnings before interest, taxes and depreciation/amortization (EBITDA) and pretax income which are measured similarly under PFRS, except for EBITDA. EBITDA is computed by reconciling net interest income (expense) and provision for income taxes to the net income and adding back depreciation and amortization expenses for the period.

For the years ended December 31, 2023, 2022 and 2021, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers. Intragroup transactions were eliminated during consolidation.

Segment Assets

Segment assets are resources owned by each of the operating segments that are employed in its operating activities.

Segment Liabilities

Segment liabilities are obligations incurred by each of the operating segments from its operating activities.

The following tables present the financial information of the operating segments of the Group as of and for the years ended December 31, 2023, 2022 and 2021:

	December 31, 2023					
	Real Estate	**Financial Institution**	**Automotive Operations**	**Infrastructure**	**Others**	**Total**
Revenue	₱14,181	₱–	₱261,544	₱–	₱1	₱275,726
Other income	4,020	–	2,118	–	798	6,936
Equity in net income of associates and joint venture	2,269	17,207	–	3,452	–	22,928
	20,470	17,207	263,662	3,452	799	305,590
Cost of goods and services sold	1,063	–	188,285	–	–	189,348
Cost of goods manufactured and sold	–	–	39,661	–	–	39,661
Cost of rental	904	–	–	–	1	905
Cost of real estate sales	5,400	–	–	–	–	5,400
General and administrative expenses	3,965	–	15,641	–	651	20,257
	11,332	–	243,587	–	652	255,571
Earnings before interest and taxes	9,138	17,207	20,075	3,452	147	50,019
Depreciation and amortization	653	–	1,532	–	11	2,196
EBITDA	9,791	17,207	21,607	3,452	158	52,215
Interest income	160	–	428	–	523	1,111
Interest expense	(3,062)	–	(570)	–	(4,256)	(7,888)
Depreciation and amortization	(653)	–	(1,532)	–	(11)	(2,196)
Pretax income	6,236	17,207	19,933	3,452	(3,586)	43,242
Provision for income tax	(1,752)	–	(4,933)	–	(252)	(6,937)
Net income	₱4,484	₱17,207	₱15,000	₱3,452	(₱3,838)	₱36,305
Segment assets	₱116,961	₱151,328	₱92,339	₱46,794	₱39,194	₱446,616
Segment liabilities	₱66,435	₱–	₱55,489	₱–	₱77,438	₱199,362

	December 31, 2022					
	Real Estate	Financial Institution	Automotive Operations	Infrastructure	Others	Total
Revenue	₱5,193	₱–	₱211,945	₱–	₱169	₱217,307
Other income	8,500	–	1,914	–	468	10,882
Equity in net income of associates and joint venture	1,238	13,587	–	1,630	–	16,455
	14,931	13,587	213,859	1,630	637	244,644
Cost of goods and services sold	859	–	156,220	–	–	157,079
Cost of goods manufactured and sold	–	–	36,366	–	–	36,366
Cost of rental	817	–	–	–	13	830
Cost of real estate sales	2,996	–	–	–	63	3,059
General and administrative expenses	4,033	–	12,576	–	669	17,278
	8,705	–	205,162	–	745	214,612

(Forward)

	December 31, 2022					
	Real Estate	Financial Institution	Automotive Operations	Infrastructure	Others	Total
Earnings before interest and taxes	₱6,226	₱13,587	₱8,697	₱1,630	(₱108)	30,032
Depreciation and amortization	673	–	1,431	–	13	2,117
EBITDA	6,899	13,58	10,128	1,630	(95)	32,149
Interest income	377	–	147	–	139	663
Interest expense	(2,401)	–	(228)	–	(4,515)	(7,144)
Depreciation and amortization	(673)	–	(1,431)	–	(13)	(2,117)
Pretax income	4,202	13,587	8,616	1,630	(4,484)	23,551
Provision for income tax	224	–	(2,008)	–	(36)	(1,820)
Net income	₱4,426	₱13,587	₱6,608	₱1,630	(₱4,520)	₱21,731
Segment assets	₱120,648	₱135,668	₱66,586	₱40,055	₱54,199	₱417,156
Segment liabilities	₱82,282	₱–	₱38,497	₱–	₱83,363	₱204,142

	December 31, 2021					
	Real Estate	Financial Institution	Automotive Operations	Infrastructure	Others	Total
Revenue	₱5,607	₱–	₱150,964	₱–	₱10	₱156,581
Other income	2,828	–	1,894	–	376	5,098
Equity in net income of associates and joint venture	97	9,443	–	1,525	–	11,065
	8,532	9,443	152,858	1,525	386	172,744
Cost of goods and services sold	467	–	102,492	–	–	102,959
Cost of goods manufactured and sold	–	–	32,111	–	–	32,111
Cost of rental	642	–	–	–	13	655
Cost of real estate sales	3,114	–	–	–	9	3,123
General and administrative expenses	3,304	–	9,651	–	500	13,455
	7,527	–	144,254	–	522	152,303
Earnings before interest and taxes	1,005	9,443	8,604	1,525	(136)	20,441
Depreciation and amortization	538	–	1,631	–	19	2,188
EBITDA	1,543	9,443	10,235	1,525	(117)	22,629
Interest income	1,587	–	229	–	83	1,899
Interest expense	(1,509)	–	(249)	–	(4,512)	(6,270)
Depreciation and amortization	(538)	–	(1,631)	–	(19)	(2,188)
Pretax income	1,083	9,443	8,584	1,525	(4,565)	16,070
Provision for income tax	(281)	–	(1,440)	–	(100)	(1,821)
Net income	₱802	₱9,443	₱7,144	₱1,525	(₱4,665)	₱14,249
Segment assets	₱109,973	₱135,453	₱65,406	₱38,194	₱48,768	₱397,794
Segment liabilities	₱70,867	₱–	₱37,748	₱–	₱84,100	₱192,715

Geographical Information

The following table shows the distribution of the Group's consolidated revenues to external customers by geographical market, regardless of where the goods were produced:

	2023	2022	2021
Domestic	**₱295,865**	₱235,574	₱165,662
Foreign	**10,836**	9,733	8,981
	₱306,701	₱245,307	₱174,643

36. CONTINGENCIES

In the normal course of the Group's operations, certain entities within the Group have pending tax assessments/claims which are in various stages of protest/appeal with the tax authorities, the amounts of which cannot be reasonably estimated. The information usually required by PAS 37 is not disclosed on the ground that it can be expected to prejudice the outcome of pending litigations.

In order to partially guarantee the completion of Federal Land's ongoing projects and in the ordinary course of the Group's business, the Parent Company issued Letters of Guarantee (LG) in favor of the Department of Human Settlements and Urban Development (formerly Housing and Land Use Regulatory Board) for a total guarantee amount of ₱1.53 billion, ₱2.40 billion and ₱2.81 billion as of December 31, 2023, 2022 and 2021, respectively.

37. EVENTS AFTER THE REPORTING DATE

On January 29, 2024, the Parent Company paid the quarterly cash dividends amounting to ₱91.21 million, or ₱12.74 per share in favor of GT Capital's perpetual preferred series B stockholders of record date January 5, 2024.

On March 13, 2024, the BOD of the Parent Company approved the declaration of regular cash dividends amounting to ₱645.85 million, or ₱3.00 per share in favor of GT Capital's common stockholders of record as of March 27, 2024, payable on April 12, 2024. On the same date, the BOD of the Parent Company also approved the declaration of an additional regular cash dividends amounting to ₱645.85 million, or ₱3.00 per share in favor of GT Capital's common stockholders. The exact dates will be disclosed after the regular meeting of the Board of Directors in August 2024.

On March 13, 2024, the BOD of the Parent Company approved the declaration of special cash dividends amounting to ₱430.57 million, or ₱2.00 per share in favor of GT Capital's common stockholders of record as of March 27, 2024, payable on April 12, 2024.

On March 13, 2023, the BOD of the Parent Company approved the declaration of regular cash dividends in favor of its voting preferred stockholders at a dividend rate of 3.77%, with record date on March 27, 2024 and payment date on April 12, 2024.

38. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

Below are the noncash operating, investing and financing transactions of the Group:

	2023	2022	2021
Transfers between investment property and inventories (Note 6)	**₱608**	₱5,904	₱270
Borrowing costs capitalized to inventories (Note 6)	**517**	400	712
Impact of business combination (Note 8)	**–**	–	50

The following are the changes in liabilities in 2023 and 2022 arising from financing activities including both cash and non-cash changes:

	January 1, 2023	**Availment***	**Payment**	**Forex movement**	**Amortization of day 1 loss**	**Amortization of deferred financing cost**	**Others****	**December 31, 2023**
Short-term debt (Note 16)	**₱14,582**	**₱77,086**	**(₱70,538)**	**(₱14)**	**₱–**	**₱–**	**₱–**	**₱21,116**
Current portion of long-term debt (Note 16)	**7,758**	**–**	**(3,604)**	**–**	**–**	**–**	**11,956**	**16,110**
Long-term debt - net of current portion (Note 16)	**118,033**	**538**	**(10,641)**	**(569)**	**–**	**123**	**(11,956)**	**95,528**
Current portion of bonds payable	**6,099**	**–**	**(6,099)**	**–**	**–**	**(3)**	**4,000**	**3,997**
Bonds payable (Note 17)	**3,992**	**–**	**–**	**–**	**–**	**8**	**(4,000)**	**–**
Current portion of liabilities on purchased properties (Notes 20 and 27)	**348**	**–**	**(348)**	**–**	**29**	**–**	**319**	**348**
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	**1,300**	**–**	**–**	**–**	**–**	**–**	**(319)**	**981**
	₱152,112	**₱77,624**	**(₱91,230)**	**(₱583)**	**₱29**	**₱128**	**₱0**	**₱138,080**

**Availments net of documentary stamp taxes amounting to ₱5.0 million.*

***Others include reclassification from noncurrent to current portion.*

	January 1, 2022	Availment	Payment	Forex movement	Amortization of day 1 loss	Amortization of deferred financing cost	Others*	December 31, 2022
Short-term debt (Note 16)	₱9,127	₱38,314	(₱32,854)	₱–	₱–	₱–	(₱5)	₱14,582
Current portion of long-term debt (Note 16)	9,423	–	(125)	–	–	–	(1,540)	7,758
Long-term debt - net of current portion (Note 16)	112,755	13,818	(9,702)	(557)	–	179	1,540	118,033
Current portion of bonds payable	–	–	–	–	–	–	6,099	6,099
Bonds payable (Note 17)	10,077	–	–	–	–	14	(6,099)	3,992
Current portion of liabilities on purchased properties (Notes 20 and 27)	304	–	(306)	–	350	–	–	348
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	1,658	–	(261)	–	(97)	–	–	1,300
	₱143,344	₱52,132	(₱43,248)	(₱557)	₱253	₱193	(₱5)	₱152,112

** Others include reclassification from noncurrent to current portion.*

39. APPROVAL FOR THE ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements of the Group were approved and authorized for issue by the Parent Company's BOD on March 13, 2024.

Independent Assurance Statement

DNV

Independent Assurance Statement

[C688785]

DNV AS Philippine Branch ('DNV') has been commissioned by GT Capital Holdings, Inc. (hereafter referred to as 'GT Capital' or 'the Company') to undertake an independent assurance of selected information disclosed in GT Capital's 2023 Integrated Report (hereafter referred as 'Report') for the year ended 31st December 2023.

Assurance approach

This assurance engagement has been carried out in accordance with DNV's VeriSustain protocol, V6.0, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 revised – 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited and reasonable assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 – Conformity assessment, whose general principles are requirements for validation and verification bodies. Accordingly, DNV maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We performed the activities applying a limited level of assurance for a selection of indicators, as described in the following sections. Our assurance engagement was carried out during December 2023 to April 2024.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less detailed than, those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our conclusion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the Report and/or on GT Capital's website for the current reporting period.

Reporting criteria for selected information

The selected information has been prepared by GT Capital with reference to ("Reporting Criteria"):

- GRI Standards
- SASB industry-specific standards

Responsibilities of the Directors of GT Capital and of the assurance providers

The Management of GT Capital has sole responsibility for:

- Preparing and presenting the selected information;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the selected Information that is free from material misstatements;
- Measuring and reporting the selected information.

DNV's responsibility is to plan and perform the work to obtain assurance about whether the selected information has been prepared with reference to the reporting requirements and to report to GT Capital in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.
Our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

DNV

Scope of assurance

The scope of our engagement includes the following disclosures ('Selected information'):

Topic	GRI Standards	SASB Standards
Sustainable Investing		Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory • FN-AC410a.1 • FN-AC410a.2 • FN-AC410a.3
Energy	302: Energy 2016 • 302-1 • 302-3	Energy Management • IF-RE-130a.2
Emissions	305: Emissions 2016 • 305-1 • 305-2 • 305-3 • 305-4	Fuel Economy & Use-phase Emissions • TR-AU-410a.2 Greenhouse Gas Emissions & Energy Resource Planning • IF-EU-110a.1
Employment and Labor Practices	2: General Disclosures 2021 • 2-7 • 2-8 401: Employment 2016 • 401-1 • 401-2 • 401-3 402: Labor Management Relations 2016 • 402-1 405: Diversity and Equal Opportunity 2016 • 405-1 • 405-2 406: Non-discrimination 2016 • 406-1	Employee Diversity & Inclusion • FN-AC330a.1 Labour Practices • TR-AU-310a.1
Health and Safety	403: Occupational Health and Safety 2018 • 403-5 • 403-6 • 403-7 • 403-9	
Training and Education	404: Training and Education 2016 • 404-1 • 404-2	
Customers	417: Marketing and Labeling 2016 • 417-1 418: Customer Privacy 2016 • 418-1	Transparent Information & Fair Advice for Customers • FN-AC270a.1 • FN-AC270a.2 • FN-AC270a.3
Communities	413: Local Communities 2016 • 413-1	
Suppliers	414: Supplier Social Assessment 2016 • 414-1	

Independent Assurance Statement

DNV

Our competence, independence and quality control

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. We have no other contract with GT Capital.

Our multi-disciplinary team consisted of professionals with a combination of sustainability assurance experiences.

Inherent limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.

The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

We understand that the reported financial data, governance and related information are based on statutory disclosures and Audited Financial Statements, which are subject to a separate independent statutory audit process. We did not review financial disclosures and data as they are not within the scope of our assurance engagement.

The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Statement.

Basis of our conclusions

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of GT Capital. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. Our limited assurance procedures included, but were not limited to, the following activities:

- Review of the disclosures according to reporting requirements. Our focus included ESG disclosures and management processes;
- Peer and media review to identify relevant sustainability issues for GT Capital in the reporting period;
- Understanding of the key systems, processes and controls for collecting, managing and reporting disclosures and KPIs in the Report;
- Walk-through of key data sets. Understanding and testing, on a sample basis, of the processes used to adhere to and evaluate adherence to the reporting requirements;
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles and requirements;
- Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data consolidation and reporting of the selected information;
- On-site audits for GT Capital's Head Office (Makati, the Philippines]) and 3 sites [Federal land (GT Tower Makati, the Philippines), Metrobank HQ and Branch (Metrobank Center BGC Manila, the Philippines)] and sample-based assessment of site-specific data disclosures was carried out.

DNV

Our conclusions

Limited Level of Assurance

On the basis of the work undertaken, nothing came to our attention to suggest that the Selected Information as described in 'Scope of assurance' is not fairly stated and has not been prepared, in all material respects, with reference to the Reporting Criteria specified in this Statement.

For and on behalf of DNV AS Philippine Branch
Singapore, 26th April 2024

Gangwar, Vishal — Digitally signed by Gangwar, Vishal Date: 2024.04.26 09:42:41 +08'00'	Goh, Wee Hong — Digitally signed by Goh, Wee Hong Date: 2024.04.26 09:46:02 +08'00'	Kim, Jae Hee — Digitally signed by Kim, Jae Hee Date: 2024.04.26 12:36:22 +09'00'
Vishal Gangwar Lead Verifier Supply Chain and Product Assurance	Wee Hong Goh Area Manager – South East Asia Supply Chain and Product Assurance	Jae Hee Kim Assurance Reviewer Supply Chain and Product Assurance

---

DNV AS Philippine Branch is part of DNV – Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

Report Content Index

GRI Content Index

Statement of use	GT Capital Holdings, Inc. has reported the information cited in this GRI content index for the period January 01, 2023 to December 31, 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	4-5, 263-264
	2-2 Entities included in the organization's sustainability reporting	2, 5, 255-256
	2-3 Reporting period, frequency and contact point	2, 263-164
	2-4 Restatements of information	76, 257-258
	2-5 External assurance	246-249
	2-6 Activities, value chain and other business relationships	20-21, 28-29, 66-73
	2-7 Employees	56-65
	2-8 Workers who are not employees	57-59
	2-9 Governance structure and composition	102-141
	2-10 Nomination and selection of the highest governance body	130-133
	2-11 Chair of the highest governance body	110, 131
	2-12 Role of the highest governance body in overseeing the management of impacts	130-135
	2-13 Delegation of responsibility for managing impacts	104-105, 130-135
	2-14 Role of the highest governance body in sustainability reporting	104-105, 134
	2-15 Conflicts of interest	129
	2-16 Communication of critical concerns	129
	2-17 Collective knowledge of the highest governance body	106-113
	2-18 Evaluation of the performance of the highest governance body	132
	2-19 Remuneration policies	135-136
	2-20 Process to determine remuneration	135-136
	2-21 Annual total compensation ratio	135-136
	2-22 Statement on sustainable development strategy	18-43
	2-23 Policy commitments	22, 127-129
	2-24 Embedding policy commitments	22, 127-129
	2-25 Processes to remediate negative impacts	28-29
	2-26 Mechanisms for seeking advice and raising concerns	28-29, 129
	2-27 Compliance with laws and regulations	44-79
	2-28 Membership associations	Philippine Stock Exchange Index
	2-29 Approach to stakeholder engagement	28-29
	2-30 Collective bargaining agreements	63-64
GRI 3: Material Topics 2021	3-1 Process to determine material topics	26-27
	3-2 List of material topics	26-27
	3-3 Management of material topics	26-27
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	46-49, 257
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	46-49

GRI STANDARD	DISCLOSURE	LOCATION
GRI 302: Energy 2016	302-1 Energy consumption within the organization	74-77, 257-258
	302-3 Energy intensity	74-77, 257-258
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	74-79, 258-259
	305-2 Energy indirect (Scope 2) GHG emissions	74-79, 258-259
	305-3 Other indirect (Scope 3) GHG emissions	74-79, 258-259
	305-4 GHG emissions intensity	74-79, 258-259
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	56-62, 260-261
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	57-59
	401-3 Parental leave	58-59
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	63-64
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	64-65
	403-6 Promotion of worker health	64-65
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	64-65
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	59-61, 261-262
	404-2 Programs for upgrading employee skills and transition assistance programs	59-61, 261-262
	404-3 Percentage of employees receiving regular performance and career development reviews	59-61
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	56-65, 106-113, 256-263
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	61
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	66-73
	413-2 Operations with significant actual and potential negative impacts on local communities	66-73
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	79
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	54
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There were no substantiated complaints received concerning breaches of customer privacy for TMP, Federal Land, and AXA Philippines in 2023. Similarly, Metrobank reported no data breaches in 2023 to the National Privacy Commission.

Report Content Index

SASB Index Asset Management and Custody Activities

Sustainability Disclosure Topics & Accounting Metrics

TOPIC	ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	STATUS	COMMENT	LOCATION
Transparent Information & Fair Advice for Customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Quantitative	Number, Percentage (%)	FN-AC-270a.1	Omitted	Assets under Management metric is not applicable to GT Capital's business model. The company does not pool and manage funds from investors.	N/A
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	Quantitative	Reporting currency	FN-AC-270a.2	Modified	Modified metric to: Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of material information to stockholders.	GT Capital and its operating companies has no significant incidents of noncompliance related to Marketing and labeling.
	Description of approach to informing customers about products and services	Discussion and Analysis	N/A	FN-AC-270a.3	Modified	As a holdings company, the focus on stockholders is much appropriate than customers. In addition, the modified metric is in alignment with the topic: Stakeholder Engagement. Modified metric to: Description of approach to informing stockholders and investors	54
Employee Diversity & Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	Quantitative	Percentage (%)	FN-AC-330a.1	Modified	GT Capital operates in one country: the Philippines. In addition, the modified metric is in alignment with the topic: Equality and Diversity. Modified metric to: GT Capital Employee Breakdown: Rank, Age, and Gender	56-65, 106-113, 256-262
Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	Quantitative	Reporting currency	FN-AC-410a.1	Modified	As a holdings company, the breakdown of the operating companies' net income and ownership is much appropriate	5
	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Discussion and Analysis	N/A	FN-AC-410a.2	Reported		22-23
	Description of proxy voting and investee engagement policies and procedures	Discussion and Analysis	N/A	FN-AC-410a.3	Omitted	Assets under Management metric is not applicable to GT Capital's business model. The company does not pool and manage funds from investors.	N/A
Business Ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Quantitative	Reporting currency	FN-AC-510a.1	Reported		Zero
	Description of whistleblower policies and procedures	Discussion and Analysis	N/A	FN-AC-510a.2	Reported		129

Report Content Index

Activity Metrics

ACCOUNTING METRIC	CATEGORY	UNIT OF MEASURE	CODE	STATUS	COMMENT	PAGE NUMBER
(1) Total registered and (2) total unregistered assets under management (AUM)	Quantitative	Reporting currency	FN-AC-000.A	Modified	Assets under Management metric is not applicable to GT Capital's business model. The company does not pool and manage funds from investors.	5
Total assets under custody and supervision	Quantitative	Reporting currency	FN-AC-000.B	Modified	Assets under Management metric is not applicable to GT Capital's business model. The company does not pool and manage funds from investors.	5

IFRS Sustainable Disclosure Standards Index

IFRS	PARAGRAPH	ASPECT	LOCATION
S1: General Requirements for Disclosure of Sustainability-related Financial Information	17	Materiality	26-27
	18	Materiality	26-27
	21-22	Connected Information	20-21
	27	Governance	104-105, 134
	29	Strategy	22-23, 41-43, 80-81
	30-42	Risks and Opportunities	32-40
	44	Risk Management	32-40
	46-52	Metrics and Targets	20-21, 44-79, 257-262
S2: Climate-related Disclosures	6	Governance	104-105, 134
	9	Strategy	22-23, 41-43, 80-81
	10	Risks and Opportunities	32-40
	13	Business Model and Value Chain	20-21
	14	Strategy	22-23, 41-43, 80-81
	22	Resilience	36, 40
	25	Risk Management	32-40
	27-37	Metrics and Targets	74-79, 257-259

ESG Reporting Methodology

Boundary of Environmental and Social Data

COMPANY	ACRONYM	REPORTING INCLUSIONS	REPORTING EXCLUSIONS
GTCAP	GTCAP	GT Capital Holdings, Inc	None
MBT	Metrobank	Metrobank	Metrobank subsidiaries: • Philippine Savings Bank (PSBank) • First Metro Investment Corporation (FMIC) • Orix Metro Leasing and Finance Corp (Orix)
TMP	TMP	Toyota Motor Philippines Corporation	TMP subsidiaries and affiliates: • Toyota Mobility Solutions Philippines, Inc. • Toyota Motor Philippines Logistics, Inc. • Toyota Bicutan, Paranaque • Toyota Makati, Inc. • Toyota San Fernando Pampanga, Inc. • Lexus Manila, Inc. • Toyota Aisin Philippines, Inc.
FLI	FLI	Federal Land	FLI subsidiaries: • Horizon Land • Federal Land NRE Global • Sunshine Fort Bonifacio North • Bonifacio Landmark Realty and Development Corp
AXA	AXA	AXA Philippines	None
MPIC	MPIC	Metro Pacific Investments Corporation (Parent company) MPIC subsidiaries: • Manila Electric Company and Subsidiaries • Metro Pacific Tollways Corporation • NLEX Corporation • CAVITEX Infrastructure Corporation • MPCALA Holdings Inc • Maynilad Water Services, Inc. • Philippine Hydro, Inc. • Light Rail Manila Corporation	MPIC subsidiaries: • MetPower Venture Partners Holdings Inc. • Cebu Cordova Link Expressway Corporation • Easytrip Services Corporation • CII Bridges & Roads (Vietnam) • PT Nusantara (Indonesia) • Amayi Water Solutions Inc. • MetroPac Water Investments Corporation • Philippine Coastal Storage and Pipeline Corporation • Metro Pacific Hospital Holdings Inc. • Landco Pacific Corporation • Metro Pacific Agro Ventures • The Laguna Creamery, Inc.
Others			• Toyota Financial Services Philippines Corp • GT Capital Auto and Mobility Holdings Inc. • Sumisho Motor Finance Corp

GRI: 2-2

ESG Reporting Methodology

Material Topics Covered per Company

Topic	GTCAP	MBT	TMP	FLI	AXA	MPIC
Sustainable Investing	•					
Energy	•	•	•	•	•	•
Emissions	•	•	•	•	•	•
Employment and Labor Practices	•	•	•	•	•	•
Health and Safety	•	•	•	•	•	•
Training and Education	•	•	•	•	•	•
Customers		•	•	•	•	•
Communities	•	•	•	•	•	•
Suppliers	•	•	•	•	•	•

GHG Accounting and Reporting Methodology

GT Capital follows the GHG Protocol Corporate Standard in calculating and reporting its emissions. As a holding company, GT Capital's follows the equity share approach in which GHG emissions are accounted for based on its share of equity for each operating company. This approach reflects economic interest and allows GT Capital to align its investment decisions with its carbon footprint.

Scope	Category	Emission Factor Reference
Scope 1	Stationary Combustion	UK Department for Business, Energy & Industrial Strategy (BEIS), 2023
	Mobile Combustion	UK Department for Business, Energy & Industrial Strategy (BEIS), 2023
	Fugitive Emissions	IPCC 5th Assessment Report
Scope 2	Purchased Electricity	International Energy Agency (IEA), 2021

ESG Performance Summary

Economic
(GRI 201-1)

Direct Economic Value Generated (in Billion Php)	2021	2022	2023
GTCAP	174.60	245.31	306.70
MBT	87.40	104.80	155.50
TMP*	128.89	181.16	224.58
FLI	12.15	13.45	12.91
AXA	17.74	16.25	19.24
MPIC	44.00	50.88	61.00

*Unaudited figures as of April 2024

Direct Economic Value Distributed (in Billion Php)	2021	2022	2023
GTCAP	161.81	225.45	271.35
MBT	82.94	83.94	126.87
TMP*	141.24	206.95	234.17
FLI	10.11	6.28	8.16
AXA	9.84	14.22	17.26
MPIC	29.00	31.55	60.00

*Unaudited figures as of April 2024

Direct Economic Value Retained (in Billion Php)	2021	2022	2023
GTCAP	12.79	19.86	35.35
MBT	4.46	20.86	28.63
TMP*	-12.35	-25.79	-9.59
FLI Land	2.04	7.17	4.75
AXA	7.90	2.03	1.98
MPIC	15.00	19.33	1.00

*Unaudited figures as of April 2024

Environmental
(GRI 302-1, 305-1, 305-2, 305-3)

Additional Notes on Environmental Data

MBT	Environmental data covers Metrobank's centers and branches. Due to limitations in data collection, data from branches in 2021 and 2022 have been estimated based on operating expenses and average historical effective rate of consumption. In 2023 actual monthly consumption data from branches were reported. For months with no available data, consumption was based on historical average.
TMP	Environmental data for 2021 and 2022 only covers TMP's manufacturing plant operations. Starting 2023, operations of TMP's Batangas Vehicle Center and office in GT Tower have been included.
FLI	Environmental data for 2021 and 2022 only covers GT Tower. Starting 2023, operations of other commercial properties: Blue Bay Walk; iMet Towers 1, 2 and 3; and MetLive have been included.
AXA	Environmental data from 2021 until 2023 covers AXA's operations in its head office.
MPIC	Data covers MPIC Group's operating companies, Meralco, Metro Pacific Tollways Corp, Maynilad Water Services Inc, and Light Rail Manila Corp.

ENERGY

Energy Consumption within the Organization (in MWh)	2021	2022	2023
MBT*	41,085	56,662	53,283
TMP	38,764	44,758	63,759
FLI	44,756	6,845	26,508
AXA	848	1,793	1,713
MPIC	25,819,298	23,060,324	37,120,863
MPIC (energy sold)	46,072,898	49,554,540	51,044,013
TOTAL*	72,017,649	72,724,922	88,310,139

*2021 and 2022 data restated

ESG Performance Summary

2023 Energy Consumption by Source (in MWh)	Renewable	Non-Renewable
MBT	0	53,283
TMP	1,558	62,201
FLI	0	26,508
AXA	761	952
MPIC*	57,139	37,063,724
TOTAL	59,458	37,206,668

*Excludes energy sold

Electricity Consumption (in MWh)	2021	2022	2023
MBT	40,036	55,602	51,973
TMP	21,961	23,535	27,043
FLI	44,071	6,781	26,193
AXA	848	1,171	1,123
MPIC	293,695	305,806	322,084
MPIC (energy sold)	46,072,898	49,554,540	51,044,013
TOTAL	46,473,509	49,947,434	51,472,428

Fuel Consumption (in MWh)	2021	2022	2023
MBT*	1,050	1,061	1,310
TMP	16,803	21,223	36,716
FLI	685	64	315
AXA	0	623	590
MPIC	25,525,604	22,754,518	36,798,779
TOTAL*	25,544,141	22,777,488	36,837,711

*2021 and 2022 data restated

Energy Intensity (in MWh per million php revenue)	2021	2022	2023
MBT*	470	541	343
TMP	301	247	284
AXA	3,685	509	2,053
MPIC**	48	110	89

*2021 and 2022 data restated
**Excludes energy sold

EMISSIONS

Total GHG Emissions (in tons CO2e)	2021	2022	2023
Scope 1	1,641,770	1,397,321	1,530,056
Scope 2 (Location-Based)	410,312	420,379	490,375
Scope 3	5,432,170	6,156,959	6,612,723
TOTAL	7,484,252	7,974,659	8,633,155

Scope 1 Emissions (in tons CO2e)	2021	2022	2023
MBT	55	55	113
TMP	1,926	2,450	4,223
FLI	173	16	83
AXA	30	25	35
MPIC	1,639,586	1,391,858	1,525,602
TOTAL	1,641,770	1,394,403	1,530,056

Scope 2 Location-Based Emissions (in tons CO2e)	2021	2022	2023
MBT	12,407	14,838	15,054
TMP	5,935	7,321	10,134
FLI	31,388	5,284	20,423
AXA	103	140	222
MPIC	360,479	392,796	444,542
TOTAL	410,312	420,379	490,375

GHG Intensity (Scope 1 and 2 Emissions in tons CO2e per million Php revenue)	2021	2022	2023
MBT	383.82	382.51	262.56
TMP	119.59	105.75	125.35
FLI	2,598.63	394.08	1,588.38
AXA	29.57	40.11	52.60
MPIC	278,871.36	205,448.59	176,606.48

VOC emissions (in tons)	2021	2022	2023
TMP	381	352	330

Social

(GRI 401-1, 404-1, 405-2)

EMPLOYMENT

Total Headcount: Permanent & Temporary Employees	2021	2022	2023
GTCAP	51	55	58
MBT	13,565	13,821	14,859
TMP*	3,781	3,742	3,968
FLI	430	529	603
AXA	2,354	2,170	2,155
MPIC	17,867	17,955	17,543
TOTAL	38,048	38,272	39,186

2023 Employee Breakdown by Gender	Female	Male
GTCAP	29	29
MBT	9,639	5,220
TMP*	362	1,436
FLI	344	254
AXA	1,303	832
MPIC	5,440	12,103
TOTAL	17,117	19,874

*Covers permanent employees only

2023 Employee Breakdown by Age Group	Under 30 years old	30-50 years old	Over 50 Years Old
GTCAP	11	36	11
MBT	5,479	8,078	1,302
TMP*	431	1,141	226
FLI	192	370	36
AXA	705	1,332	98
MPIC	4,936	10,257	2,350
TOTAL	11,754	21,214	4,023

*Covers permanent employees only

ESG Performance Summary

2023 Employee Breakdown by Rank	Rank-and-File	Junior Management	Middle Management	Senior Management
GTCAP	4	34	0	20
MBT	7,378	6,777	0	704
TMP*	1,201	460	118	19
FLI	265	195	94	44
AXA	1,616	463	48	8
MPIC	12,103	635	3,681	1,124
TOTAL	22,567	8,564	3,941	1,919

*Covers permanent employees only

NEW HIRES

New Hires	2021	2022	2023
GTCAP	12	9	12
MBT	755	1,991	2,966
TMP	84	105	99
FLI	101	218	188
AXA	575	587	769
MPIC	5,272	5,334	5,053
TOTAL	6,799	8,244	9,087

2023 New Hires by Gender	Female	Male
GTCAP	6	6
MBT	1,942	1,024
TMP	39	60
FLI	114	74
AXA	459	310
MPIC	1,409	3,644
TOTAL	3,969	5,118

2023 New Hires by Age Group	Under 30 years old	30-50 years old	Over 50 Years Old
GTCAP	5	7	0
MBT	2,312	633	21
TMP	83	14	2
FLI	109	76	3
AXA	474	287	8
MPIC	2,959	1,911	183
TOTAL	5,942	2,928	217

2023 New Hires by Rank	Rank-and-File	Junior Management	Middle Management	Senior Management
GTCAP	1	9	0	2
TMP	94	0	3	2
FLI	95	89	0	4
AXA	688	74	6	1

TURNOVER

Employee Turnover Rate	2021	2022	2023
GTCAP	4%	11%	14%
MBT	7%	12%	13%
TMP	7%	7%	3%
FLI	28%	23%	19%
MPIC	21%	29%	26%

2023 Turnover Rate by Gender	Female	Male
GTCAP	18%	19%
TMP	9%	4%
FLI	19%	20%
MPIC	23%	27%

2023 Turnover Rate by Age Group	Under 30 years old	30-50 years old	Over 50 Years Old
GTCAP	29%	12%	9%
MBT	18%	9%	21%
TMP	8%	5%	2%
FLI	21%	19%	11%
MPIC	10%	21%	80%
TOTAL	29%	12%	9%

TRAINING

Total Training Hours	2021	2022	2023
GTCAP	2,681	2,335	1,481
MBT	379,820	134,755	462,377
TMP	32,895	20,281	26,673
FLI	3,440	6,362	8,635
AXA	68,266	69,744	90,912
MPIC	385,510	365,796	509,645

Average Training Hours	2021	2022	2023
GTCAP	56	40	26
MBT	28	10	31
TMP	9	5	7
FLI	8	14	14
AXA	29	32	43
MPIC	22	20	20

2023 Average Training Hours by Gender	Female	Male
GTCAP	29	23
MBT	34	27
TMP	6	7
FLI	14	15
AXA	43	41
MPIC	15	27

ESG Performance Summary

2023 Average Training Hours by Age Group	Under 30 years old	30-50 years old	Over 50 Years Old
GTCAP	32	27	13
TMP	9	8	1
FLI	14	15	9
AXA	30	49	52

2023 Average Training Hours by Rank	Rank-and-File	Junior Management	Middle Management	Senior Management
GTCAP	10	26	N/A	28
TMP	6	11	2	3
FLI	15	23	0	5
AXA	41	47	61	43

HEALTH AND SAFETY

Work-Related Safety Incidents	2022		2023	
	Fatalities	Injuries	Fatalities	Injuries
GTCAP	-	-	-	-
MBT	-	-	-	-
TMP	-	-	-	-
Federal Land	-	-	-	-
AXA	-	-	-	-
MPIC	1	189	1	208

Recorded Safe Man-Hours	2023
GTCAP	112,864
TMP	2,892,617
FLI	1,286,208
AXA	4,316,856
MPIC	69,673,673
TOTAL	78,282,218

DIVERSITY AND REMUNERATION

2023 Number of Female Employees by Rank	Rank-and-File	Junior Management	Middle Management	Senior Management
GTCAP	4	17	N/A	8
MBT	5051	4195	N/A	393
TMP	268	51	39	4
FLI	179	96	50	19
AXA	1025	250	25	3

Corporate Directory

METROPOLITAN BANK AND TRUST COMPANY
GT Tower International,
6813 Ayala Avenue cor. H.V. Dela Costa St.,
Brgy. Bel-Air 1227 Makati City
Tel: (+632) 8898-8000
Fax: (+632) 8817-6355
www.metrobank.com.ph

TOYOTA MOTOR PHILIPPINES CORPORATION
Toyota Special Economic Zone,
Santa Rosa-Tagaytay Highway, 4026 Santa Rosa City, Laguna
Tel: (+632) 8825-8888
Fax: (+632) 8843-5799
Customer Assistance Hotline: (+632) 8819-2912
www.toyota.com.ph

FEDERAL LAND, INC.
20th Floor, GT Tower International, 6813 Ayala Ave.
Corner H.V. Dela Costa St., 1227 Makati City, Philippines
Tel: (+632) 8883-6888
Fax: (+632) 8856-3847
www.federalland.ph

AXA PHILIPPINES
34th Floor, GT Tower International,
6813 Ayala Ave. corner H.V. Dela Costa St.,
1227 Makati City, Philippines
Office Trunkline: (+632) 8885-0101
Customer Hotline: (+632) 85815-AXA (292)
www.axa.com.ph

METRO PACIFIC INVESTMENTS CORPORATION
9th Floor, Tower 1, Rockwell Business Center,
Ortigas Avenue, Pasig City
Tel: (+632) 8888-0888
Fax: (+632) 8888-0813
www.mpic.com.ph

TOYOTA MANILA BAY CORPORATION
Metropolitan Ave., Metropolitan Park, Pasay City
Tel: (+632) 8581-6168
www.toyotamanilabay.com.ph

TOYOTA FINANCIAL SERVICES PHILIPPINES CORPORATION
32nd Floor, GT Tower International, 6813 Ayala Ave.
Corner H.V. Dela Costa St., 1227 Makati City, Philippines
Office Trunkline: (+632) 7858-8500
Customer Service Hotline: (+632) 7757-8500
Investor Assistance Hotline: (+632) 7756-7430
www.toyotafinancial.ph

SUMISHO MOTOR FINANCE CORPORATION
12th Floor, PSBank Center, 777 Paseo de Roxas
corner Sedeño Street, Makati City, Philippines
Tel: (+632) 8802-6888
www.sumisho.com.ph

GT CAPITAL AUTO AND MOBILITY HOLDINGS, INC.
43rd Floor, GT Tower International, 6813 Ayala Ave.
corner H.V. Dela Costa St., 1227 Makati City, Philippines
Tel: (+632) 8836-4500
Fax: (+632) 8836-4159
www.gtcapital.com.ph

JBA PHILIPPINES, INC.
Unit 150-156, Ground Floor, Cluster F, Blue Bay Walk Metro Park St.,
Pasay City, Philippines
www.jbap.com.ph

PREMIUM WARRANTY SERVICES PHILIPPINES, INC.
2nd Floor, Cluster J, Blue Bay Walk,
Diosdado Macapagal Boulevard, cor. EDSA Extension,
Barangay 76 Pasay City, Fourth District, NCR, Philippines
Tel: (+632) 8672-3294
www.pwsp.com.ph

Corporate Information

CORPORATE INFORMATION

GT CAPITAL HOLDINGS, INC.
43rd Floor, GT Tower International, 6813 Ayala Ave.
corner H.V. Dela Costa St., 1227 Makati City, Philippines
Tel: (+632) 8836-4500
Fax: (+632) 8836-4159
gtcap@gtcapital.com.ph
www.gtcapital.com.ph

GT Capital welcomes inquiries from analysts, the financial community, and institutional investors.
Please write or call:

JOSE B. CRISOL, JR.

Senior Vice President / Head of Investor Relations, Strategic Planning, and Corporate Communication
43rd Floor, GT Tower International, 6813 Ayala Ave.
corner H.V. Dela Costa St., 1227 Makati City, Philippines
Tel: (+632) 8836-4500
ir@gtcapital.com.ph

STOCK TRANSFER AGENT

Metropolitan Bank & Trust Company
Metrobank-Trust Banking Group
16th Floor Metrobank Center, 35th St. cor. 7th Ave., BGC, Taguig
Tel: (+632) 8857-5299; (+632) 8857-5695; (+632) 8857-5494;
(+632) 8857-5697
Email: stocktransfer@metrobank.com.ph

We welcome feedback, inquiries, and other concerns related to this Integrated Report through:

JOYCE B. DE LEON

First Vice President / Chief Risk Officer
Risk Management and Head of Sustainability
43rd Floor, GT Tower International, 6813 Ayala Ave.
corner H.V. Dela Costa St., 1227 Makati City, Philippines
Tel: (+632) 8836-4500
rmsd@gtcapital.com.ph

GT CAPITAL
HOLDINGS INCORPORATED

43rd Floor, GT Tower International
6813 Ayala Avenue corner H.V. Dela Costa Street, Makati City, Philippines

Tel: (+632) 8836-4500
Fax: (+632) 8836-4159
gtcap@gtcapital.com.ph

www.gtcapital.com.ph