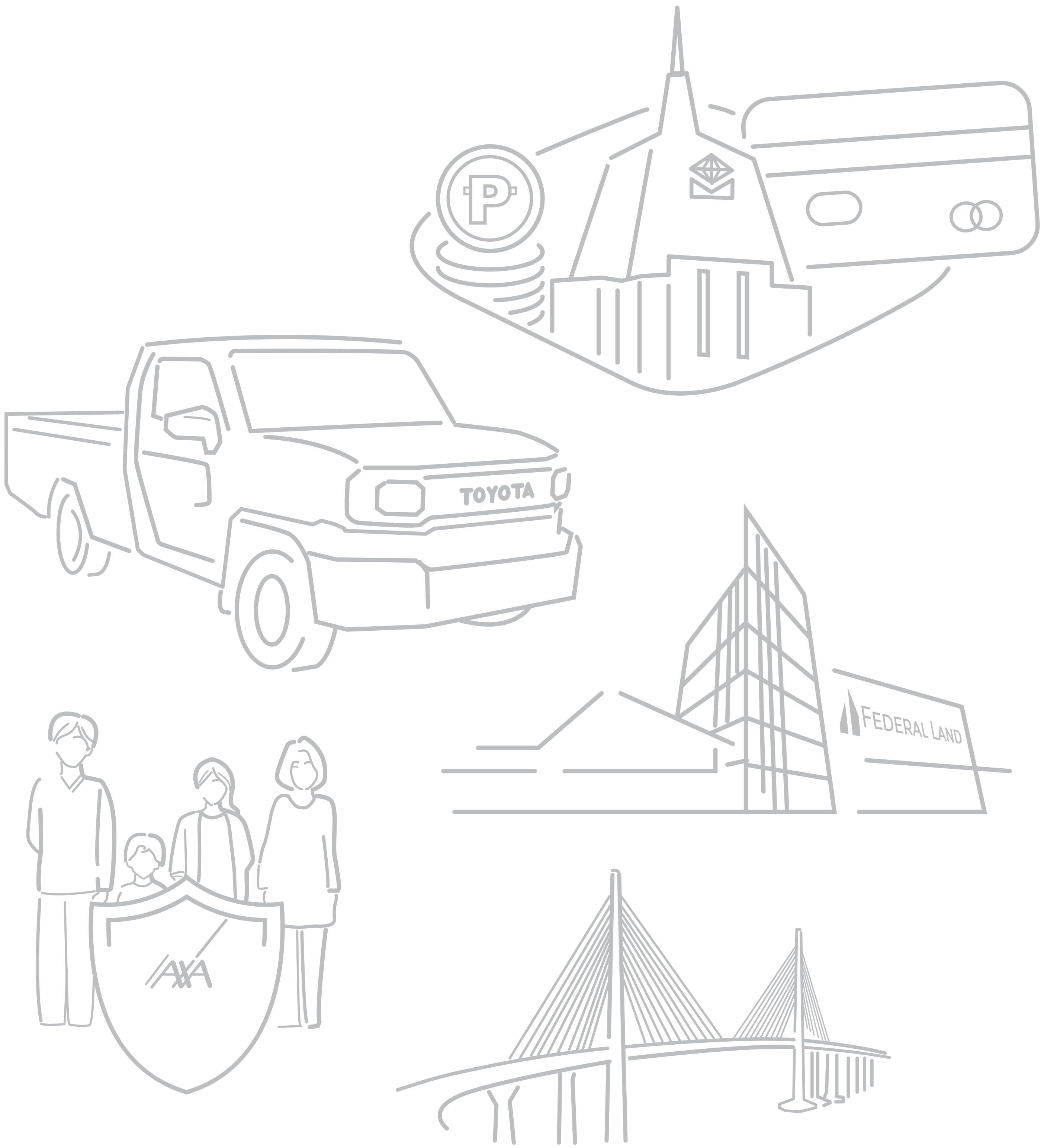
GT CAPITAL
HOLDINGS INCORPORATED

Pushing Boundaries
Achieving More

2024 Integrated Report



Pushing Boundaries
Achieving More

GT Capital Holdings, Inc. (GT Capital) continues to thrive as a major, stable, and diversified conglomerate in the Philippines. At the heart of its progress is a steadfast pursuit of innovation and operational excellence in banking, automotive, property development, insurance, and infrastructure, which allows the group to keep pushing boundaries in and create meaningful impact to the sectors in which it is invested. By harnessing the collective strength of our core businesses and embracing transformation across our ecosystem, we unlock greater value for our stakeholders and contribute to building a stronger, more inclusive nation. With the proven global expertise of our best-in-class partners, GT Capital enhances its local footprint to achieve more and reach even greater heights towards sustainable growth.

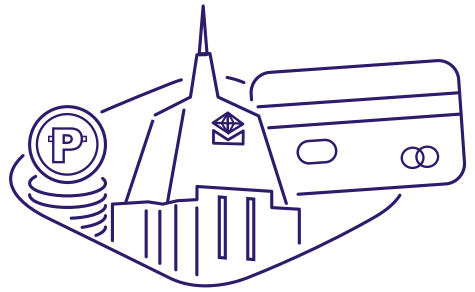
This collaborative strength fuels GT Capital's commitment to **pushing boundaries, achieving more** in every aspect of our work, for the benefit of our customers, communities, and the nation.

Operating Companies

GT Capital Holdings, Inc. (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), AXA Philippines Life and General Insurance Corporation (AXA Philippines), and Metro Pacific Investments Corporation (MPIC).

Metrobank

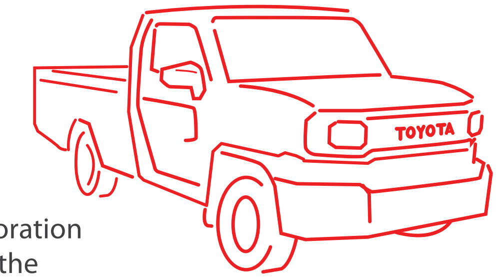
37.2% GT CAPITAL-OWNED **Php48.1B** 2024 NET INCOME



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 local medium enterprises, high net-worth individuals, and retail customers.

TOYOTA

51% GT CAPITAL-OWNED **Php15.9B** 2024 NET INCOME



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, Toyota Motor Corporation (TMC), and Mitsui & Co., Ltd. (Mitsui), 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, Innova, and Tamaraw models. Through its wide array of vehicle models and robust sales distribution and service network, TMP achieved its 23rd Triple Crown in 2024, topping the industry in passenger car, commercial vehicle, and overall vehicle sales.

FEDERAL LAND

100% GT CAPITAL-OWNED **Php750M** 2024 NET INCOME

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.

AXA

25.3% GT CAPITAL-OWNED **Php2.5B** 2024 NET INCOME

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.

METRO PACIFIC INVESTMENTS

18.2% GT CAPITAL-OWNED **Php28B** 2024 NET INCOME

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.

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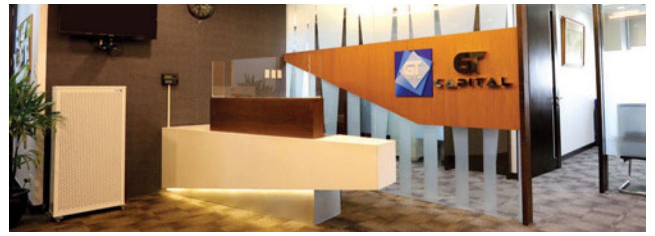


About the Report

GRI: 2-2, 2-3

This 2024 Integrated Report presents material financial and non-financial information on GT Capital and its aforementioned operating companies' business activities. By adopting the guiding principles and content elements laid out by the Integrated Reporting Framework, this report details how the Group manages their individual economic, environmental, social, and governance (EESG) performance and impacts. It covers the calendar period from January 1 to December 31, 2024.

Scope of Report

This report covers GT Capital's financial and environmental, social, and governance (ESG) performance for the calendar year from January 1 to December 31, 2024. The sustainability reporting focuses on the top five operating companies—Metropolitan Bank & Trust Company, Toyota Motor Philippines, Federal Land, Incorporated, AXA Philippines, and Metro Pacific Investments Corporation while financial reporting includes all operating companies to provide a comprehensive view of the Group's performance and impacts.

Reporting Standards and Frameworks

This report adopts the International Integrated Reporting Framework to provide a holistic and comprehensive view of the Group's value creation story. It is prepared in accordance with the Global Reporting Initiative (GRI): Core Option. To ensure the quality of information disclosed, this report also adheres to standards set by the Sustainability Accounting Standards Board (SASB), Task Force for Climate-Related Financial Disclosures (TCFD), and United Nations Sustainable Development Goals (UN SDGs).

Data Gathering Methodology

GT Capital gathered data from its top material operating companies (as mentioned above) to complete this report. However, data across the operating companies may vary depending on relevance, availability, applicability, and confidentiality constraints. Each operating company also operates in its distinct sustainability journey, thereby affecting availability of information. 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.

Assurance

Financial Disclosures

SGV & Co. was GT Capital's external auditor for the calendar year 2024. 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 have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

Non-Financial Disclosures

The Internal Audit team of GT Capital has reviewed this report to ensure compliance with Integrated Reporting <IR>, Global Reporting Initiatives (GRI) standards, and Sustainability Accounting Standards Board (SASB), and to assess adequacy of disclosures regarding the Group's contributions to relevant UN Sustainable Development Goals (SDGs).

To ensure integrity of the data presented in the report, the review covered validation of parent and operating company data, as well as of the relevant UN SDGs identified in the materiality assessment and stakeholder engagement conducted by the Risk Management and Sustainability Department.

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 statements must be taken as reasonable estimates, not guarantees, on the Group's future performance. Actual outcomes may significantly differ as a result of unforeseeable changes in the external environment, risks and opportunities, and other factors outside the Group's control. These forward-looking statements may be identified by the words "intend," "estimate," "forecast," "anticipate," "believe," "can," "may," and other similar terms or expressions.

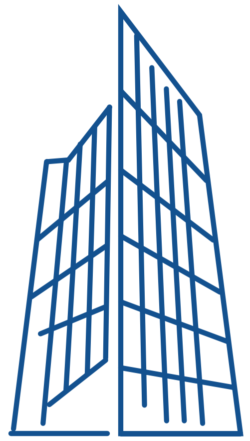
Feedback

This report was published on May 14, 2025 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

GRI:2-14



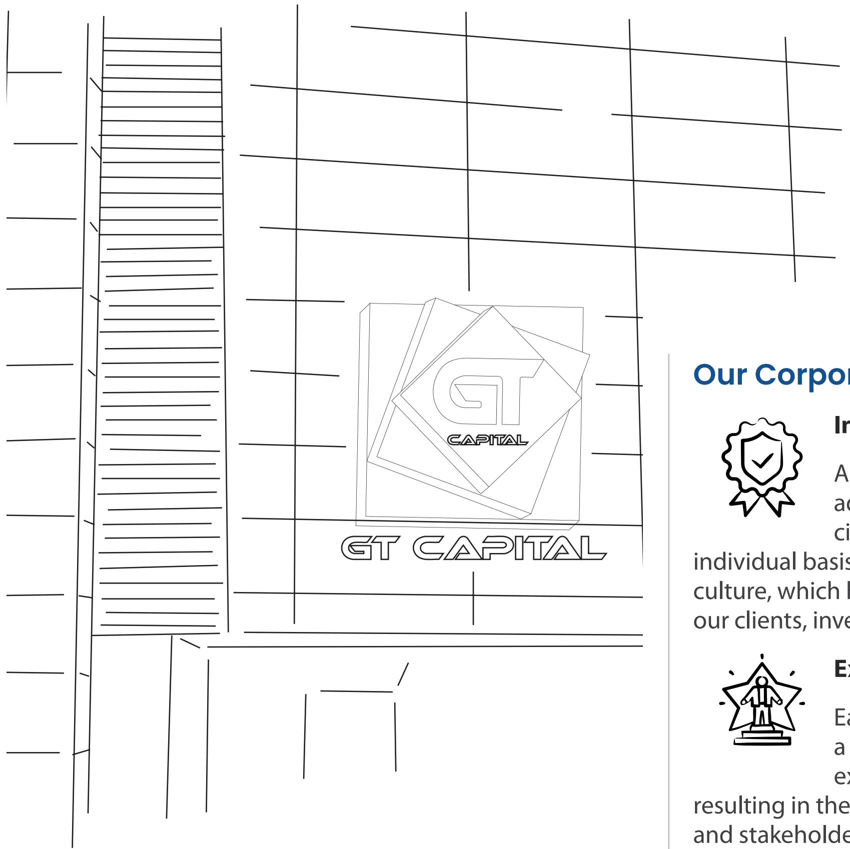
The Board recognizes its responsibility and oversight role in ensuring the integrity of the Integrated Report, which is supported by the Audit and Risk & Sustainability Oversight Committees.

The Board affirms that the 2024 Integrated Report has been prepared in accordance with the Integrated Reporting <IR> Framework and provides a fair and balanced representation of GT Capital's overall performance and its commitment to creating sustainable value for stakeholders.

For 2024, assurance on financial performance was conducted by SyCip Gorres Velayo & Company (SGV & Co.), while the Internal Audit team undertook the assurance for non-financial performance. The Board unanimously approved this report on May 14, 2025.

About the Company

GRI: 2-1



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

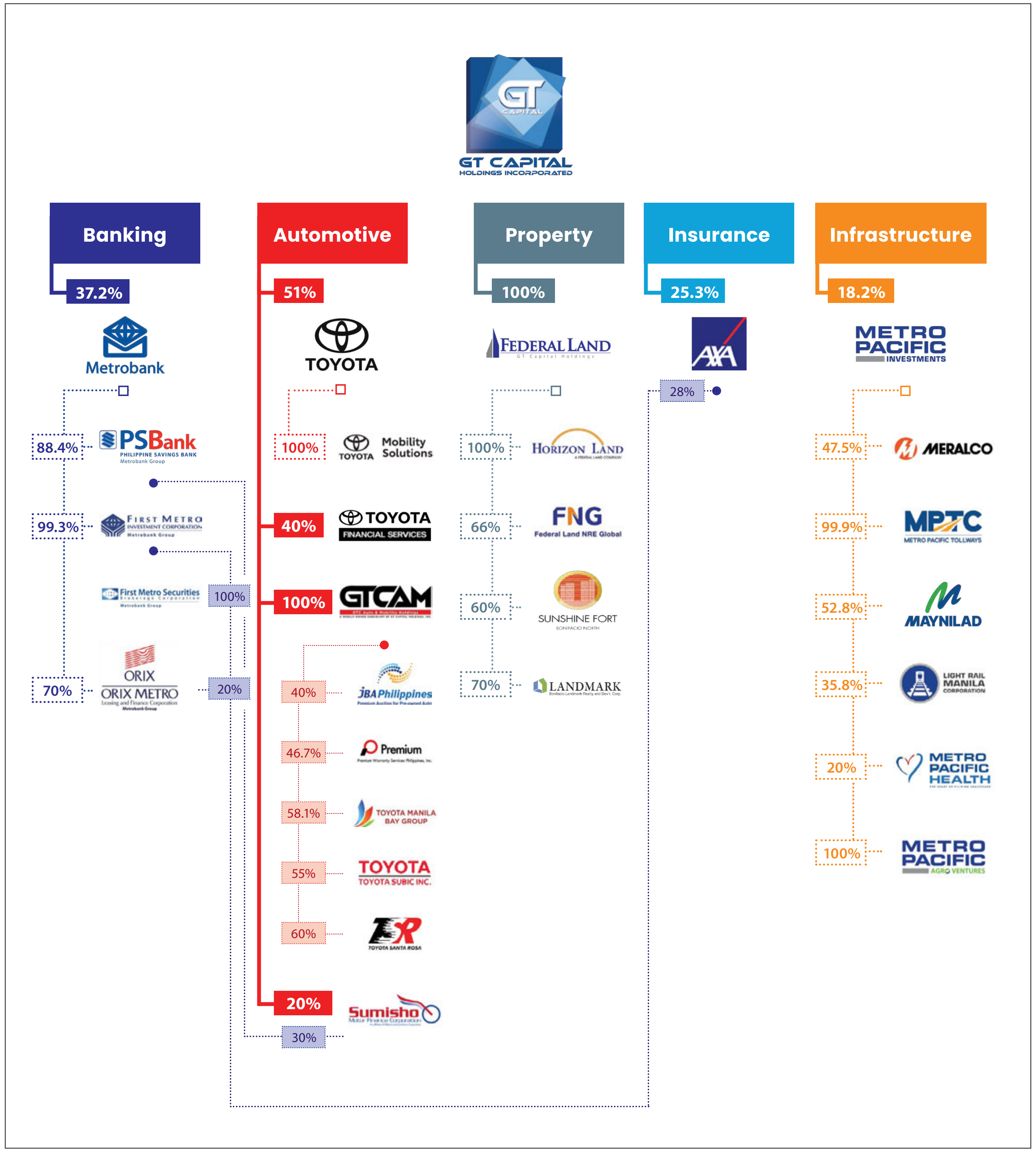
We take a special regard for the individual, for their empowerment, and for the diversity of opinions, resulting in a more balanced view of our business proposition, open to different perspectives, constantly challenging assumptions and revisiting previously set ways, within the framework of a shared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

Company Portfolio

GRI: 2-1, 2-2, SASB: FN-AC-410a.1



Operating companies | Subsidiaries of operating companies | Indirect subsidiaries

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.

2024 at a Glance

January

Federal Land
Riverpark Signage Unveiling

February

AXA Philippines
Receives the Award of Excellence in Industrial Safe Man Hours

Toyota Motor Philippines
Appoints Mr. Masando Hashimoto as President

Metrobank
Raises landmark USD1 billion from international debt capital markets

March

Toyota Motor Philippines
Receives AEO Level 2 accreditation and top revenue recognition from BOC

Metro Pacific
Wins Distinguished Best Privatization Award at Triple A Sustainable Finance Awards 2024

April

Metrobank
Named the Best Bank for Ultra-High Net Worth Filipino

Federal Land
Nitori opens first store in the Philippines

May

Metrobank
Named Most Recommended Retail Bank in the Philippines by The Asian Banker

June

Metro Pacific
Receives Best Investor Relations and Sustainable Asia Award at the 14th Asian Excellence Awards by Corporate Governance Asia

GT Capital
Receives Best Investor Relations Company (Philippines) Award from World Economic Magazine

July

GT Capital
Receives Best Annual Report in the Philippines award at the Alpha Southeast Asia 14th Institutional Investor Corporate Awards

GT Capital
Receives Best Investor Relations Award from International Business Magazine

Federal Land
Groundbreaking of Hartwood Village in Biñan, Laguna

AXA Philippines
Appoints Mr. Ayman Kandil as President and Chief Executive Officer

August

Federal Land
Groundbreaking of Yume at Riverpark

September

GT Capital
Receives 3 Golden Arrow Recognition from the Institute of Corporate Directors

Federal Land
Wins Best Luxury Developer at the 2024 PropertyGuru Philippines Property Awards

Metrobank Foundation
Awards 2024 Outstanding Filipinos

October

GT Capital
Awarded as the Best Investor Relations Company in the Philippines at the 14th Annual Global Banking & Finance Review Awards

Metrobank
Brings home Gold Stevies for its 'Grow with Metrobank' campaign

Toyota Motor Philippines
Introduces Beyond Zero movement

November

AXA Philippines
Celebrates 25th Anniversary

Toyota Motor Philippines
Unveils new conversion facility at its manufacturing plant in Laguna

December

Metrobank
Named PH's Strongest Bank for the fourth straight year

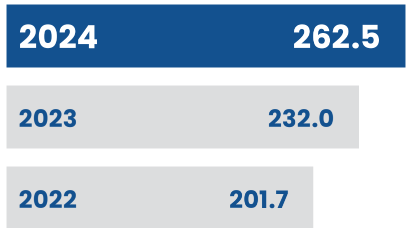
Toyota Motor Philippines
Launches the Next Generation Toyota Tamaraw

Toyota Motor Philippines
Partners with DENR for Tamaraw conservation

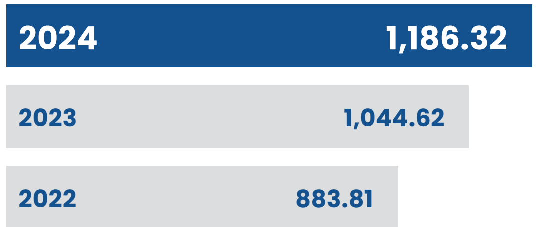
Consolidated Financial Highlights

Total Assets
(In Php Billion)

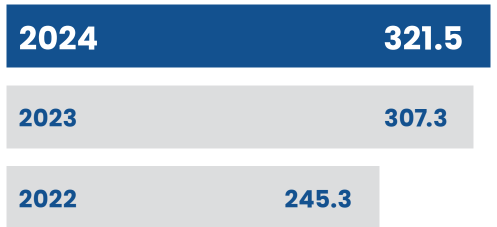
Total Equity Attributable to Equity Shareholders (In Php Billion)



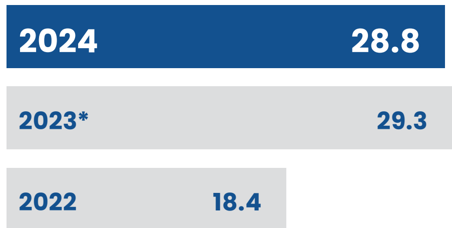
Book Value of Common Shares
(In Php)



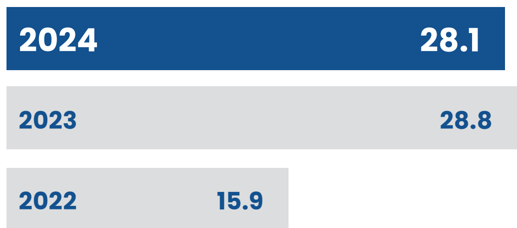
Total Revenues
(In Php Billion)



Consolidated Net Income
(In Php Billion)

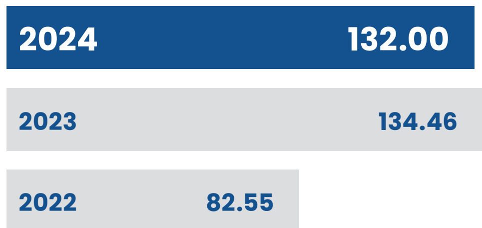


Core Net Income**
(In Php Billion)



Return on Average Equity (ROAE)
(in %)

Earnings per share
(In Php)



GT CAPITAL CONSO
All numbers in Php Billion unless otherwise stated

	2022	2023 (As restated)*	**2024**
Consolidated Net Income Attributable to Parent	18.4	29.3	**28.8**
Core Net Income **	15.9	28.8	**28.1**
Total Revenues	245.3	307.3	**321.5**
Earnings Before Interest and Taxes (EBIT) ***	29.7	50.2	**49.3**
EBITDA ***	31.8	52.4	**51.0**
EBITDA Margin (in %)	13.0%	17.1%	**15.9%**
Total Assets	417.2	447.2	**474.1**
Total Liabilities	204.1	199.4	**194.2**
Total Equity	213.0	247.8	**279.9**
Total Equity Attributable to Equity Shareholders	201.7	232.0	**262.5**
Earnings per Share (in Php)	82.55	134.46	**132.00**
Book Value of Common Shares (in Php)	883.81	1,044.62	**1,186.32**
Current Ratio (x)	1.94	1.51	**1.39**
D/E Ratio (x)	0.71	0.56	**0.45**
Return on Average Assets (ROAA) (in %)	4.51%	6.78%	**6.25%**
Return on Average Equity (ROAE) (in %)	9.28%	13.52%	**11.64%**

* *Restated upon finalization of the PPA in 2024 which resulted in the recognition of Php570M net again on bargain purchase. Refer to Note 8 of Conso AFS*

** *Includes one-off items*

*** *Changes in 2022 and 2023 due to reclassifications of interest income and loans receivables from Other income to Interest income.*

ESG Highlights

In today's business landscape, sustainability is no longer an optional commitment—it is a strategic imperative. GT Capital turns to ESG (Environmental, Social, and Governance) rating agencies as a benchmark to evaluate and communicate sustainability performance. These agencies provide structured, independent, and standardized assessments that help businesses align with global expectations and stakeholder demands.

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

ESG Ratings

The following ratings were received as of December 2024:

SUSTAINALYTICS — 14.8 Low Risk

GT Capital is categorized as "Low Risk" with a score of 14.8. This means that the company is not significantly exposed to ESG-related financial risks and that it has strong management and mitigation strategies in place to handle them. Compared to industry peers, GT Capital ranks in the top 8th percentile, placing 66th out of 875 companies in the sector.

CDP (DRIVING SUSTAINABLE ECONOMIES) — B- Management

GT Capital was categorized as a "B-" or "Management" rating meaning that the company is actively taking coordinated actions in order to manage and implement programs to address its impacts to the environment. The company outperforms the Asian regional average, demonstrating strong performance in business strategy, financial planning, scenario analysis, energy management, risk processes, Scope 1 and 2 emissions, and target setting

MSCI — A

GT Capital was given an "A" rating, equivalent to the upper range of the "Average" category, which means that the company is able to manage the most significant risks and opportunities relative to industry peers. The company was also noted to lead industry peers in terms of labor management and exemplifies best practices in its Ethics framework which includes best practices such as detailed policies against corruption and whistleblower protection.

S&P Global — 42

GT Capital received a score of 42 from S&P Global, higher than the industry average compared to global peers. The company was rated as "Very High" in terms of data availability, showing the company's commitment to transparency in its sustainability disclosures. The company has higher disclosures in Social and Governance & Economic aspects compared industry average, while it is at par with the industry average in its Environmental disclosures.

These rating results underscore GT Capital's strong commitment to transparency, robust risk management, and the integration of sustainability principles across its operations. They reinforce the Company's position as a forward-looking and responsible corporate entity. GT Capital remains steadfast in its dedication to long-term value creation for its investors and stakeholders.

Environment

31% reduction in waste

6% reduction in water consumption

9.34 million tons CO$_2$e of scope 1 and 2 (equity based)

Social

43,000+ employees across the group

43% of females in the workforce

27 hours of average training per employee

Governance

3 Golden Arrows at the 2024 ACGS Golden Arrow Awards by the Institute of Corporate Directors

5 Independent Directors of which one is female

Board Competency Enhancement conducted Thought Leadership Series, covering various topics on Environmental, Social, and Governance for the Board of Directors

Chairman's Message and President's Report

Guided by our Responsible Investment Policy, we integrated ESG considerations into capital allocation and strategic decision-making.

We focused on sustainable investments, engaged closely with our component companies to support their ESG journeys, and upheld ethical investment standards that reflect our vision of inclusive and long-term national development.

More details in comprehensive report on page 18

FRANCISCO C. SEBASTIAN
Chairman

CARMELO MARIA LUZA BAUTISTA
President

Dear fellow shareholders,

GT Capital Holdings, Inc. (GT Capital) maintained its strong momentum in 2024, supported by the continued solid performance of its core businesses—Metropolitan Bank & Trust Company (Metrobank), Toyota Motor Philippines Corporation (TMP), Federal Land, Inc. (Federal Land), AXA Philippines (AXA), and Metro Pacific Investments Corporation (Metro Pacific).

GT Capital's core net income, excluding non-recurring gains, grew by 11% in 2024, reflecting the sustained strength of our diversified portfolio and the continued resilience of our core businesses. This growth builds on the record performance of the previous year and shows our ability to deliver strong results over time, even in changing economic conditions.

GT Capital was established under the visionary leadership of the late Dr. George S.K. Ty, Metrobank founder and Group Chairman. Through the years, the conglomerate has brought together a diverse portfolio of leading brands across various sectors, aligning them under one holding company with a shared strategy, mission, and vision. This synergy allows GT Capital to create value for its stakeholders while making a meaningful contribution to national development.

In 2024, GT Capital sustained its growth, supported by the stable performance of the Philippine economy, which registered a 5.7% GDP increase for the second straight year—the second fastest among ASEAN countries—despite facing multiple challenges.

The country's growth continued to be driven by the services and industry sectors, which expanded by 6.7% and 5.6%, respectively. Easing inflation and lower interest rates contributed to a 4.9% increase in household consumption. This uptick was further supported by steady demand for essential services, even as spending on restaurants, hotels, and miscellaneous goods and services slowed.

The banking industry continued its upward trajectory, supported by consistent growth in loans and deposits, and strong capital and liquidity positions. This solid performance reflects the sector's sustained momentum beyond the challenges of the pandemic years.

The automotive industry, in turn, continued to ride the wave of strong consumer demand, selling 473,842 vehicles in 2024, marking an 8.0% increase from the previous year's total of 438,619 units.

The property sector showed mixed results for the year, amid evolving economic conditions and global developments. Residential property prices rose at the national level, fueled by strong growth in areas outside the National Capital Region (NCR), despite a slowdown in price momentum within the NCR itself. The commercial market remained steady, contributing to the sector's overall resilience.

The infrastructure sector demonstrated solid progress across key areas, including construction, transportation, energy, and telecommunications. The government remained committed to infrastructure development, supporting a range of public and private projects aligned with national growth goals. Major transportation initiatives, such as inter-provincial bridges and railway systems, advanced steadily, while the energy sector pursued renewable and geothermal projects through international partnerships.

As previously mentioned, GT Capital sustained its strong position in 2024, with its core businesses delivering robust contributions across their respective sectors. Consolidated revenues grew to Php321.5 billion from Php307.2 billion.

Consolidated net income slightly declined by 2%, from Php29.3 billion in 2023 to Php28.8 billion in 2024. It is worth noting that the 2023 results were boosted by substantial one-time lot sales recorded by GT Capital and Federal Land.

Despite the many challenges in 2024, GT Capital sustained record-level growth, a testament to the strength of our diversified portfolio and our ability to navigate and thrive in a resilient and favorable macroeconomic environment.

We continued to rise with the tide of a strengthening economy, actively leveraging opportunities across our businesses. We are particularly proud of the expansion we've seen in our value chain—most notably in the automotive and financial sectors—demonstrating the increasing strength and synergy within our portfolio. Our core drivers in banking, automotive, and infrastructure delivered solid results once again, fueling our continued momentum.

Chairman's Message and President's Report continued

Php474.1 B
Total Assets

Page 10

Php28.1 B
Core Net Income

Page 10

Strengthening ESG Integration and Strategic Oversight

In 2024, we sustained our momentum in Environmental, Social, and Governance (ESG) performance, reaffirming GT Capital's commitment to responsible business practices, long-term sustainability, and transparency. We deepened the integration of ESG across our operations while upholding the highest standards of accountability and leadership.

GT Capital's ESG ratings continued to improve, reflecting years of strategic alignment and strengthened disclosure. ESG ratings received as of December 2024 show that we maintained an "Average" risk rating with S&P Global and a "Low Risk" rating from Sustainalytics, and we saw a meaningful upgrade from "BBB" to "A" under MSCI. Under the Carbon Disclosure Project (CDP), we advanced from a "C" rating in 2022 to "B-" in 2023, affirming our efforts in climate-related transparency.

We were also honored to receive continued recognition for our governance practices, having been awarded Three Golden Arrows by the Institute of Corporate Directors (ICD) during the 2024 Golden Arrow Recognition ceremony. This marks our second consecutive year of receiving the distinction, which is based on the ASEAN Corporate Governance Scorecard and the Corporate Governance Scorecard. The award reflects GT Capital's ongoing commitment to integrity, excellence, respect, and sustainable value creation in its governance framework.

To further institutionalize ESG at the highest level, we strengthened board oversight through our Risk and Sustainability Oversight Committee (RSOC), which guided our Group's sustainability strategy, goals, and reporting. In 2024, we advanced the rollout of our sustainability reporting framework across component companies, enabling more comprehensive and aligned ESG disclosures.

Our commitment to responsible investment remained strong. Guided by our Responsible Investment Policy, we integrated ESG considerations into capital allocation and strategic decision-making. We focused on sustainable investments, engaged closely with our component companies to support their ESG journeys, and upheld ethical investment standards that reflect our vision of inclusive and long-term national development.

In support of this vision, we upheld a strong governance framework built on transparency, accountability, and ethical leadership. We also continued to conduct regular board and committee self-assessments to promote continuous improvement and ensure the effectiveness of our leadership practices.

A notable highlight of the year was the doubling of cash dividends by both Metrobank and GT Capital, including the declaration of special dividends. This milestone not only reflects the Group's financial strength but also reinforces our commitment to delivering meaningful returns to our shareholders, further linking responsible governance with long-term strategic growth.

Our ESG journey in 2024 reflects a disciplined and forward-looking approach. We continue to balance sustainability ambitions with business performance, ensuring transparency, trust, and value creation for all our stakeholders.

Leveraging Human Capital for Success

Underlying GT Capital's competitiveness is our commitment to developing our human capital. Our strategy is focused on a culture of excellence: we recruit talent with high potential and extensive experience, retain them through competitive compensation packages, and foster a workplace environment that promotes professional growth, job satisfaction, and employee welfare.

We partner with third-party assessment centers to objectively assess candidates' individual competencies, organizational fit, and flight risk. Each employee has an individualized development plan to solidify their strengths and address competency improvement needs. Various continuing education options such as certifications, diploma programs, and postgraduate degrees are sponsored while a secondment program that challenges employees to leverage their skills and expertise in new environments is conducted to nurture leadership skills. These initiatives prove instrumental in optimizing talent for retention and succession.

As we look to 2025 and beyond, we remain focused on building long-term value by strengthening our core businesses and deepening the synergies within our diverse portfolio. We approach this next chapter with clarity, discipline, and a renewed commitment to sustainable, inclusive growth.

In addition to government-mandated benefits, GT Capital's compensation packages include emergency and housing loan programs at preferential rates, a car plan with a sharing scheme for middle managers, and company-assigned vehicles for executives. The company also ensures they feel safe and secure in a workplace environment that upholds their rights and their dignity. Diversity, inclusivity, and non-discrimination are observed at all levels in the organization. GT Capital is taking steps to eliminate pay disparities between male and female employees, create a workplace free from harassment, violence, intimidation, and discrimination, and prevent discrimination based on factors irrelevant to job performance.

Reflecting our strong commitment to corporate governance, we at GT Capital strictly adhere to our Code of Discipline, ensuring that all employees conduct business with honesty and integrity. Since the company's inception, it has been this integrity coupled with business excellence that make us the preferred strategic partner of global brands to enter the country. It is this strength that continues to drive the company forward as we seek more ways to deliver on our promise of sustainable progress.

Driving Value Creation into 2025 and Beyond

As we look to 2025 and beyond, we remain focused on building long-term value by strengthening our core businesses and deepening the synergies within our diverse portfolio. We approach this next chapter with clarity, discipline, and a renewed commitment to sustainable, inclusive growth.

Across our key sectors—banking, automotive, property, insurance, and infrastructure—we are strategically deploying capital to support operational enhancements, digital transformation, and market expansion. These investments are guided by a deliberate focus on maximizing returns, reinforcing financial resilience, and enabling our business components to thrive within an integrated value chain.

At the parent level, we have earmarked resources for strategic investments, debt management, and new initiatives that will strengthen our foundation and allow us to move decisively when the right opportunities arise.

Federal Land is focused on advancing high-impact developments that respond to evolving urban and residential needs. TMP continues to build on its strong market position through innovation and operational excellence. Metrobank is investing in key technological upgrades to elevate customer experience, efficiency, and risk management. Meanwhile, our insurance, automotive financing, and dealership operations are aligned with our broader strategy and continue to contribute meaningfully to Group performance.

We are also taking measured steps to evaluate opportunities for future diversification. While our immediate focus remains on strengthening existing operations, we remain open to exploring complementary sectors that align with our values and long-term growth objectives.

Our plans are supported by a prudent capital management approach, leveraging internally generated funds alongside strategic financing. This ensures we maintain flexibility while pursuing our vision of sustained growth and nation-building.

As always, we thank you—our shareholders, partners, and stakeholders—for your trust and support. Together, we will continue to build on our achievements, explore new possibilities, and shape a future anchored on shared progress and enduring value.

FRANCISCO C. SEBASTIAN
Chairman

CARMELO MARIA LUZA BAUTISTA
President

19 Introduction **Value Creation Story** Strategy and Performance Business Review Leadership and Governance Annex

Value Creation Story

Pushing Boundaries **Achieving More** GT Capital Holdings Incorporated 2024 Integrated Report

Commitment to Responsible Investment

GRI: 2-23, 2-24, SASB: FN-AC-410a.2, IFRS S1: 29, IFRS S2: 9

GT Capital is committed to creating long-term shareholder value, not only for its capital providers but also for the communities in which it operates. Its Responsible Investment Policy governs the Company's investment decisions, whereby ESG factors are given importance thus leading to better risk management, enhanced opportunities, and sustainable long-term returns. GT Capital's responsible stewardship of its resources also contributes to the nation's sustainable development.

Commitment to shareholders

GT Capital is committed to protecting shareholders' long-term interests through sustainable investments that deliver lasting returns. Guided by the Principles of Responsible Investment, it invests in well-managed businesses addressing ESG risks and opportunities to create steady value over time.

Commitment to integrate ESG factors in the investment process

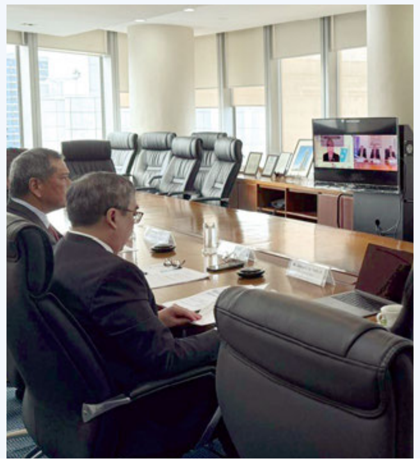
GT Capital integrates ESG principles into investment analysis and strategic decision-making to align with its vision, mission, and values. The company prioritizes investments that contribute to sustainable development, address ESG risks, and support its long-term goals through strategic partnerships.

Commitment to engage with our operating companies on ESG

GT Capital collaborates with its operating companies to advance their ESG goals and collectively build a more sustainable economy. The company remains committed to adapting evolving approaches over time, leveraging shared expertise and evolving standards to enhance its ESG journey.

Commitment to relevant, reliable, and transparent ESG disclosures for our stakeholders and investors

GT Capital is committed to providing relevant, reliable, and transparent ESG disclosures by adopting global sustainability reporting frameworks and emulating best practices. The company actively engages its operating companies to ensure comprehensive reporting and includes updates on its Responsible Investment Policy in its annual sustainability report.



Commitment to the Exclusion List

GT Capital upholds its commitment to ethical and responsible investing by refraining from direct investments in companies or entities engaged in activities that are harmful, exploitative, or in violation of human rights and environmental laws.

Value Creation Model

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

Input

Financial Capital

- Active, diversified portfolio supports the Philippines' economic growth
- Strength lies in solid balance sheet, steady cash flow, and smart capital use
- Ready to pursue future investments

Manufactured Capital

- Presence in key industries with strong nationwide footprint in strategic locations
  - **74** TMP dealerships
  - **960** Metrobank branches
  - Over **75** Federal Land residential, retail, office, commercial, hotel, and township projects
- **Php5.5B** investment for the local manufacturing of the Next Generation Tamaraw in addition to the Vios and Innova models assembled domestically (TMP)

Intellectual Capital

- Local business expertise combined with global prowess of best-of-class strategic partners from Japan, France, US, and Hong Kong among others

Human Capital

- Ensuring the training and development, welfare, well-being, and health and safety of a **43,000+**-strong workforce
- Workforce with high potential and extensive experience

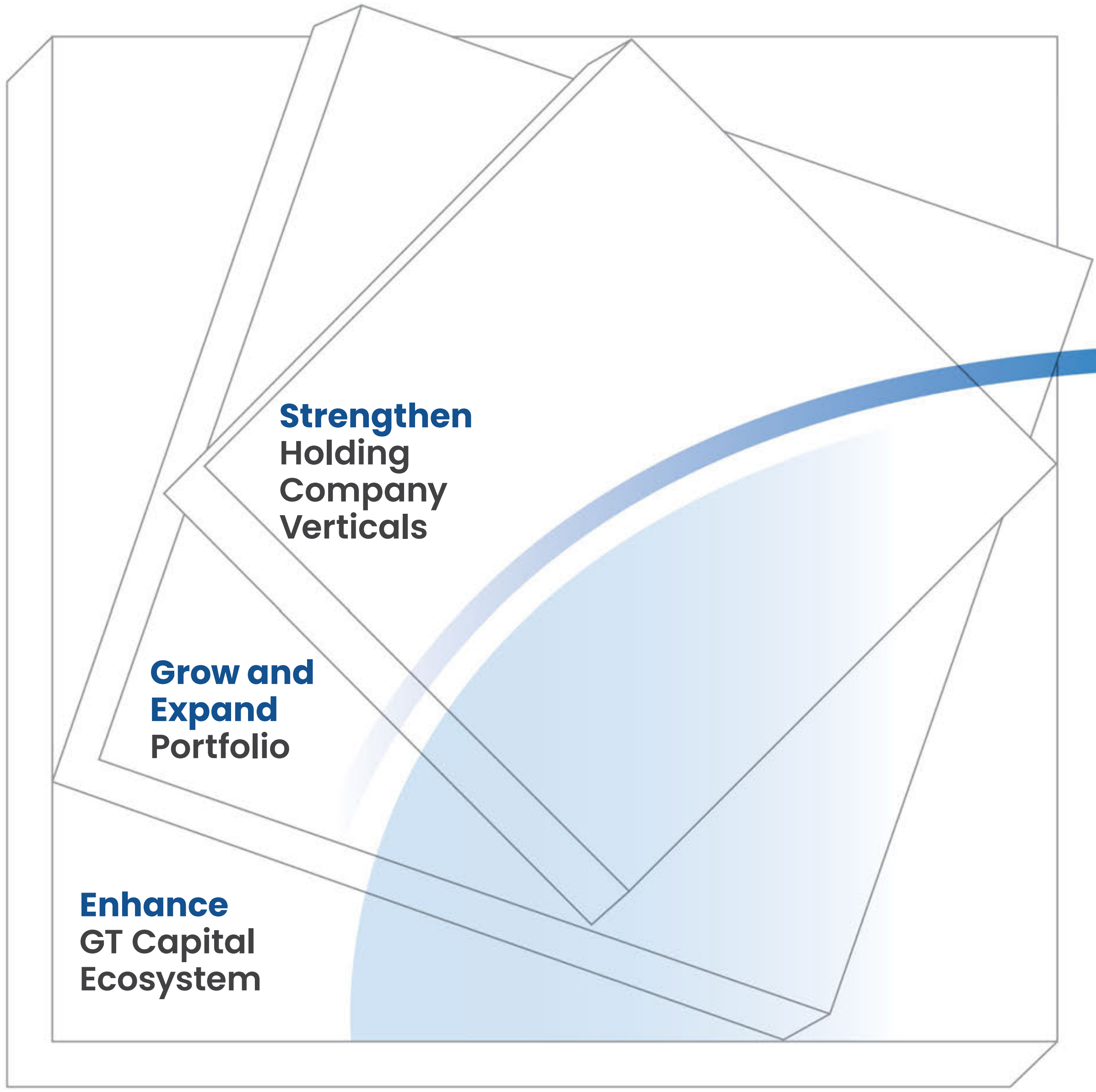
Social & Relationship Capital

- Strong relationship with investors, business partners, clients, communities, financial institutions, government bodies, and other stakeholders
- Corporate social responsibility activities to support communities and create positive impact

Natural Capital

- Responsible stewardship through programs and policies that help address environmental and biodiversity concerns

Our Vision page 4
Our Mission page 4
Our Corporate Values page 4



External Environment and Outlook page 36
Risks & Opportunities page 38
Business Strategy page 49
Our Performance page 50

Output / Value Created for Stakeholders

Investors / Shareholders

- Consolidated net income attributable to parent of **Php28.8B**
- Consolidated Earnings per Share of **Php132**
- Parent company's dividend income jumped by 83% to **Php17.9B**

Refer to Financial Highlights on page 10

Government

- TMP remitted **Php43.91B** in duties and taxes, was the 2nd highest contributor in the PH
- Localization of **50%** of the Vios model; donation of a Toyota Coaster mobile laboratory to Sta. Catalina, Ilocos Sur (TMP)
- **363** jobs generated by promoting domestic vehicle manufacturing (TMP)

Businesses

- Sustainable financing for infrastructure, energy, and water projects amounted to **Php62.9B** (Metrobank)
- Sold **31,689** units of customizable Hilux and Lite Ace models for business use (TMP)
- Launched the Next Generation Tamaraw—the 3rd locally assembled model—for personal and commercial use (TMP)
- MicroBiz Protect Jr. to help protect small and medium businesses (AXA Philippines)
- Strategic locations for tenants in Mitsukoshi BGC, Grand Hyatt Manila, and Met Park (Federal Land)

Customers

- Sold **218,019** units to capture a **46.5%** market share (TMP)
- **17%** loan growth; cited as the strongest PH bank for the 4th straight year by the Asian Banker Awards (Metrobank)
- Platinum Seal Award from the 2024 Reader's Digest Trusted Brands Awards (AXA Philippines)
- Bagged **40** awards from 7 prestigious award-giving bodies (Federal Land)

Communities

- Positive impact through grants and contributions from the group's foundations:
  - **627** scholars under formal education programs (GTFI)
  - **35** socio-civic organizations received **Php72.8M** in financial assistance (MBFI)
  - **382** beneficiaries of health programs amounting to **Php51M**; **1,203** beneficiaries of education programs (Toyota Foundation)

Environment

- Carbon neutrality through sustainable mobility solutions in line with the Beyond Zero vision
  - **7** Toyota and **10** Lexus xEV models; xEVs can cut carbon emissions by up to **38%** and are up to **53%** more fuel efficient versus ICEs (TMP)
  - Pledged **Php3M** for the Tamaraw Conservation Program, **Php500K** for Bantay Tamaraw kits (TMP)
- Decarbonizing its portfolio, supporting the shift to renewables (Metrobank)
  - Capping term loan exposure to coal at **3%** of total portfolio by 2033, and at **2%** by 2037
  - Funding renewable energy projects
- Net-Zero portfolio by 2050 by integrating ESG criteria into future investments (AXA Philippines)

Employees

- Total training hours for capacity building recorded at **1,174,037**, up **7%** yoy
- **80,730,221** total safe man hours across the group
- Investing in employee well-being through competitive compensation and benefits
- **43%** of the workforce are women, reflecting a commitment to diversity and inclusion

Contribution to the UN SDGs

To contribute to sustainable development, GT Capital aligns its business and social initiatives with key sustainability, creating long-term value for its stakeholders.

The Company regularly evaluates and refines its focus areas based on the strengths of its operating companies, investment priorities, and current global and local challenges. Through this process, the Group has identified priority SDGs that align with its business strategies and its corporate social responsibility (CSR) initiatives, ensuring the greatest positive impact.

This dynamic approach enables GT Capital to integrate ESG considerations into decision-making, and strengthen its commitment to responsible and purpose-driven business practices.

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.

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.

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.

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.

METRO PACIFIC INVESTMENTS

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

GT Foundation

GTFI reaffirms its commitment to uplifting communities, fostering self-reliance, and promoting social responsibility through its legacy programs, educational initiatives, grants, and outreach activities. The Foundation remains steadfast in its mission to support the less privileged and contribute to nation-building through healthcare, education, livelihood, and sustainable development.

Metrobank Foundation

MBFI reaffirms its unwavering commitment to excellence in public service, support for Philippine art, dedication to education through scholarships and teacher support and active engagement with social development organizations to implement programs focused on health, education, livelihood, and disaster risk reduction and management. Guided by the philosophy "A Heart that Serves," the foundation continues to embody the legacy of generosity instilled by its founder, Dr. George S.K. Ty, believing that nation-building thrives when driven by selfless dedication and collective action.

SDG	GT Capital	Metrobank	Toyota	Federal Land	AXA	Metro Pacific Investments	Metrobank Foundation	GT Foundation
1 No Poverty	●	●			●		●	●
2 Zero Hunger		●					●	●
3 Good Health and Well-Being	●		●		●			●
4 Quality Education	●	●	●				●	●
5 Gender Equality					●			
7 Affordable and Clean Energy					●			
8 Decent Work and Economic Growth	●	●	●	●			●	
9 Industry, Innovation and Infrastructure		●				●	●	
10 Reduced Inequalities					●			
11 Sustainable Cities and Communities	●			●				
12 Responsible Consumption and Production			●			●		
13 Climate Action	●		●		●			
14 Life Below Water					●			
15 Life on Land					●			
17 Partnerships for the Goals								●

Approach to Materiality

GRI: 3-1, 3-2, 3-3; IFRS SI: 17-18

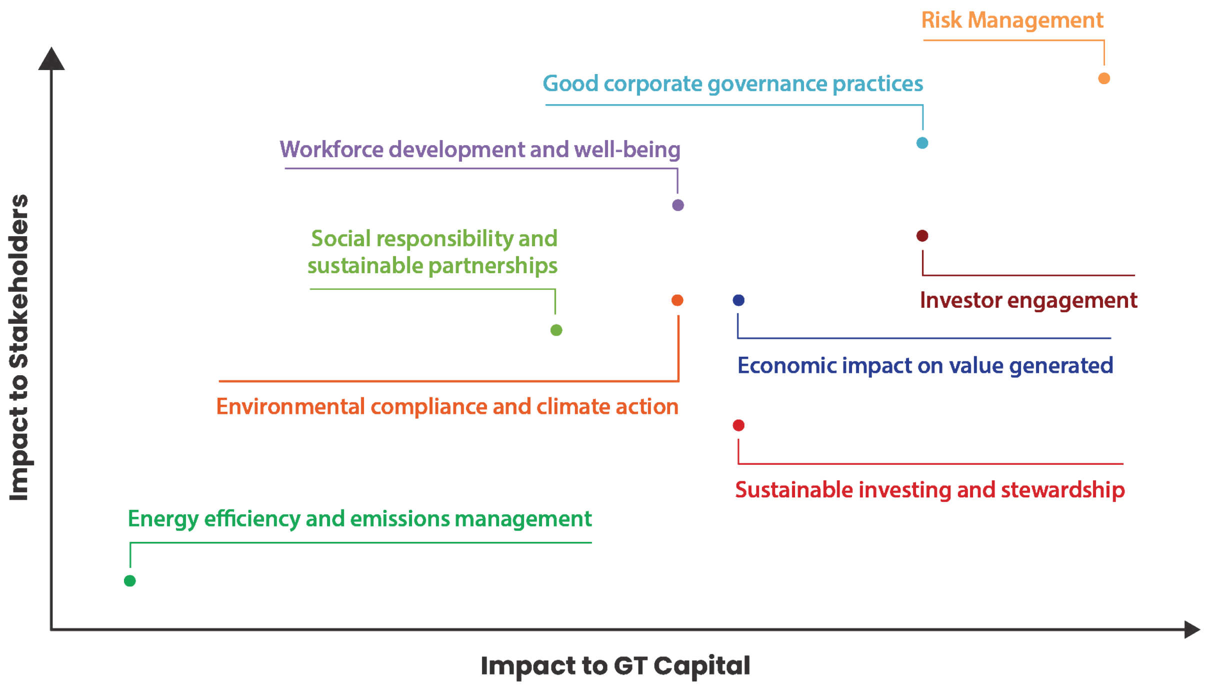
GT Capital regularly conducts a materiality assessment to identify the trends and factors that impact its business environment the most. This assessment provides the Company with strategic direction to ensure that it prioritizes the most relevant economic, environment, social, and governance (EESG) issues that affect both the business and the stakeholders. This assessment is done every three years, with the latest round completed for 2024.

A stakeholder and employee survey was conducted to capture insights on key sustainability issues. The results were evaluated using a double materiality approach, pinpointing the material topics' impact on stakeholders and the company.

For the 2024 assessment, GT Capital reviewed the 2021 results and used the findings as reference point for its sustainability priorities and strategies, using the United Nations Sustainable Development Goals (UN SDGs), Global Reporting Initiative (GRI), and Sustainability Accounting Standards Board (SASB) as guide.

The results of the Materiality Assessment and Stakeholder Engagement allows the Board through its Risk & Sustainability Committee (RSOC) to identify and prioritize key risks, and enables the prioritization of resources through informed, balanced recommendations that guide GT Capital and its operating companies toward sustainable growth. This is integral to the company's Enterprise Risk Management process.

With the assessment, GT Capital refined its focus areas, ensuring that its sustainability strategy is data-driven and responsive to stakeholders' expectations.



Streamlined 2024 Materiality Topics

Economic

2021 Survey		2024 Survey	
Topic	**Description**	**Topic**	**Description**
Economic Performance	This includes the economic value generated and distributed (EVG&D) by an organization; its defined benefit plan obligations; the financial assistance it receives from any government; and the financial implications of climate change.	**Economic impact on company value generated**	This covers the economic value generated and distributed (EVG&D) by the organization, including its influence on stakeholders and communities through direct contributions and changes in the productive potential of the economy. It also addresses defined benefit obligations, external financial assistance, and the financial implications of climate change.
Indirect Economic Impact	A change in the productive potential of the economy that has an influence on a community's or stakeholder's well-being and longer-term prospects for development.		
Sustainable investing and stewardship	An investment discipline that considers environmental, social, and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact.	**Sustainable investing and stewardship**	An investment discipline that considers environmental, social, and corporate governance (ESG) criteria to generate long-term competitive financial returns and positive societal impact.

Environmental

2021 Survey		2024 Survey	
Topic	**Description**	**Topic**	**Description**
Environmental Compliance	An organization's compliance with environmental laws and/or regulations. This includes compliance with international declarations, conventions and treaties, as well as national, sub-national, regional, and local regulations.	**Environmental compliance and climate action**	This encompasses the organization's adherence to environmental laws, regulations, and international agreements, alongside efforts to reduce greenhouse gas emissions and enhance resilience to climate-induced impacts, ensuring sustainability and regulatory alignment.
Climate Action	Stepped-up efforts to reduce greenhouse gas emissions and strengthen resilience and adaptive capacity to climate-induced impacts.		
Energy Efficiency	An organization can consume energy in various forms, such as fuel, electricity, heating, cooling or steam. Energy can be self-generated or purchased from external sources and it can come from renewable sources (such as wind, hydro or solar) or from non-renewable sources (such as coal, petroleum or natural gas).	**Energy efficiency and emissions management**	This covers the organization's efforts to optimize energy consumption from renewable and non-renewable sources, including fuel, electricity, and heating, while managing emissions such as greenhouse gases (GHG), ozone-depleting substances (ODS), and other air pollutants (e.g., NOX and SOX). It emphasizes reducing environmental impact, supporting climate change mitigation, and aligning with international frameworks like the UN Framework Convention on Climate Change and the Kyoto Protocol.
Emissions Management	The discharge of substances from a source into the atmosphere. Types of emissions include: greenhouse gas (GHG), ozone-depleting substances (ODS), and nitrogen oxides (NOX) and sulfur oxides (SOX), among other significant air emissions. GHG emissions are a major contributor to climate change and are governed by the United Nations (UN) 'Framework Convention on Climate Change' and the subsequent UN 'Kyoto Protocol'.		

Approach to Materiality continued

Social

2021 Survey		2024 Survey	
Topic	**Description**	**Topic**	**Description**
Employment	An organization's approach to employment or job creation, that is, an organization's approach to hiring, recruitment, retention and related practices, and the working conditions it provides.	**Workforce development and well-being**	This encompasses the organization's commitment to fostering a safe, healthy, and inclusive workplace that promotes employee well-being and respects human rights. It includes practices for hiring, recruitment, retention, and labor-management relations, as well as occupational health and safety measures to prevent harm and promote mental and physical health. The topic also addresses diversity, equity, and inclusion initiatives to ensure equal opportunities and representation, alongside robust training and education programs to enhance employee skills and career development. Furthermore, it considers the organization's adaptability and resilience in responding to challenges such as pandemics, ensuring continuity and support for employees during crises.
Human Rights	Are the basic rights and freedoms that belong to every person in the world, from birth until death.		
Labor/Management Relations	An organization's consultative practices with employees and their representatives, including its approach to communicating significant operational changes.		
Occupational Health and Safety	Healthy and safe work conditions involve both prevention of physical and mental harm, and promotion of workers' health. Prevention of harm and promotion of health require an organization to demonstrate commitment to workers' health and safety. They also require the organization to engage workers in the development, implementation, and performance evaluation of an occupational health and safety policy, management system and programs that are appropriate to the organization's size and activities.		
Pandemic			
Diversity, Equity, and Inclusion	When an organization actively promotes diversity and equality at work, it can generate significant benefits for both the organization and workers. For example, the organization can gain access to a larger and more diverse set of potential workers. These benefits also flow through to society in general, as greater equality promotes social stability and supports further economic development.		
Training and Education	An organization's approach to training and upgrading employee skills, and performance and career development reviews. It also includes transition assistance programs to facilitate continued employability, and the management of career endings due to retirement or termination.		

Social

2021 Survey		2024 Survey	
Topic	**Description**	**Topic**	**Description**
Local Communities	Defined as persons or groups of persons living and/or working in any areas that are economically, socially or environmentally impacted (positively or negatively) by an organization's operations. The local community can range from persons living adjacent to an organization's operations, to those living at a distance who are still likely to be impacted by these operations. An organization's activities and infrastructure can have significant economic, social, cultural, and/or environmental impacts on local communities. Where possible, organizations are expected to anticipate and avoid negative impacts on local communities. Establishing a timely and effective stakeholder identification and engagement process is important to help organizations understand the vulnerability of local communities and how these might be affected by the organization's activities.	**Social responsibility and sustainable partnerships**	This topic encompasses the organization's commitment to fostering positive socioeconomic, cultural, and environmental impacts on local communities while addressing potential adverse effects. It includes proactive stakeholder engagement to identify and mitigate vulnerabilities, ethical marketing and labeling practices to ensure transparency and consumer trust, and strict adherence to socioeconomic compliance standards. Additionally, it emphasizes responsible supply chain practices, such as conducting social assessments of suppliers to prevent and mitigate negative social impacts.
Marketing and Labeling			
Socioeconomic compliance			
Supplier Social Assessment	This includes impacts the organization either causes or contributes to, or that are directly linked to its activities, products, or services by its relationship with a supplier. It can provide information about an organization's approach to preventing and mitigating negative social impacts in its supply chain.		

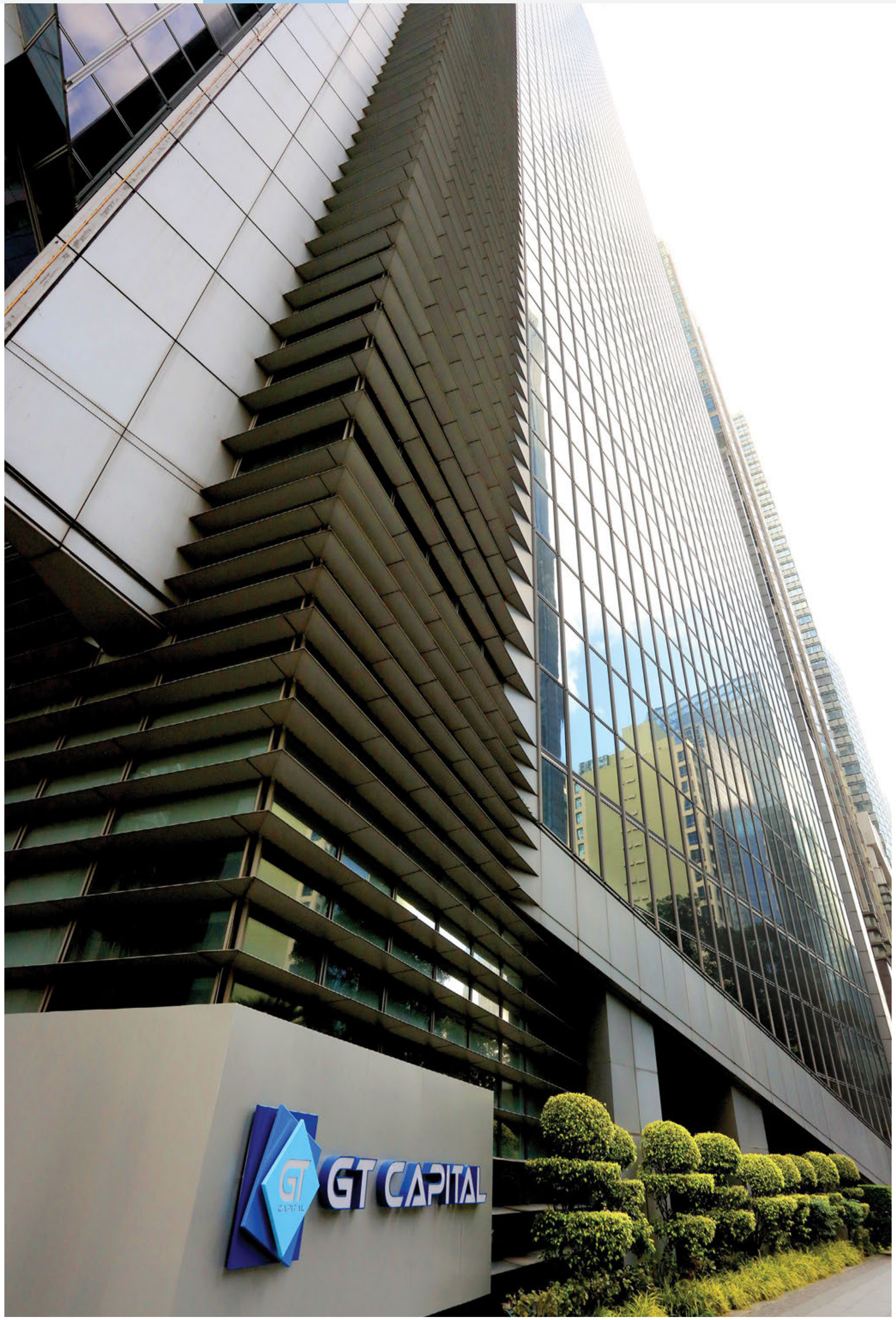
Approach to Materiality continued

Governance

2021 Survey		2024 Survey	
Topic	**Description**	**Topic**	**Description**
Corporate Governance	Is the system of rules, practices and processes by which a company is directed and controlled.	**Good corporate governance practices**	This encompasses the organization's commitment to a robust system of rules, practices, and processes that ensure effective direction and control. It includes fostering board diversity to enhance decision-making and accountability, as well as promoting integrity, ethics, and transparency through strong values and policies.
Board Diversity	One of the central arguments cited for improving the diversity of demographic characteristics such as gender, race, and ethnicity on corporate boards is that such diversity is necessary to ensure that boards are able to perform their obligations effectively in today's competitive business landscape.		
Integrity, Ethics, and Transparency	Company values, policies, and efforts to enhance integrity and transparency within the organization.		
Risk Management	The process of identifying, assessing and controlling threats to an organization's capital and earnings.	**Risk management**	This encompasses the organization's approach to identifying, assessing, and mitigating threats to its capital, earnings, and operations. It includes safeguarding data privacy and security by ensuring the proper handling, storage, and protection of personal information against unauthorized access or malicious attacks.
Data Privacy and Security	Data privacy or information privacy is concerned with proper handling, processing, storage and usage of personal information. It is all about the rights of individuals with respect to their personal information. On the other hand, data security is focused on protecting personal data from any unauthorized third-party access or malicious attacks and exploitation of data.		
Investor engagement	Any communication between a company and its investors. These communications serve many purposes, including attracting new capital, increasing liquidity for company stock, and enhancing transparency of information regarding company performance and operations.	**Investor engagement**	Any communication between a company and its investors. These communications serve many purposes, including attracting new capital, increasing liquidity for company stock, and enhancing transparency of information regarding company performance and operations.

Based on the survey results, Risk Management, including data privacy and security, emerged as the most impactful material topic for both GT Capital and its stakeholders. This underscores the increasing emphasis on safeguarding sensitive information and ensuring operational resilience in a rapidly evolving digital landscape.

For a diversified group like GT Capital, which operates across banking, automotive, real estate, insurance, and infrastructure, strong risk management and robust data privacy and security measures are critical to maintaining trust, compliance, and business continuity. Ensuring the confidentiality and security of customer data is paramount, given the increasing prevalence of cyber threats and financial fraud. As digital transformation accelerates across industries, the growing reliance on technology, data analytics, and AI further amplifies the need for stringent cybersecurity frameworks. Failure to effectively manage risks can lead to financial losses, reputational damage, and regulatory penalties, making it imperative for GT Capital to continuously strengthen its risk governance and security protocols to safeguard its businesses and stakeholders.



Our Stakeholders

GRI: 2-6, 2-25, 2-26, 2-29

GT Capital recognizes that consistent and transparent engagements with its stakeholders foster trust resulting in the sustainable growth of the Company. Various engagement strategies are conducted to hear their views and respond promptly to their needs and concerns.

Aside from the materiality survey, GT Capital regularly conducts dialogues, consultations, and feedback mechanisms with its key stakeholders. This open line of communication strengthens the Company's commitment for continuous improvement and accountability.

Stakeholders	Issues and 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 Officer • 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	• 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
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's Economic Value Distributed to Stakeholders

Employee wages and benefits (In Php Billion)

2024	4,206
2023 (as restated)	3,621
2022	3,441

Investors and Loan Providers (In Php Billion)

2024	9,394
2023 (as restated)	8,899
2022	8,379

Communities (In Php Billion)

2024	40
2023 (as restated)	41
2022	4

Suppliers (In Php Billion)

2024	16,403
2023 (as restated)	14,467
2022	11,840

Government (In Php Billion)

2024	9,131
2023 (as restated)	9,004
2022	4,450

Toyota Motor Philippines (TMP) recognized by the Bureau of Customs (BOC) as the country's top duties and tax contributor in 2024.

In photo (from left) are Philippine President Ferdinand Marcos, Jr., BOC Commissioner Bienvenido Y. Rubio, and TMP Senior Vice President for Comptrollership Dennis Ben-Hur Escuro.

Photo courtesy: BOC

Strategy and Performance

External Environment

Operating in a dynamic landscape, GT Capital proactively monitors potential developments, adapts its strategy with a keen awareness of global complexities, and remains steadfast in its commitment to delivering value for its stakeholders.

Macroeconomic:

While global growth slows, the Philippines continues its momentum.

While global interest rates are expected to decline, the extent and timing of the projected rate cuts remain to be uncertain. The recent developments in global trade tensions point to a slower pace of rate cuts in 2025 with rising fears of a global economic slowdown.

On the local front, the Philippines is expected to continue its strong growth momentum ahead of ASEAN peers. Its GDP expanded by 5.7% in 2024, propelled by robust domestic demand. With easing inflation rates heading into 2025, the country is poised for further growth supported by a strong labor market, increasing OFW remittances, and an expanding BPO sector.

Geopolitical:

Geopolitical issues threaten the global economy.

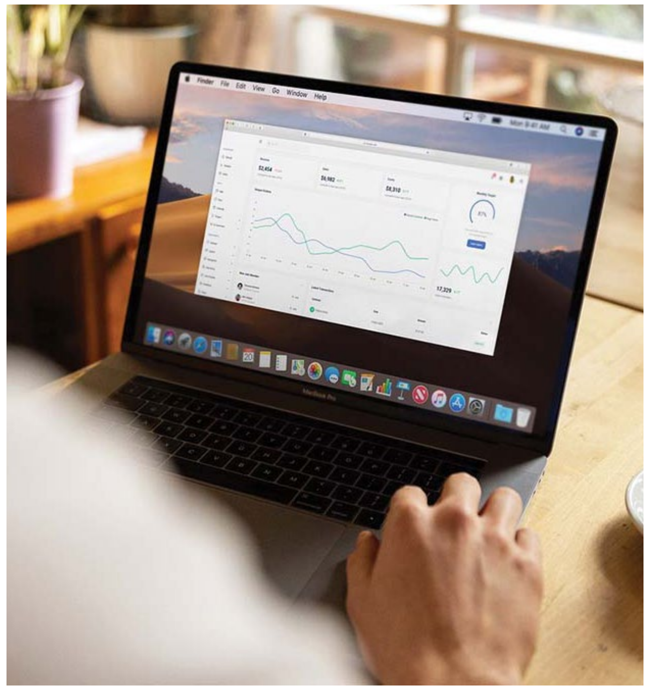
Tension between the Philippines and China over the West Philippine Sea territorial dispute remains high. An escalation may negatively affect trade between the two countries since China is one of the Philippines' biggest export markets. Meanwhile, the Ukraine-Russia war and the Middle East War (Israel-Hamas) pose risks for the commodity prices and inflation impacting energy and food security. The Trump administration's trade policies may also affect goods prices and disrupt supply chains if and when the trade tariffs are implemented. As a major contributor, the withdrawal of the US from the Paris agreement will impact climate financing especially for vulnerable countries such as the Philippines.

Regulatory:

Regulations championing sustainability are being implemented progressively.

The Philippines is reinforcing its low carbon transition through new legislations, the proposed Low Carbon Economy Investment Act which pave the way for companies to develop decarbonization plans among other initiatives.

Meanwhile, the Securities and Exchange Commission is set to adopt in the coming years the International Sustainability Standards Board and mandate sustainability disclosures for publicly listed companies and large corporations. This phased approach allows companies to gradually align their



reporting processes with international standards, improving transparency and comparability across the market.

Natural Disasters and Climate:

The Philippines topped the World Risk Index yet again.

The escalating effects of climate change present a significant challenge to the Philippines. The World Risk Index 2024 named the Philippines as the most high-risk out of 193 countries. With worsening realities, the country struggles to implement adaptive capacities to effectively build resilience against these threats. The Philippines has, therefore, placed adaptation at the core of the nation's long-term development strategies with majority of the climate budget going into adaptation measures such as the nationwide flood management program and food security.

Digitalization & Cybersecurity:

With the rise of digital innovation, cybersecurity must follow.

Philippine business leaders are increasingly embracing artificial intelligence (AI) as an integral part of their growth strategies in enhancing operations, decision-making and customer experience. The PwC 2025 Global CEO Survey revealed that 75% of Philippine CEOs express strong confidence in utilizing artificial intelligence (AI) as part of their core business processes. As digital transformation progresses, comes the necessity for robust cybersecurity in a landscape where the Philippines has been experiencing constant cyber-related losses for more than P5 billion as reported by the Bangko Sentral ng Pilipinas (BSP). Meanwhile, the 2024 Global Cybersecurity Skills Gap Report by Fortinet stated that the country is experiencing a shortage of skilled IT professionals. Despite these challenges, the Philippines is making strides in cybersecurity, climbing to 53rd position in the 2024 United Nations Global Cybersecurity Index which is supported by the government's strong focus on strengthening cybersecurity through the National Cybersecurity Plan 2023-2028, spearheaded by the Department of Information and Communications Technology (DICT).

Risks and Opportunities

GRI: 2-25, IFRS S1: 30-42, 44, IFRS S2: 10, 22, 25

Risk Management in Context

The risk-taking of a holding company is linked to and largely driven by the risk exposures of its operating companies, which are the primary source of revenue. 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. The Risk Taxonomy of the organization covers the external risk drivers which influences 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 cultivates a forward-looking and proactive mindset for risk managers within the group.

Risk Management Building Blocks

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

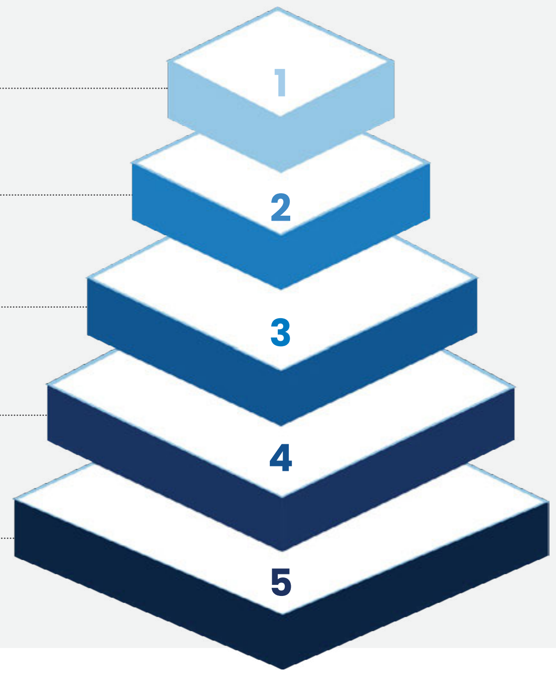
1 **Risk Governance & Oversight**

2 **Risk Appetite & Strategy**

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

4 **Risk Management Function**

5 **Risk Culture**



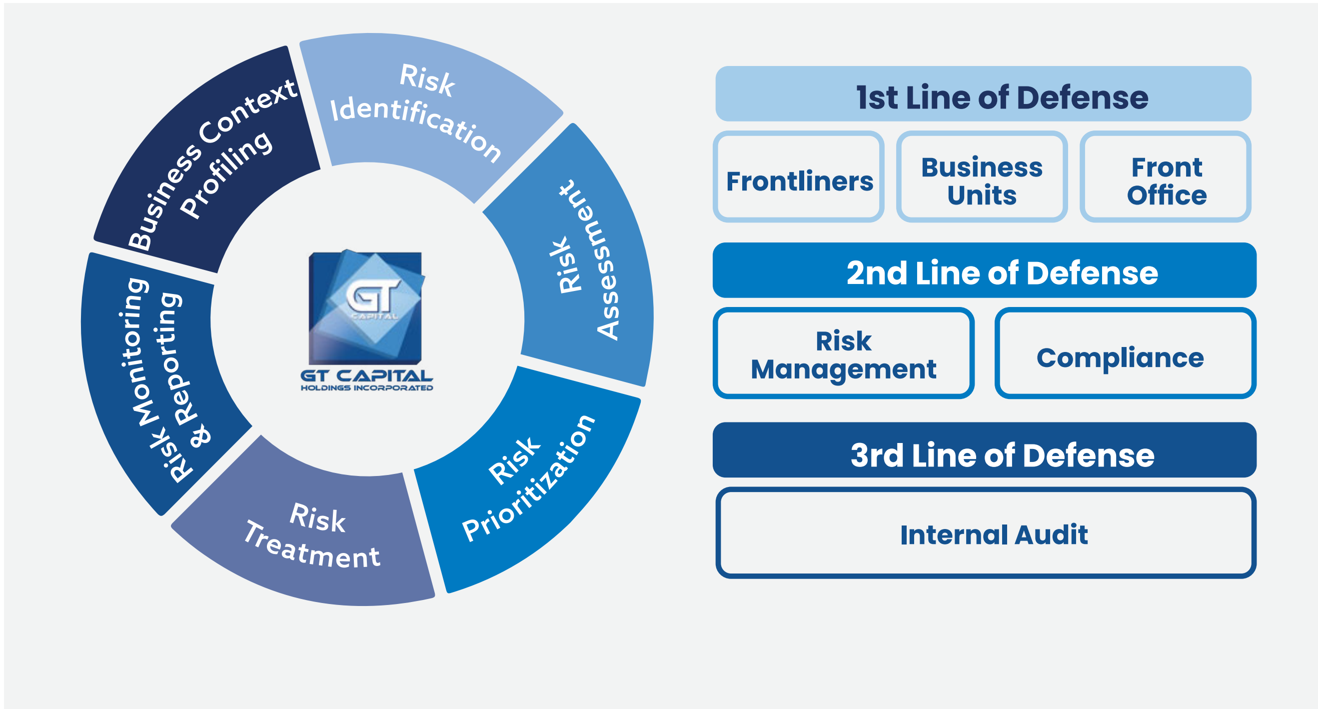
Enterprise Risk Management Standards

GT Capital has adopted an Enterprise Risk Management ("ERM") Policy and Framework for the promotion for risk awareness, 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 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 regular assessment of its risks using methodologies aligned with global risk management standards - ISO 31000 and COSO Framework.

Enterprise Risk Management Process

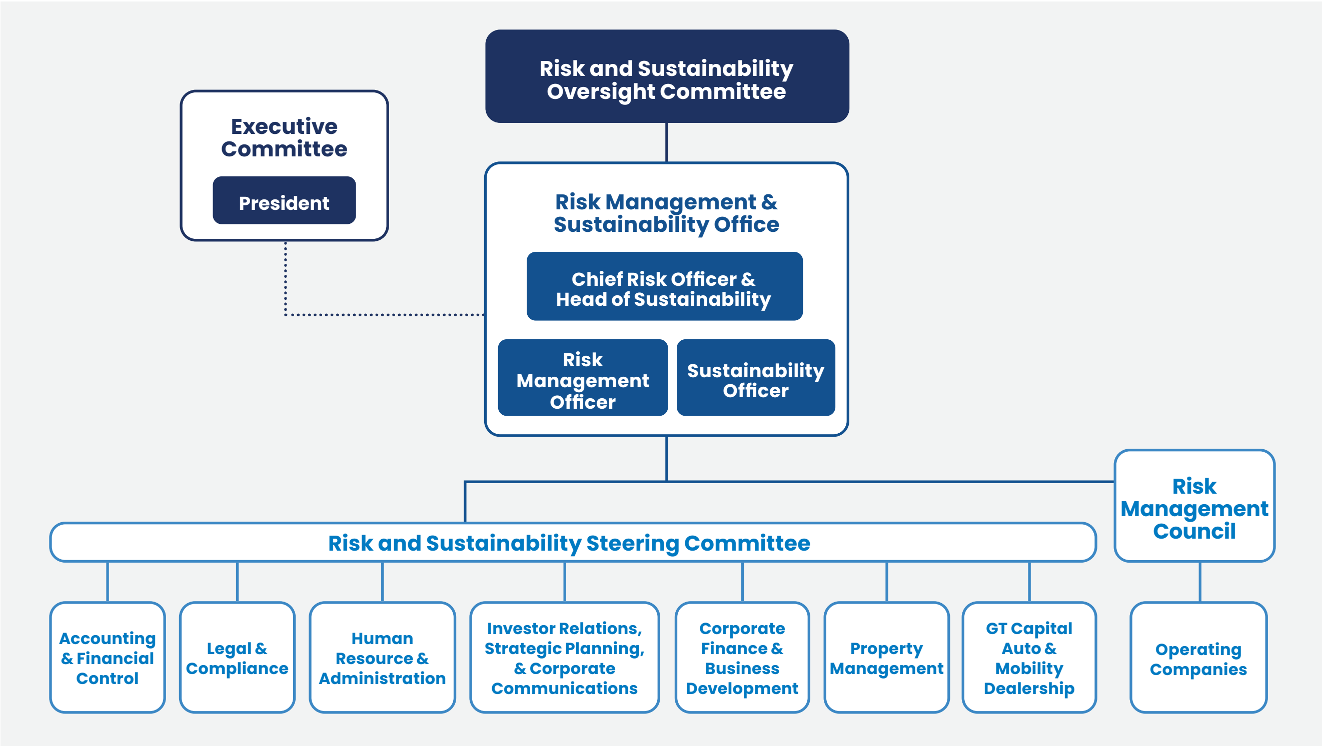
The company follows the three lines of defense model integrating risk management in the day-to-day activities of the business. All employees are trained and expected to participate and be responsible in the implementation of the Enterprise Risk Management Process which is comprised of the following steps. Moreover, risk management is included in the investment due diligence process in ensuring that the proper risks are accounted for before any potential investments.



Risks and Opportunities continued

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 Risk and Sustainability Oversight Committees ("RSOC") meetings are performed on a quarterly basis covering the group's risk exposures including its operating companies.



The Board of Directors, through the Risk and Sustainability Oversight Committee ("RSOC"), 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. The 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 & Sustainability Steering Committee ("RSSC") members** are composed of heads of departments at the parent level who are responsible for the oversight of risk exposures across the group and the strategic risk management for the portfolio of investments.

The **Risk Management Council members** are composed of representatives from the operating companies who serve as champions for the identification, assessment, and monitoring of key risks, and the establishment of countermeasures in collaboration with the business units.

The **Internal Audit Department** provides an independent assurance of the effectiveness of the risk management process. In accordance with the Risk Management 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 & Sustainability Oversight Committee, and are addressed accordingly.

In December 2024, the Internal Audit Department (IAD) performed an audit on the Enterprise Risk Management Framework's implementation and controls which resulted in an overall rating of satisfactory indicating that controls are in place and performing as designed. Furthermore, a joint statement is signed and approved by the Board on the adequacy and effectiveness of the Corporation's internal controls and risk management system. The enterprise risk management process is expected to be audited once every two years based on the internal audit's risk assessment.

Risk Appetite & Strategy

Risk Management's goal is to provide 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, with specific guiding thresholds and key metrics are reviewed and approved by the RSSC and RSOC on an annual basis.

VISION STATEMENT

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.

RISK APPETITE STATEMENT

Strategic Driver	Risk Type	Risk Appetite Statement
Diversification and Synergy, Sustainability	Strategic Risk	Maintain a stable, synergistic portfolio of strategic partnerships that creates, delivers, and captures value to our stakeholders towards sustainable nation-building.
Earnings, Liquidity	Profitability Risk	Maintain stable earnings and growth able to withstand foreseen risks in extreme but plausible scenarios.
	Liquidity Risk	Always ensure stable and efficient access to funding and liquidity.
Operational Risk	Operational Risk	Maintain operational stability within business operating capacity.
	Business Continuity Risk	To ensure resilience and continuity of critical operations and quickly recover during and after disruptions.
	Cybersecurity Risk	To ensure resilience and continuity of critical operations and quickly recover during and after cybersecurity and information security risk disruptions.
	People Risk	To engage, retain and develop talent by fostering a culture of growth, satisfaction, and excellence to drive collective success
Regulatory	Regulatory Risk	Maintain a positive brand reputation to uphold stakeholder confidence at all times.
Reputation	Reputational Risk	Maintain the highest-level standards of corporate governance.

Risk Management Culture

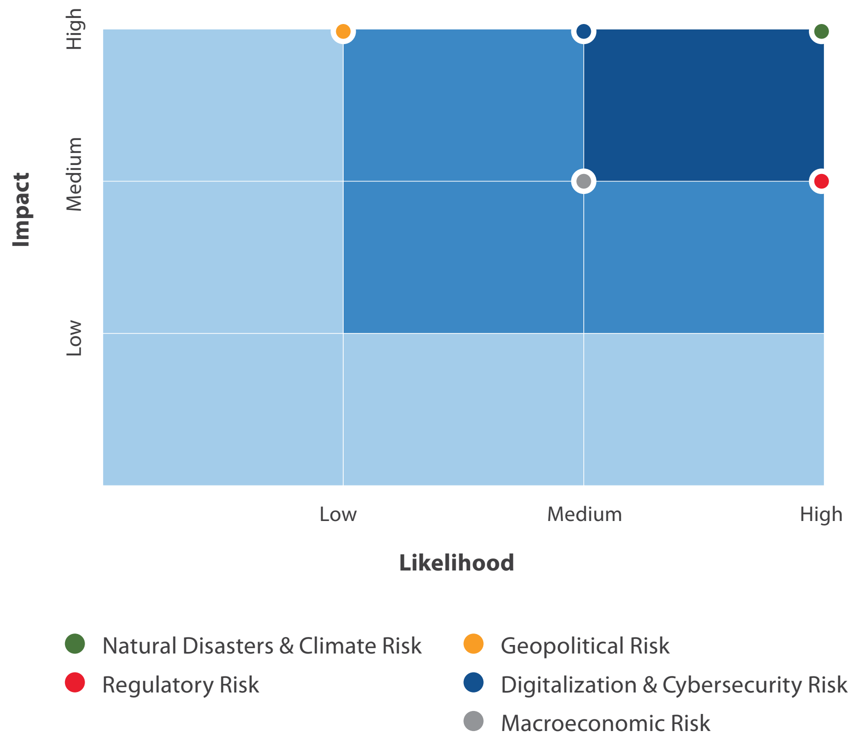
Creating and promoting a risk culture that requires the highest standards of ethical behavior among all personnel is a must. This is achieved through the following:

- 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 levels of the organization including the Senior Management and the Risk and Sustainability Oversight Committee members
- Synergize learning opportunities across the Group for risk management

Risks and Opportunities continued

Risks and Opportunities

A testament to its strength and resilience, GT Capital identifies, monitors, and mitigates risks that may affect the company's future performance. The Company has always been proactive in addressing risks, ensuring that it could continue delivering value to stakeholders despite challenges. GT Capital has determined the following risks to be the most relevant to its businesses.



NATURAL DISASTERS AND CLIMATE RISK

Time Horizon
- ✓ Short-Term
- ✓ Medium-Term
- ✓ Long-Term

Risk Score
- **Impact**
  - ✓ High
  - ○ Medium
  - ○ Low
- **Likelihood**
  - ✓ High
  - ○ Medium
  - ○ Low

Source of Risk
- ○ Internal
- ✓ External

Impact to Capital
- Financial
- Intellectual
- Manufactured
- Human
- Natural
- Social & Relationship

Risk Drivers	Mitigation and Opportunities
• The Philippines was ranked as the most high-risk country in the World Risk Index for multiple consecutive years. • Depending on their proximity to natural hazards, businesses face the risk of: ◦ Immediate or long-term damage to infrastructure ◦ Supply chain disruptions ◦ Employee productivity loss ◦ Higher investment costs for disaster resilience • Indirectly, climate risks hinder overall economic growth, leading to downsizing of vulnerable sectors. Climate risks also drive inflation effects, lowering consumer appetite. • According to the country report by the IMF, climate change is projected to significantly reduce GDP with an estimated average impact of 1.2%. This could rise to 3.2% by 2030 and 5.7% in 2040. • According to Swiss Re, the country losses 3% of GDP which are caused by specific weather perils related to typhoons and tropical cyclones.	• Advance the Group's Climate Risk Roadmap by leveraging data-driven decision making through: ◦ Continuously improving its ESG data in scope and quality. ◦ Continually building organizational capacity to craft and develop adaptation and mitigation plans. • Institutionalize operational resilience across the group by aligning Business Continuity strategies for risk scenarios while continuing to enhance capacity. Operating companies are: ◦ Strengthening their business continuity programs integrating risk assessment, business impact analysis, and contingency planning complemented by regular testing and focused training efforts. ◦ Implementing strategic site planning as a key factor in investment decisions to effectively mitigate the impact of hazards on physical assets. ◦ Implementing high impact climate adaptation activities such as mangrove planting as part of its CSR programs to offset emissions and protect the environment.

REGULATORY RISK

Time Horizon
- ✓ Short-Term
- ✓ Medium-Term
- ✓ Long-Term

Risk Score
- **Impact**
  - ○ High
  - ✓ Medium
  - ○ Low
- **Likelihood**
  - ✓ High
  - ○ Medium
  - ○ Low

Source of Risk
- ○ Internal
- ✓ External

Impact to Capital
- Financial
- Intellectual
- Manufactured
- Human
- Natural
- Social & Relationship

Risk Drivers	Mitigation and Opportunities
• Over the years, several automotive assembly plants have shut down in the Philippines due to intense competition in the ASEAN region's automotive manufacturing sector. • ESG and sustainability regulations are becoming more prevalent and stringent. Punitive and incentive mechanisms are being issued. The Philippine government is studying the possibility of imposing carbon taxes and cap & trade mechanisms to promote sustainable business activities and/or penalize unsustainable ones. • New expectations on reporting practices are expanding. 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.	• TMP invested a significant amount to produce the Next Generation Tamaraw at its Santa Rosa plant in Laguna. The plant now manufactures three Completely Knocked Down (CKD) models: the Vios, Innova, and the Next Generation Tamaraw. This expansion boosts local manufacturing, creating local jobs and promoting the country's automotive competitiveness. The new model with its multiple configurations is expected to cater for the diverse needs of small businesses. • GT Capital continues to pursue investment opportunities that support the country's transition to a low carbon economy, including adding renewable energy in its business portfolio. • TMP accelerates its journey towards carbon neutrality by 2050, which includes sales of its electrified vehicles. • GT Capital continues to build capacity, enhance baseline data, and implement its sustainability roadmap, which delivers strategic value to the Group's stakeholders by embedding ESG as a strategy. • GT Capital continuously monitors and anticipates shifts in the global and local regulatory environments while collaborating closely with the government and peer companies to ensure the alignment of its corporate goals with national strategies.

MACROECONOMIC RISKS

Time Horizon
- ✓ Short-Term
- ✓ Medium-Term
- ○ Long-Term

Risk Score
- **Impact**
  - ○ High
  - ✓ Medium
  - ○ Low
- **Likelihood**
  - ✓ High
  - ✓ Medium
  - ○ Low

Source of Risk
- ○ Internal
- ✓ External

Impact to Capital
- Financial
- Intellectual
- Manufactured
- Human
- Natural
- Social & Relationship

Risk Drivers	Mitigation and Opportunities
• Global growth is expected to stagnate except for the Asian region. According to IMF and UN: ◦ Global growth will stay at 2.8%. ◦ Governments and central banks are easing monetary policies. ◦ Global headline inflation may slide to 3.4% in 2025 from 4% in 2024. • Amid global economic pressures, the Philippines is seen to exhibit resilience as forecasts for the country's GDP growth in 2025 remain optimistic.	• Explore new avenues for growth and diversification to broaden the business portfolio, potentially boosting both profitability and synergy. ◦ Accelerate the extended value chain ◦ Diversify the current portfolio by considering key growth sectors in health, renewables and data centers • Actively assess and discuss key financial highlights and overall performance with operating companies. • Safeguard profitability by implementing stringent cost management initiatives to control expenses effectively.

Risks and Opportunities continued

GEOPOLITICAL RISKS

	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 **Impact to Capital** ● Financial ● Intellectual ● Manufactured ● Human ● Natural ● Social & Relationship	• Geopolitical tensions persist locally and internationally, creating a climate of uncertainty. In the Philippines, maritime disputes with China pose ongoing threats to businesses. Global conflicts indirectly affect the Philippine businesses by potentially driving inflation and disrupting supply chains. However, these tensions have yet to escalate into broader regional conflicts. • As the populist influences will likely motivate protectionist trade and industrial policies, the incoming US administration is planning to significantly expand tariffs and prioritize the reshoring of critical supply chains and manufacturing operations.	• 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.

DIGITALIZATION AND CYBERSECURITY RISKS

	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 **Impact to Capital** ● Financial ● Intellectual ● Manufactured ● Human ● Natural ● Social & Relationship	• **Surge in Malware Attacks:** InfoStealers targeting credentials and sensitive data have increased, driven by the use of unsecured personal devices and remote work setups. • **Sophisticated Social Engineering:** Phishing and SMS-based (smishing) attacks have become more deceptive, often impersonating trusted entities to extract sensitive user information. • **AI-Driven Cyber Attacks:** Advanced AI tools are enabling more sophisticated threats, including deepfake phishing, adaptive malware, and real-time credential theft.	• Appointed a full-time information security leader to lead cybersecurity strategy and governance across operating companies. • Accelerated investments in modern IT systems and AI-powered security tools, in collaboration with leading technology partners. • Adopted zero-trust security frameworks and best-of-breed technologies to enhance cyber defense posture. • Launched continuous awareness and advocacy campaigns to foster a culture of cybersecurity across the organization.

Emerging Risks

GT Capital exercises prudent risk management by monitoring and preparing for emerging risks. The Company classifies risks as "emerging" if they demonstrate two determining characteristics: 1) they arise externally from factors beyond the Company's control, and 2) trends point to these risks getting increasingly important. Their significant effects may or may not be felt in the next three to five years, but some consequences may already start to manifest. This drives GT Capital to be proactive in addressing these risks.

CARBON TRANSITION

Context	Our Response
• Despite being a relatively low emitter of greenhouse gases compared to the global average, the Philippines is committed to carbon transition, aiming for a 75% reduction in greenhouse gas emissions by 2030, with 2.71% of this target being unconditional. This commitment is outlined in its Nationally Determined Contribution (NDC), which focuses reduction on key sectors such as energy, transport, and industry. • In August 2024, the House Committee on Climate Change approved the Low Carbon Economy Investment Act 2023, a bill that will mandate large enterprises across various sectors to develop decarbonization plans aligned with the Paris Agreement. These plans must include clear milestones and targets, ensuring that businesses progressively reduce their greenhouse gas (GHG) emissions over time. • According to the Asian Development Bank, achieving this target will require an estimated investment of over USD72 billion. • The Electric Vehicle Industry Development Act (EVIDA) was recently signed into law as part of the Philippine government's efforts to promote the adoption of electric vehicles (EVs). However, the infrastructure needed to support widespread EV use is not yet fully developed. EVIDA presents two potential opportunities for GT Capital and TMP. First, rising customer demand could require significant investments in manufacturing facilities and supply chains to scale EV production. Second, as EV charging infrastructure improves, customer preferences may shift, potentially intensifying competition in the market.	→ Metrobank to scale up sustainability finance in support of the country's shift to a low-carbon economy. → TMP has consistently demonstrated a proactive approach to sustainability through its hybrid and electric vehicle offerings. The country's EV infrastructure is still in its early stages of development with concerns on the availability of charging stations, the cost surrounding the vehicle maintenance and the country's electricity generation coming from non-renewable sources. TMP has strategically introduced Hybrid Electric Vehicles (HEVs), providing a bridge in the transition towards more sustainable transportation and a balanced solution for both economic and environmental concerns.

ENERGY SUPPLY

Context	Our Response
• The Philippines faces significant energy supply challenges driven by a combination of factors, including rising demand, reliance on fossil fuels, high dependence on imported energy and volatile global market prices, vulnerability to natural disasters, and insufficient investments in energy infrastructure. The situation is further exacerbated by the impending depletion of the Malampaya natural gas fields, which currently supply a significant portion of Luzon's energy consumption. In response to the country's energy needs, the president has also signed Republic Act No. 12120, or the Philippine Natural Gas Industry Development Act, aimed at promoting natural gas as a cost-effective energy source and a vital component of the country's energy security strategy. In the renewable energy space, the Department of Energy has implemented several fiscal incentives to attract foreign investors, including income tax holidays, duty-free imports, and a 0% Value-Added Tax.	→ GT Capital is exploring with potential partners who specialize in renewable technologies while evaluating market trends to identify and capitalize on emerging opportunities in the renewable sector. → MPIC's Meralco has a long-term sustainability strategy that includes securing 1,500 megawatts of renewable energy supply contracts and developing 1,500 MW of attributable green energy generation capacity.

DIGITAL TRANSFORMATION AND ARTIFICIAL INTELLIGENCE

Context	Our Response
• AI research is progressing across various technologies and applications in diverse industries such as agriculture, healthcare, education and energy sector, among others [1]. These advancements are already being utilized by both government and businesses, which are embracing AI and exploring ways to integrate it into their operations. AI has demonstrated significant potential to enhance areas such as customer service, sales and marketing, and risk management, all while maintaining cost efficiency. Meanwhile, the potential adverse impacts of AI technologies in the cybersecurity space remain underestimated. The role of Generative AI (Gen AI) in producing false or misleading content on a massive scale is a growing concern [2].	→ GT Capital and its operating companies have been strengthening their capacity to leverage technology through the modernization of internal legacy systems, application of automation processes, development of mobile applications and utilizing analytics to enhance overall efficiency and customer experience.

[1] *Source: University of the Philippines (2024) "AI-Powered Research and Innovation"*
[2] *Source: World Economic Forum (2024) "Global Risk Report"*

Climate Action

GRI: 2-25, IFRS S1: 30-42, 44, IFRS S2: 10, 22, 25

GT Capital remains committed to addressing climate-related risks and opportunities to ensure long-term resilience and value creation for both its stakeholders and the environment. Over the years, the company has continuously enhanced its capabilities to improve climate action, integrating global best practices into its sustainability strategy.

As part of its climate roadmap, GT Capital is actively measuring, analyzing, and reporting climate risks while aligning its disclosures with internationally recognized frameworks, including the Task Force on Climate-Related Financial Disclosures (TCFD) and the International Financial Reporting Standards (IFRS) S2 Climate-Related Disclosures. The Group's climate action strategy is anchored on four key pillars—governance, strategy, risk management, and metrics and targets—ensuring a structured and transparent approach to mitigating risks, capturing opportunities, and driving sustainable business practices.

Pillar	Goal	Key development and initiatives in 2024	Target next steps
Governance & Culture	GT Capital continuously strengthens its governance structure to effectively manage climate-related risks and opportunities. Oversight remains firmly in place at the Board level through the Risk and Sustainability Oversight Committee (RSOC), which ensures that climate considerations are integrated into the Group's overall risk management and strategic planning. The Climate Risk Roadmap, approved by the RSOC, serves as a guiding framework to enhance climate resilience across GT Capital and its operating companies.	In 2024, GT Capital held another capacity building for the Board and its Executives through the Thought Leadership Series on Transition Finance, where the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) provided insights on advancing transition finance in the Philippines and the critical role of the private sector. The session engaged a diverse audience, including Board members, executives, senior and junior managers, reinforcing the Group's commitment to industry collaboration and knowledge-sharing. Further demonstrating its commitment to climate-related financial expertise, GT Capital achieved a 100% passing rate for the Global Association for Risk Professionals (GARP) Sustainability & Climate Risk international certification exam in 2024.	To further embed climate considerations into decision-making, GT Capital will focus on: ✓ Enhancing climate-related capacity-building programs tailored for Board members and Senior Management to deepen expertise in climate risk management and sustainable finance. ✓ Integrating climate risk into executive decision-making through strengthened risk governance frameworks. ✓ Expanding thought leadership engagements with global sustainability experts to remain at the forefront of best practices in climate governance and finance.

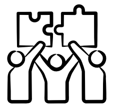
Pillar	Goal	Key development and initiatives in 2024	Target next steps
Strategy	GT Capital continues to refine its climate strategy by identifying, assessing, and managing climate-related risks and opportunities in alignment with global best practices and national regulations. The Group integrates climate mitigation and adaptation measures into its long-term business strategy to ensure resilience and sustainable value creation.	Building on its commitment to climate action, GT Capital is preparing to implement climate risk scenario analysis to better assess potential impacts on its businesses, operations, and assets. A key priority is strengthening internal data retrieval mechanisms across operating companies to ensure more robust and data-driven decision-making. To further reinforce its climate strategy, the Board approved the engagement of climate risk experts who will guide the Group in developing comprehensive mitigation and adaptation frameworks. This initiative will support GT Capital in navigating evolving climate challenges while aligning with global regulatory expectations, including TCFD and IFRS S2 Climate-Related Disclosures. Recognizing the critical role of sustainable finance in mitigating climate risks, the Board approved the Responsible Investment Policy, ensuring that ESG factors are integrated into investment decisions to drive better risk management and sustainable long-term returns. To facilitate the Group's transition to renewable energy, GT Capital has initiated a Renewable Energy Sourcing project which would enable GT Capital and its operating companies to utilize renewable energy in its operations.	GT Capital remains proactive in refining its climate action initiatives. The next steps include: ✓ Aligning operating company initiatives to create a more cost-effective and impactful group-wide climate strategy. ✓ Conducting further assessments on climate risk mitigation and adaptation strategies, leveraging insights from climate experts. ✓ Enhancing capacity-building programs to ensure seamless compliance with evolving climate risk regulations and reporting frameworks.

Climate Action continued

Pillar	Goal	Key development and initiatives in 2024	Target next steps
Risk management	GT Capital continues to strengthen its enterprise risk management (ERM) framework by integrating climate-related risks into its overall risk assessment processes. This initiative ensures that climate risks are systematically identified, evaluated, and addressed to enhance business resilience and long-term value creation.	As part of its evolving risk management strategy, GT Capital has embedded climate risk assessments into its investment evaluation processes, ensuring that ESG and climate-related considerations play a central role in decision-making. This approach aligns with global best practices and enhances the Group's ability to mitigate financial, operational, and regulatory risks linked to climate change.	GT Capital remains proactive in refining its risk management framework to address emerging climate-related challenges. Moving forward, the company will: ✓ Continuously update and enhance its ERM policy and framework to incorporate evolving natural disasters and climate risks and regulatory requirements. ✓ Align risk management practices across operating companies to ensure a cohesive and effective approach to climate resilience. ✓ Leverage industry insights and best practices to further integrate climate risk considerations into business continuity planning and investment strategies.
Metrics and targets	GT Capital remains committed to advancing its climate action strategy by continuously improving its emissions measurement, reporting, and reduction efforts. The company actively aligns with global standards, ensuring transparent and accurate climate-related disclosures that support long-term decarbonization goals.	GT Capital consolidates Scope 1 and 2 emissions data from its operating companies, adhering to the equity approach of the GHG Protocol Corporate Accounting and Reporting Standard. This commitment to transparent reporting was recognized in its C (Awareness) rating in the Carbon Disclosure Project (CDP) corporate disclosure on climate change, reinforcing the Group's dedication to ESG best practices.	To enhance data integrity and drive data-driven decision-making, GT Capital will: ✓ Strengthen internal data retrieval mechanisms across operating companies to ensure more robust and standardized emissions tracking. ✓ Continue improving its emissions disclosures, to better capture the Group's full climate impact. ✓ Leverage climate risk experts to guide the development of a comprehensive mitigation and adaptation framework, supporting the Group's decarbonization strategy.

Business Strategy

IFRS S1: 29, IFRS S2: 9, 14

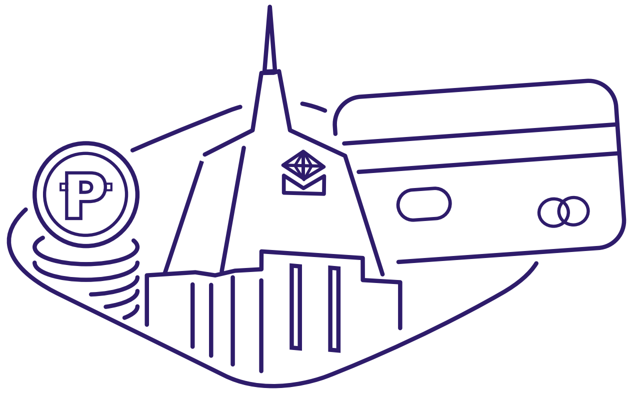
Strategy	Capitals	Strategic Objectives	KPIs and Targets
 **Enhance synergies**	• Intellectual • Human • Social & Relationship	• Identify cross-selling opportunities within the Group and engage with operating companies to establish such connections • Measure the wallet sizes of the business • Consolidate 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**	• Financial • Intellectual • Human • Social & Relationship	• 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**	• Financial • Manufactured • Intellectual • Human • Social & Relationship • Natural	• 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

Business Review

Business Review

GRI: 2-7, 2-8, 2-30, 201-1, 302-1, 305-1, 305-2, 305-3, 401-1, 405-6, 403-6, 403-7, 404-3, 417-1, 418-1,
SASB: FN-AC-330a.1, FN-AC-270a.3, IFRS S1: 29, 46-52, IFRS S2: 14,27-37

Metrobank | Metropolitan Bank & Trust Company (Metrobank)



ABOUT THE BUSINESS

Founded in 1962, Metropolitan Bank & Trust Company (Metrobank) is a leading universal bank in the Philippines with over six decades of operation. It provides a broad range of financial services, including investment banking, thrift banking, leasing and financing, bancassurance, and credit cards. Metrobank has established itself as a key player in the country's financial sector. Serving large local and multinational corporations, middle-market enterprises, small and medium-sized businesses, as well as high-net-worth individuals and retail clients.

Metrobank's 2024 in Numbers

Php48.1 B
Record-high net income
Page 57

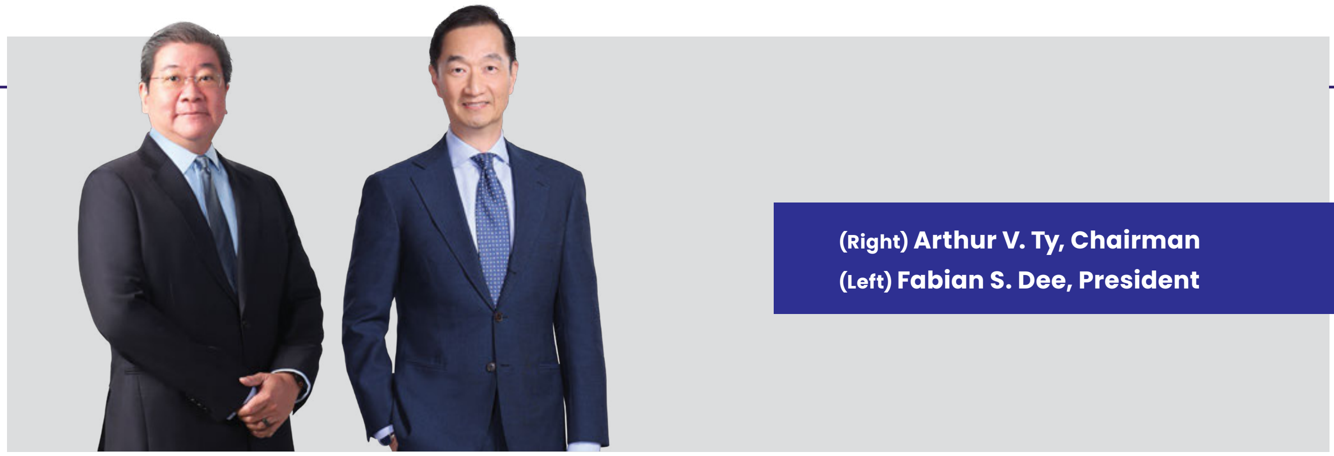
17%
Growth in gross loans
Page 57

Php182.3 B
Total economic value generated
Page 57

Php8.5 B
Disbursed to Green Loans Principles-aligned energy projects
Page 58

Php23 B
in bonds issued for its corporate partners pursuing green infrastructure and sustainable water management projects
Page 58

Php31.4 B
loaned for projects that promote water supply security
Page 58



(Right) **Arthur V. Ty, Chairman**
(Left) **Fabian S. Dee, President**

STRATEGY AND PERFORMANCE

How Metrobank Creates Value

As one of the country's leading financial institutions, Metrobank spurs sustainable progress by empowering both corporate and individual clients to achieve their financial goals and unlock their full potential.

Metrobank designs and adapts financial solutions to meet the evolving needs of stakeholders, continually expanding its reach and reinforcing its role in community development. With its network of 960 domestic branches, 29 foreign branches, subsidiaries, and representative offices, as well as its digital banking assets, Metrobank extends its promise of meaningful banking—of always putting customers front and center—to a diverse clientele. This reflects Metrobank's brand promise, "You're in Good Hands," demonstrating the bank's customer-first approach in everything it does. The bank's 15,987-strong workforce embodies this promise by taking the role of an active partner in customers' financial journey.

While supporting responsible wealth creation today, Metrobank also ensures the prosperity of the next generations. The bank balances immediate needs with future goals, incorporating economic, environmental, and social factors into its decision-making processes to yield lasting impacts for stakeholders. Guided by its Sustainable Finance Framework, Metrobank actively directs capital toward projects aligned with the UN SDGs to create long-term value. The bank employs a risk management framework that is responsive to the emerging environmental and social risks that may negatively impact its financial performance.

Metrobank recognizes that the business of banking is a business of trust. It adheres to the highest standards of corporate governance, making good management its most priceless capital. Accountability, fairness, and transparency are upheld in all aspects of the bank's operations.

As it stands, Metrobank's financial capital sets it up to continue driving economic growth. The bank is well-positioned to support clients' funding needs through loans as its non-performing loan (NPL) ratio sits well below industry average. Meanwhile, its capital ratios continue to be among the highest in the industry.

To execute its objectives, Metrobank's strategic focus includes:

- **Solidifying market leadership**
- **Elevating the customer experience**
- **Expanding digital banking solutions**
- **Strengthening operational efficiency**
- **Upholding sound corporate governance and risk management**
- **Investing in people development**

As the parent company, Metrobank provides strategic direction for the entire Group, ensuring alignment across subsidiaries in both short- and long-term objectives. Major initiatives introduced at the parent level are implemented across the Group, fostering synergy and driving collective success.

Business Review continued:
Metropolitan Bank & Trust Company (Metrobank)

Metrobank opens its Congressional Avenue Extension branch, continuing the expansion of its domestic network.

Solidifying Market Leadership

Metrobank aims to strengthen its market position by enhancing customer engagement and expanding its reach. The bank seeks to maintain its leadership in corporate and commercial banking while increasing its retail customer base.

To achieve these objectives, Metrobank plans to:

- Sustain its presence in the corporate and commercial sectors while broadening its retail banking operations.
- Expand its distribution channels, intensify marketing efforts, and extend its presence in Metro Manila and emerging provincial markets to serve a wider customer base and contribute to economic development.
- Attract new clients by enhancing the banking experience and offering products and services with distinctive features and compelling value propositions.
- Implement a dynamic pricing strategy for loan products to ensure competitive and accessible rates.
- Regularly assess and refine its credit policies to align with market demands while maintaining credit quality standards.
- Utilize data-driven insights within a risk assessment framework to identify cross-selling opportunities and strengthen customer relationships.

Through these initiatives, Metrobank aims to expand its market share, improve customer satisfaction, and support long-term economic growth.

29 foreign offices

960 domestic branches

Enhancing Customer Experience

Metrobank prioritizes delivering a high standard of customer experience, considering it a shared responsibility across the organization. To achieve this, the bank has implemented several strategies and initiatives:

- The Customer Governance Committee was established to ensure that customer protection standards are consistently understood and followed throughout the organization.
- All employees are required to complete training on Metrobank's Customer Protection Policy, reinforcing service and complaint-handling standards while fostering a culture of excellence.
- A Customer Feedback Management platform has been implemented to efficiently receive, assess, and address customer feedback, enabling timely resolution of concerns.
- Ongoing initiatives aim to enhance customer service, including process and structural improvements in the Consumer Lending group's after-sales servicing, increased responsiveness to client inquiries, and more efficient management of customer complaints.

These measures aim to enhance service quality and reinforce customer trust by ensuring consistent adherence to protection standards and responsive customer support across the organization.

Optimizing Systems for Better Performance

Metrobank prioritizes the continuous evaluation and improvement of its systems and processes across all stages of the customer journey. The bank employs process re-engineering, robotics, and automation to streamline operations, eliminate redundancies, reduce turnaround times, and enhance cost management.

To support these efforts:

- The bank has begun centralizing back-end processing for consumer lending to improve service management. This includes shifting administrative and non-customer-facing tasks away from branches, allowing front-line staff to focus on more value-added interactions such as product or investment advisory instead of routine transactions.
- A campaign was launched to transition retail and corporate clients to digital banking, offering secure online and mobile platforms for more accessible, round-the-clock banking services.
- In collaboration with its subsidiaries, Metrobank continues to strengthen its IT infrastructure, investing in technology projects and enhancing data management and analytics to meet evolving client needs.

Additionally, Metrobank's subsidiaries, First Metro Investment Corporation, ORIX Metro Leasing and Finance Corporation, and Philippine Savings Bank, are implementing initiatives aligned with the goal of achieving greater operational efficiency.

Driving Digital Transformation

Metrobank continues to adapt to the rapidly evolving digital landscape by enhancing the way it interacts with customers. The bank aims to shift from a multi-channel approach, where customers engage through various touchpoints, to a mobile-enabled and omnichannel experience, providing greater convenience through self-service options.

To achieve this objective:

- Digital platforms are being upgraded by migrating relevant branch services to online channels.
- Traditional sales channels are being integrated with QR code applications to streamline processes and reduce operational costs.
- Metrobank Business Online Solutions (MBOS) is continuously being improved to offer corporate clients a seamless and secure cash management facility for business transactions.
- Financial education initiatives are also undergoing digital transformation to reinforce Metrobank's role as both a financial adviser and a trusted banking partner.

These efforts align with Metrobank's commitment to enhancing accessibility, efficiency, and customer engagement in the digital age.

Corporate Governance, Compliance, and Risk Management

Metrobank upholds strong corporate governance practices to foster a culture of integrity and ensure business sustainability in a rapidly evolving environment. The bank and its subsidiaries remain proactive in monitoring regulatory developments and continuously strengthen compliance through key initiatives:

- The Data Privacy Department conducts ongoing Privacy Impact Assessments, reviewing end-to-end banking processes to identify potential data privacy concerns and standardizing procedures nationwide to ensure compliance.
- The Group aligns its products, services, and operations with regulatory requirements and promotes long-term business resiliency. The Group is also enhancing its risk management framework by integrating industry best practices and gaining deeper insights into risks based on customer behavior.

Business Review continued:
Metropolitan Bank & Trust Company (Metrobank)

- A top-down approach is employed to institutionalize risk awareness across the Group. Regular training and mentoring programs equip employees with the knowledge to identify and mitigate risks, strengthening the bank's overall resilience.
- The Group exercises prudence in risk management by implementing controls in areas such as Anti-Money Laundering (AML), Know Your Customer (KYC) policies, lending, deposit-taking, and automation of client notifications and billing processes, including the use of digital signatures.

Through these initiatives, Metrobank and its subsidiaries reinforce their commitment to regulatory compliance, risk mitigation, and ethical business practices.

Building a Skilled and Engaged Workforce

Metrobank recognizes that an engaged workforce plays a key role in delivering quality service to customers. The bank invests in employee development through targeted training programs and performance management initiatives.

- Continuous investment in professional development ensures employees receive the necessary skills training and knowledge transfer to perform effectively. Training sessions and workshops cover areas such as communication and presentation skills, critical and analytical thinking, product and project management, and leadership development.
- Work-related Key Result Areas (KRAs) are set to provide employees with clear performance expectations, helping them understand their contributions to the organization while enabling the bank to monitor and assess performance effectively.

Metrobank aims to cultivate a skilled and motivated workforce, ensuring employees are equipped to contribute effectively to the bank's overall growth and long-term success.

15,987
employees (parent bank level)

71.33%
of Metrobank's loan portfolio as of end-2024 was allocated to projects aligned with the UN SDGs

Industry Key Risks and Future Outlook

The Philippine banking sector is likely to continue its positive trajectory on account of a robust macroeconomic environment, moderated inflation, and the central bank's move to cut the reserve requirement ratio to promote credit growth. These factors could bolster the bank's commitment to push economic activity toward inclusive growth.

Climate Risks

Metrobank recognizes that climate risks may evolve into financial risks if not properly managed. Climate-related disruptions may affect the bank's operations, increase the likelihood of clients defaulting on their loans, and negatively impact asset valuations. Likewise, involvement in unsustainable projects may undermine financial performance and taint the bank's reputation.

Metrobank continues to strengthen its risk management capabilities and includes sustainability and climate considerations as part of its prudent risk management. It has conducted a pilot physical and transition risk assessments to assess potential impacts across its business activities. To ensure the resilience of its lending and investment portfolios, Metrobank adheres to regulatory guidelines related to Environmental and Social Risk Management (ESRM) to identify and monitor material environmental and social risks in its financing activities.

Metrobank's medium- to long-term approach to climate risks revolves around ensuring a just transition towards a low-carbon economy. This was made evident by the bank's support for the Department of Energy's 2020 moratorium on new coal-fired power plants. Metrobank has since been limiting its exposure to coal to support the shift toward decarbonization. It aims to cap its term loan exposure to the coal industry to 3% by 2033 and reduce it further to 2% by 2037. Moreover, Metrobank has established an exclusion list that identifies potentially harmful business activities—both environmentally and socially—that the bank deems ineligible for financing.

As an immediate response to climate risks, Metrobank is enhancing its GHG inventory to better manage the carbon footprint from its own operations. Optimizing fuel efficiency of the bank's assets is a key focus. The bank's General Services Group conducts regular preventive maintenance of its service vehicles and standby generator sets, extending their lifespan and improving fuel efficiency; as well as the continuous monitoring of environmental management efforts among the branches and corporate centers.

Cybersecurity Risks

According to a report by the Bangko Sentral ng Pilipinas, financial institutions collectively lost Php5.82 billion from 40,780 incidents of cyberattacks in 2024. Phishing, "card-not-present" fraud, account takeover or identity fraud, and hacking were among the most commonly reported cases. To make matters worse, cyberattacks rapidly evolve with threat actors exploiting human vulnerabilities while utilizing sophisticated technologies and techniques.

To strengthen its defenses and protect its clients, Metrobank promotes awareness while strengthening its internal capacities to fight cyberattacks. The bank regularly shares fraud awareness and prevention tips to clients through its Fight Fraud Program. It also launched the online platform Scam Proof in collaboration with other financial institutions to build a community of Filipinos that educate each other on financial fraud. Aside from being a repository for informational materials, Scam Proof also allows users to share knowledge or experiences about the latest scams. Shared contents are reviewed and vetted to ensure veracity. Furthermore, Metrobank educates its workforce through e-learning courses to equip them with the knowledge on how to combat cybersecurity threats. The bank also strictly follows and seeks to enhance its cybersecurity playbooks for its BCP.

Key Performance Indicators and Outcomes

Financial Performance

Metrobank continued to be the biggest contributor to GT Capital's growth in 2024 with a record-high net income of Php48.1 billion, up 14% year-on-year. Robust asset expansion and improving asset quality boosted the bank's solid performance.

Gross loans jumped by 17%, bringing the bank's net interest income up by 8.7% to Php114.1 billion. At the same time, NPL ratio eased to 1.43% which enabled the bank to reduce provisions by 29.2%. Even so, Metrobank kept its NPL cover at 163.5% to cushion its portfolio against risks.

Return on equity improved from 12.5% to 13.0%. The bank's balance sheet remains strong with its capital adequacy ratio at 16.7% and CET1 ratio at 15.9%. With total consolidated assets of Php3.52 trillion, Metrobank maintained its position as the Philippines' second largest private universal bank in 2024.

The bank generated during the year a total economic value of Php182.3 billion, from which it distributed Php162.3 billion to employees, suppliers, providers of capital, the government, and local communities.

ESG-Guided Value Creation

Through responsible investments, green and social finance initiatives, green loans, Metrobank helps:

- Enable a just energy transition by supporting clean energy projects
- Build stronger communities with better access to essential social services
- Enhance the resilience of businesses by empowering MSMEs, promoting sustainable agriculture, and advancing financial inclusion

As of end-2024, 71.33% of Metrobank's loan portfolio was allocated to projects aligned with the UN Sustainable Development Goals. This translates to Php1.024 trillion of capital lent to businesses that promote food security, clean energy, vital infrastructure, and financial inclusion.

Economic Performance and Impacts

Metrobank continued to empower clients to expand, generate jobs, and foster innovation through loans. In 2024, the bank disbursed Php34.4 billion in loans to micro, small, and medium enterprises, highlighting its thrust for inclusive progress. It also provided Php202.7 billion of commercial loans for trade and industry and Php326.5 billion for infrastructure loans.

Moreover, the bank helped the government generate Php3.3 trillion in capital funding through government securities for economic programs and facilitated over USD10.02 billion

Business Review continued:
Metropolitan Bank & Trust Company (Metrobank)

through its remittance network. It also spent Php7.8 billion for its engagements with local suppliers.

To better serve its high net worth and ultra-high net worth clients, Metrobank leveraged technology and introduced Temenos Wealth. Established in partnership with Collaboration Betters The World, Temenos Wealth is an advanced platform that utilizes AI-powered analytics, digital onboarding, and self-service tools such as robo-advisory and goal-based financial planning to give high-value clients an elevated customer experience.

Environmental Performance and Impacts

As of 2024, the bank has disbursed Php8.5 billion to Green Loans Principles-aligned energy generation and management projects, issued bonds worth Php23 billion for green infrastructure and sustainable water management, and loaned Php31.4 billion for projects that promote water supply security. It has also provided loans worth Php158.2 billion for power and energy projects and Php214.1 billion for infrastructure projects that promote sustainable urbanization and affordable housing.

FOCUS STORY

Three landmark projects banner Metrobank's commitment to sustainable finance: the ACEN Green Loan, the Ayala Land Sustainability-Linked Bond, and the Maynilad Blue Bond.

Metrobank granted a Php4.5-billion term loan to the Ayala Group's renewable energy arm, ACEN, for the second phase of its Palauig Solar Project. Once completed, the power plant is expected to generate 450 GWh of clean energy annually. This translates to 110,000 homes served and 320,000 tonnes of carbon emissions avoided every year.

Marking a major milestone, Ayala Land offered the first ASEAN Sustainability-Linked Bond recognized by the Securities and Exchange Commission (SEC). With First Metro Investment Corporation (FMIC) as a joint lead underwriter, real estate giant Ayala Land, Inc. was able to raise Php8 billion for initiatives that would advance its Net Zero commitment. The SLB would fund Ayala Land's efforts to reduce its commercial properties' greenhouse gas emissions by 42% by 2030.

Approximately 10 million customers are expected to benefit from 12 water and wastewater infrastructure projects pipelined by Maynilad Water Services, Inc. These projects are funded by a Php15-billion blue bond issuance backed by FMIC as joint lead underwriter. The Maynilad Blue Bond is the first blue bond in the country to align with the SEC's 2023 guidelines.

Social Performance and Impacts

Metrobank empowers communities by enabling businesses to improve access to basic services. As of 2024, Metrobank has lent Php94 billion to companies that promote food security and Php1.4 billion to educational institutions to enhance their facilities.

The bank also champions financial literacy to empower individuals to make sound financial decisions. In 2024, it conducted over 600 financial literacy events attended by more than 58,000 people. Furthermore, the bank equips clients with essential and relevant knowledge to grow their money through Metrobank Earnest (for first-time investors) and Wealth Insights (for high-net worth clients).

The bank strives to help alleviate poverty through its corporate social responsibility arm, Metrobank Foundation (MBFI). MBFI focuses on strategic grant-making to uplift lives through education, health, community development, and disaster relief. In 2024, Metrobank allocated Php152 million for community investments that created a positive impact on approximately 255,000 individuals. It also aided 25,429 families during disasters. The spirit of volunteerism is high at Metrobank with employees forming their own volunteer group, the Purple Hearts Club (PHC), wholeheartedly offering their time and efforts for outreach activities, and donating approximately Php3.9 million for social programs.

Awards and Recognitions

In 2024, Metrobank bagged numerous awards, highlighting its reputation for high-quality services and further solidifying its position as a leading financial institution in the country. Reinforcing the bank's strength, stability, and reliability, it was named the Philippines' Strongest Bank for the fourth straight year by the Asian Banker. The award is based on a comprehensive assessment of banks' balance sheet performance, evaluating factors such as scalability, growth, risk profile, profitability, asset quality, and liquidity. Metrobank's consistent recognition highlights its strong financial position and stability within the Philippine banking sector. It was also hailed as the Most Recommended Retail Bank in the Philippines by The Asian Banker, based on its Annual BankQuality™ Consumer Survey 2024. Scoring 101.48, the highest among Philippine banks and sixth in Asia, Metrobank was recognized for its trusted financial services and seamless banking experience.

The bank received a 4-Golden Arrow Award from the Institute of Corporate Directors, a testament to its commitment to strong corporate governance. Metrobank also earned its place among Forbes & Statista's World's Best Employers 2024 and secured the 11th spot in Inquirer & Statista's 2025 Best Employers List.

Metrobank also won the Best Bank for Ultra-High-Net-Worth (UHNW) Filipinos award for the third consecutive year at the Euromoney Global Private Banking Awards 2024. The recognition highlights the bank's role in providing financial services tailored to affluent clients, including estate planning and financial advisory. Metrobank offers market insights through its Wealth Insights portal, developed in collaboration with CreditSights. The award reflects the bank's position in the country's financial sector and its focus on serving the needs of UHNW individuals.

Metrobank also received the Best Bank for Corporate Responsibility award at the Euromoney Awards for Excellence 2024 in recognition of its initiatives through the Metrobank Foundation, which support programs in health, education, the arts, and various social causes.

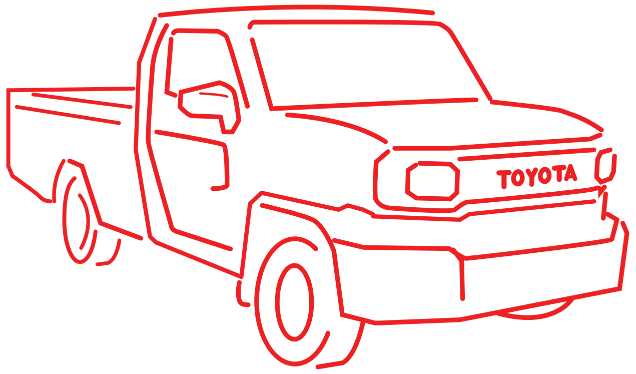
Metrobank received multiple awards for its leadership in securities trading and investment management. The Bureau of the Treasury named it Top Market Maker for 2024, marking its fourth consecutive win. The Fund Managers' Association of the Philippines awarded Metrobank Best Fixed Income House for the second straight year, while the CFA Society Philippines recognized the performance of two of its Unit Investment Trust Funds.

Alpha Southeast Asia, in turn, named Metrobank's Trust Banking Group Best Asset Manager in several fund categories, and The Asset ranked it Top Investment House in the Philippines for Local Currency Bonds and G3 Bonds. Citywire Asia also recognized Metrobank as the Best Asset Manager for the Philippines, with several of its executives included in the 2024 Top 25 ASEAN Selectors list.

Metrobank's 'Grow with Metrobank' campaign won a Gold Stevie Award at the 2024 International Business Awards, the only Philippine entry to do so in the Video for Financial Services-Banking category. The campaign features customer testimonials and employee insights, highlighting the bank's role in client success and its customer-first approach. Judges praised its ability to translate banking services into relatable stories, reinforcing Metrobank's commitment to exceptional service.

These recognitions reflect Metrobank's strength, stability, and commitment to excellence.

TOYOTA | **Toyota Motor Philippines Corporation (TMP)**



ABOUT THE BUSINESS

Toyota Motor Philippines Corporation (TMP) is the country's leading automotive company, specializing in the design, manufacturing, assembly, and importation and distribution of passenger and commercial vehicles. TMP is a long-standing strategic partnership between GT Capital Holdings, Inc. (GT Capital) and Toyota Motor Corporation of Japan (TMC). The company offers the most extensive vehicle lineup in the Philippines with 25 Toyota models and 12 Lexus models. Established in 1988, TMP operates its head office and manufacturing plant in the 82-hectare Toyota Special Economic Zone in Laguna, where the Vios, Innova, and Tamaraw models are assembled with a 60,000-unit annual capacity.

TMP's 2024 in Numbers

46.5%
Market Share

Page 64

1,642
employees covered by Collective Bargaining Agreements

Page 67

218,019
Units Sold

Page 64

72%
Share of the xEV Market
(based on data from CAMPI and AVID)

Page 64

Php5.5 B
invested under Comprehensive Automotive Resurgence Strategy (CARS) Program

Page 63

(Right) Alfred V. Ty, Chairman
(Left) Masando Hashimoto, President

STRATEGY AND PERFORMANCE

How TMP Creates Value

Anchored by the values and the vision of the Toyota global network, TMP aims to lead the future mobility society in the Philippines.

TMP sets its eyes on market dominance with products and services globally known for outstanding quality, advanced technology, and environmental mindfulness. Continuous product improvement spells the difference for the company, making it withstand competition to be the top-of-mind choice of consumers. This, coupled with effective financial and resource management, allows TMP to sustain profitability and growth.

TMP's top-notch manufacturing capabilities materialize in its 82-hectare plant in Santa Rosa, Laguna. With an annual capacity of 60,000 units, the manufacturing plant produces three Completely Knocked Down (CKD) models: the Vios, Innova, and Next Generation Tamaraw. In 2024, TMP also inaugurated its 1.5-hectare 'TMP Conversion Factory,' built with a PHP 1.1 billion investment, that can convert the New Generation Tamaraw into three body styles. Meanwhile, its 32-hectare Batangas Vehicle Center serves as a logistics hub for streamlined vehicle handling and efficient delivery of imported vehicles. To deliver its vehicles to consumers, TMP 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.

Within these facilities, a culture of excellence and constant improvement is imbibed. TMP closely adheres to the Toyota Quality Management (TQM) System to ensure that its vehicles meet company, national, and global standards. All vehicle models undergo fuel efficiency and emissions testing as well as safety ratings and testing. Meanwhile, 72 out of 74 Toyota and Lexus dealerships have earned the Bagwis Accreditation from the Department of Trade and Industry. This commitment to quality is what defines the Toyota brand.

To steer TMP towards its goals, it started 2024 with a new president, Masando Hashimoto, who took over the company's reins from Atsuhiro Okamoto. Hashimoto,47, is the youngest president in TMP history. He brings in 24 years of industry experience highlighted by his expertise in global sales and business planning, Asia distribution, and human resource management.

TMP's 2,035 Team Members in its workforce provide critical contributions to the Company's success. TMP makes it a priority to sustain their morale and productivity by enabling them to develop their full potential while taking care of their welfare.

Furthermore, TMP enables value creation through its expansive supply chain. TMP believes that supplier development is instrumental in driving sustainable progress. In line with its commitment to revitalize the country's automotive manufacturing industry, TMP also prioritizes local suppliers with the capacity to have competitive advantage in the region. TMP maintains strong relationships with 100 Toyota Suppliers Club Members and 46 locally sourced part suppliers.

This commitment to empowering players in its supply chain reflects TMP's commitment in support of the Philippines' economic development. This commitment was made tangible by TMP's contributions to the national government's Comprehensive Automotive Resurgence Strategy (CARS) Program. By revitalizing the competitiveness of the local automotive manufacturing industry, TMP consequently generates jobs and spurs innovation. TMP's operations generate significant economic value through its local supply chain, with strong performance in its vehicle production.

Business Review continued:
Toyota Motor Philippines Corporation (TMP)

Tamaraw variants available and suited for Micro Small and Medium Enterprises

Industry Key Risks and Future Outlook

TMP is well-positioned to maintain its market leadership while smoothly rolling out its long-term vision of transforming into a mobility company. The Company continues to strengthen its business fundamentals to stay on top while accelerating its electrification initiatives to keep in step with consumer demands and climate-related concerns. At the same time, with eyes on the next frontier of mobility, TMP is starting to deploy new mobility solutions revolving around Connected Cars, Autonomous Driving, Shared, Electrified (CASE) to future-proof the company.

Climate Risks

TMP has always been committed to reducing its environmental footprint and addressing climate issues, embedding sustainability in various areas of its operations. Environmental issues such as climate change and resource depletion are among the many risks the company faces. Decarbonization, electrification, optimizing water usage, and establishing a recycling-based society and systems take priority.

In the short term, TMP is focusing on what it can improve in its decarbonization efforts. The company is continuously enhancing its GHG inventory to better monitor and manage its emissions. At the same time, TMP is bolstering its electrification efforts with new powertrain technologies. These pave the way for the transition from traditional to electric vehicles.

Meanwhile, there are multiple layers to TMP's medium to long-term approach to climate change. It moves toward carbon neutrality in support of the global Toyota Environmental Challenge (TEC) 2050, launched its bold Beyond Zero commitment, and shifts gears from being an automotive company to a mobility company.

The TEC 2050 is a unified movement across all Toyota affiliates globally to achieve six environmental goals:

1. **New Vehicle Zero CO_2 Emissions Challenge**
2. **Life Cycle Zero CO_2 Emissions Challenge**
3. **Plant Zero CO_2 Emissions Challenge**
4. **Challenge of Minimizing and Optimizing Water Usage**
5. **Challenge of Establishing a Recycling-based Society and Systems**
6. **Challenge of Establishing a Future Society in Harmony with Nature**

In line with the TEC 2050, TMP is extending its decarbonization commitment down its value chain. TMP suppliers and dealers are encouraged to abide by the Toyota Green Purchasing Guidelines which promote ISO 14001 certification, carbon emissions reduction, water conservation, recycling, and chemical management. 73 out of 74 dealerships have obtained certification while the newest one, Toyota Ormoc, Leyte, is working on getting certified soon.

TMP committed to greening its Santa Rosa manufacturing plant as part of the Plant Zero CO_2 Emissions Challenge. As of 2024, it has delivered on its promise of sourcing 100% renewable energy for the plant's power needs. To promote a recycling-based society, TMP is establishing its end-of-life vehicle dismantling and battery recycling systems. This allows TMP to minimize waste and maximize resource recovery at the same time.

The Beyond Zero initiative is a comprehensive sustainability movement that goes beyond achieving carbon neutrality to fostering positive societal impacts. It focuses on three pillars:

1. **Electrification.** TMP is mainstreaming vehicle electrification through its hybrid electric vehicle (HEV) and battery electric vehicle (BEV) lineups. TMP considers HEVs as a necessary transitory step. At present, the charging infrastructure in the Philippines is not yet fully developed to support a full transition. This makes HEVs a viable option as they reduce emissions and increase fuel efficiency while not fully relying on a charging infrastructure network.

Hydrogen powertrain technology showcase to Philippine President Ferdinand Marcos Jr. and First Lady Liza Araneta Marcos

TMP volunteers at the ten-hectare mangrove plantation in Lian, Batangas

2. **Diversification.** This involves exploring various energy resources that would complement the powertrain technologies and diverse mobility solutions to cater diverse mobility needs.

3. **Intelligence.** TMP is continuously leveraging data-driven technologies to create smarter mobility ecosystems.

TMP's transformation into a mobility company serves to future-proof the business. Traffic congestion, parking challenges, and the overall costs of vehicle ownership are making it more palatable for people to find alternative transportation choices. Access to—not necessarily ownership of—vehicles is the heart of this transformation. Beyond traditional vehicle ownership, TMP is also focusing on providing mobility solutions such as on-demand shuttle service, fleet management, and vehicle leasing. TMP is introducing sustainable innovations in the industry based on the areas of CASE – Connected Cars, Autonomous Driving, Shared, Electrified.

A case study is the Toyota Community Shuttle (TCS) program in Santa Rosa and Pasay that the company implemented as a year-long corporate social responsibility (CSR) initiative. The shuttle service, powered by the myTOYOTA Shuttle PH mobile app from Toyota Mobility Solutions Philippines, Inc., enables efficient, on-demand transportation with optimized route planning and seat booking. The increasing demand for the service is indicative of the potential of mobility solutions that provide safer, greener, and more convenient transport options.

Macroeconomic Conditions

The Philippines' robust economy bodes well for the automotive industry. GDP continued to expand with high consumer spending being a major contributor. Micro, small, and medium enterprises (MSMEs) are seen to flourish amid the positive macroeconomic environment.

In the short-term, TMP maximizes this opportunity by strengthening the business fundamentals that have propelled it to market leadership for decades: the Toyota brand of overall safety, quality, and efficiency underpinned by its Total Quality Management. This commitment to product quality has led the company to maintain its position as the number one in terms of passenger car, commercial vehicle, and overall sales. As it faces new competition with the entry of Chinese and South Korean brands in the country, the company vigilantly protects its market share by reinforcing these strengths.

External shocks such as foreign exchange fluctuations and inflation on prices of raw materials may impact the company's bottom line in the short term. Following global economic conditions and recent geopolitical events, the likelihood of forex fluctuations is expected to increase. The company implements cost control measures to ensure financial resilience and sustain profitability.

Meanwhile, rising fuel prices may open opportunities for the company in the medium to long term as consumers increasingly opt for fuel-efficient electric vehicles. TMP continues to expand its HEV and BEV line-ups to deliver products relevant to consumer needs while responding to environmental risks. TMP currently offers the widest HEV lineup in the country with seven models under the Toyota brand and 10 under the Lexus brand. In 2024, TMP refreshed the Toyota Alphard HEV and introduced the Lexus LBX HEV and Lexus UX 300e BEV.

Looking toward medium to long term growth, TMP introduced new models, bannered by the Philippine-made Next Generation Tamaraw. Built for family and business use, the practical and customizable design of the Next Generation Tamaraw makes it a viable offering to capture the growing MSME sector. With the revival of this iconic Tamaraw model, the company reaffirms its dedication to nation-building, providing locally built, high-quality commercial vehicles while fostering the growth of micro, small, and medium enterprises across the Philippines.

Regulatory Environment

The national government has been supportive of the industry, working with key players to turn the Philippines into a regional automotive manufacturing hub. TMP has played a pivotal role in the CARS Program.

The program period for TMP's Vios production under CARS ended in July 2024, with the company exceeding the minimum requirements, demonstrating its commitment to strengthening domestic manufacturing and increasing local value-added production. Under CARS, TMP produced 204,000 units of the Vios model (exceeding the 200,000 requirement) and localized 4 main plastic parts, 2 strategic parts, and above 50% of the entire body shell's weight. It also dispensed Php5.5 billion in actual investments, way up from its original investment plan of Php3.2 billion. By surpassing program targets, TMP has contributed to the growth of local auto parts manufacturing and supply chain development, ensuring the sustained competitiveness of the Philippine automotive sector.

Business Review continued:
Toyota Motor Philippines Corporation (TMP)

The enactment of the Electric Vehicle Industry Development Act (EVIDA) in 2022 has been a welcome development in the shift toward vehicle electrification. The law promotes the development of the domestic EV industry with necessary infrastructure support, aiming to make the Philippines an EV producer and exporter by 2040. TMP's existing electrification initiatives align with the Comprehensive Roadmap for the Electric Vehicle Industry (CREVI) in support of the EVIDA.

Cybersecurity and Manpower Risks

Cybersecurity and manpower risks emerged as key risks for TMP. Information and cybersecurity risks come from user errors, misuse of services, and phishing emails that may introduce viruses or malware into the system/network, potentially leading to information loss and system failure. Hacking incidents may increase due to the increasing sophistication of hackers, their techniques, and their growing number of digital systems vulnerable to attack. TMP have reported incidents of hacking, but these have not resulted in substantial infiltration or impact on operations. TMP has several measures in place to protect its system. Regular vulnerability assessments are done to check the strength of the network. Furthermore, an awareness campaign about cyber-attacks keeps the personnel properly informed. Likewise, the IT Security Roadmap is continually being implemented.

Meanwhile, the lack of skilled workers may hinder TMP's dealer operations. Talent retention in the face of headhunting by competitors poses a challenge, exacerbated by change in career plans and the lure of working abroad. This may lead to low productivity and decrease in customer satisfaction and retention. To manage these risks, TMP taps into the manpower pool of TMP technical school, provides recognition and appreciation to employees via internal award-giving bodies like Toyota Outstanding Performers (TOPS) Awards and offers continuous training opportunities for its dealer service workforce. Moreover, TMP is looking at reviving 20% buffer technicians and back-up staff at dealerships.

Key Performance Indicators and Outcomes

Financial Performance

TMP recorded yet another stellar year as it sold 218,019 units to set an all-time high annual sales volume record in its 36-year history. This amounted to a 9% increase in retail sales volume which pushed the company's net income up by 15.3% to Php15.9 billion. For the 23rd consecutive year, the Company maintained the Triple Crown achievement for its leadership in passenger car sales, commercial vehicle sales, and overall sales.

Strong commercial vehicle sales led by the Hilux, Raize, Innova, Avanza, and Hiace models propped these numbers up. Electrified vehicles (xEVs) composed 6.4% of TMP's total sales in 2024, up 2.8% from 2023. Toyota's HEV sales skyrocketed to 11,968 equivalent to 203.3% of the 2023 sales while Lexus xEVs saw a 158.9% growth compared to the previous year.

TMP continued its dominance by earning a 46.5% market share during the year. At the same time, Lexus cornered a significant 53.5% market share of the luxury car segment while TMP's electrified vehicle lineup captured a huge 72% share of the xEV market (based on data from CAMPI and AVID).

Economic Performance and Impacts

In 2024, TMP distributed an economic value of Php261.3 billion. It spent Php3.6 billion for employee wages and benefits, paid Php13.9 billion to providers of capital and Php35.4 billion to the government and gave Php43.9 million to community investments.

Economic Performance (in Php, unless otherwise stated)	2024
Direct Economic Value Generated	241,928,391,771
Direct Economic Value Distributed	261,328,212,952
Operating Costs	208,408,566,376
Employee Wages and Benefits	3,608,978,842
Payments to Providers of Capital	13,882,621,000
Payments to Government	35,383,923,000
Community Investments	43,924,734
Direct Economic Value Retained	-19,399,821,181
Direct Economic Value Retained (%)	-8%

Building on its market leadership, TMP achieved significant milestones in trade and regulatory compliance. The company became one of the pioneering organizations to achieve Authorized Economic Operator (AEO) Level 2 accreditation from the Bureau of Customs (BOC), reaffirming its commitment to secure global trade standards and streamlined customs processes. TMP was also recognized as the country's second imports revenue collection contributor, paying Php35.38 billion in duties and taxes in 2024. This milestone grants TMP enhanced benefits, including expedited customs clearance and priority processing, further strengthening its role in the Philippine automotive industry and supply chain.

TMP Logistics Hub in Batangas

TMP also solidified its position as the top revenue contributor to the Bureau of Customs (BOC) - Port of Batangas, remitting Php18.7 billion in duties and taxes in the first half of 2024. Recognized during the Port's 67th founding anniversary in August 2024, TMP secured two seats on the newly established Port of Batangas Customs Industry Consultative and Advisory Council (CICAC). The Port of Batangas serves as a key entry point for Toyota and Lexus models, parts, and service components, supporting TMP's distribution to the Visayas and Mindanao.

Beyond national contributions, TMP's impact was equally recognized at the local level. The company was named by the City Government of Santa Rosa as the Top Business Taxpayers' Hall of Famer and Top 1 Manufacturer under the Lion Awards categories, for its significant contributions to the city's economic growth.

TMP's engagement in the CARS Program has led to substantial technological and economic benefits, including the enhancement of local supply chains, increased employment opportunities, and the promotion of local automotive manufacturing capabilities. With the conclusion of the Vios CARS program cycle, TMP remains engaged in vehicle production, localization, and investments in automotive manufacturing. TMP's participation in the CARS program highlights its dedication to supporting government initiatives and advancing the Philippine automotive industry through sustained innovation, investment, and localization strategies.

Environmental Performance and Impacts

TMP rigorously monitors and manages its direct and indirect CO_2 emissions. It recorded total Scope 1 emissions of 12,203 tons in 2024 which came from mobile sources and company-owned vehicles (79%) and stationary sources like the manufacturing plant's diesel-fueled generators and boilers (21%). TMP progressively reduces these emissions by optimizing the manufacturing process, using simple machines, using alternative energy sources, or if practicable, investing in new technology or facilities.

TMP also minimizes Scope 2 emissions by sourcing renewable energy for its operations. It pledged to achieve carbon-neutral manufacturing in its Santa Rosa plant by 2035. As of 2024, the Santa Rosa plant has successfully transitioned to using 100% renewable energy: 90% is sourced from a local RE supplier while 10% comes onsite from a 1.46-megawatt rooftop solar power system. This marks a significant milestone in TMP's commitment to decarbonization in support of TEC 2050.

TMP also takes on the challenge of reducing its indirect emissions across its value chain. Its Scope 3 CO_2 emissions come from logistics operations, as well as electricity and fuel consumption from both supplier and dealer networks. As of 2024, thirteen (13) suppliers are already sourcing 100% of its power requirements from onsite and offsite renewable energy sources. Toyota Mabolo, Cebu dealership has also shifted to 100% renewable energy since June 2022 through the Department of Energy's Green Energy Option Program.

GHG Emissions (in tons-CO_2e)
GRI: 305-1, 305-2

Scope	Category	2024
Scope 1	Fuel - Stationary	2,513
	Fuel - Mobile	9,690
Scope 2	Location-based	20,222
	Market-based	952.25

As automotive manufacturing is a water-intensive industry, TMP has set up mechanisms to conserve, recycle, and treat the water it uses. A study by the World Wide Fund for Nature revealed that the company's underground water source in Santa Rosa may potentially become scarce by 2025. TMP has been using alternative sources such as rainwater and recycled water to mitigate the impact. Furthermore, TMP's Wastewater Treatment Plant ensures that the water it releases back to the Laguna Lake is contaminant-free and compliant with all regulations pertaining to the following parameters: Biochemical Oxygen Demand (BOD5), Chemical Oxygen Demand (COD), Total Suspended Solids (TSS), pH level, Oil and Grease and Heavy Metals. In 2024, TMP utilized 272,274 cu m of water across its operations.

TMP received from the City Government of Santa Rosa the GREEN Awards for Sustainable Development Partner and Earth Hour Advocate in recognition of its environmental initiatives. Several Toyota affiliates were also honored, reflecting the company's strong commitment to corporate social responsibility and sustainable development in Santa Rosa.

Business Review continued:
Toyota Motor Philippines Corporation (TMP)

Environmental Data
GRI: 302-1

Data	Category	2024
Electricity (kWh)	Onsite Renewable	1,738,309
	Offsite Renewable	24,714,838
	Non-Renewable	927,915
	Subtotal	**27,381,062**
Fuel	Diesel (L)	988,958
	Gasoline (L)	1,698,558
	LPG (kg)	854,632
Water (cu m)	Utilities	15,039
	Groundwater	257,235
	Subtotal	**272,274**
	Recycled/Treated	7,286
	Harvested	16
Solid (Non-hazardous waste)	Recycled, Upcycled, Composter or Reprocessed	5,668,902
	Landfilled	461,470
	Subtotal	**6,130,372**
Hazardous waste	Recycled, Upcycled, Composter or Reprocessed	677,407

Apart from reducing its environmental impact, TMP also advances environmental sustainability through its collaboration with other organizations. In 2024, TMP provided a fleet of electrified mobility for the participants of the Asia-Pacific Ministerial Conference on Disaster Risk Reduction (APMCDRR), promoting sustainable transportation solutions. The APMCDRR, which focuses on strengthening disaster risk reduction efforts across the Asia-Pacific region, was organized by the United Nations Office for Disaster Risk Reduction (UNDRR) in collaboration with the Philippine Inter-agency Committee, co-chaired by the Department of Environment and Natural Resources (DENR) and Department of National Defense (DND) Philippines.

TMP also secures all environmental regulatory requirements necessary for its operations. The company recorded zero incidence of non-compliance in 2024.

Social Performance and Impacts

TMP recognizes that its success is largely hinged on the strength of its workforce. The company attracts, nurtures, and retains Team Members by fostering a conducive workplace that promotes career growth and satisfaction.

TMP directly employs 2,035 workers as of 2024. During the year, it recorded 80 voluntary and 66 involuntary resignations, bringing the turnover rate a hair's breadth away from its target of 7%. On the other hand, it onboarded 363 new hires and promoted 393. Full-time employees are entitled to benefits such as life insurance, healthcare, disability and invalidity coverage, parental leave, and retirement provision. 100% of direct TMP employees receive above minimum wage across the cities of Santa Rosa, Makati, and Batangas.

Team Members are encouraged to continuously expand their skills and knowledge so they may advance their careers further. TMP provides opportunities according to each employee's specific roles and functions to equip them with the right skills needed to adapt to the rapidly evolving business landscape. This includes its Leadership Development Programs and Regional Operations Exposure Programs. In 2024, TMP employees collectively completed a total of 24,035 training hours.

TMP nurtures a work environment where Team Members must feel safe, respected, and heard. It recognizes equality and diversity. TMP ensures that equal opportunities are accorded to every Team Member regardless of factors such as gender, race, and religion, among others, taking steps to free the workplace from any form of discrimination and harassment. TMP takes pride in the fact that it has sustained a 1:1 ratio of the basic salary and remuneration of men to women, from rank-and-file positions up to senior management.

TMP also implements an open communication system between the management and its workforce through labor unions. There are two labor unions inside the company: the TMPC-Labor Organization (TMPCLO) for Rank & File Team

TMP officers turn over rice donations for typhoon victims to DPWH.

Team members enjoying their meals in Ciclo Verde, a dining facility inside company premises made of upcycled materials from TMP's manufacturing plant.

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). In 2024, 1,582 TMP employees were officially recognized as union members while 1,642 were covered by the CBA.

TMP has established a Safety and Health Section to oversee all safety and health-related concerns and initiatives of the company. It ensures adherence to the Department of Labor and Employment's Occupational Safety and Health Standards (OSHS), guided by three pillars: Human Safety, Machine and Construction Safety, and Worksite Safety. TMP has its own Safety and Disaster Risk Mitigation Programs. On the subject of health, TMP implements Annual Physical Examination, Random Drug Testing, and mental health programs.

TMP's social responsibility extends beyond itself. It thoroughly screens its suppliers to ensure the company engages with organizations who observe responsible and ethical business practices. TMP suppliers are required to comply with the Toyota Green Purchasing Guidelines and the ISO 14001:2015 to prove their track record in environmental stewardship. Labor compliance is also assessed through a Labor Shop Floor Management check sheet.

TMP also continues to uphold its commitment to local communities through various initiatives addressing mobility, disaster-relief, environmental sustainability, healthcare, and education. It is at the forefront of providing efficient and eco-friendly transport service, thus improving commuter accessibility. It assists affected communities during disasters, like when Typhoon Kristine wreaked havoc in the country. It is also involved in coastal cleanup and mangrove planting, health programs for communities, and Brigada Eskwela for the education of children. These initiatives reinforce Toyota's commitment to ensure sustainability in its role of nation-building.

Governance Performance and Impacts

TMP promotes and preserves a wholesome and productive work environment through the TMP Code of Conduct. Team Members are expected to act in accordance to the code to foster a harmonious relationship within the workplace. Meanwhile, its whistleblowing program—the TMP Responsible Reporting Program—serves as the company's check and balance mechanism to prevent workplace harassment incidents. There were zero cases of unethical conduct reported in 2024.

The company is also committed to protecting the privacy and security of its customers', employees', and partners' personal data. It complies with the Data Privacy Act of 2012 and its Implementing Rules and Regulations, as well as all the requirements set by the National Privacy Commission (NPC). It has established measures to protect data privacy and security in organizational, physical, and technical aspects. TMP also strengthens dealer infrastructure for data privacy to improve systems and practices.

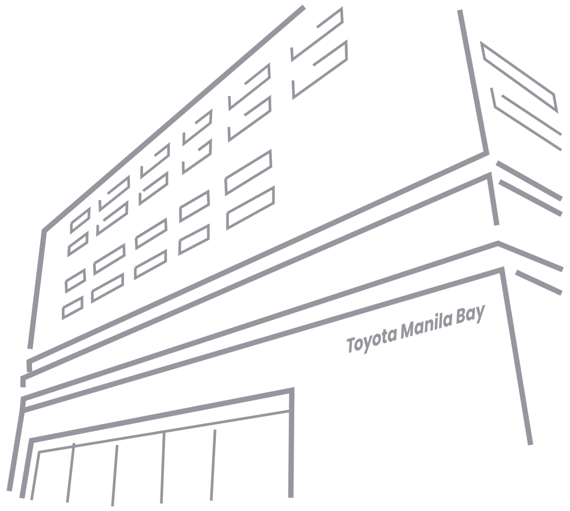
In compliance with the requirements of the NPC, the company submitted two (2) breach notifications through the NPC's Data Breach Notification Management System for the alleged data breach incidents in 2024.

TMP also consistently raises awareness on the subject within the organization through several initiatives. It conducts Privacy, Confidentiality, and Cybersecurity Management Training and encourages Data Privacy E-Learning for employees. It also observes the Data Privacy Awareness Week.

The Toyota brand is exemplified by reliability, excellence, and quality. For a globally trusted brand, it is imperative that these values be reflected in the company's marketing and advertising activities. Different internal departments align and check the accuracy of product information and imagery before marketing and advertising materials are released, ensuring that products faithfully meet customer expectations. The company recorded no significant incidents of non-compliance on marketing and labeling in 2024.

Business Review continued:
GT Capital Auto and Mobility Holdings, Inc. (GTCAM)

GT Capital Auto and Mobility Holdings, Inc. (GTCAM)

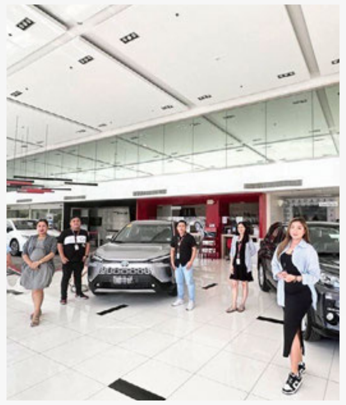


ABOUT THE BUSINESS

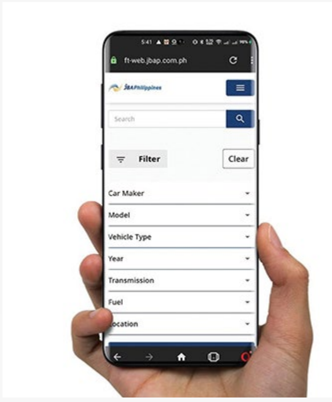
GT Capital Auto and Mobility Holdings, Inc. (GTCAM) is a wholly owned subsidiary of GT Capital Holdings, Inc. (GT Capital) that oversees the group's automotive and mobility ventures. Committed to GT Capital's broader vision of economic growth and nation-building, GTCAM plays a pivotal role in aiding motorization and in enhancing Filipinos' access to mobility. Through strategic collaborations in both the new and pre-owned vehicle markets, the company is helping define the future of the nation's automotive landscape.

GTCAM's 2024 in Numbers

Php900 M
record profit reported by GTCAM's dealership network



140%
year-on-year increase in units listed



120%
year-on-year increase in auction sales

Vicente Saniel Socco, Chairman

BUSINESS STRATEGY

GTCAM is driving sustainable growth across its Toyota dealerships – including the Toyota Manila Bay Group (Manila Bay, Marikina, Dasmariñas, Abad Santos, and Cubao), Toyota Subic, and Toyota Santa Rosa – by enhancing the customer experience in both sales and service, expanding revenue streams by maximizing the total value chain of its dealers, and by managing costs and optimizing profits. GTCAM is also expanding its presence in the pre-owned vehicle market by leveraging its strategic investments in JBA Philippines, Inc. (JBAP) and Premium Warranty Services Philippines, Inc. (PWSPI).

Sustained Growth and Market Expansion

GTCAM achieved significant growth across its business units in 2024, reflecting strong market performance and strategic expansion. Its dealership network reported a record profit of nearly ₱900 million, marking a 5% year-over-year (YoY) increase. JBAP experienced substantial growth in auction activities, with a 140% YoY increase in units listed and a 120% YoY rise in auction sales. Meanwhile, Premium Warranty Services Philippines, Inc. (PWSPI) saw exceptional progress, recording a 30-fold YoY growth in warranties sold. These milestones underscore GTCAM's commitment to driving business excellence and strengthening its position in the automotive and mobility sectors.

Strategic Expansion Initiatives

In alignment with GT Capital's long-term strategy, GTCAM is focused on expanding its presence in existing sectors, exploring new opportunities, and strengthening synergies across its portfolio. This includes pursuing new dealership investments that align with Toyota Motor Philippines' growth plans, diversifying through strategic partnerships in related industries, and enhancing its role as an active investor by fostering greater collaboration and integration across the group's business ventures.

Business Review continued:
Federal Land, Inc.

Federal Land, Inc.

ABOUT THE BUSINESS

Federal Land, Inc. (Federal Land), a premier property developer in the Philippines and a wholly owned subsidiary of GT Capital Holdings, Inc. (GT Capital), has been shaping the real estate landscape for over 50 years. A multi-awarded developer, Federal Land has continuously delivered innovative developments, from high-rise condominiums to commercial spaces, office hubs, and expansive master-planned townships that create a positive impact for generations.

Federal Land's 2024 in Numbers

Php12.0 B
Revenues generated
Page 73

72%
occupancy rate, an improvement from 2023
Page 73

Php750 M
Net income
Page 73

61
hours of average training per employee
Page 77

7%
Energy consumption from renewable sources
Page 76

19%
Reduction in hazardous waste generation
Page 76

(Right) **Alfred V. Ty, Chairman**
(Left) **William Thomas F. Mirasol, President**

STRATEGY AND PERFORMANCE

How Federal Land Creates Value

At its core, the Company aims not just to simply develop land but to also elevate lifestyles through property projects where people can comfortably and securely live, work, and play. It offers innovative and well-built residential, commercial, retail and office spaces, as well as multi-use townships known for their world-class quality.

Federal Land is strategically adapting to shifts in the property market by expanding its focus on horizontal developments. The Company is accelerating its investment into large-scale, masterplanned communities both inside and outside urban centers. Strategic land banking serves as the foundation of this growth. The Company's land assets are located in prime locations nationwide, including areas with high potential to become future economic hubs, thereby spurring regional growth while boosting long-term profitability.

The Company transforms dynamic communities through its strategic partnership with Japan's Nomura Real Estate Development Co., Ltd. This led to the formation of Federal Land NRE Global, Inc. (FNG) for the purpose of creating new value in the real estate sector by combining Federal Land's market expertise with Nomura's globally recognized innovation in urban development. This joint venture enhances Federal Land's ability to introduce world-class, thoughtfully designed communities that cater to evolving market demands.

Federal Land integrates environment-friendly features in its building design and ensures that its communities prioritize pedestrian and transport mobility, access to parks and open spaces, and safety and security while promoting inclusivity and smart-living features.

Another key driver of Federal Land's success is its excellent customer service, enabled by a highly capable team. The Company inculcates a strong customer-first culture within its workforce to make Federal Land a preferred property developer.

Congruent with its vision of building futures, Federal Land uplifts local districts where it operates.

Industry Key Risks & Outlook

Federal Land maintains its position as an industry leader by enhancing its brand equity and market presence. To do so, it adapts to consumers' evolving needs and preferences while integrating relevant innovations in its developments. By prioritizing customer experience and innovative living solutions, the Company reinforces its position as a forward-thinking industry leader committed to long-term value creation and urban transformation. This approach also shields the Company from risks.

Federal Land chairman Alfred V. Ty at the Meadowcrest and Hartwood Village Media Launch

Business Review continued:
Federal Land, Inc.

approximately
12% **of Riverpark in Cavite is dedicated to green spaces**

Natural Disaster and Climate Risk

Federal Land is fortifying its resilience against natural disasters caused by climate change. The Company complies with regulatory requirements related to natural disaster response and mitigation. It regularly implements loss prevention initiatives and intends to update its loss prevention manual to align with evolving regulatory requirements and the objectives of the Business Continuity Plan (BCP).

It also continues to strengthen its Occupational Safety and Health initiatives. Employees are required to attend disaster preparedness and emergency training. Managed properties under Federal Property Management Corp. (FPMC) implement evacuation procedures in case of fire, earthquake, typhoon, mass incidents, and natural calamities.

The Company is currently refining its policies on Environmental, Occupational Safety and Health, and Security Operations. This ensures Federal Land's organizational readiness to respond to risks.

Looking at more long-term solutions, Federal Land is integrating climate resilience into the design of its existing and future projects. The Company utilizes energy-efficient features on its properties to lessen carbon emissions. This includes lighting technology like LED, paint colors with high Solar Reflectance Index, and double-glazed windows to minimize indoor heat while lowering energy costs. The Company also uses permeable paving to reduce heat flux from the pavement surface.

A prime example is The Estate Makati, an ultra-luxury development designed by world-renowned Foster + Partners. The project has achieved LEED® Gold certification for its efficient energy and water systems, rainwater collection network, and iconic double-glazed glass facade.

The Company also allocates a significant portion of its developments to greenery. Low-maintenance native plants are planted within their townships, helping alleviate intense heat. As an example, approximately 12% of the Riverpark—Federal Land's 600-hectare multi-use, masterplanned township in Cavite—is dedicated to green spaces. Additionally, Federal Land explores the feasibility of building rainwater facilities in its developments.

Federal Land ensures compliance with relevant environmental protection laws. Prior to new project launches, it conducts adequate technical and legal due diligence to ascertain that land use and zoning laws are followed. All necessary permits and requirements are accomplished before the Company pushes through with a project.

To future-proof its developments against seismic risks, Federal Land designs all structures in accordance with the National Structural Code of the Philippines. This includes adherence to specified material strengths and limits for concrete, steel, and floor drift. Buildings are engineered to withstand earthquakes of magnitudes from 7.0 to 8.0. The Company also engages reputable external professional services, such as Sy2 + Associates and Ove Arup & Partners. Additionally, every Federal Land project undergoes comprehensive assessments for seismic, volcanic, and flood hazards to ensure safety and structural integrity.

Geopolitical Risk

Geopolitical risks affect trade, inflation, and supply chains, ultimately disrupting economic activity. With this looming threat, Federal Land aims for a balanced mix between foreign sales and local demand for its properties to ensure stability. This entails diversifying its products to cater to local customers from the luxury to the mid and affordable markets. The Company is making its properties more appealing to this market by offering financing options such as low down payment, extended payment terms, lease-to-own schemes, early move-in, and discounts.

To combat possible project delays or cost overruns, Federal Land is locking in its project requirements with established and qualified contractors and suppliers. Suppliers are meticulously chosen based on performance. Following geopolitical movements, the Company is switching its focus to local suppliers to lessen possible supply chain hiccups, along with retaining conservative and closely monitored budgets on contingencies across projects.

Macroeconomic Risk

The risk of economic fluctuations is ever present, making it imperative for the Company to implement strategies that would ensure the stability of its sales and occupancy levels. The Company's flexible financing options provide residential clients the necessary support to acquire properties. Meanwhile, the Company is strengthening its commercial segment to improve its revenue streams. In 2024, it formed its Commercial Business Group to expand its retail and office leasing business.

The Company also aims to improve liquidity through aggressive collection efforts, cost reduction programs, and other process efficiency initiatives.

Regulatory Risk

Federal Land ensures compliance with government regulations to avoid penalties for violations. It regularly reassesses its compliance with, but not limited to, the Data Privacy Act, Anti-Money Laundering Act, and the Tax Code to address critical gaps. Organization-wide training is conducted to ensure its workforce is knowledgeable about the Company's duties as required by regulatory bodies. In 2024, Federal Land started incorporating fundamental compliance training in its new employee orientation activities. Furthermore, the Company diligently fulfills its responsibilities as a taxpayer. It has completed its own Tax Management Charter and installed Quality Assurance Tasks within the Tax Management Function.

Federal Land has no incidents of noncompliance related to marketing. Its advertising and marketing materials seek and obtain ad approvals from the Department of Human Settlements and Urban Development (DHSUD) before release.

Cybersecurity Risk

Federal Land always sees to it that system vulnerabilities are managed, ensuring that cybersecurity and compliance gaps are addressed. The Company is working on establishing endpoint and network security. All but one of its legacy systems have been fully deactivated. In the medium term, the Company is rolling out its full migration into new systems that would improve operational efficiency. It also aims to use mSOC data and analytics to improve security posture.

Furthermore, Federal Land is taking steps to create a cyber-resilient culture within the organization. The Company is promoting cyber awareness through annual cybersecurity training. It conducts regular security audits. Moreover, the Company is seeking to utilize AI tools to help detect security threats.

Workforce Demographic Change Risk

To foster a culture of excellence that propels it to success, Federal Land invests in its workforce. The Company develops talent aligned with the management's leadership and skills requirements. Federal Land promotes continuous holistic learning for its people through the Federal Land University. Employees are provided with a targeted training curriculum in line with the individual stages of their careers, accessible via Disprz, an online learning platform. Qualified employees undergo a Leadership and Management Program. Soon, the Company will be rolling out its R.I.S.E. Development Program. This system allows Federal Land to implement proper succession, ensuring that qualified and competent employees rightfully take over roles within the organization.

Key Performance Indicators & Outcomes

Financial Performance

Federal Land strengthened its growth trajectory, maintaining its momentum despite challenges in the real estate market. The Company generated revenues of Php12.0 billion and a core net income of Php750 million in 2024. Despite the exodus of a chunk of potential clients from Philippine Offshore Gaming Operators (POGOs), Federal Land's sales remained robust. Occupancy rate improved in 2024 at 72% versus the previous year's 71%.

Economic Performance and Impacts

The Company demonstrated resilience and future orientation through the launch of one township, three residential developments, and three commercial developments in 2024. Key projects include:

Meadowcrest: A Well-Connected and Sustainable Neighborhood Township

Meadowcrest is a 48-hectare masterplanned community in Biñan, Laguna, that is carefully designed for seamless connectivity and sustainable living. Strategically located on major road networks like CALAX, SLEX, and Sugar Road, Meadowcrest follows the "15-minute community" concept, ensuring that residential, commercial, and recreational spaces are within walking or biking distance.

The development includes multiple residential villages, mixed-use districts, and an 8,000-square-meter space dedicated to a vibrant neighborhood center featuring retail, dining, and essential services. With tree-lined pedestrian pathways, bike lanes, and parklets enhancing walkability, Meadowcrest fosters a balanced, community-centric lifestyle while providing easy access to key institutions and business hubs.

Business Review continued:
Federal Land, Inc.

Hartwood Village: An Idyllic Masterplanned Residential Village in Laguna

Hartwood Village, the first of two residential villages within the Meadowcrest township development in Biñan, Laguna, spans over 11 hectares and is designed for connectivity, open spaces, and pedestrian-friendly living. It offers 186 residential lots ranging from 300 to 542 square meters, organized into sub-neighborhoods with easy access to greenways and communal amenities. At its core is a 1.1-hectare Central Amenity Park with a clubhouse, pools, a multi-purpose court, and landscaped recreational spaces. Positioned near key business districts and institutions, Hartwood Village reflects Federal Land's vision for sustainable, well-integrated communities. As of the end of 2024, it has sold 73% of launched residential lots.

Marco Polo Parkplace: The Final Addition to Cebu's Premier Residential Address

Marco Polo Parkplace is the fifth and final tower in the prestigious Marco Polo Residences development in Nivel Hills, Cebu City. The 20-story residential tower features 168 exclusive units, ranging from one- to three-bedroom configurations, designed to meet world-class standards of quality and comfort. Residents will enjoy 48 curated amenities, including a sky lounge, putting green, and outdoor gym, along with exclusive privileges at the Marco Polo Plaza Cebu. With breathtaking panoramic views, curated amenities, and the prestige of a global brand, Marco Polo Residences is one of Cebu City's most sought-after and desirable properties.

73% **take-up of Hartwood in the first five months since launch**

Florida Sun Estates Palmetto and Florida Lane: Expanding Smart-Value Developments in Cavite

Horizon Land, the smart-value brand of Federal Land, continued to expand its portfolio in General Trias, Cavite with two new launches in 2024. The final phase of the thriving residential community of Florida, Florida Sun Estates Palmetto with its residential lot offerings draws inspiration from the tropics. The Company also launched Florida Lane, offering mixed-use shophouse lots that can serve both commercial and residential uses. Florida Sun Estates Palmetto and Florida Lane is located within Florida, a highly-networked township in General Trias, Cavite, seamlessly integrating residential subdivisions, low-rise condominiums, and commercial spaces, providing a balanced urban-suburban environment within a cohesive, thoughtfully designed community.

Federal Land also finished major projects in addition to its existing developments during the year. A 1.8-kilometer bike trail was completed to promote an active lifestyle, the bike trail is part of the 70-hectare allocation of Federal Land to Riverpark's parks and greenways. The commercial vibrancy of the community is also expected to improve with the opening of Riverpark North Commercial Lots, the Uniqlo Logistics Facility, and SM City General Trias. Soon it will launch an Adventure Park, a partner school, and a church, solidifying its commitment to a vibrant, purposeful living experience.

The Met Park township in Bay Area, Pasay City also unveiled the Met Park Sports Center. It features a FIBA international basketball court and sports amenities, promoting fitness and active lifestyle among residents. Federal Land and the Metro Manila Development Authority (MMDA) were also able to launch a collaboration for shared green infrastructure around Met Park. Roxas Boulevard Promenade Light Park Phase 1 features several installations that create a lively atmosphere perfect for a dynamic community.

Reinforcing its commitment to social good, Federal Land implements a community wellness program called Wellness by Design in partnership with Manila Doctors Hospital (MDH). It enables Federal Land and MDH to provide the community with healthcare services such as care visits, teleconsultation, nursing, caregiving, and even diagnostic and laboratory services and procedures through a Roving Med van. Piloted in Met Park, Wellness by Design is intended to be replicated across other Federal Land townships.

Federal Land also started the handover of units for its luxury projects in BGC. In March, the luxury branded residential condominium Grand Hyatt Manila Residences South Tower welcomed its first residents, while Japanese-inspired condominium development The Seasons Residences started unit handover for its first tower Haru. Consistent strong demand was also observed for the condominium's Natsu, Aki, and Fuyu towers. The latter part of 2024 saw the official structural completion and topping-off of Fuyu tower, slated for completion in 2027. Other notable project handovers in 2024 include Mi Casa and Palm Beach West in Bay Area, Quantum Residences in Pasay, and Valencia Hills in Quezon City.

To expand its retail footprint, MITSUKOSHI BGC continues to house more well-loved Japanese brands, becoming the premier choice of Japanese brands to debut in the Philippine market. Among these are furniture retailer Nitori, fashion label Pearly Gates, pet clothing store monchéri, and Gashapon Bandai capsule toy machines, alongside diverse dining experiences.

Validating the Company's excellence in residential, commercial, and township developments, Federal Land and its projects received a total of 40 awards during the year from seven prestigious awarding bodies. Of these recognitions, 29 were top awards, while 11 were highly-commended distinctions, cementing the Company's leadership in the property development sector.

At the international level, Federal Land earned 10 wins across two global award events. Key recognitions include Best Luxury Developer for Federal Land and Best Breakthrough Developer for Federal Land NRE Global Inc. at the PropertyGuru Asia Property Awards.

The Riverpark township development emerged as a major winner, securing Best Township Development and Best Township Masterplan Design titles at PropertyGuru Asia Property Awards, Dot Property Philippines Awards, and Carousell Property Awards.

In the high-end residential segment, The Estate Makati won Best Ultra-Luxury Condo Development (Asia) and Best Condo Development (Asia), while The Seasons Residences was recognized as Best Luxury Condo Development (Philippines), Best Premium Condo of the Year and Best Mixed-Use Development honors. Grand Hyatt Manila Residences was also recognized for Best High-End Lifestyle Condominium Development and Luxury Residential Development of the Year.

In the retail sector, MITSUKOSHI BGC was awarded Best Retail Architectural Design (Asia) and Retail Development of the Year in the Philippines. Other notable wins include Best Affordable Condominium for Siena Towers, Best Family Condo Development for Palm Beach West, and Best Subdivision Development for Yume at Riverpark.

These accolades reflect Federal Land's continued pursuit of excellence in real estate, reaffirming its position as a premier developer in the Philippines and beyond.

40 awards
received from seven prestigious awarding bodies

Business Review continued:
Federal Land, Inc.

Federal Land Vice-President for Cebu Estate Fidel Malaca (left) receives certificate of appreciation from Hon. Mario Patricio Barcenas City Mayor of Carcar (right) for the Mangrove Reforestation Project

Federal Land Cebu employees plant mangroves in Carcar City, Cebu

Environmental Performance and Impacts

Federal Land exhibits its commitment to the environment by adhering to all applicable environmental laws and regulations set by relevant bodies. The Company regularly conducts Pre-Operations and Operations Inspections to ensure compliance.

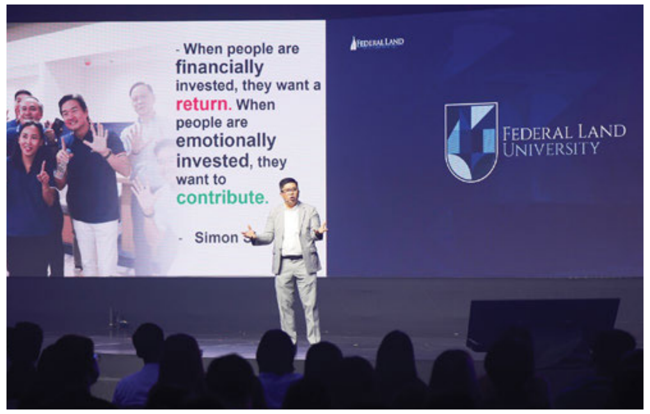
The Company actively manages its emissions, waste disposal, and resource usage to minimize its carbon footprint. It has started utilizing a significant percentage of renewable energy for its operations. The data below summarizes Federal Land's environmental data.

GHG Emissions (in tons-CO_2e)
GRI: 305-1, 305-2

Scope	Category	2024
Scope 1	Fuel - Stationary	687
	Fuel - Mobile	7
	Refrigerants	19
	Subtotal	**713**
Scope 2	Location-based	27,208
	Market-based	26,951
TOTAL	Location-based	**27,922**
	Market-based	**27,665**

Environmental Data
GRI: 302-1

Data	Category	2024
Electricity (kWh)	Onsite Renewable	2,517,575
	Offsite Renewable	12,588,882
	Non-Renewable	22,203,984
	Subtotal	**37,310,441**
Fuel	Diesel (L)	130,028
	LPG (kg)	308,630
Water (cu m)	Utilities	280,225
Solid (Non-hazardous waste)	Recycled, Upcycled, Composted or Reprocessed	44,971
	Landfilled	994,361
	Subtotal	**1,039,332**
Hazardous waste	Recycled, Upcycled, Composted or Reprocessed	4,931
	Landfilled	3,527
	Subtotal	**8,458**



Company events for the year include the Management Address, Federal Land University talks, and the AVT Cup held in MetPark

Social Performance and Impacts

Federal Land fosters a conducive working environment where employees are empowered to succeed. The Company provides regular employees a competitive compensation package that includes life insurance, healthcare, paid parental leave, and retirement provisions. It also maintains a safe and inclusive work environment free from discrimination and human rights violations; zero incidents were recorded in 2024. By the end of 2024, the Company employed a total of 591 direct hires and 11 indirect hires.

Career advancement is championed through Federal Land University, where employees receive professional training on soft skills enhancement, functional, leadership, and behavioral programs and attend government-mandated seminars. Employees can easily access courses through its learning development platform, Disprz. In 2024, Federal Land employees collectively recorded 36,209.7 training hours.

Federal Land ensures Occupational Health and Safety in its corporate office, its construction sites, and the properties it manages. It deploys Health and Safety personnel in its corporate office as mandated by the Department of Labor and Employment. Moreover, its Corporate Safety and Health Committee promotes holistic well-being through various initiatives like wellness fairs and webinars.

The Company mandates that all employees to attend occupational safety training. Contractors are also required to provide the same training to their workers. An Emergency Response Team is stationed at every site in case of emergencies. The Company also regularly conducts fire and earthquake drills and safety orientations. Through its property management arm, Federal Property Management Corp., the Company promotes safety in its existing developments by implementing safety and evacuation procedures in case of untoward incidents and calamities.

It also continues to strengthen its Occupational Safety and Health initiatives. The Company deploys Health and Safety Personnel in compliance with the Department of Labor and Employment's Department Order 198. All construction sites are equipped with safety features, provided with the necessary equipment, and conducted regular onsite safety meetings to ensure safety and operational efficiency. Partner contractors are likewise expected to provide such training to their construction workers.

In 2024, Federal Land's dedication to community enrichment and development was prominently showcased through a series of impactful CSR initiatives. On the education front, it partnered with Brigada Eskwela 2024 to get the schools physically ready for the school year. MOVE (Make Our Volunteerism Enrich Lives), the Company's CSR initiative, spearheaded the repair, repainting, and cleanup of the classrooms. It also organized a livelihood training program in a local community with the help of representatives from TESDA and volunteers from Federal Land. Participants were taught the process of making fabric conditioners and dishwashing liquids. Furthermore, the Company initiated a six-month feeding program for 137 children in General Trias, Cavite. Nutritious meals and educational activities were provided to the kids. Care for the environment was given prominence with the mangrove reforestation in Carcar City, Cebu.

Business Review continued:
AXA Philippines

AXA Philippines Life and General Insurance Corporation (AXA Philippines)

ABOUT THE BUSINESS

AXA Philippines was established in 1999 as a joint venture between the AXA Group, headquartered in Paris, France, GT Capital Holdings, Inc. (GT Capital), a listed Philippine conglomerate, and Metropolitan Bank & Trust Company (Metrobank), one of the country's largest financial institutions. Since then, the company has become one of the nation's top and fastest-growing insurance providers. Celebrating its 25th year of operations in 2024, AXA Philippines currently safeguards almost two million individuals through a diverse range of group and individual life insurance products, along with non-life or general insurance solutions.

AXA Philippines' 2024 in Numbers

49
offices nationwide
Page 79

19%
increase in Gross Premiums
Page 81

Php19.3 B
Direct Economic Value generated
Page 81

83%
employee satisfaction score
Page 83

100%
of employees trained on Climate Change and Biodiversity through the academy
Page 82

8,935,704
safe man-hours without lost time accidents
Page 83

(Right) **Solomon S. Cua, Chairman**
(Left) **Ayman Kandil, President and CEO**

STRATEGY AND PERFORMANCE

How AXA Philippines Creates Value

The AXA Noble Purpose is to act for human progress by protecting what matters.

This underpins AXA Philippines' efforts to provide security through affordable, accessible, and relevant insurance solutions to the millions of Filipinos it serves. Its noble purpose is to act for human progress by protecting what matters. By protecting the lives of many Filipinos through life insurance, protecting resources with general insurance, as well as helping assets grow with investments and estate planning solutions, its purpose is on full display.

AXA Philippines offers insurance solutions tailored to meet specific needs at different price points, consistent with its drive to protect more Filipinos regardless of socioeconomic status. Its broad portfolio of products range from affordable healthcare coverage for as low as Php535 monthly to premium services and coverage of up to Php175 million. It also offers income protection, savings and investment plans, as well as general insurance solutions such as fire, motor/car, marine cargo, personal accident, bonds, casualty, and engineering insurance. It extends its promise of security and protection to micro, small, and medium enterprises through affordable asset protection.

AXA Philippines delivers its products and services through its network of 49 dedicated offices plus 949 Metrobank and PSBank branches across the country. In 2024, the company expanded its presence with three new branches: AXA offices in Ormoc and Alabang, and the Tan Dynasty Franchise Office in Ormoc. Its distribution network is composed of nearly 4,000 financial advisors and over 700 financial executives. These physical touchpoints are complemented by its digital app, Emma by AXA PH, which serves as its customers' dedicated digital insurance partner. As of 2024, 67% of customers have adopted the platform. It has also facilitated the collection of over Php10 million in revenues during the year.

To lead the company to greater heights, erstwhile Chief Distribution Officer Ayman Kandil was appointed the new President and CEO, succeeding Bernardo Serrano who transitions to a new role within the AXA Group while maintaining ties with AXA Philippines' Board of Directors. He brings over 26 years of experience in the insurance industry, including a successful tenure as CEO of AXA Egypt, where he led four subsidiaries and implemented a transformative, one-stop-shop strategy.

Aside from the value it creates through its products and services, AXA Philippines also creates value for its workforce by being an empowering employer. As of 2024, all of AXA Philippines' 2,322 regular and full-time employees are paid above the living wage and enjoy benefits such as stock ownership. Employees are accorded various opportunities for professional development, provided a safe and secure work environment, and are encouraged to take part in the company's corporate social responsibility initiatives. Through the AXA Hearts in Action, AXA Philippines and its employees take part in programs that involve community development, women empowerment, and environmental protection, among others.

Business Review continued:
AXA Philippines

Among local insurance providers, AXA Philippines is at the forefront of promoting sustainable investing. AXA Philippines upholds responsible investing by directing capital toward investments aligned with its Environmental, Social, and Governance (ESG) commitments.

Key Risks and Future Outlook

The Philippines' insurance industry possesses a lot of potential for growth. According to estimates from the Insurance Commission, insurance penetration rose by 0.06 basis points to 1.67% in 2024. Average insurance spending per capita soared by 12.58% to P3,892.77, reflecting consumers' improving capability to acquire insurance products. Despite these improvements, however, the Philippines still lags behind its ASEAN peers. With a generally positive macroeconomic outlook coming into 2025, there is optimism for the industry to seize opportunities for growth.

Climate Risks

Climate risks may potentially impact the long-term viability of the company's investment portfolio. This makes the integration of environmental sustainability imperative in the company's business strategy. As such, AXA Philippines complies with the AXA Group's Net Zero Strategy for investments and underwriting.

The company divests and veers away from potentially harmful and risky investments by implementing stringent screening processes. It actively restricts and exits investments in sectors with high environmental and social risks such as coal, oil sand, gas, and energy-intensive industries. It also continuously enhances its ESG risk management processes to reinforce its commitment to balancing financial returns with positive impacts.

Furthermore, AXA Philippines allocates a portion of its portfolio to green bonds and ESG-compliant companies to support the global transition to low-carbon economy. In support of biodiversity conservation, the company also makes natural capital projects a priority. It also aligns with AXA's global Green Business Program to deploy tailor-made non-life or non-health solutions that contribute to climate change mitigation, climate change adaptation, and the transition to a circular economy. Furthermore, AXA Philippines exclusively engages with offshore fund managers who are signatories to the UN Principles of Responsible Investing.

AXA Philippines also employs short-term solutions to minimize carbon footprint from its own operations and mitigate its own impacts. Through its Environmental Management System, it monitors and manages its emissions (also covering business travel and car fleets), usage of natural resources, and waste generation.

Macroeconomic Conditions

With inflation threatening the hard-earned assets of AXA Philippines' clients, the company introduced its Inflation Shield, also known as Index-linked Increase Endorsement. Inflation Shield is an inflation protection feature attached to a client's policy that they may avail of during their policy anniversary. With minimal extra charges on top of their premiums, clients may boost their insurance coverage over time to protect it against inflation. Clients with Life Basix, Assure, and FlexiProtect policies may avail of the Inflation Shield.

Digitalization and Cybersecurity

Complementing physical and digital consumer touchpoints is a key strategic priority for AXA Philippines. AXA Philippines continuously invests in technological innovation and operational infrastructure to enhance efficiency, service delivery, and ultimately improve customer experience. These innovations are bannered by the Emma by AXA PH app that enables customers to manage their policies, access documents, make transactions, and download their e-Policy and Certificate of Insurance with just a few taps. As of 2024, 67% of AXA Philippines' existing customers have reportedly adopted the use of the Emma app.

As the company adapts to evolving needs in the digital era, cybersecurity risks also become heightened. AXA Philippines aligns with the AXA Group's global agenda of developing a Cyber Center of Expertise (CoE). The CoE promotes continual upskilling among AXA affiliates across the globe to develop knowledge and tools to help clients build cyber resilience.

At the same time, AXA Philippines is fortifying its data privacy and security measures. In compliance with the Philippine Data Privacy Act (DPA) of 2012 and the AXA Group Data Privacy Framework, AXA Philippines has established a three-line defense model to ensure robust data governance:

1. **First line of defense** - Management must ensure its personal data handling procedures comply with local regulatory requirements and the AXA Group policy.
2. **Second line of defense** - Data Privacy Office must develop and implement procedures, safeguards, and controls to ensure the DPA and AXA Group requirements are met.
3. **Third line of defense** - Internal Audit must provide independent assurance of the framework's effectiveness.

Regulatory Risks

AXA Philippines ensures strict adherence to policies and guidelines set by the Insurance Commission. It also complies with Anti-Money Laundering and Counter Terrorist Financing (AML-CTF) laws. The company regularly reviews its internal policies to ensure they are aligned with the latest developments in regulatory requirements and best practices.

Key Performance Indicators and Outcomes

Financial Performance

AXA Philippines ended 2024 with a net income of Php2.51 billion from its life and general insurance operations. Gross premiums jumped by 19% to Php30.4 billion in 2024.

Economic Performance and Impacts

AXA Philippines sustained its strong showing in terms of direct economic value generated which inched higher to Php19.3 billion in 2024. Of this amount, Php3.17 billion was distributed to employees as wages and benefits, Php857.15 million was paid to the government, Php1.5 billion was paid to providers of capital, and Php6.2 million went to community investments.

Economic Performance (in Php, unless otherwise stated)	2024
Direct Economic Value Generated	19,351,318,841
Direct Economic Value Distributed	18,364,078,509
Operating Costs	12,820,171,472
Employee Wages and Benefits	3,153,492,778
Payments to Providers of Capital	1,500,000,000
Payments to Government	884,211,408
Community Investments (Php M)	6,202,851
Direct Economic Value Retained	987,240,332
Direct Economic Value Retained (1% of Economic Value Generated)	0.05

The company's economic impacts are seen in the lives and assets it protects through its comprehensive and flexible insurance solutions. Flagship products include Global Health Access which provides up to Php175 million in coverage, Health Care Access which offers teleconsultation and mental health services, and Health Start Lite that covers the top three critical illnesses (cancer, stroke, and heart attack) for as low as Php535 monthly. Anchored on its global brand campaign, "Being a woman shouldn't be a risk," AXA Philippines addresses protection gaps for women which offer preventive and treatment services tailored to women's different health needs.

Aside from health insurance, AXA Philippines also amplifies its commitment to providing financial protection through non-life and investment-linked products.

In 2024, AXA Philippines reinforced its flagship insurance plan, MyLifeChoice, through strategic content partnerships. MyLifeChoice offers a comprehensive life insurance with investments plan for as low as Php157 per day. To empower more Filipinos to achieve financial security, the company launched AXA Secure Future, a seven-pay endowment plan with guaranteed cash benefits and the highest life insurance coverage among limited-pay endowment plans (based on AXA Philippines' internal market scan, December 2023). This plan empowers customers to pursue their passions while securing their family's future.

Expanding its investment-linked insurance offerings, AXA Philippines introduced the Global Edge Equity Fund in 2024 through Asset Master. This fund provides customers access to high-growth global champions while ensuring resilience in fluctuating markets through a proven investment strategy. Beyond its investment benefits, Asset Master serves as a strategic estate planning solution, ensuring that proceeds designated to irrevocable beneficiaries remain tax-free and protected from garnishment, allowing seamless wealth transfer. Combining growth potential and financial security, Asset Master empowers individuals to build and protect their legacy.

In 2024, AXA Philippines earned numerous industry citations, with AXA Smart Traveller securing back-to-back wins as Best Travel Insurance (Single Trip) at the TripZilla Excellence Awards 2024 and retaining its Platinum Seal at the 2024 Reader's Digest Trusted Brands Awards. The company also received Gold Seals in the Health Insurance and Life Insurance categories at the same awards.

Business Review continued:
AXA Philippines

Environmental Performance and Impacts

AXA Philippines integrates climate change adaptation and mitigation measures into its strategies through a three-pronged approach:

1. As an *investor,* it minimizes the carbon footprint of its portfolio, prioritizing green investments instead.
2. As an *insurer,* it offers products that incentivize sustainable customer behaviors and carbon-conscious decision-making. AXA partnered with Toyota Motor Philippines to introduce Connected Toyota Insurance (CTI), the first pay-how-you-drive car insurance product in the country which incentivizes safe driving.
3. As an *employer,* it educates employees through the AXA Climate Academy. AXA Philippines has successfully reached its target of training 100% of its employees on Climate Change and Biodiversity through the academy.

The company also monitors its environmental footprint through its Environmental Management System. In 2024, its Scope 1 and Scope 2 emissions amounted to 968 tons-CO_2e. For years now, AXA Philippines has been investing in energy-efficient systems such as LED lights to minimize its carbon footprint. It has also enabled remote work to decrease emissions from employees' daily commute.

During the year, the company consumed 1,060,194 kWh of electricity; 58,820 L of fuel; and 747 cu m of water. The company also sent 14,549 kg of solid non-hazardous waste to landfills during the year while 4,458 kg were recycled, composted or reprocessed.

GHG Emissions (in tons-CO_2e)

GRI: 305-1, 305-2

Scope	Category	2024
Scope 1	Fuel - Mobile	141
Scope 2	Location-based	827
	Market-based	827
Total	Location-Based	**968**
	Market-based	**968**

Environmental Data

GRI: 302-1

Data	Category	2024
Electricity (kWh)	Non-Renewable	1,060,194
Fuel	Diesel (L)	31,129
	Gasoline (L)	27,691
Water (cu m)	Utilities	747
Solid (non-hazardous) Waste	Recycled, Upcycled, Composted or Reprocessed (kg)	4,458
	Landfilled (kg)	14,549

In partnership with Soilmate, AXA Philippines aims to improve its waste management processes. Soilmate collects the company's food wastes, turns them into compost through the bokashi method, then gives them to partner farmers to utilize as fertilizer. Similarly, AXA Philippines shreds its collected paper wastes and through its partner, Ecohygiene, recycles these into tissue paper for office use. The colored papers collected, on the other hand, are recycled by another sustainability partner, Iron Mountain, into eco-friendly products like egg trays and grocery bags. Moreover, the company has transitioned to issuing digital receipts to reduce paper consumption.

In 2024, its Scope 1 and Scope 2 emissions amounted to

968 tons-CO_2e

Social Performance and Impacts

AXA Philippines recognizes the importance of its employees as the backbone of its success. It aims to become a preferred employer and a great place to work through progressive policies and initiatives.

In 2024, the company was recertified as a Great Place to Work, achieving an 83% employee satisfaction score, significantly increasing from last year's 75%. AXA Philippines is also the first insurance company to receive the Award of Excellence in Industrial Safe Man Hours from the Safety Organization of the Philippines, Inc. This recognition was earned after achieving 8,935,704 safe man-hours without lost time accidents. For the first time, AXA Philippines earned a spot in the 2025 Top 300 Employers of the Philippines, an annual ranking by Statista Pte Ltd. and the Philippine Daily Inquirer, based on insights from over 10,000 employees across large organizations in the country.

All these awards result from policies that prioritize the growth and welfare of employees.

AXA Philippines is an equal opportunity employer, committed to ensuring that it has the right people with the right skills in the right places within the organization. Candidates are selected based on their competence, regardless of factors such as race, religion, gender, age, etc. Compensation is determined by several factors and is periodically reviewed. In 2024, the number of AXA Philippines' direct employees stood at 2,250 while indirect employees totaled 72. All its direct employees are paid at least a living wage based on the regional rate determined by the Fair Wage Network. Benefits given to full-time employees include life insurance, health care, disability and validity coverage, parental leave, retirement provision, and stock ownership.

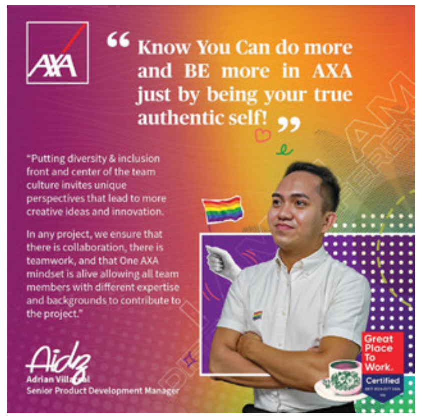
	Female	Male	Grand Total
Employees (Direct)	1,376	874	2,250
Employees (Indirect)	47	25	72

Ratio of basic salary and renumeration of men to women

Female / Male

Rank-and-file	Junior Management	Middle Management	Senior Management
1:1	1:1	1:1	1:2

Business Review continued:
AXA Philippines



At AXA Philippines, employees are celebrated, recognized, well taken care of, and given an opportunity to give back to society.

AXA Philippines also promotes continuous education for employees to advance their careers. Through its upskilling framework, Continuous Learning@AXA, the company shifted its focus from structured learning programs to social and on-the-job learning experiences. It encourages holistic learning through programs spanning leadership, functional, transversal, and insurance-specific knowledge and skills. The company also provides access to learning tools such as YES Learning, LinkedIn Learning, and AXA Managers (Nomadic). The AXA Climate Academy was developed to promote climate change and sustainability education. In 2024, employees collectively logged a total of 72,194 training hours.

AXA Philippines recognizes the value that a diverse workforce brings to an organization. It strives to be inclusive with programs such as "I Am Different" and "Sa AXA Kasama Ka." It also recognizes same sex partners as eligible dependents for employees' HMO. The company does not tolerate discrimination in any form. In accordance with the Employee Handbook, proven cases of bullying and harassment are punishable with suspension or termination. AXA Philippines saw no reported incidents of discrimination in 2024.

The company creates a safe and healthy workplace for employees, contractors, partners, and guests by complying with Republic Act No 11058, also known as the Act Strengthening Compliance with Occupational Safety and Health Standards, through a comprehensive set of safety programs. Potential dangers are avoided through hazard identification and risk assessments. Training and awareness programs are conducted to educate stakeholders on safety practices and concerns. Legal compliance monitoring ensures adherence to regulations, while accident and incident reporting and investigation enable learning from past incidents to prevent future occurrences. Emergency management ensures preparedness for unforeseen events, while events and travel safety management compels employees to follow guidelines outside the workplace.

Employees also receive comprehensive Standard First Aid and Basic Life Support with CPR training, reinforcing a culture of preparedness. These policies are developed with guidance from certified professionals across government and non-government organizations, fostering a collaborative and safety-conscious work environment.

Moreover, the company champions physical and mental well-being through its occupational health and wellness initiatives. One key initiative is AXA Philippines' Employee

Training Hours Total

Female	Male	Grand Total
46,413.51	25,780.76	72,194.27

AXA Philippines celebrates 25th anniversary on November 21, 2024

Assistance Program (EAP) which provides employees with direct access to mental health professionals through an online counseling platform. Designed to help manage stress, work-life balance, and personal challenges, the EAP ensures confidential consultations and professional support.

Additionally, AXA Philippines supports the creation of special interest clubs and wellness workshops covering activities such as mountaineering, football, dance, and singing, fostering a sense of community and work-life balance. To further support well-being, the company implements policies that help employees manage personal and professional responsibilities while also engaging them in social impact initiatives through AXA Week for Good and AXA Week for Growth, which provide learning and volunteer opportunities. These efforts reflect AXA Philippines' holistic approach to workplace wellness, reinforcing its commitment to employee mental health.

Employees take an active role in the corporate social responsibility program of the company. Under the AXA Hearts in Action (AHIA), the company's volunteering program, employees contribute to make a positive impact to society and the planet.

In 2024, employees undertook a wide range of initiatives. They distributed portable water filters, mushroom farming kits, books, and bags of rice to several communities. They also spearheaded a coastal cleanup in Zambales and took the lead in planting native seedlings in Laguna during the launch of the AXA Forest project. AXA Philippines mounted an art exhibit featuring the works of individuals with autism. To help learners in their schoolwork, internet systems were provided to a group of Tondo students. The company also launched "Her Court," a fitness and wellness initiative aimed at empowering women through sports.

Governance Performance and Impacts

AXA Philippines upholds high ethical standards by adhering to the AXA Group's Compliance and Ethics Code. The Code promotes a culture of integrity and compliance, pushing employees to carry out their duties in a legal, ethical, and responsible manner. The Code governs the Group's Anti-Bribery and Anti-Corruption Policies, Anti-Money Laundering, Counter Terrorist Financing (AML-CTF) Program, potential conflicts of interest, and data protection and cybersecurity measures, among others.

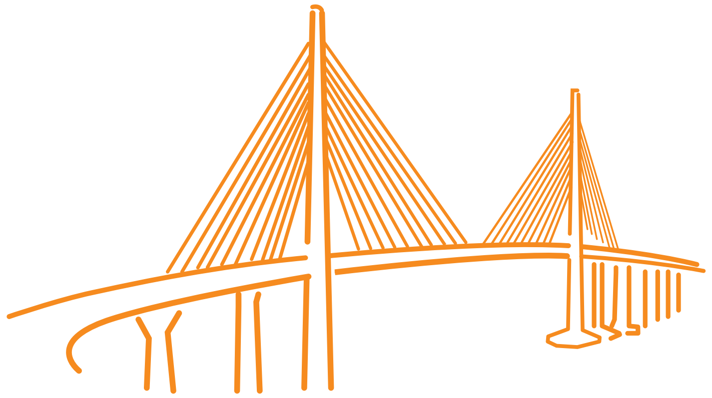
The company has also established a whistleblowing mechanism that protects and enables employees to confidentially report suspicions of unethical or illegal activities done by employees, tied agents, or outsourced partners. Investigations are fairly and thoroughly conducted, and violations, if proven, are subject to disciplinary action.

Moreover, AXA Philippines protects its integrity by ensuring that its marketing and advertising materials stay truthful, responsible, ethical, and fair, as prescribed by the guidelines set by the Insurance Commission and the Ad Standards Council.

In advocating sustainable practices across its value chain, the company's suppliers are asked to accomplish the AXA Corporate Responsibility Questionnaire as part of their onboarding process. Out of the company's 617 suppliers as of 2024, 95% have responded to the questionnaire. At the time of writing, AXA Philippines is updating its procurement policy to insert ESG as one of the bidding criteria for vendor partners starting 2025.

Business Review continued:
Metro Pacific Investments Corporation (MPIC)

Metro Pacific Investments Corporation (MPIC)



ABOUT THE BUSINESS

Metro Pacific Investments Corporation (MPIC) stands at the forefront of infrastructure development in the Philippines, spearheading the development and management of essential facilities across power, water, toll roads, light rail, healthcare, and agriculture. MPIC's portfolio includes key operating companies such as Manila Electric Company (Meralco), Metro Pacific Tollways Corporation (MPTC), Maynilad Water Services (Maynilad), MetroPac Water Investments Corporation (MPW), Light Rail Manila Corporation (LRMC), METPower Venture Partners (MetPower), Metro Pacific Health (MPH), Landco Pacific Corporation (Landco), Metro Pacific Health Tech Corporation (mWell), and Metro Pacific Agro Ventures (MPAV).

MPIC's 2024 in Numbers

Php23.6 B
Record-high consolidated core net income
Page 90

Php28 B
Reported net income
Page 90

Php31.6 B
MPTC's toll revenues
Page 90

7%
reduction in total waste generated
Page 91

22,549
full-time employees currently employed by MPIC and its component companies
Page 92

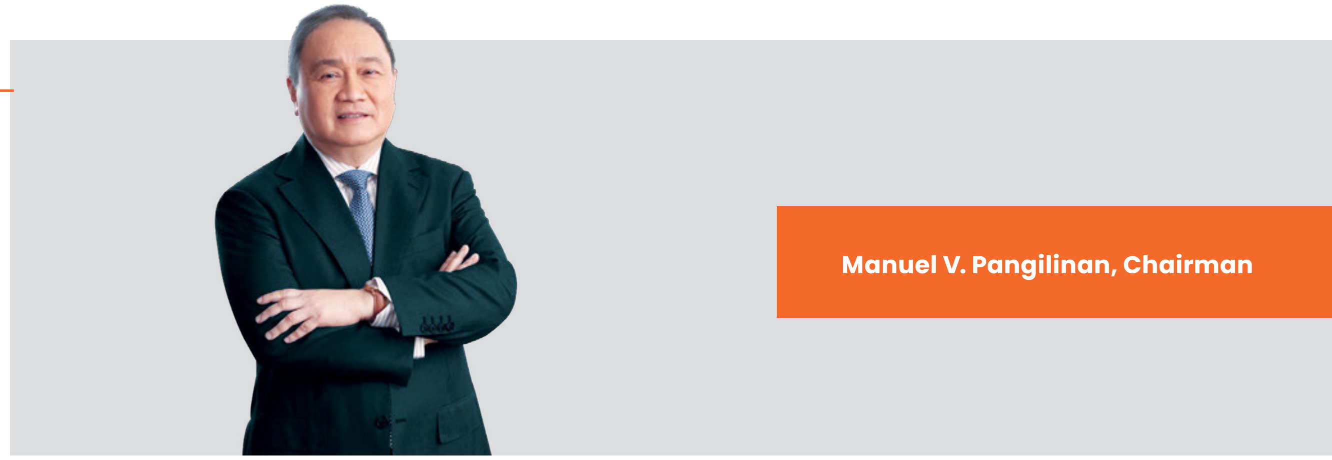
1%
reduction in water withdrawal group-wide
Page 91

STRATEGY AND PERFORMANCE

How MPIC Creates Value

MPIC plays a pivotal role in strengthening the country's core infrastructure development through strategic investments and partnerships. It employs careful resource allocation to foster inclusive growth and sustainable development, directing investments toward sectors vital for the long-term progress of emerging economies like the Philippines. Every day, MPIC delivers essential services that power businesses and homes, enhance connectivity, provide clean and reliable water, advance healthcare, and contribute to food security—improving the lives of millions of Filipinos. Every year, it continues to expand its nationwide footprint and overseas presence in its bid to uplift more lives through infrastructure.

With a deep commitment to nation-building, MPIC recognizes its duty to work closely with the government and regulatory bodies to ensure that national development and sustainable progress would always be at the core of its efforts. By forging strong collaborations between public and private entities, the company drives large-scale solutions and entrepreneurial initiatives that create a lasting impact.



Manuel V. Pangilinan, Chairman

Acquisition and Development of Businesses

MPIC employs a thorough and strategic approach when evaluating new investments, conducting extensive due diligence to examine all aspects of potential ventures. This process includes a comprehensive risk assessment, financial impact analysis, and the development of dispute resolution mechanisms to ensure effective risk management.

Sustainability remains a key factor in MPIC's investment decisions, with a detailed evaluation of economic, environmental, social, and governance (EESG) aspects. This ensures that each investment contributes to long-term value creation, supports economic growth, and aligns with the expectations of stakeholders. As a utility service provider, MPIC is committed to delivering cost-effective products and services while maintaining profitability and ensuring sustained value creation.

Transition and Asset Management

The company upholds a strong commitment to integrity and transparency in managing its investments, ensuring compliance with legal and regulatory frameworks. The company prioritizes responsible asset management, continuously improving its holdings while safeguarding both its workforce and the public interest. Investment decisions are carefully assessed based on the financial viability of potential ventures while ensuring that they are aligned with MPIC's strategic vision.

MPIC actively explores expansion opportunities in Southeast Asia, particularly those that enhance its financial, intellectual and social capital, while maintaining its primary focus on the Philippine market. The company favors strategic partnerships with well-established local firms that bring industry expertise, share investment risks, and contribute essential resources.

Value Realization and Divestments

MPIC remains committed to maximizing value for its customers and the communities it serves by continuously exploring new investment opportunities. The company prioritizes enhancing infrastructure assets by improving their quality, efficiency, and accessibility while maintaining close collaboration with regulators to align with broader societal goals.

As its investments reach maturity, MPIC carefully balances shareholder interests with public welfare, ensuring that its asset management strategies support both financial growth and long-term community benefits.

Industry Key Risks & Future Outlook

From its inception, MPIC has remained committed to expanding access to fundamental services by investing in critical public infrastructure. Embracing the complexities of a growing economy and evolving risks in the modern world, the company sees these challenges as opportunities for impactful investments that drive sustainable progress through private-sector leadership.

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Business Review continued:
Metro Pacific Investments Corporation (MPIC)

Climate Risks

Extreme weather events are expected to intensify, prompting businesses to execute their adaptation and mitigation strategies. MPIC is highly exposed as infrastructure may be susceptible to damages caused by climate-related hazards. As such, its component companies constantly invest in, upgrade, and expand their infrastructure assets to fortify their resilience.

Meralco is investing in storm hardening and resiliency initiatives. Meanwhile, MPTC is retrofitting its infrastructure while improving flood control measures. MPTC also performs periodic and post-event structural assessments of assets. Maynilad is investing in climate-resilient Water Treatment Plants. In 2024, the company officially inaugurated the 20 million-liters-per day (MLD) Laguna Lake Modular Treatment Plant that can treat raw water using state-of-the-art ceramic ultrafiltration (UF)—a technology the Philippines is seeing for the first time, marking a major advancement for the company. Another credit-worthy facility is the Poblacion Water Treatment Plant which bagged the "Water Project of the Year" award during the Global Water Awards 2024 held in London, England. It was cited for its cutting-edge innovation to optimize its footprint. Maynilad continues to strengthen its circular water use through its New Water Treatment Plant to augment water supply.

For its part, MPIC conducted its own climate scenario analysis. It then merged the MPIC Group Sustainability and Risk Council to unify its component companies in implementing findings from climate scenario analysis into operational strategies and harmonizing sustainability efforts for a wider positive impact. In 2024, MPIC also inked a partnership with the Climate Change Commission to conduct initiatives that promote climate resilience. This includes exploring opportunities for capacity development on climate change adaptation and mitigation, enhancing the knowledge base of stakeholders in the field of climate change, fostering collaborative research and policy development projects, and providing technical assistance and knowledge sharing.

MPIC and its operating companies will continue building and shifting to climate-resilient infrastructure and sustainable investments in the long term.

Carbon Transition

The evident effects of climate change, the movement for sustainability, and the expectations of stakeholders compel companies worldwide to accelerate their net-zero commitments.

As a near-term solution, MPIC and its operating companies integrate low-carbon measures in their operations. Maynilad uses renewable energy to augment the power requirements of its treatment plants. MPTC is installing solar panels across various facilities, while LRMC is expanding its solar energy installation in its depot. Meralco, Maynilad, and MPTC are increasing their respective electric vehicle (EV) fleets. MPTC is looking to build EV charging stations in its tollways to enable the growing adoption of more energy-efficient vehicles as a sustainable mobility solution.

Meralco makes good on its promise to transform into a coal-free business by 2050 by expanding its renewable energy portfolio and studying the feasibility of nuclear as baseload.

As a clear testament to Meralco's commitment to helping the Philippines achieve energy security, Meralco Powergen Corporation (MGEN), through Chromite Gas Holdings, Inc. (CGHI), has invested 40.2% in the country's largest and most expansive liquefied natural gas (LNG) facility. The partnership covers the acquisition of equity interest in three entities–South Premiere Power Corp., Excellent Energy Resources Inc., and Ilijan Primeline Industrial Estate Corp.—by Chromite Gas Holdings, Inc. ("CGHI"), which is a 60-40% joint venture between MGEN and Therma NatGas Power, Inc. CGHI and San Miguel Global Power Holdings Corp. are also acquiring 100% of Linseed Field Corp to operate an LNG terminal in the same Batangas-based facility.

By the end of 2024, the Philippine Competition Commission approved the acquisition, acknowledging that the deal is critical for strengthening the country's energy supply.

Meralco has also started exploring nuclear energy as a cleaner source for baseload capacity. Under its Filipino Scholars and Interns on Nuclear Engineering (FISSION) Program, Meralco is sending scholars to nuclear technology companies for overseas internships. The first batch of program beneficiaries have already been enrolled in universities in the United States and China, while the second batch will soon be enrolled in institutions in France, South Korea, and Canada.

These investments allow Meralco to execute its vision of integrating nuclear energy into the country's power mix while ensuring that the country's baseload requirements are satisfied as it ramps up its transition to renewables.

At the same time, Meralco is building the world's largest solar farm and battery storage facility through the Meralco Terra (MTerra) Solar Project. MTerra's assets include a 3,500-megawatt-peak (MWp) solar power plant and a 4,500-megawatt-hour (MWh) battery energy storage system. After its targeted completion by 2027, MTerra could power approximately 2.4 million households while lessening emissions by about 3.6 million tonnes per year.

Macroeconomic Risks

Food security issues are becoming more pronounced in current times, with geopolitical risks and uncertainties hanging over the world. The effects of the U.S. tariff war may spill over to the country. Promoting domestic production must be the long-term, sustainable solution. At present, however, the Philippines still imports virtually 99% of its dairy requirement. Moreover, inflationary risks in the prices of crops, energy, and fertilizer further exacerbate access to food. Climate change adds another layer of risk as changing rainfall patterns affect crop yields.

With food security being threatened, ramping up investments in the agriculture sector becomes crucial. In 2024, MPIC acquired 100% of Universal Harvester Dairy Farms, Inc., the largest state-of-the-art dairy production facility in the country. This is part of MPAV's goal of becoming a Dairy Masterbrand that can produce fresh, locally produced dairy products by developing and expanding farms and manufacturing facilities. In the longer term, MPAV is also eyeing to venture into ice cream export.

MPIC is also investing in modern greenhouses and farming technology through Metro Pacific Fresh Farms. Located in San Rafael, Bulacan, Metro Pacific Fresh Farms is a 22-hectare property slated to become the largest greenhouse facility in the Philippines that can supply 1,600 metric tons of vegetables a year. By championing domestic production and import replacement, MPIC is making significant strides in advancing food security in the medium to long term.

Meanwhile, there is still much to be done to improve efficiency in the transportation sector. Although advances in technology and digitalization contribute to enhancing efficiency and customer experience, the growing population, traffic congestion, and delays in rail development still pose a challenge. Nevertheless, the company's investments in the transportation sector are bearing even more fruit as it marked milestones in its expansion in 2024.

The LRT-1 Cavite Extension Project Phase 1 has commenced commercial operations. Five new stations were opened: Redemptorist – Aseana Station, MIA Road Station, Asia World (PITX) Station, Ninoy Aquino Avenue Station, and Dr. Santos (formerly Sucat) Station. LRMC also ensured the accessibility of the stations through amenities like elevators, escalators, and tactile guides for persons with special needs. By expanding to the south of Metro Manila, LRMC will help ease congestion in the capital and boost regional economic growth.

Meanwhile, MPTC inaugurated the Manila-Cavite Expressway (CAVITEX) C5 Link Sucat Interchange, a 1.9-kilometer toll segment that connects Cavitex R-1 or Coastal Road from Parañaque Toll Plaza to Sucat through the R-1 Interchange. This is expected to cut the Cavitex to Sucat Road travel time to 10 minutes (from 40 minutes previously). The Sucat Interchange is one of the three CAVITEX extensions that aim to improve connectivity and foster economic growth between Cavite, Laguna, Batangas, Rizal, and Quezon region (CALABARZON) and Metro Manila.

Regulatory Risks

As it navigates regulatory challenges and market shifts, MPIC remains proactive in engaging with government agencies and local communities to advocate for policies that support responsible and sustainable business practices. This is crucial as the company's involvement in critical infrastructure subjects it to heavy regulation.

Considering the possibility of the Philippine government implementing a carbon tax, MPIC has been working on setting an internal carbon price to simulate policy risk relative to greenhouse gas emission. The tax may increase electricity prices and negatively affect Meralco's reputation. To mitigate the risk, the company continuously expands its investments in renewable energy while ensuring an effective low-carbon transition.

Meralco is also compliant with the Department of Energy's Renewable Portfolio Standards that mandates electric utilities to increase the portion of their supply from renewables.

Maynilad is continuously upgrading its distribution system's pipes and leaks as part of its Non-Revenue Water Management Program. In the first half of 2024, it plugged more than 28,000 pipe leaks, leading to the recovery of around 198 MLD. The company is starting to employ advanced technologies to detect leaks and monitor pipe conditions. It also closely collaborates with the Department of Environment and Natural Resources (DENR) and the Metropolitan Waterworks and Sewerage System to address watershed degradation.

Cybersecurity Risks

Embracing digitalization allows MPIC to improve customer experience and cost efficiency, among others.MPTC's effores to enable smoother travel on their expressways include increasing the use of EasyTrip RFID lanes, which uses handheld RFID readers to process tolls, and potentially implementing mobile Point of Sale (mPOS) systems for alternative payment options. LRMC employs a digital ticketing system via the ikotMNL app, improvingcommuter convenience.

However, while digital innovation offers a lot of benefits, cybersecurity threats are also heightened. These attacks or threats may negatively impact MPIC and its component companies' reputation and operations if left unaddressed.

The company combined its Risk Management Committee with the Data Privacy and Information Security Committee to form a team whose combined expertise can manage the risk effectively. It also conducts regular security health checks and educates its employees through cybersecurity and data privacy training. Looking forward, MPIC continuously fortifies its digital infrastructure resilience and enhances internal controls. Moreover, Meralco implements continuous monitoring of cybersecurity threats to protect critical infrastructure. Meanwhile, MPTC coordinates with Operations and Engineering, Safety, and Technology Divisions for the efficient operation of systems and timely resolution of on-ground issues.

Pushing Boundaries **Achieving More** GT Capital Holdings Incorporated 2024 Integrated Report

Business Review continued:
Metro Pacific Investments Corporation (MPIC)

Manpower Risks

External factors can increasingly make it harder to retain talent. Workers may be pushed to find better opportunities for a variety of reasons, leading to potential hiccups in companies' operations. MPIC mitigates this risk by becoming a preferred employer that helps employees find personal fulfillment through their careers. MPIC conducts (and regularly updates) its individual development plans for every employee to promote their professional growth. Meanwhile, Meralco strengthens its cadetship programs while increasing female representation in its workforce. LRMC appointed an HR Director to address employee-related changes while Maynilad manages its workforce demographic changes to identify and mitigate potential operational risks.

Key Performance Indicators and Impacts

Financial Performance

MPIC ended 2024 with yet another record-high consolidated core net income of Php23.6 billion, up 21% from 2023. Strong energy sales at Meralco, high billed volumes at Maynilad, and increased toll road traffic pushed the company's bottom line higher. Reported net income skyrocketed to Php28 billion due to non-recurring gains from real estate and a lower interest bill.

Meralco's total revenues increased by 6% to Php470.4 billion on the back of a 6% sales volume growth. Its reported net income rose to Php45.9 billion. Meanwhile, traffic growth and toll rate increases pushed MPTC's toll revenues to Php31.6 billion, up 16% year-on-year. During the year, MPTC acquired a 35% equity interest in PT Jasamarga Transjawa Tol, the operator of the 676-kilometer Trans Java Toll Road Segments in Java, Indonesia. MPTC's reported net income jumped by 28% to Php6.5 billion. Maynilad revenues ballooned by 23% to Php33.5 billion driven by a 3% increase in billed volumes and a 20% tariff adjustment. Lower operating expenses kept Maynilad's core net income at Php12.8 billion, reflecting a 40% increase from the previous year.

Economic Performance and Impacts

In October 2024, MPIC sold its stake in Philippine Coastal Storage Pipeline & Pipeline Corporation (PCSPC) to global infrastructure heavyweight I Squared Capital (ISQ). Under MPIC's management, PSCPC became a leader in fuel storage and logistics, serving as a distribution hub that enables growth in the economic catchment areas of Metro Manila and North Luzon. While the completion of the divestment is still subject to regulatory approvals, MPIC and ISQ are closely working together to ensure a seamless transition.

MPIC is also improving access to quality healthcare through MPH. In 2024, it added to its portfolio four hospitals with a combined bed capacity of more than 400: the UHBI-Parañaque Doctors Hospital (PDH) in Paranaque City, the San Francisco Doctors Hospital Inc. in Agusan Del Sur, the Diliman Doctors Hospital Inc. in Quezon City, and the City of General Trias Doctors Medical Center, Inc in Cavite.

Meanwhile, MPIC continues to modernize preventive healthcare through mWell. In 2024, the company introduced new products and a new feature in the mWell app. The new mWell Watch is best for tracking blood pressure and physical activity with features such as 100+ exercise modes, step counter and blood oxygen monitoring. Another product, the mWell Ring, monitors important health metrics including Heart Rate, Heart Rate Variability, Resting Heart Rate and Average Oxygen Saturation. It is best used when sleeping. The company also developed a new feature in the mWell app called the Mind Health Score designed to help users enhance their emotional, social, and cognitive well-being.

Environmental Performance and Impacts

A key pillar of MPIC's identity is its emphasis on sustainability, ensuring that its projects contribute positively to both society and the environment.

Potential acquisitions and projects are guided by the company's Environment, Social Impact, and Governance Assessment Policy which mandates that ESG considerations be a key consideration in the company's investment decisions.

MPIC and its component companies have their own individual commitments in support of decarbonization. The group invests in renewable energy and implements energy efficiency programs to cut down its carbon footprint from its own operations. To accelerate the country's just transition to low-carbon economy, Meralco has committed to build at least 1,500 MW of renewable energy capacity by 2030.

Meanwhile, LRMC added a 618 kW installation at its depot as part of its Phase 2 solar energy project. Maynilad has tapped MPower, the local retail supply arm of Meralco, to supply nine Maynilad facilities with solar and biomass energy, enabling Maynilad to cut its emissions by nearly 18,000 tons annually. Maynilad also partnered with the Department of Science and Technology to explore waste-to-energy solutions.

MPIC exhibits environmental stewardship by intensifying its climate action through initiatives that improve resource efficiency, promote circular economy, biodiversity conservation, and enhanced carbon pricing strategies. MPIC's collaboration with the ASEAN Centre for Biodiversity, DENR, and Climate Change Commission is a testament to its commitment to addressing environmental challenges through collective action.

To ensure responsible water management, Maynilad strictly adheres to government regulations and the highest standards of sustainability. Maynilad complies with the DENR Administrative Order 2016-08, which encompasses the Water Quality Guidelines and General Effluent Standards. It also complies with the requirements for water utilization and wastewater management set by the National Water Resources Board for deep wells and the DENR for facilities.

MPIC and its component companies continue to monitor and measure their impact on the environment and look for sustainable solutions to lower their environmental footprint.

In 2024, the group's non-renewable fuel consumed increased to 164,624.0 TJ from 132,269.8 TJ in 2023 due to inclusion of more facilities in its reporting scope. Its renewable electricity consumption stands at 98.6 TJ, 18% lower from previous year. The group slashed their water withdrawal 1% from 2,496,657.2 in 2023 to 2,478,724.5 ml in 2024. Water discharge increased 16% from 1,315,807.9 ml in 2023 to 1,539,239.0 ml in 2024. Total waste generated declined 7% from 376,479.0 MT in 2023 to 351,132.0 MT in 2024.

Energy Consumption Within the Organization (in Terajoules)

GRI: 302-1

NON-RENEWABLE FUEL CONSUMED	2024
Meralco	164,485.60
MPTC	36.75
Maynilad	95.93
LRMC	2.0
MPIC Main Office	3.75
TOTAL	**164,624.0**

RENEWABLE ELECTRICITY CONSUMED	2024
Meralco	0.75
MPTC	4.5
Maynilad	90.21
LRMC	3.1
TOTAL	**98.6**

WASTE GENERATION (IN MT)	2024	
	Total Hazardous Waste	Total Non-Hazardous Waste
Meralco	2,364.79	278,791.98
MPTC	6.74	386.57
Maynilad	32.28	69,494.60
LRMC	29.2	20.39
MPIC Head Office	0.1	5.38
TOTAL	**2,433.1**	**348,698.9**

TOTAL WATER WITHDRAWAL FOR ALL AREAS BY SOURCE (IN ML)	2024
Meralco	1,464,319.69
MPTC	160.44
Maynilad	1,014,204.63
LRMC	39.50
MPIC Head Office	0.27
TOTAL	**2,478,725**

TOTAL WATER WITHDRAWAL (SUMMATION)	2024
Surface Water	1,011,443.1
Ground Water	4,218.5
Seawater	1,459,743.1
Produced Water	0.4
Third Party Water	3,319.3
TOTAL	**2,478,725**

TOTAL WATER DISCHARGE FOR ALL AREAS BY SOURCE (IN ML)	2024
Meralco	1,459,159.71
Maynilad	73,079.6
LRMC	0.0
MPIC Head Office	0.0
TOTAL	**1,532,239.3**

TOTAL WATER DISCHARGE (SUMMATION)	2024
Surface Water	37,058.0
Ground Water	1.1
Seawater	1,495,092.0
Third Party Water	88.2
TOTAL	**1,532,239.3**

TOTAL WASTE GENERATION (SUMMATION)	2024
Hazardous	2,433.1
Non-hazardous	348,698.9
TOTAL	**351,132.0**

Business Review continued:
Metro Pacific Investments Corporation (MPIC)

Metro Pacific Investments Foundation, led by President Melody Del Rosario (fourth from left), bags the Most Outstanding CSR Project in Environment at the 2024 CSR Guild Awards

The MPIC Group Sustainability Council, composed of sustainability champions from each component company, commences its 2024 Integrated Reporting activities with a kickoff meeting

Social Performance and Impacts

MPIC's corporate social responsibility arm, Metro Pacific Investments Foundation (MPIF), champions the company's commitment to society by investing in three fronts of social infrastructure: education, environment, and economic empowerment. MPIF's approach is to foster strong, long-lasting relationships with multisectoral stakeholders who all work closely to achieve sustainability-driven goals.

In 2024, MPIC and MPIF bagged numerous accolades that validate their effectiveness in pushing for positive change. They were recognized with six awards at the 20th Philippine Quill Awards organized by the International Association of Business Communicators (IABC). Additionally, MPIC's component companies also received awards, with LRMC earning the Top Award for Communication Management under the Corporate Social Responsibility category for its literacy and education initiative with Binhi English Literacy Foundation at Marcela Marcelo Elementary School in Pasay City. In the Company of the Year category, Meralco secured the 1st Runner-up position.

The company's environmental and social initiatives were recognized at the inaugural Triple P Sustainability Awards hosted by the International Association of Business Communicators. MPIC received the Triple P Award, the Best ESG Program for its Gabay Kalikasan initiative, and the Best Internal Communications Award for its "EESG: Making Positive Impacts and Contributions" program.

At the 2024 CSR Guild Awards sponsored by the League of Corporate Foundations, MPIC's flagship environmental program, Shore It Up!, received the Most Outstanding CSR Project in Environment for its long-standing commitment to marine biodiversity conservation.

At the 60th Anvil Awards, MPIC earned a Silver Anvil award for its marine conservation initiatives under the "Shoring Up Our Marine Life" program, which expanded MPIC's Marine Guardians Program to another area in Mindanao.

MPIC recognizes its employees as the pillars behind its success. As such, it strengthens its commitment to their welfare through policies that ensure they are well compensated and well taken care of. MPIC and its component companies currently employ 22,549 full-time employees.

Employee Breakdown

TOTAL EMPLOYEES (All Full/Permanent)	2024
Meralco	17,407
MPTC	1,711
Maynilad	2,240
LRMC	1,143
MPIC Head Office	48
TOTAL	**22,549**

All regular employees are entitled to receive fixed and variable remuneration. Bonuses and long-term incentives are provided subject to the performance of the individual employee. Performance appraisals are conducted semi-annually. Moreover, employees are provided continuous education and training to develop their skills and promote career advancement. In 2024, MPIC head office employees logged 1,166 training hours, while group-wide figures reached 520,885.

Training and Education

TOTAL TRAINING HOURS	2024
Meralco	365,726
MPTC	27,452
Maynilad	61,787
LRMC	64,754
MPIC Head Office	1,166
TOTAL	**520,885**

AVERAGE HOURS OF TRAINING PER EMPLOYEE	2024
Meralco	21
MPTC	16
Maynilad	28
LRMC	57
MPIC Head Office	24

MPIC recognizes its employees' right to join, form, or not join any workers' union. It holds constructive and efficient dialogues to hear the interests of employees through legally recognized unions. Moreover, the company creates a conducive, safe, and healthy work environment that prioritizes the physical and psychological well-being of employees. MPIC adopts systems and processes to mitigate the risk of accidents, injuries, and exposure to hazards within and outside company premises. The company also ensures that the workplace is free from any form of discrimination, harassment, violence, or any undue conditions that may harm its people. These are likewise observed in MPIC's component companies.

Employees

BY GENDER, EMPLOYEE TYPE	FULL TIME	
	MALE	FEMALE
Meralco	13,015	4,392
MPTC	961	750
Maynilad	1,648	592
LRMC	773	370
MPIC Head Office	17	31
TOTAL	**16,414**	**6,135**

BY AGE GROUP	2024		
	<30 years old	30-50 years old	> 50 years old
Meralco	4,970	10,107	2,330
MPTC	670	929	112
Maynilad	582	1,440	218
LRMC	152	783	208
MPIC Head Office	9	30	9
TOTAL	**6,383**	**13,289**	**2,877**

BY CATEGORY	2024			
	Senior Mgmt	Middle Mgmt	Super-visors	Rank and File
Meralco	1,044	2,801	N/A	13,562
MPTC	39	224	237	1,211
Maynilad	76	458	414	1,292
LRMC	22	60	264	797
MPIC Head Office	16	16	12	4
TOTAL	**1,197**	**3,559**	**927**	**16,866**

Corporate Governance Officer and Corporate Secretary Ricardo Pilares III receives MPIC's Best Privatization Award at The Asset Triple A Sustainable Finance Awards 2024

Governance Performance and Impacts

MPIC started 2024 with a significant recognition for Chairman, President, and CEO, Manuel V. Pangilinan, who was awarded the "Pro Ecclesia et Pontifice" medal—the highest papal honor given to a layperson for exceptional service to the Church and contributions to the welfare of the poor and needy. This distinction underscores his philanthropic commitment, particularly his support for Caritas Manila, and reflects his leadership in advancing initiatives that create a lasting impact on communities.

The company also received six prestigious awards at the 14th Asian Excellence Awards by Corporate Governance Asia. These accolades recognize the company's achievements in management, financial performance, corporate social responsibility, environmental practices, and investor relations. Among the individual honors, MPIC Chairman and CEO Manuel V. Pangilinan was named Asia's Best CEO (Investor Relations) while June Cheryl Cabal-Revilla was recognized as Asia's Best CFO (Investor Relations). Maricris Aldover-Ysmael, MPIC IR Head, was also recognized as Best Investor Relations Professional. MPIC also earned distinctions as Best Investor Relations Company (Philippines) and Asia's Best Corporate Communication. It also received the Sustainable Asia Award 2024, underscoring its commitment to sustainability and governance excellence.

Lastly, MPIC secured the Best Privatization Award at The Asset Triple A Sustainable Finance Awards 2024, recognizing its successful delisting tender offer as a landmark privatization transaction in the Philippines.

These awards reflect MPIC's continued efforts in sustainability, governance, and corporate responsibility, reinforcing its role as a key player in sustainable business practices in the Philippines.

Community Engagement

GRI 2-6, 413-1, 413-2

GT Foundation

GT Foundation, Inc. (GTFI) was incorporated on October 7, 2009, as the family foundation of the late Metrobank Group Chairman, Dr. George S.K. Ty. Dr. Ty and his family believe that quality education and equitable healthcare are basic needs that should be accessible to the underprivileged.

Since its inception, the foundation has pursued the family's philanthropic initiatives by investing in strategic development programs that empower communities and respond to the basic needs of the Filipino people, primarily in the areas of health, education, environment, and technology and Innovation.

Dr. George S.K. Ty Bags of Blessing Kick-Off on November 9, 2024 at San Ildefonso Parish Church, Makati City

Commitment to Social Welfare

Dr. George S.K. Ty Bags of Blessing

Since 2011, the GTFI has conducted 12 cycles of Bags of Blessing (BoB). Over the past years, the major theme of BoB has been "Generosity Beyond Festivity" in celebration of the Chinese New Year.

Moreover, to honor the life and legacy of the late Chairman Dr. George S.K. Ty and carry on his philanthropic philosophy of giving back, this legacy program was rebranded to Dr. George S.K. Ty Bags of Blessing and was relaunched last November 9, 2024 through a kick-off ceremony held at the San Ildefonso Parish in Makati City. Moving forward, the Dr. George S.K. Ty Bags of Blessing will be conducted every November to commemorate the life and legacy of Dr. Ty and also align with the celebration of the World Day of the Poor.

On this occasion, BoB distributed essential grocery items to 10,000 families across 20 locations nationwide, including major cities such as Makati, Pasay, Manila, and Cebu, as well as provincial areas in Palawan, Bukidnon, and Zamboanga del Sur. Each food pack contained Php1,000 worth of staple goods. GTFI partnered with Caritas Philippines and the Armed Forces of the Philippines and selected Metrobank branches to ensure the smooth implementation of the program.

PaGTitipon: A Food Augmentation Program

In 2024, GTFI continued to champion food security through its PaGTitipon: A Food Augmentation Program—a sustained effort to ease hunger and provide nourishment to vulnerable communities across the country.

Through strategic partnerships with its development partners, Caritas Philippines, Childhope Philippines, and Tulong Para sa Walang Tahanan (TPWT), GTFI implemented a range of food-related interventions. These included the distribution of food baskets to 3,750 families in Luzon, a comprehensive feeding program for children and homeless individuals in Metro Manila, and providing essential food items to selected residential care facilities in the Visayas and Mindanao. PaGTitipon reflects GTFI's commitment to supporting the most marginalized sectors of society.

10,000

families nationwide received Bags of Blessing

924 scholars

supported in 2024

GTFI conducts various MEET the Scholars engagement programs, ensuring holistic development through guidance and mentorship.

Commitment to Health and Education

Scholarship Programs

GTFI remained steadfast in its mission to expand access to quality education through its comprehensive scholarship initiatives. In 2024, 672 scholars were supported under the Foundation's formal education programs, including the GT Youth for Excellence and Service (GT YES), the GT Reformation and Educational Assistance Program (GT REAP), and other education grants. These programs aim to nurture academically gifted and financially challenged youth, empowering them to reach their full potential and become agents of positive change in their communities.

In addition, 252 scholars were supported under the Scholarship for Technical-Vocational Education Program (STEP), receiving hands-on training through GTFI's network of partner tech-voc schools. STEP is designed to equip students with job-ready, practical skills in high-demand industries—broadening their access to employment and helping lift families out of poverty.

Complementing the financial assistance, GTFI also strengthened its formation and engagement efforts through the M.E.E.T the Scholars program—designed to Motivate, Educate, Engage, and Track scholars not just academically, but also in values formation, leadership, and life skills. GTFI ensures that its scholars are holistically supported in their journey toward becoming future-ready individuals.

Salamin sa Maliwanag na Bukas

Continuing its commitment to providing access to health and education, GTFI, in partnership with Ideal Vision Center and the ABS-CBN Foundation, implemented the "Salamin: Sa Maliwanag na Bukas" initiative. This program provided free eye screening and prescription eyeglasses to public elementary school students, ensuring that vision impairments do not hinder their learning.

Commitment to Sustainable Social Development

GTFI's Grants Program continued to support sustainable social development programs in 2024. A significant portion of funding amounting to Php10.8 million was allocated to Manila Doctors Hospital's Corporate Sustainability Initiatives, particularly for in-patient services and in-house surgical programs. Additionally, various partnerships were formed to assist social welfare institutions, enabling them to implement programs aligned with the Foundation's thrusts and priorities.

GTFI's accomplishments in 2024 reflect the organization's sustained efforts to create meaningful social impact. GTFI has reaffirmed its commitment to uplifting communities, fostering self-reliance, and promoting social responsibility through its legacy programs, educational initiatives, grants, and outreach activities. The Foundation remains steadfast in its mission to support the less privileged and contribute to nation-building through healthcare, education, livelihood, and sustainable development.

Students wait for their turn to receive free eye screening and prescription glasses through the Salamin: Sa Maliwanag na Bukas Program.

Community Engagement continued

Metrobank Foundation
Excel. Engage. Empower.

In 2024, Metrobank Foundation, Inc. (MBFI) marked its 45th anniversary, reaffirming its unwavering commitment to excellence in public service, support for Philippine art, dedication to education through scholarships and teacher support, and active engagement with social development organizations to implement programs focused on health, education, livelihood, and disaster risk reduction and management. Guided by the philosophy "A Heart that Serves," the foundation continues to embody the legacy of generosity instilled by its founder, Dr. George S.K. Ty, believing that nation-building thrives when driven by selfless dedication and collective action.

Over the past four and a half decades, MBFI has empowered public servants, educators, artists, and underserved communities through its programs in excellence recognition, visual arts, educational scholarships, disaster response, and grants for social development projects. As it celebrated this milestone in 2024, MBFI remained steadfast in its mission to uplift lives, foster positive change, and inspire a lasting culture of service excellence for generations to come.

Excellence Recognition

To mark its 45th year, MBFI hosted a celebration at the Marquis Events Place in Bonifacio Global City, recognizing 32 individuals through the 5th Metrobank Foundation Award for Continuing Excellence and Service (ACES). These honorees, drawn from previous awardees of the Metrobank Foundation Outstanding Filipinos , Metrobank Art & Design Excellence (MADE), and other initiatives, exemplified the foundation's theme for the year, "A Heart that Serves." Additionally, MBFI conferred the 4th Metrobank Foundation Award for Partners in Empowerment, Advocacy, and Commitment to Excellence (PEACE) to 30 institutions collaborating with MBFI in nation-building efforts.

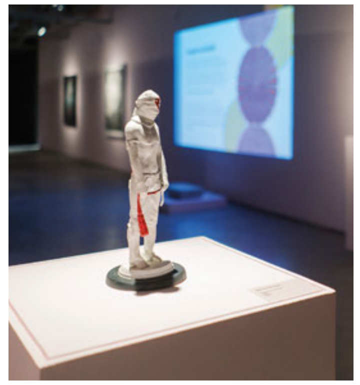
On September 4, MBFI honored ten recipients of the 2024 Metrobank Foundation Outstanding Filipinos award, recognizing teachers, soldiers, and police officers who demonstrated exceptional service. Each awardee received a cash prize of Php1 million, the Medallion of Excellence, and "The Flame" trophy. For the first time, a presentation ceremony was held at the Supreme Court of the Philippines, complementing similar events at Malacañang Palace, the Senate, and the House of Representatives.

As part of its outreach, MBFI and its alumni networks conducted "Guro, Pulis, Sundalo na may Galing, Puso at Sigasig" on Pag-asa Island, benefiting 80 families, 223 residents, 107 uniformed personnel, 10 teachers, and 83 students. Residents received medical consultations, vaccinations, medicines, food packs, and slippers. Students and teachers were provided with learning kits, school supplies, and multimedia learning resources, while military personnel received solar flashlights and toiletry kits.

The program returned for a second leg later in the year to conduct mental health sessions for teachers, establish a multimedia room, and provide additional healthcare services.

Recipients of the Metrobank Outstanding Filipinos award with President Ferdinand Marcos, Jr., Metrobank Foundation Chairman Arthur V. Ty, and Vice Chairman Alfred V. Ty

Metrobank officers confer the Outstanding Filipinos Award to ten teachers, soldiers, and police officers for their exceptional service



Photos from the Metrobank Art & Design Excellence Program's Pagsibol Workshop and Sibol Anniversary Exhibition

Art and Design Excellence

In celebration of the 40th year of the Metrobank Art & Design Excellence (MADE) program, MBFI hosted the free "Sibol" Anniversary Exhibition at The M in Bonifacio Global City. Featuring 40 past MADE-winning artworks and 24 contemporary pieces, the exhibit offered an interactive experience, integrating sensory elements and digital engagement. MADE also organized workshops for artists, including "Pagsibol: Grow and Thrive as an Artist-Entrepreneur" at the Luzon Art Fair. The event attracted over 3,000 visitors and empowered 475 creatives and educators.

Education Initiatives

The Metrobank Scholarship Program (MSP) recognized 16 graduates from six partner universities under its Youth for Excellence and Service (YES) and Assistance for the Completion of College Education for Superior Students (ACCESS) programs. Six graduates earned Latin honors and academic recognitions . As part of their "Pay-it-Forward" initiative, scholars engaged in community service, including a read-along activity at San Roque Cathedral.

MBFI also introduced "MINDSET: A Changemaking Journey," a mentoring and development program in collaboration with Move to Change Foundation, equipping scholars with leadership and changemaking skills.

As part of the PANAnaw Awards Competition, MBFI partnered with the Philippine Association of National Advertisers Foundation (PANAF) to host a strategic communications challenge. Eight schools developed marketing strategies for MBFI's Outstanding Filipinos Awards and National Teachers' Month, with UP Visayas securing the Pinnacle Award of Excellence.

Led annually by MBFI and supported by the Department of Education, the National Teachers' Month (NTM) celebration, held every September 5 to October 5, continued to grow in scope. With the theme "#Together4Teachers," the initiative focused on literacy and numeracy development. Members of the NTM coordinating council from the government, business, and civil society provided professional development opportunities, teacher discounts, and exclusive exhibitions. Notably, the Catholic Bishops' Conference of the Philippines supported the movement by reciting the National Prayer for Teachers in multiple languages during Sunday Masses.

Grants and Social Development

MBFI extended Php72.8 million in financial assistance to 35 socio-civic organizations and government agencies, impacting over 255,000 individuals. The Grants Roundtable event in May convened development partners to discuss challenges faced by micro, small, and medium enterprises (MSMEs). The foundation also published "ENGAGE: Engaging Networks for the Generation and Advanced Growth of Enterprises", documenting best practices in livelihood interventions.

10
recipients of 2024 Metrobank Foundation Outstanding Filipinos award

475
creatives and educators empowered by MADE program

Php72.8 M
financial assistance provided to 35 socio-civic organizations and government agencies

Community Engagement continued

Metrobank employee-volunteers participate in various disaster response initiatives

Metrobank employee-volunteers lending a hand in tree planting activities

As part of the George S.K. Ty Grants Turnover, MBFI and GT Foundation distributed Php45 million to 30 development partners supporting initiatives in community health, education, livelihood, and disaster risk reduction and management, and special interventions. Notable programs included nutrition support for mothers and children, scholarships for formal and technical-vocational education, livelihood training, and specialized interventions.

The LAB for ALL program, in collaboration with Toyota Motor Philippines Foundation and the Office of the First Lady, donated four mobile laboratories equipped with modern medical devices to Bacolod City, Pasig City, Tacloban City, and Sta. Catalina, Ilocos Sur, improving access to healthcare services.

Disaster Response

MBFI's Helping Hands Disaster Response assisted 25,429 families affected by typhoons and flooding, allocating Php19.7 million for relief and early recovery efforts. Aid included food packs, shelter repair kits, and medical support, distributed across 10 provinces, four cities in NCR, and four areas in Bangsamoro Autonomous Region in Muslim Mindanao.

Community Outreach and Volunteerism

The 2024 Dr. George S.K. Ty Bags of Blessing (BoB) initiative distributed Php10 million worth of grocery items to 10,000 families across 20 locations in Luzon, Visayas, and Mindanao, including Pag-asa Island in the West Philippine Sea. Traditionally held every Chinese New Year, the BoB began its distribution in November, delivering green bags filled with essential goods. This initiative honors the late founder's legacy of generosity and his commitment to uplifting underprivileged Filipinos nationwide.

Metrobank's Helping Hands Employee Volunteerism program mobilized 1,162 employees in 19 activities, including mangrove and upland tree-planting in Rizal and Batangas, coastal cleanups in Marikina, community farming in Cavite, and feeding programs for underserved communities. Volunteers dedicated thousands of hours to supporting teachers during NTM and assisting in various social initiatives.

Throughout the whole year, MBFI showed unwavering commitment to its mission of corporate philanthropy. Through its recognition programs, art initiatives, scholarships, and teacher support, disaster response efforts, and social development partnerships, the foundation continued to make a meaningful impact on Filipino communities. As it moves beyond its 45th year, MBFI remains dedicated to empowering individuals, strengthening institutions, and fostering sustainable development in the Philippines.

Toyota Motor Philippines Foundation

Php3 M

conservation fund pledged for Tamaraw conservation

TMPF and MBFI turn over mobile laboratories in support of the government's Lab for ALL medical program

Toyota Motor Philippines Corporation (TMP) continued to uphold its commitment to social responsibility in 2024 through various CSR initiatives on health, education, and environment of its social and humanitarian arm, Toyota Motor Philippines Foundation (TMPF).

In the healthcare sector, TMPF organized a Dental Mission at Toyota – Gawad Kalinga Village, benefiting 120 residents with free dental services, including fluoride application, oral prophylaxis, and tooth extractions. TMPF also supported 30 outpatient surgeries through its continuing Medical-Surgical Outreach Program (MSOP).

Further extending its healthcare support, Toyota Motor Philippines Foundation (TMPF), in partnership with Metrobank Foundation, Inc. (MBFI), turned over four of the five donated mobile laboratories to the chosen community beneficiaries under the "Lab for ALL" initiative which aims to provide free and accessible healthcare services to Filipinos. The mobile units, equipped with ECG machines, ultrasound, and X-ray technology, are designed to help bring healthcare services closer to those who need them most.

TMPF continued to support its adopted school, Pulong Sta. Cruz Elementary School (PSCES), and its stakeholders in 2024.

TMPF supported the 'Brigada Eskwela' of Pulong Sta. Cruz Elementary School by providing materials and volunteer assistance, reinforcing its dedication to championing education. TMPF also sponsored the Annual Physical Exams (APE) of 135 teachers and staff of Pulong Sta. Cruz Elementary School to ensure their continued educational impact.

In 2024, TMPF continued to support the local community where TMP operates by sponsoring the SILAKBO (Sikad-Lakad-Takbo) initiative of the City Government of Santa Rosa and Save Silang Santa Rosa River Foundation, Inc. (S3R2), which aims to raise funds for the conservation projects of the Silang-Santa Rosa River sub-watershed.

TMPF also signed a Memorandum of Understanding with the Department of Environment and Natural Resources (DENR) to support the Tamaraw Conservation Program (TCP). The Foundation will donate a brand-new Tamaraw vehicle and Php500,000 worth of ranger gear to aid conservation patrols of Bantay Tamaraw rangers. Additionally, the foundation pledged a Php 3-million conservation fund for habitat monitoring, research, support programs, equipping of the Tamaraw Research and Conservation Center, and Communication, Education, and Public Awareness (CEPA) activities. The donation aims to support the conservation of the critically endangered Tamaraw, with only 500 to 600 remaining in Mindoro as of 2024.

TMP President Masando Hashimoto and DENR Secretary Maria Antonia Yulo-Loyzaga at the MOU signing for the Tamaraw Conservation Program

The GT Capital Purple Hearts Club

The GT Capital Purple Hearts Club is a volunteer initiative driven by GT Capital Holdings, Inc. (GT Capital) employees, committed to fostering health and nutrition, education, and community development through meaningful engagement and outreach programs. In 2024, it implemented several initiatives to support underserved communities, including feeding programs, donations, livelihood training, and volunteer activities.

In collaboration with Federal Land, Inc. and other partner organizations, these efforts focused on addressing food security, educational support, and livelihood opportunities for beneficiaries in Cavite and Manila, reinforcing GT Capital's commitment to social responsibility and community empowerment.

One of the key projects was the Cavite Feeding Program, implemented in partnership with Federal Land, which benefited 137 children aged 5 to 13 in LRTA Subdivision, Barangay Santiago, General Trias, Cavite. This community, composed of families displaced by the Light Rail Transit (LRT) Cavite Extension project, was recommended by The Annunciation of the Lord Parish. The feeding program ran for six months, providing children with MannaPacks, nutrient-rich rice meals designed to combat malnutrition and support healthy growth.

As part of the initiative, a Feeding Program Briefing and Nutrition Talk were conducted. A registered nutritionist from Manila Doctors Hospital educated community volunteers and parents on proper nutrition and alternative meal preparations. Volunteers were also trained in program implementation, including managing budgets, attendance tracking, and financial reporting. To support the initiative, GT Capital donated food containers and a heavy-duty stove for use in meal preparation.

Several visits were conducted throughout the program to monitor progress and engage the community. These included a Kick-off Ceremony in June 2024, followed by periodic visits where volunteers interacted with children and facilitated educational activities. One of the highlights was the Brigada Pagbasa session, during which children were divided into reading groups led by GT Capital and Federal Land volunteers, followed by storytelling-related games. Federal Land also donated used books to further promote literacy in the community.

Beneficiaries enjoying the food prepared by employee-volunteers of GT Capital and Federal Land during the kick off of their feeding program

An employee-volunteer leads a storytelling activity in support of Brigada Pagbasa

The program culminated in a graduation ceremony in December 2024. To mark the completion of the program, GT Capital and Federal Land distributed meals and loot bags to the beneficiaries. In the spirit of Christmas, 100 families in LRTA Subdivision also received holiday gift packs from GT Capital employees.

To further support the community, GT Capital provided financial assistance to local institutions. The Annunciation of the Lord Parish received Php10,000, while Navarro Elementary School was granted Php25,000 to support its Brigada Eskwela activities. Navarro Elementary School was a previous beneficiary of GT Capital's feeding program and outreach initiatives.

Recognizing the importance of economic empowerment, GT Capital and Federal Land organized a livelihood training seminar in partnership with TESDA Cavite. The training focused on dishwashing soap and fabric conditioner

Upper left, right: Photos from the AHA! Parents Assessment conducted in conjunction with the feeding program.

Lower left: An employee-volunteer paints a stairway handrail as part of Brigada Eskwela

production as a potential income-generating activity for 30 parents in the LRTA Subdivision. Federal Land provided the materials for the training, which participants were able to take home for further practice.

GT Capital employees also took part in Manila Doctors Hospital's Brigada Eskwela initiative at Amado V. Hernandez Elementary School in Tondo, Manila. Volunteers contributed by repainting school facilities in preparation for the new academic year. Additionally, GT Capital extended assistance to 16 teachers and staff who safeguarded school materials during Typhoon Carina, ensuring that construction and renovation supplies remained intact despite the storm's impact.

Through these initiatives, the Purple Hearts Club continued to uphold its commitment to social responsibility, focusing on nutrition, education, livelihood, and community engagement. The collective efforts of GT Capital, Federal Land, and its volunteers played a vital role in making a meaningful impact on the lives of the beneficiaries, reinforcing the company's dedication to community development and social welfare.

50.8%
employee participation in Purple Hearts Club activities

100
families in LRTA Subdivision received holiday gift packs

Community Engagement continued

Federal Land

137

Children Beneficiaries of Feeding Program in LRTA Subdivision, Cavite

Employee-volunteers pose with the beneficiaries of the dishwashing soap and fabric conditioner-making training program.

Federal Land remained committed to community empowerment in 2024 through initiatives that support marginalized families. These efforts include supplemental feeding programs, which provide nutritious meals for hundreds of students, as well as livelihood training programs.

One such project was the Cavite Feeding Program, done in partnership with the GT Capital Purple Hearts Club, which benefited 137 children aged 5 to 13 in LRTA Subdivision, Barangay Santiago, General Trias, Cavite. This community is composed of families displaced by the Light Rail Transit (LRT) Cavite Extension project. Over six months, the program provided children with MannaPacks, nutrient-rich rice meals formulated to combat malnutrition and support healthy development.

Federal Land also initiated Brigada Pagbasa, a reading drive to promote literacy to complement the feeding program for the children. This program focuses on providing engaging reading materials and hosting interactive activities to foster a love for reading in the community. Through this initiative, Federal Land seeks to support the educational development of children and enhance their learning experiences.

GT Capital and Federal Land, in collaboration with TESDA Cavite, also conducted a livelihood training seminar aimed at equipping 30 parents from LRTA Subdivision with skills in dishwashing soap and fabric conditioner production as a potential source of income. Federal Land supplied the necessary materials, allowing participants to continue practicing at home and further develop their newly acquired skills.

As part of its commitment to environmental sustainability, Federal Land spearheaded a mangrove reforestation initiative in Sitio Bas, Perrelos, Carcar City, Cebu, in collaboration with the Department of Environment and Natural Resources (DENR) and the United Small Fisherman of Perrelos organization.

A total of 36,000 mangrove propagules were planted across 6,084 square meters of coastal land, an area severely affected by Typhoon Odette. Twenty-six employees from two Federal Land Cebu projects–Marco Polo Plaza Cebu and Marco Polo Residences–volunteered for the activity, helping to restore vital marine habitats and strengthen coastal protection.

To ensure the long-term success of the project, biannual assessments will be conducted over the next five years.

Federal Land Cebu Estate volunteers with Shubert Veloso, Barangay Captain of Perrellos; Fidel Malaca, Federal Land Vice-President for Cebu Estate; Hon. Mario Patricio Barcenas, City Mayor of Carcar

36,000

mangrove propagules planted

AXA Philippines

In 2024, AXA Philippines strengthened its commitment to corporate social responsibility through various initiatives addressing climate change, biodiversity, inclusive protection, and humanitarian aid. Through AXA Hearts in Action (AHIA), the company's employee volunteering arm, AXA Philippines employees actively participated in projects supporting local non-government organizations (NGOs) and communities in need.

During AXA Week for Good (AWfG), AHIA volunteers assembled 103 portable water filter systems benefiting 1,830 residents in San Felipe, Zambales, and produced 1,296 bar soaps for remote communities in Zambales, Bulacan, and Samar. The AXA Mountaineering Club donated mushroom farming kits to a community in Rizal, while a coastal cleanup was conducted in Zambales. Additionally, four feeding programs were organized in Cavite and Bulacan, reaching 600 children, and a storytelling activity taught young learners about environmental conservation, concluding with a lantern-making activity using scrap materials.

AXA Philippines also donated books to 93 learners at San Roque Elementary School in Navotas, while AHIA volunteers prepared bags of rice and Christmas cards for 850 beneficiaries in West Triangle, Quezon City. The NGO Fair featured four NGOs and two sustainability advocates, along with an art exhibit by individuals with autism. An interactive discussion highlighted the challenges, successes, and advocacy efforts of the participating organizations.

Furthering its environmental impact, AXA Philippines launched the AXA Forest project, where 750 native seedlings were planted in Siniloan, Laguna. Volunteers from the Technology and Transformation team extended support to abandoned elderly and children in Rizal and Makati.

Employees also took part in runs-for-a-cause and a bloodletting drive, with the AXA Running Club fielding 251 employees in a three-part environmental run series.

600

children reached by four feeding programs organized in Cavite and Bulacan

750

native seedlings planted in Siniloan, Laguna

Participants of the Her Court fitness and wellness program held in partnership with the Women's National Basketball Association.

For the holiday season, AXA Philippines fulfilled the Christmas wishes of vulnerable groups, including 240 families from Payatas, Smokey Mountain, and Sampaloc, who received Noche Buena packages. Other initiatives included distributing 800 decodable books to young children struggling with literacy, 50 sets of art materials for urban poor children's mental well-being, learning gadgets for minority schools in Occidental Mindoro, and internet systems for students in Tondo. Additionally, rechargeable batteries and fishnets were provided to mangrove communities in Bataan and Batangas to support their livelihoods.

Expanding its advocacy for women's holistic wellness, AXA Philippines partnered with the Women's National Basketball Association (WNBA) to launch "Her Court," a fitness and wellness initiative aimed at empowering women through sports. Held at the NBA Community Court in Mandaluyong City, the event provided a dedicated space for women to engage in basketball drills, nutrition sessions, and mindfulness exercises, reinforcing the importance of physical and mental well-being. The initiative aligns with AXA's global campaign, "Being a Woman Shouldn't Be a Risk," which addresses women's health and financial wellness challenges through accessible insurance solutions and financial education.

With these efforts, a total of 856 unique employee volunteers participated in both AHIA and non-AHIA CSR activities, reinforcing AXA Philippines' dedication to social impact and community support.

Community Engagement continued

Metro Pacific Investments Foundation, Inc. (MPIF), the corporate social responsibility arm of MPIC, plays a vital role in advancing the company's commitment to nation-building. Rooted in MPIC's belief that business success must go hand in hand with social impact, MPIF has developed a strategic CSR program focused on three pillars of social infrastructure: Education, Environment, and Economic Empowerment. Over the past decade, MPIF has evolved to complement MPIC's infrastructure initiatives by delivering transformative programs that directly benefit the communities where MPIC's portfolio companies operate.

In 2024, MPIC continued to deepen its commitment to sustainable development, environmental stewardship, and community resilience. The CSR programs of MPIC not only reflected its alignment with global frameworks such as the United Nations Sustainable Development Goals (SDGs) but also demonstrated a robust integration of environmental and social responsibility across all business units and regions of operation.

MPIF receives the Most Outstanding CSR Project in Environment award at the 2024 CSR Guild Awards

MPIC Chief Finance, Risk, and Sustainability Officer June Cheryl Cabal-Revilla speaking at the 16th Meeting of the Conference of the Parties to the Convention on Biological Diversity

One of the year's most significant initiatives for the company was the post-Odette recovery program, spearheaded by MPIF. Building on initial relief efforts, MPIF focused on long-term rehabilitation in affected provinces through projects in mangrove restoration, climate resilience, food security, and livelihood development. Key projects included the rehabilitation of mangrove centers in Surigao del Norte and Cebu, as well as new initiatives in Leyte, Bohol, and Negros Occidental. These efforts addressed critical SDGs such as No Poverty, Climate Action, and Life Below Water.

Celebrating 15 years of environmental advocacy, Shore It Up!, MPIF's flagship program, received the Most Outstanding CSR Project in Environment award at the 2024 CSR Guild Awards. Under the anniversary theme "Enlarging Our Blue Footprint for Philippine Marine Biodiversity Conservation," MPIF scaled up its marine protection efforts with its coastal community stakeholders. The program's achievements included safeguarding over 100,000 hectares of marine areas, building local partnerships, and mobilizing more than 86,000 volunteers nationwide.

Complementing these efforts, MPIF reinforced its commitment to the communities of Siargao Island through two key initiatives. In Del Carmen, the foundation provided capacity building, equipment for a women's cooperative, and financial support for mangrove eco-guides and committed to establishing a second Mangrove Protection and Information Center. Meanwhile, in General Luna, MPIF launched the Marine Protection, Inspection, and Conservation Guardians program to empower local volunteers with training and tools to monitor marine protected areas. Both initiatives combined ecosystem preservation with local livelihood development.

MPIC Chairman Manuel V. Pangilinan with DOE Secretary Secretary Raphael Lotilla, DENR Secretary Maria Antonio Yulo-Loyzaga, San Miguel Corp. President and COO Ramon Ang, and Aboitiz Equity Ventures Inc. President and CEO Sabin Aboitiz during the historic MOU signing

At the national level, MPIC joined San Miguel Corporation and Aboitiz Equity Ventures in signing a historic MOU with the DENR and DOE for the joint stewardship of the Verde Island Passage (VIP), a critical marine biodiversity corridor. This public-private partnership strengthens the protection of natural ecosystems while supporting low-carbon development and sustainable livelihoods in local communities.

Furthering its environmental agenda, MPIC launched the "Plant for Life: Save the Ipo Watershed" program in collaboration with Maynilad. This three-year initiative aims to reforest 75 hectares of the Ipo Watershed—Metro Manila's crucial water source—while generating livelihood for the Dumagat community. MPIC supports the program with financial and operational resources, while Maynilad leads on technical execution and environmental monitoring.

MPIC also formalized a partnership with the Climate Change Commission (CCC) to jointly promote climate action and resilience. The partnership focuses on stakeholder capacity building, collaborative research, and climate change adaptation strategies. Through this MOU, MPIC reaffirmed its dedication to reducing its environmental footprint and embedding sustainability in all facets of its operations.

MPIC's commitment to global biodiversity goals was further spotlighted at the UN Biodiversity Conference (COP 16) in Colombia. The company's conservation efforts were selected as one of 27 global case studies in the Positive Incentives Collaborative Project. As co-presenter of the ASEAN Pavilion, MPIC, alongside the ASEAN Centre for Biodiversity, showcased best practices in biodiversity financing and policy development while supporting the participation of a Filipino youth delegate through the ASEAN Youth for Biodiversity Programme.

Strengthening its engagement with public institutions, MPIF President Melody del Rosario was appointed to the PNP Maritime Group Advisory Council, supporting the national agenda on maritime safety, environmental conservation, and policy transformation. Her inclusion builds a bridge between MPIF's community-based programs and national sustainability efforts in marine governance.

Across all these initiatives, MPIC and MPIF have demonstrated a comprehensive, values-driven approach to CSR—balancing ecological preservation, social inclusion, and economic resilience.

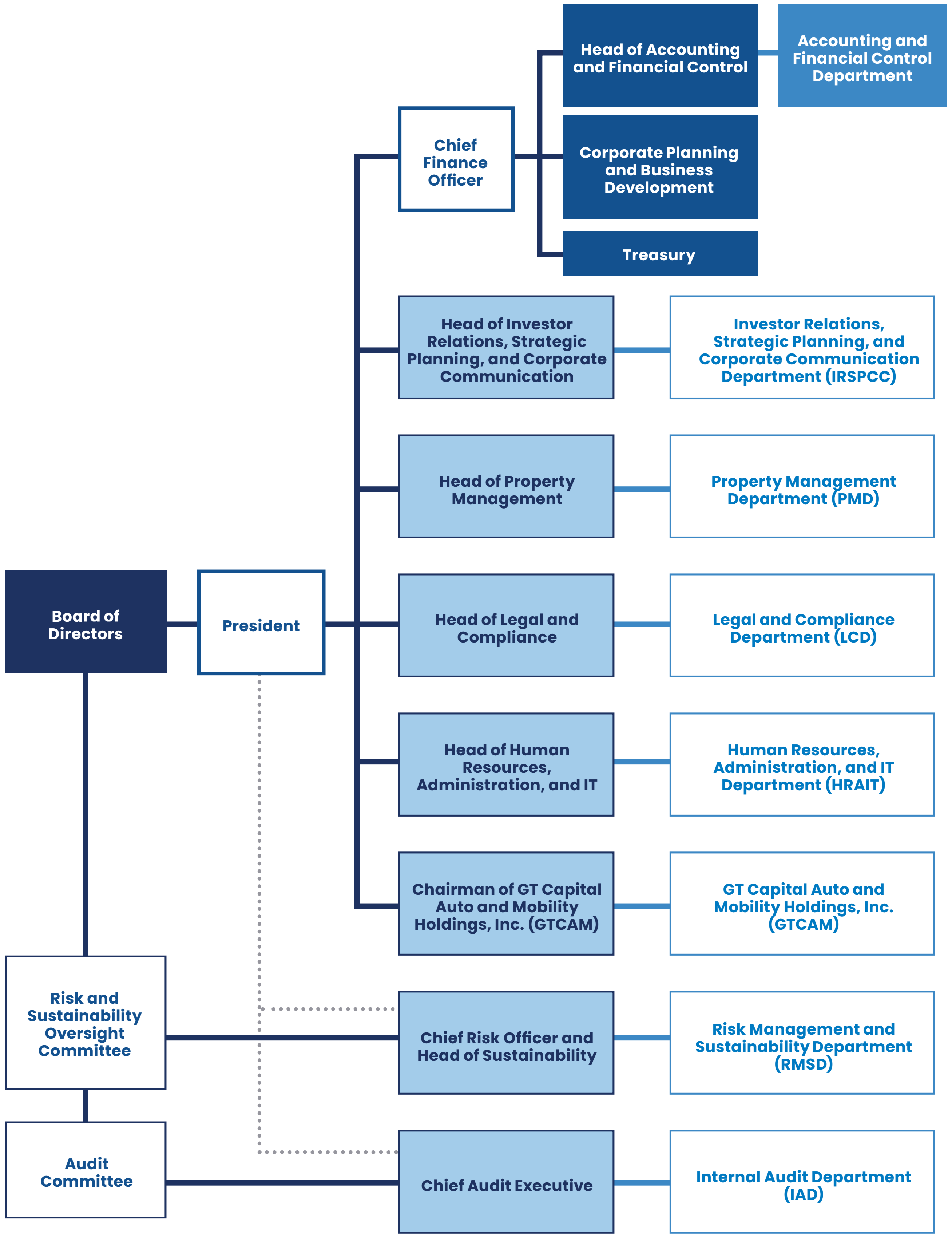
86,000+
volunteers mobilized nationwide

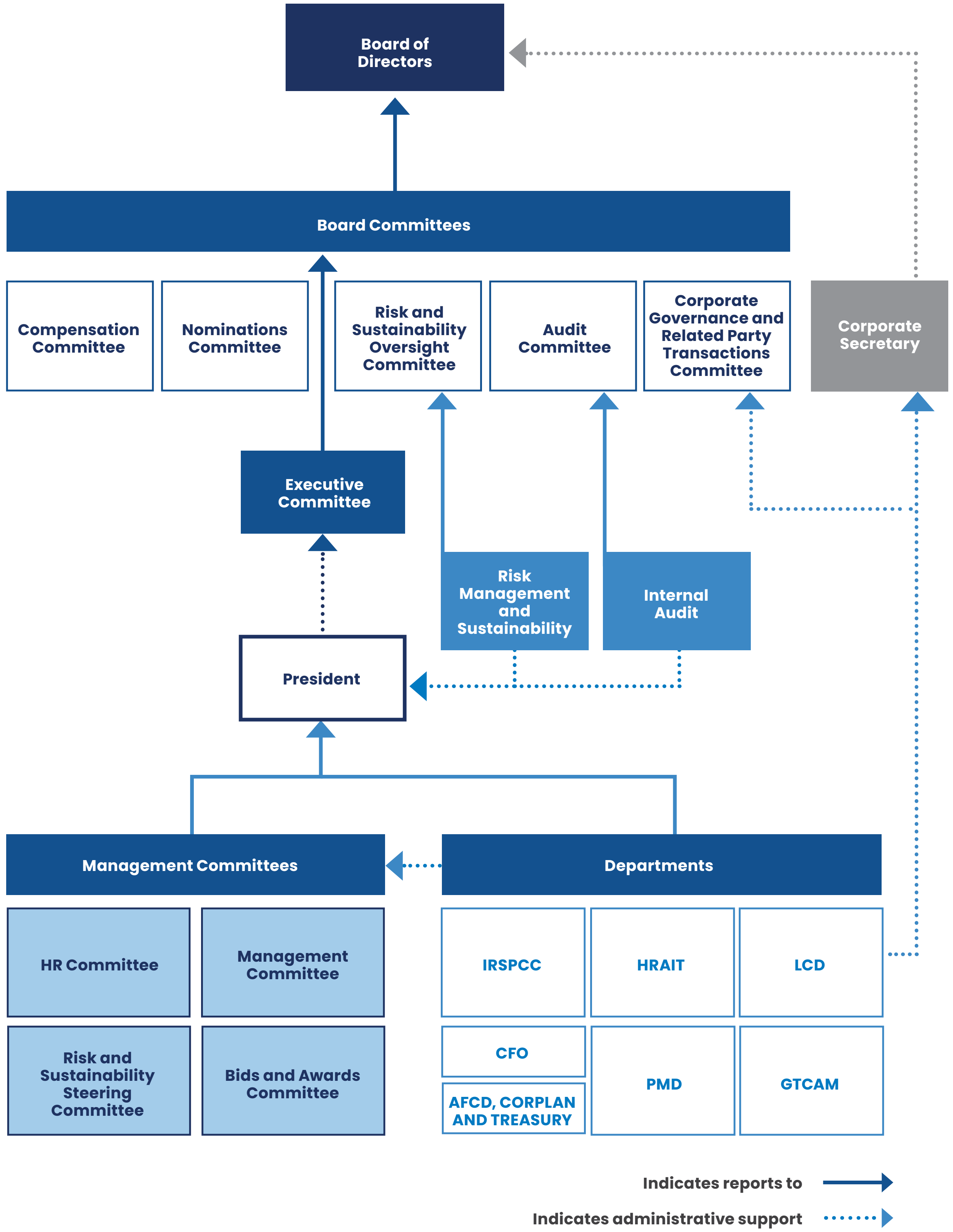
100,000+
hectares of marine areas safeguarded

Leadership and Governance

GT Capital Organizational Structure

GRI: 2-9, 2-13, 2-14, IFRS S1: 27, IFRS S2: 6





Board of Directors

GRI: 2-11, 405-1, SASB: FN-AC-330a.1

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

Board of Directors

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

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

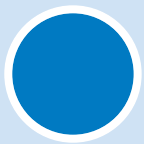
Board of Directors Overview

GRI: 2-11, 2-17

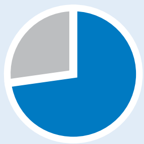
Directors for 2024-2025	Francisco C. Sebastian	Alfred V. Ty	Arthur V. Ty	Carmelo Maria Luza Bautista	Regis V. Puno	David T. Go	Renato C. Valencia	Carlos G. Dominguez III	Rene J. Buenaventura	Gil B. Genio	Consuelo D. Garcia
Integrity/Probity	•	•	•	•	•	•	•	•	•	•	•
Competence	•	•	•	•	•	•	•	•	•	•	•
Education	•	•	•	•	•	•	•	•	•	•	•
College Graduate or have at least 5 years' experience in business	•	•	•	•	•	•	•	•	•	•	•
Diligence	•	•	•	•	•	•	•	•	•	•	•
Executive Director (ED)				•							
Non-Executive Director (NED)	•	•	•		•	•	•	•	•	•	•
Independent Director (ID)							•	•	•	•	•
Gender	M	M	M	M	M	M	M	M	M	M	F
Age (years)	70	57	58	67	66	71	83	79	70	65	70
Tenure (years, as of end of term 2024)	11	13	14	14	7	11	9 *	2	7	3	4

** Cumulative term. Prior to May 10, 2017, Mr. Valencia was first elected as an independent director of the Company on February 14, 2012 and served as Independent Director until May 14, 2013.*

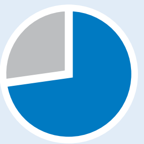
GT Capital Board of Directors Skills Profile



100%
Financial Oversight and Strategy

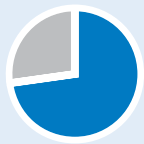


73%
Strategic Business Knowledge



73%
Risk and Crisis Management

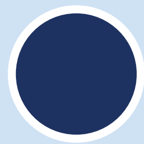
73%
Digital and Technological Advancement



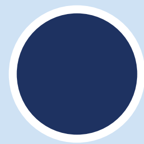
73%
Human Capital and Operational Excellence

64%
External Relations and Governance

GT Capital Board of Directors Industry Experience Profile

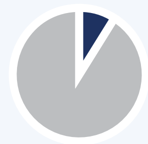


100%
Financial Services and Capital Markets



100%
Industrial and Infrastructure Development

36%
Public Sector and Political Landscape



9%
Technology and Innovation

Board of Directors Profiles

GRI: 2-11, 2-17

Francisco C. Sebastian, 70 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, 57 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 & 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, 58 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 & Trust Company (Metrobank), a listed company, from 2006 to 2012 and was appointed as its Chairman in April 2012, a position he still holds to this date. 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 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, 84 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); Trustee, Metrobank Foundation, Inc. and GT Foundation, Inc.; Adviser, 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, 67 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), , GT Mobility Ventures, Inc., Toyota Manila Bay Corporation (TMBC), and Federal Land NRE Global Corporation (FNG). He is also an Adviser to the Board of Trustees of GT Foundation, Inc., a Trustee of the Asian Institute of Management (AIM), and an Independent Director of Vivant Corporation, a listed company.

Atty. Regis V. Puno, 66 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, 71 years old, Filipino, has been a Director of GT Capital since May 2014. He earned 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. He is also the Vice Chairman of Toyota Aisin Philippines, Inc., Director and Treasurer of Toyota Financial Services Philippines Corporation, President of Toyota Motor Philippines School of Technology, Inc., and Advisor to the Board of Toyota San Fernando, Inc., Toyota Motor Philippines Logistics, Inc., Toyota Motor Philippines Foundation, Inc. and Toyota Mobility Solutions Philippines, Inc.

Renato C. Valencia, 83 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, 79 years old, Filipino, 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 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

Board of Directors Profiles continued

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, 70 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 Maxicare Life Insurance Corporation and is 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, 65 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 is a Fellow member of the Institute of Corporate Directors (ICD), and is a member of the Board of Governors of the Management Association of the Philippines (MAP). He has also 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, 70 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 Sun 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, 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 the roll-out of retail banking on an all-digital platform for 5 years from November 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 graduated Magna Cum Laude for Bachelor of Science in Business Administration, major in Accounting from the University of the East.

Jaime Miguel G. Belmonte, 61 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); and President of Pilipino Star Printing Company (since 1994). 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.

Guillermo C. Choa, 65 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, 71 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 were: 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

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

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.

GEORGE S. UY-TIOCO, JR.
Senior 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

Senior Management

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

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
Senior 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

Senior Management Profiles

Alesandra T. Ty, 44 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; Trustee and Vice President of GT Foundation, Inc.; Vice President of Metrobank 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, 67 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), , GT Mobility Ventures, Inc., Toyota Manila Bay Corporation (TMBC), and Federal Land NRE Global Corporation (FNG). He is also an Adviser to the Board of Trustees of GT Foundation, Inc., a Trustee of the Asian Institute of Management (AIM), and an Independent Director of Vivant Corporation, a listed company.

Anjanette Ty Dy Buncio, 56 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 and CFO 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 and Executive Vice President of Horizon Land Property Development Corporation; Board of Trustee and Senior Vice President of Metrobank Foundation, Inc.; Board of Trustee and Senior Vice President of GT Foundation, Inc.; and Corporate Secretary of Pro Oil Corporation and Proline Sports Center Inc. She graduated from the International Christian University in Tokyo, Japan with a Bachelor of Social Science Degree in Economics.

Atty. Antonio V. Viray, 85 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, and 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, 65 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 from 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 earned his Bachelor of Science in Economics degree from the University of the Philippines in Diliman and completed the Executive Development Program of the Wharton School of the University of Pennsylvania.

George S. Uy-Tioco, Jr., 53 years old, Filipino, joined GT Capital as Senior Vice President for Finance on May 16, 2024. He was appointed as the company's Chief Financial Officer on July 1, 2024. Mr. Uy-Tioco brings to the company close to three decades of experience in investment banking, investment management, and general management, which he gained in the Philippines, Asia, and North America. Prior to joining GT Capital, he was the Head of Corporate Finance for ING Bank NV, Manila Branch and the Head of Mergers and Acquisitions at BPI Capital Corporation, advising Philippine corporations and conglomerates on various strategic acquisitions and divestments. Before those, he spent five years in Hong Kong with the Regional Strategy and Business Development for ING Asia/Pacific Ltd., which was the regional headquarters of ING's life insurance business in Asia. Moreover, Mr. Uy-Tioco served in various capacities with American Orient Capital Partners, Mapúa IT Center, Ernst & Young Corporate Finance in New York, RCBC Capital Corporation, and Capital One Equities Corporation. Mr. Uy-Tioco previously served as Director of several private and public corporations, including the predecessor company of Arthaland Corporation. He also served as the Chairperson of the Audit and Risk Committees of Entrego Fulfilment Solutions Inc. and Entrego Express Corporation. Mr. Uy-Tioco holds a Master's degree in Business Administration from the Darden Graduate School of Business of the University of Virginia in the USA and a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University.

Jose B. Crisol, Jr., 58 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, 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 of Grand Titan Capital Holdings, Inc.; Director, Senior Vice President, and Treasurer of Global Business Holdings, Inc.; Director and Treasurer of Horizon Royale Holdings, Inc.; Director, Senior Vice President and Corporate Secretary of Federal Homes, Inc.; Treasurer of Federal Land, Inc.; Director, Treasurer and Corporate Secretary of Crown Central Properties Corporation; Director and Corporate Secretary of Philippine Securities Corporation; Director of Magnificat Resources Corporation; Corporate Secretary of Norberto & Tytana Ty Foundation, Inc.; Chairman of Multi Fortune Holdings, Inc., and Splendor Realty Corporation; Chairman and President of MBTC Management Consultancy, Inc., Solid Share Holdings Philippines, Inc., Cellini Holdings, Inc., City Tower Realty Corporation, and Ocean Park Condominium and Realty, Inc., Director and President, Harmony Property Holdings, Inc., and Splendor Fortune Holdings, Inc.; Independent Director of AP Securities, Inc.; Adviser of Cathay International Resources, 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.

Senior Management Profiles continued

Stephen John S. Comia, 47 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 such as Nuvali in Sta. Rosa and Calamba, Laguna, Arca South in Taguig, 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, 51, is Chief Risk Officer, Head of Sustainability, and First Vice President of GT Capital Holdings, Inc., appointed on October 19, 2020. She provides oversight and strategic advisory on risk management and sustainability/ESG for its operating companies. Ms. De Leon brings close to 17 years of risk management experience across local and international financial institutions. Prior to GT Capital, she was First Vice President and Head of Market and Liquidity Risk for BDO Unibank, Inc. and a member of its asset and liability committee. Previously, she served as Senior Vice President and Head of Risk Management for Maybank ATR Kim Eng, building its Risk Management function and participating in its management risk, credit and underwriting, and executive committees. Before this, she was Country Head for Market Risk at Standard Chartered Bank and began her risk management career as Market Risk Manager for Philippine Savings Bank (PSBank). Ms. De Leon holds a Master's degree in International Business from the University of Melbourne, an MBA with distinction, and a Bachelor of Arts in Psychology from De La Salle University. She is a certified Global Association for Risk Professionals (GARP) Sustainability and Climate Risk (SCR) professional and an alumnus of the University of the Asia & Pacific (UA&P) Applied Sustainability Management in Asia Pacific program (ASMAP).

Susan E. Cornelio, 53 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 recently earned her Doctor of Philosophy degree in Human Resource Management at the University of Santo Tomas.

Reyna Rose P. Manon-og, 43 years old, Filipino, is the Controller and Senior Vice President of GT Capital. She was appointed Controller in October 2011 and serves as Head of the Accounting and Financial Control Department. She concurrently holds the following positions: Director and Chairman of the Audit Committee of Toyota Manila Bay Corporation, Director and Treasurer of Toyota Subic, Inc. and Treasurer of GT Capital Auto and Mobility Holdings, Inc. (GTCAM).

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, 42 years old, Filipino, is the Data Privacy Officer, Corporate Governance Officer, 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 and Corporate Secretary at GT Capital Auto and Mobility Holdings, Inc. and Toyota Subic, Inc.; Corporate Secretary at AXA Philippines, Toyota Motor Philippines Corporation, Toyota Motor Philippines School of Technology, Inc., Toyota Motor Philippines Foundation, Inc., Lexus Manila, Inc., LMI Insurance Agency, Inc., GT Mobility Ventures, Inc., JBA Philippines Inc., Premium Warranty Services Philippines, Inc., Toyota Santa Rosa, Laguna, Inc., Toyota Santa Rosa, Laguna Insurance Agency, Inc., Toyota Manila Bay Corporation, TMBC Insurance Agency Corporation, and Oxfordshire Holdings, Inc.; and Assistant Corporate Secretary at Toyota Financial Services Philippines Corporation.

Prior to joining GT Capital, 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, 44 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, 45, is the Vice President of GT Capital Auto and Mobility Holdings, Inc. (GTCAM), the automotive and mobility arm of the GT Capital Group. With over 23 years of experience in the automotive industry, he has held various leadership roles across notable companies. Mr. Asuncion began his career at Toyota Motor Philippines in 2002, before moving on to Ford Philippines, Bermaz Auto Philippines, and Mitsubishi Motors Philippines Corporation, where he held various functions in the areas of Sales, Marketing, Dealer Development, After Sales and Customer Service. He joined GTCAM in 2020. Mr. Asuncion holds a Bachelor of Science in Management degree from the Ateneo de Manila University.

Atty. Maria Sofia A. Lopez, 57 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., First Metro Insurance and Reinsurance Brokers, Inc., ORIX METRO Leasing and Finance Corp., 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 Accounting, 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

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

FABIAN S. DEE
President
Metropolitan Bank & Trust Company

MASANDO HASHIMOTO
President
Toyota Motor Philippines Corporation

WILLIAM THOMAS F. MIRASOL
President
Federal Land, Inc.

AYMAN KANDIL
President and CEO
AXA Philippines

MANUEL V. PANGILINAN
Chairman, President and CEO
Metro Pacific Investments Corporation

ANICETO M. SOBREPEÑA
President
Metrobank Foundation, Inc.

GT Capital Group Management Profiles

Fabian S. Dee, 62 years old, Filipino, is the President of Metropolitan Bank & Trust Co. (Metrobank), the country's premier universal bank, recognized by financial experts as the Best Corporate Bank and the Strongest Bank in the Philippines. 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 as the 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. Mr. Dee served as a director at the Bankers Association of the Philippines (BAP) from 2014 to 2018, from 2019 to 2023, and from 2024 to the present. In 2024, Mr. Dee was appointed Vice Chairman of First Metro Investment Corporation. He holds a degree in Management Engineering from the Ateneo de Manila University.

Masando Hashimoto, 47, the President of Toyota Motor Philippines Corporation (TMP), is a seasoned executive with 24 years of experience in the manufacturing industry. A graduate of Keio University in Tokyo, Japan, he began his career at Toyota Motor Corporation (TMC) in 2007 and has honed his expertise in various areas including global sales and business planning, Asia distribution, and human resource management.

Mr. Hashimoto has held various managerial positions within TMC and became senior division coordinator in 2016 at Toyota Motor Thailand, where he handled distribution operations. In recent years, Mr. Hashimoto developed an in-depth understanding of the Asian market and the specific nuances of the Philippines.

In 2023, Mr. Hashimoto joined TMP as the Senior Vice President for Marketing, and a year later, he was appointed and became the youngest President in TMP history. Additionally, he serves as the Chairman of Toyota Mobility Solutions Philippines, Inc.

During the most recent meeting of the board, Mr. Hashimoto has been appointed Chairman of Toyota San Fernando.

He is also Vice Chairman of Toyota Motor Philippines Foundation, Chairman of Toyota Logistics, Inc. and Chairman of the Toyota Motor Philippines School of Technology's Science and Technology Council, respectively.

William Thomas F. Mirasol, 60 years old, Filipino, is currently the Vice Chairman of Federal Land, Inc., the property arm of GT Capital Holdings, Inc. He is also the President of Federal Land NRE Global, Inc. (FNG), the joint venture between Federal Land, Inc. and Japan's Nomura Real Estate Development Co., Ltd.

Mr. Mirasol has over 33 years of management experience. His expertise includes strategic planning, project development, commercial operations, sales, and marketing. He joined Federal Land as General Manager in 2019, and has served as President and Chief Operating Officer in 2020. His tenure is defined by a strategic approach to business expansion, having built high-performing and dynamic teams that drive growth in project development and unit sales, solidifying Federal Land's position as an award-winning real estate leader.

In addition to his roles at Federal Land and FNG, Mr. Mirasol concurrently serves as both the Chairman and President of Federal Property Management Corp., Magnificat Resources Corp., Topsphere Realty Development Company, Inc. He is also Chairman of Crown Central Properties Corp., and Federal Retail Holdings Inc. Mr. Mirasol also serves as Vice Chairman of Cathay International Resources Corp., Federal Brent Retail, Inc., Horizon Land Property Development Corp., and Sunshine Fort North Bonifacio Commercial Management Corp. Mr. Mirasol also serves as the President of Bonifacio Landmark Hotel Management Corp., Bonifacio Landmark Realty and Development Corp., Federal Land Orix Corp., Mirai Properties, Inc., North Bonifacio Landmark Realty and Development Inc., Pasay-HongKong Realty Development Corporation, and Sunshine Fort North Bonifacio Realty Development Corp.

He is also a Director at ST 6747 Resources Corp. and Central Realty and Development 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.

Ayman Kandil, 53 years old, Egyptian, is the President and CEO of AXA Philippines, one of the country's fastest-growing and most profitable insurance companies. He took on the role in October 2024 after serving as the company's Chief Distribution Officer since December 2023. Mr. Kandil brings more than 26 years of executive experience in the insurance industry across Operations, Finance, Distribution, General Management, and successful tenures as CEO of AXA Egypt and as a Board Member of the Insurance Federation of Egypt.

Manuel V. Pangilinan, 78 years old, Filipino, is the Chairman, President and CEO of Metro Pacific Investments Corporation. He 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 since its founding in 1981 until 1999. He was appointed 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 was once again appointed as President and CEO of PLDT, Inc and Smart Communications, Inc in January 2024. He also became the President and CEO of Manila Electric Company (Meralco) effective June 1, 2023. He is the Chairman, President and CEO of Metro Pacific Investments Corporation; PLDT Communications and Energy Ventures, Inc., Chairman of Global Business Power Corporation (GBP) - wholly owned by MERALCO PowerGen Corporation (MGen), Terra Solar Philippines, Inc. (TSPI) - wholly owned subsidiary of SP New Energy Corporation (SPNEC), which develops the Philippines' largest solar facility. Maynilad Water Services, Inc., Metro Pacific Tollways Corporation, NLEX Corporation, Philex Mining Corporation, PXP Energy Corporation, Landco Pacific Corporation, Metro Pacific Health – the largest group of private hospitals and other healthcare facilities with 23 hospitals such as Makati Medical Center, Cardinal Santos Medical Center, et al; 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 of Management 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., Metro Pacific 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, 71 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 17 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

GRI: 2-10, 2-12, 2-13, 2-15, 2-16, 2-18, 2-19, 2-20, 2-21, 2-23, 2-24, 2-28, IFRS S1: 27, IFRS S2: 6

2024 Corporate Governance Highlights

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. The Corporation actively develops and implements policies and practices that align with the core principles of corporate governance as 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 commitment to advancing its corporate governance policies and business practices has yielded recognition from the investment community, both within the domestic market and throughout the ASEAN region.

2024 Awards and Recognitions

Three Golden Arrows
for the 2024 ACGS Assessment,
Institute of Corporate Directors

74th (8th in the Philippines)
in Fortune Southeast Asia 500

Best Investor Relations Company in the Philippines
by World Economic Magazine

Best Investor Relations Award in the Philippines
by International Business Magazine

Best Annual Report in the Philippines,
Second Most Consistent Dividend Policy among Philippine Companies,
Third Most Organized Investor Relations,
Third Most Strategic Corporate Social Responsibility (CSR)
by Alpha Southeast Asia

Best Investor Relations Company in the Philippines
by Global Banking & Finance Review Awards

As part of its ongoing improvement in corporate governance, GT Capital undertook the following best practices in 2024:

1. Virtual conduct of the 2024 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. Adoption of an organizational Closed Circuit Television Policy;
4. Increased the Corporation's annual target dividend payout from Three Pesos (Php 3.00) per share to Six Pesos (PhP 6.00) per share effective on year 2024;
5. The Risk Oversight Committee ("ROC") and its Charter has been amended to Risk & Sustainability Oversight Committee ("RSOC") to formalize the oversight of sustainability within its governance mandate, a responsibility already being fulfilled by the Committee;
6. Continuation of using global disclosure frameworks and standards for Sustainability Reporting, that consolidates the annual report and sustainability report in accordance with the Integrated Reporting <IR> Framework, Global Reporting Standards (GRI), and Sustainability Accounting Standards Board (SASB) standards in its public disclosures;
7. Engagement of External Assurance for the public disclosures to provide a fair and balanced representation of GT Capital's overall performance and its commitment to creating sustainable value for stakeholders;
8. Enhancing the capabilities of the Board of Directors (the "Board") through the conduct of the Thought Leadership Series, which covers various topics on Environmental, Social, and Governance (ESG);
9. Enhancing the awareness and capabilities of various levels of the organization through the conduct of risk and sustainability culture building activities;
10. Codification of the oversight of the Corporation's sustainability program under the scope of the Risk and Sustainability Oversight Committee; and
11. Meeting of Non-Executive Directors without any executives present on December 13, 2024.

2024 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.

CODE OF ETHICS	PERSONS COVERED	IMPLEMENTING MECHANISM
• 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.

CODE OF DISCIPLINE OF EMPLOYEES AND ANTI-CORRUPTION PROGRAMS	PERSONS COVERED	IMPLEMENTING MECHANISM
• 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	• 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 continued

WHISTLEBLOWING POLICY	PERSONS COVERED	IMPLEMENTING MECHANISM
• 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.

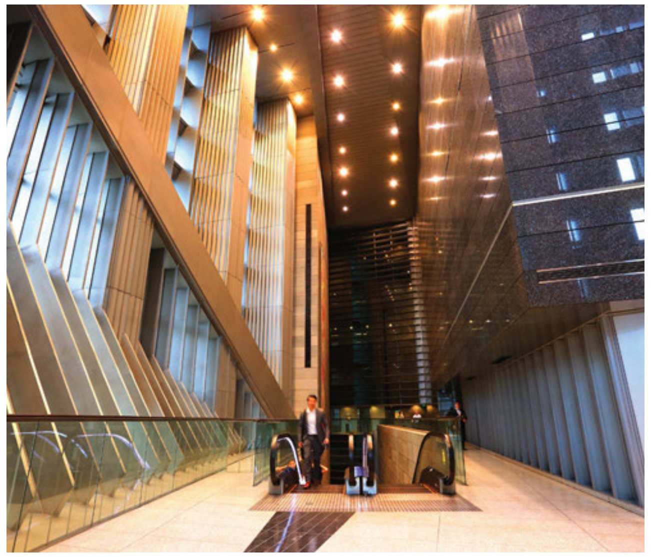
POLICY ON CONFLICTS OF INTEREST	PERSONS COVERED	IMPLEMENTING MECHANISM
• Directors must observe the conduct of fair business transactions with the Corporation, ensure that his personal interest does not conflict with the interests of the Corporation, and should not use his position for profit or to gain some benefit or advantage for himself and/or his related interests. • Directors should 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	PERSONS COVERED	IMPLEMENTING MECHANISM
• 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. • 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.

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 still require at least three (3) bids/quotations 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 GT Capital is 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 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 operating 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. All directors satisfy the foregoing criteria.

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 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 six (6) regular Board meetings of GT Capital are set before the beginning of the calendar year, one to coincide with the ASM on the second Wednesday of May and four with the financial reports and disclosures during the year (March, May, June, August, 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. In addition, the Board Secretariat ensures the attendance of at least two thirds (2/3) of all the directors for each meeting, regardless of the agenda.

For the year 2024, 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	3/3 (100%)

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, 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

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.

Corporate Governance continued

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 to meet. The Executive Committee reports all its actions to the Board, 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)	19/19
Alfred Vy Ty	Vice-Chairman (Non-executive Director)	18/19
Arthur Vy Ty	Member (Non-executive Director)	19/19
Carmelo Maria Luza Bautista	Member (Executive Director)	19/19

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 (Lead 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 GT Capital and other positions requiring Board 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 operating 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.

All members of the Nominations Committee are Independent Directors.

Member	Position Held in Committee	Meetings Attended
Renato C. Valencia	Chairman (Lead Independent Director)	4/4
Gil B. Genio	Member (Independent Director)	4/4
Rene J. Buenaventura	Member (Independent Director)	4/4

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 and Sustainability 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 (Lead Independent Director)	4/4
Rene J. Buenaventura	Member (Independent Director)	4/4
Regis V. Puno	Member (Non-executive Director)	3/4

At least one (1) independent director of the Audit Committee has accounting expertise. Mr. Rene J. Buenaventura is a 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 (Lead Independent Director)	4/4
Gil B. Genio	Member (Independent Director)	4/4
David T. Go	Member (Non-executive Director)	3/4
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 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.

Corporate Governance continued

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 (Lead Independent Director)	2/2
Gil B. Genio	Member (Independent Director)	2/2
Rene J. Buenaventura	Member (Independent Director)	2/2

In 2024, 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, 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 directors and corporate officers of the Board 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.

In 2024, 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 1.70 million	PhP 10.10 million	PhP 9.20 million
Bonuses	PhP 0.95 million	PhP 5.95 million	PhP 5.50 million
Transportation	-	PhP 0.53 million	PhP 2.86 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

SyCip Gorres Velayo & Co. (SGV & Co.) was GT Capital's external auditor for the calendar year 2024. 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 - 2024	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, but exclusive of value added tax for each of the years ended December 31, 2023 and 2024:

	2023	2024
Audit and Audit Related Services	2.32	**2.44**
Non-Audit Services	0.05	**0.05**
Total	2.37	**2.49**

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. For 2024, the Non-Audit Fees did not exceed the fees for Audit and Audit Related Services.

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 2024, 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 2024.

Ownership Structure

Stockholders holding more than 5% of outstanding shares

As of December 31, 2024, 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)	50,909,820	23.648%
PCD Nominee Corp. (Non-Filipino)	43,025,466	19.985%

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 2024 are as follows:

Corporate Governance continued

Name	Nature of Relationship to GT Capital	Number of Shares Directly Owned (As of January 1, 2024)	Number of Shares Indirectly Owned (As of January 1, 2024)	Number of Shares Directly Owned (As of December 31, 2024)	Number of Shares Indirectly Owned (As of December 31, 2024)
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%)	8,387 (0.0039%)	13,407 (0.0062%)
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%)
Vicente Jose S. Socco	Executive Vice President	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)

Name	Nature of Relationship to GT Capital	Number of Shares Directly Owned (As of January 1, 2024)	Number of Shares Indirectly Owned (As of January 1, 2024)	Number of Shares Directly Owned (As of December 31, 2024)	Number of Shares Indirectly Owned (As of December 31, 2024)
George S. Uy-Tioco, Jr.	Senior Vice President/Chief Financial Officer	0 (0.0000%)	0 (0.0000%)	0 (0.0000%)	370 (0.0002%)
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	Senior Vice President, Controller/Head Accounting & Financial Control	0 (0.0000%)	1,024 (0.0005%)	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%)	1,700 (0.0008%)
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%)	959 (0.0004%)	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 continued

Succession Planning

In line with GT Capital's initiative to strengthen succession planning, the company implemented targeted developmental interventions for officers and employees in 2024. These interventions were designed based on the results of individual competency assessments, ensuring a structured and customized approach to talent development. The programs focused on addressing identified competency gaps, enhancing leadership capabilities, and equipping employees with the necessary skills to take on greater responsibilities within the organization and address strategic business needs. Through this strategic initiative, GT Capital aims to build a robust leadership pipeline and sustain long-term business growth by preparing high-potential employees for future leadership roles.

Creditor Protection

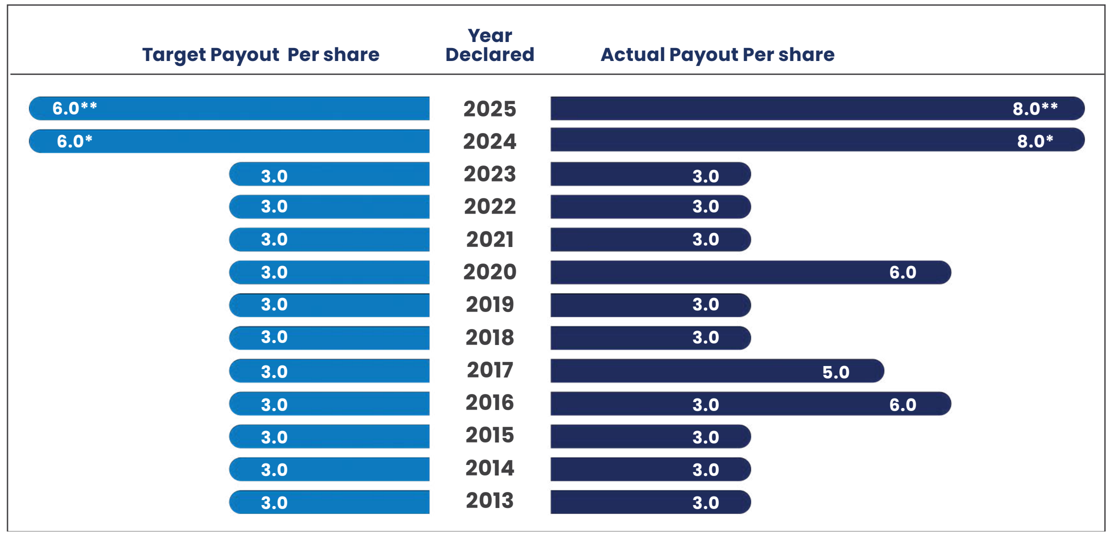
The PPM of the Accounting and Financial Control Department outlines GT Capital's policies on creditor protection, which ensure timely payment and compliance with loan covenants, such as the maintenance of various financial ratios. These policies were applied in the review of GT Capital's loan agreements in 2024. 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.

From 2013 up to 2023, it was the policy of GT Capital to target an annual dividend payout of at least Three Pesos (Php 3.00) per share, payable from its unrestricted retained earnings. Beginning 2024, GT Capital increased this annual target dividend payout to Six Pesos (Php 6.00) per share. The historical dividend payments detailed below demonstrate the Corporation's adherence to its relevant dividend target:



** On March 13, 2024, the Board approved the declaration of a P6.00 (regular) and P2.00 (special) cash dividends for common and voting preferred stockholders.*

*** On March 18, 2025, the Board approved the declaration of a P6.00 (regular) and P2.00 (special) cash dividends for common and voting preferred stockholders.*

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.

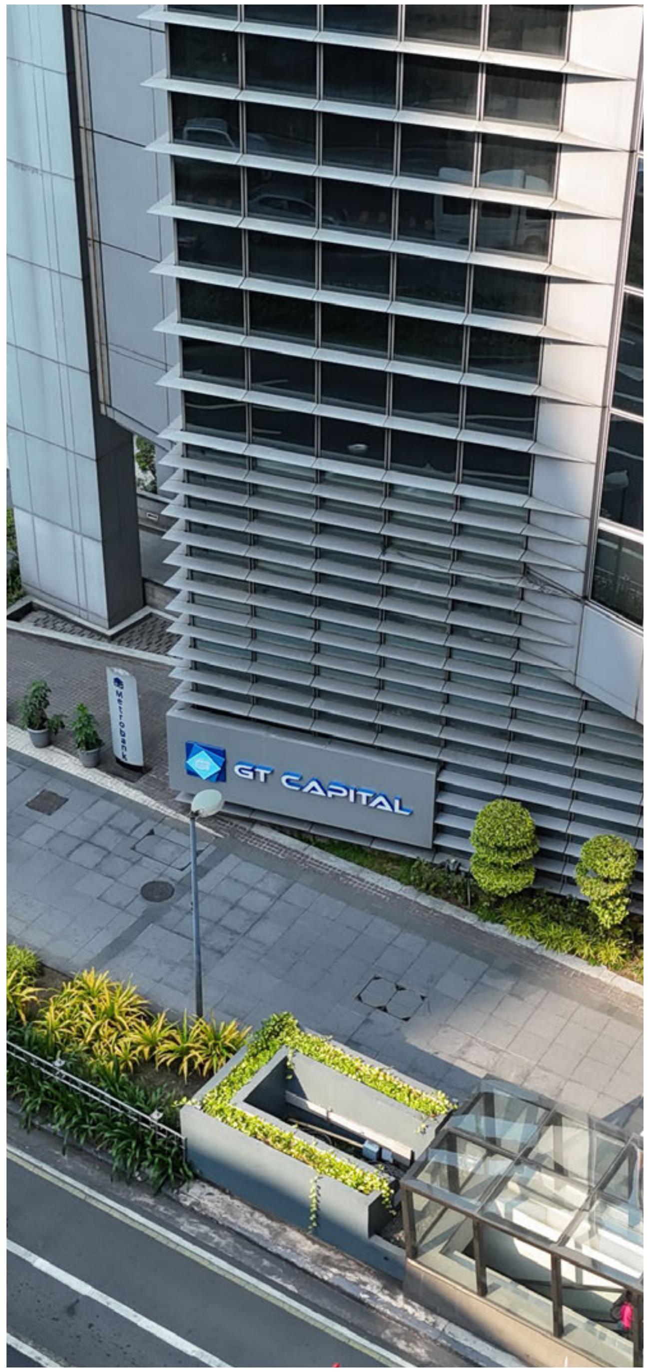
The IRSPCC Department compiles and reports relevant documents and requirements to meet the needs of the investing public, shareholders, and other stakeholders of GT Capital, fully disclosing these to the local stock exchange, as well as through quarterly media and analysts briefings, one-on-one investor 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 Communication
T: (+632) 8836 4500
E: jose.crisol@gtcapital.com.ph

SHERMAINE N. CHAVEZ
Deputy Head, Investor Relations, Strategic Planning, and Corporate Communication
T: (+632) 8836 4500
E: shermaine.chavez@gtcapital.com.ph

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



Investor Relations Calendar of Events

Date	Event	Venue
January 15 – 16	Nomura ASEAN Conference 2024	Kuala Lumpur, Malaysia
January 22	J.P Morgan 18th Philippine Conference 2024	JPMorgan Chase & Co. Tower, BGC
January 30	BPI Securities Retail Webinar	Digital Platform
February 1	Macquarie Owners' Access Conference	The Enterprise Center Tower 1
March 4	Data Sharing Official Signing Ceremony	GT Tower Penthouse
March 12	Abacus Securities' myTrade Unplugged featuring GT Capital (released on Spotify)	Digital Platform
March 22	GT Capital Full Year 2023 Financial and Operating Results Briefing	GT Tower Penthouse
March 25	DBS Pulse of Asia Conference	Singapore
May 8	GT Capital Annual Stockholders Meeting	Grand Hyatt Manila
May 16	GT Capital First Quarter 2024 Financial and Operating Results Briefing	GT Tower Penthouse
May 22	BusinessWorld Economic Forum 2024	Grand Hyatt Manila
May 28	UBS Asian Investment Conference	Hong Kong
May 30	GT Thought Leadership Series – Transition Finance: Risks & Opportunities for Transitioning to a Low-Carbon Economy	Grand Hyatt Manila
June 4	WINK: Abacus Securities Webinar ft. GTCAP	Digital Platform
June 12	Maybank ASEAN Corporate Day 2024	Penang, Malaysia
June 18	Coffee Time with Philstocks, featuring GT Capital Holdings, Inc.	Digital Platform
July 18	Coffee Sessions – MSPH Corporate Access with GTCAP	Ayala Tower One & Exchange Plaza
July 22	RCBC ezAccess Webinar	Digital Platform
August 15	GT Capital First Half 2024 Financial and Operating Results Briefing	Grand Hyatt Residences
August 16	PSE Star Webinar	Digital Platform

Date	Event	Venue
September 3	FMSEC Company In Focus	Digital Platform
September 14	UBS Access: Talking Strategy With GTCAP	Digital Platform
September 19	ACGS 2024 ICGS Golden Arrow Recognition	Manila Marriott Hotel
September 23-26	Jefferies and Regis Partners London Corporate Access Days	London
October 22	The Road to IPO 2024 Forum	SEC eCenter
October 23-24	Jefferies & Regis Partners Philippines Conference	The Peninsula Manila
October 24	GT Capital Economic Briefing	GT Tower Penthouse
November 14	GT Capital January to September 2024 Financial and Operating Results Briefing	Digital Platform
November 18-29	Strategic Planning Weeks	GT Tower International
November 25	GT Capital Political Briefing	GT Tower Penthouse
November 29	GT Capital Strategic Planning Plenary 2024	
January 1 – December 31	45 One-on-One meetings	Metro Manila, Digital Platform
January 1 – December 31	5 Offshore Conferences	Malaysia Singapore Hong Kong London
January 1 – December 31	11 Local Conferences	Metro Manila, Digital Platform
January 1 – December 31	1 Property Tour for Investors	Taguig, 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, 2024 and 2023 and for each of the three years in the period ended December 31, 2024, 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)
George S. Uy-Tioco, Jr.
Chief Financial Officer

SUBSCRIBED AND SWORN to before me on 18 MAR 2025 affiants exhibiting to me their respective Tax Identification Numbers, as follows:

Francisco C. Sebastian	TIN No. [redacted]
Carmelo Maria L. Bautista	TIN No. [redacted]
George S. Uy-Tioco, Jr.	TIN No. [redacted]

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Book No. 59
Series of 2025

[redacted]
ATTY. MARIA SOFIA N. LOPEZ
Notary Public for Makati City
Appointment No. M-072 until December 31, 2026
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. 10475676; 01.09.2025 Makati City
IBP No. 461516, 10.17.2024, 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, 2024 and 2023, 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, 2024, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements presents fairly, in all material respects, the financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2024 in accordance with Philippine Financial Reporting Standards (PFRS) Accounting Standards.

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.

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 PFRS Accounting Standards, the Group is required to annually test the amount of goodwill and intangible assets with indefinite useful life for impairment. As of December 31, 2024, 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, 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 management's process for evaluating the impairment of goodwill and customer relationship. We involved our internal specialists in evaluating the reasonableness of the discount rate. We compared the key assumptions used such as revenue growth rate, gross margins and cost ratios against actual historical performance of the CGU and industry outlook. 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) determination of the transaction price; and (c) application of the output method as the measure of progress in determining real estate revenue.

In evaluating whether collectibility 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). Collectibility 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.

Effective January 1, 2024, the Group adopted Philippine Interpretations Committee (PIC) Q&A 2018-12-D (as amended by PIC Q&A 2020-04) in assessing if the transaction price includes significant financing component. The Group applied the modified retrospective approach in its initial adoption.

Independent Auditor's Report continued

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 the construction activities for both the sub-contracted and those that are fulfilled by the Group itself.

The disclosures related to real estate revenue are included in Note 3 to the consolidated financial statements.

Audit Response

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, contract cancellation requests and approvals.

For the determination of the transaction price, we obtained an understanding of the Group's process in implementing PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04), including the determination of the population of contracts with customers related to real estate sale, the selection of the transition approach and election of available practical expedient. We obtained the financing component calculation of the management which includes an analysis whether the financing component of the Group's contract with customers is significant. We selected sample contracts from the sales contract database and traced these selected contracts to the calculation prepared by management. For selected contracts, we traced the underlying data and assumptions used in the financing component calculation such as contract price, cash discount, payment scheme, payment amortization table and percentage of completion to the contract provision and projected percentage of completion schedule. We also recomputed the financing component for each sample selected.

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 third party project managers as approved by internal construction managers 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.

We performed test computation of the transition adjustments and evaluated the relevant disclosures made on the initial adoption of the above PIC Q&As.

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 ₱22.80 billion, or 60.80% of the Group's consolidated net income in 2024, and the Group's investments in these associates accounted for 61.49% and 42.28% of the consolidated total noncurrent assets and consolidated total assets, respectively, of the Group as of December 31, 2024.

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 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. 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 the amortization of SCAs using the units-of-production (UOP) method.

MPIC has goodwill and SCAs not yet available for use, which are required to be tested for impairment at least annually. These are important to our audit because the impairment assessment of SCAs not available for use 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.

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, 2024, the fair value of the Group's investment in MBTC based on the current market capitalization, and the book value of the Group's investment in MPIC based on the investee's net assets, has declined compared to the carrying value of the investment, which are impairment indicators. The assessment of the recoverable amount of the investment in MBTC and MPIC 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.

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.

Independent Auditor's Report continued

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 specialists in the performance of the above procedures.

For MBTC's assessment of the recoverability of goodwill, we involved our internal specialists 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 goodwill, 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, growth rates, discount rates and the assigned probabilities to various scenarios. We also compared the key assumptions such as traffic volume, rail ridership 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 the Group's recoverability of investment in associates, we involved our internal specialists in evaluating the reasonableness of the discount rate. 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. For the investment in MPIC, we reviewed management's calculation of the recoverable amount using the sum-of-the-parts approach, taking into consideration the market price, the applicable discount rate and net asset values of MPIC's component businesses.

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, 2024, 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, 2024 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 PFRS Accounting Standards 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 continued

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 a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group 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.

(Originally Signed)
Miguel U. Ballelos, Jr.
Partner
CPA Certificate No. 109950
Tax Identification No. 241-031-088
BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026
BIR Accreditation No. 08-001998-114-2025, January 8, 2025, valid until January 7, 2028
PTR No. 10465266, January 2, 2025, Makati City

March 18, 2025

Consolidated Statements of Financial Position

(In Millions)

	December 31	
	2024	2023 (As restated – Note 8)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	₱25,341	₱16,731
Financial assets at fair value through profit or loss (Note 10)	910	871
Receivables (Note 5)	28,185	29,203
Contract assets (Note 21)	4,685	4,092
Inventories (Note 6)	77,211	76,676
Due from related parties (Note 27)	264	134
Prepayments and other current assets (Note 7)	11,785	12,778
Total Current Assets	148,381	140,485
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (Note 10)	20,097	17,696
Receivables - net of current portion (Note 5)	1,433	6,390
Contract assets - net of current portion (Notes 2 and 21)	5,185	5,489
Investment properties (Note 9)	22,459	22,326
Investments in associates and joint ventures (Notes 2 and 8)	248,618	229,283
Property and equipment (Note 11)	16,139	13,589
Goodwill (Note 12)	5,926	5,926
Intangible assets (Note 13)	4,167	4,088
Deferred tax assets - net (Note 29)	1,288	1,085
Other noncurrent assets (Note 14)	395	829
Total Noncurrent Assets	325,707	306,701
	₱474,088	₱447,186
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 15)	₱49,837	₱43,790
Contract liabilities (Note 21)	2,950	3,293
Short-term debt (Note 16)	29,911	21,116
Current portion of long-term debt (Note 16)	17,454	16,110
Current portion of liabilities on purchased properties (Notes 20 and 27)	1,001	348
Current portion of bonds payable (Note 17)	–	3,997
Customers' deposits (Note 18)	1,594	1,062
Dividends payable (Note 22)	365	365
Due to related parties (Note 27)	439	416
Income tax payable	1,140	568
Other current liabilities (Note 19)	2,436	2,149
Total Current Liabilities	107,127	93,214

(Forward)

	December 31	
	2024	2023 (As restated – Note 8)
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 16)	₱76,869	₱95,528
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	–	981
Retirement liability (Note 28)	2,096	2,040
Deferred tax liabilities - net (Notes 2 and 29)	5,015	4,409
Other noncurrent liabilities (Note 20)	3,131	3,190
Total Noncurrent Liabilities	87,111	106,148
Total Liabilities	194,238	199,362
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	94,472
Treasury shares (Note 22)	(484)	(484)
Retained earnings - unappropriated (Notes 2 and 22)	161,334	134,408
Retained earnings - appropriated (Note 22)	400	400
Other comprehensive income (loss) (Note 22)	1,103	(2,477)
Other equity adjustments (Note 22)	2,322	2,322
	262,517	232,011
Non-controlling interests (Note 22)	17,333	15,813
Total Equity	279,850	247,824
	₱474,088	₱447,186

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Income

(In Millions, Except Earnings Per Share)

	Years Ended December 31		
	2024	2023 (As restated – Note 8)	2022
REVENUE			
Automotive operations (Note 35)	₱282,631	₱261,544	₱211,945
Equity in net income of associates and joint ventures (Note 8)	25,310	23,498	16,455
Real estate sales (Note 35)	5,129	12,673	5,362
Rent income (Notes 9 and 30)	1,668	1,509	1,401
Interest income (Note 23)	1,561	1,475	975
Sale of goods and services	1,211	1,137	957
Commission income	354	958	667
Other income (Note 23)	3,663	4,477	7,545
	321,527	307,271	245,307
COSTS AND EXPENSES			
Cost of goods and services sold (Notes 6 and 24)	201,972	189,348	157,079
Cost of goods manufactured and sold (Notes 6 and 25)	42,748	39,661	36,366
General and administrative expenses (Note 26)	23,168	20,257	17,278
Interest expense (Notes 16, 17 and 30)	7,306	7,888	7,144
Cost of real estate sales (Note 6)	1,871	5,400	3,059
Cost of rental (Note 30)	934	905	830
	277,999	263,459	221,756
INCOME BEFORE INCOME TAX	43,528	43,812	23,551
PROVISION FOR INCOME TAX (Note 29)	6,010	6,937	1,820
NET INCOME	₱37,518	₱36,875	₱21,731
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱28,783	₱29,313	₱18,360
Non-controlling interests	8,735	7,562	3,371
	₱37,518	₱36,875	₱21,731
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 34)	₱132.00	₱134.46	₱82.55

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Comprehensive Income

(In Millions)

	Years Ended December 31		
	2024	2023 (As restated – Note 8)	2022
NET INCOME	₱37,518	₱36,875	₱21,731
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified to profit or loss in subsequent periods:			
Changes in cumulative translation adjustments	(9)	(25)	30
Changes in cash flow hedge reserves (Note 16)	45	(103)	121
Equity in other comprehensive income (loss) of associates and joint ventures (Note 8):			
Cash flow hedge reserve	391	159	(182)
Remeasurement on life insurance reserves	(29)	(16)	362
Translation adjustments	(56)	(342)	92
	342	(327)	423
Items that may not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of financial assets at FVOCI (Note 10)	2,295	3,742	(3,068)
Equity in changes in fair value of financial assets at FVOCI of associates and joint ventures (Note 8)	741	5,132	(7,489)
Remeasurement of defined benefit plans (Note 28)	82	(284)	235
Equity in remeasurement of defined benefit plans of associates and joint ventures (Note 8)	174	(2,055)	714
Income tax effect	(64)	584	(237)
	3,228	7,119	(9,845)
OTHER COMPREHENSIVE INCOME (LOSS)	3,570	6,792	(9,422)
TOTAL COMPREHENSIVE INCOME, NET OF TAX	₱41,088	₱43,667	₱12,309
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	₱32,363	₱36,120	₱8,933
Non-controlling interests	8,725	7,547	3,376
	₱41,088	₱43,667	₱12,309

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 (Notes 2, 8 and 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, 2024	**₱3,370**	**₱94,472**	**(₱484)**	**₱134,408**	**₱400**	**(₱2,477)**	**₱2,322**	**₱232,011**	**₱15,813**	**₱247,824**
Effect of full adoption of PFRS 15, *Significant Financing Component* (Note 2)	–	–	–	231	–	–	–	231	–	231
Balance at January 1, 2024, as restated	**3,370**	**94,472**	**(484)**	**134,639**	**400**	**(2,477)**	**2,322**	**232,242**	**15,813**	**248,055**
Cash dividends declared (Note 22)	–	–	–	(2,088)	–	–	–	(2,088)	(7,205)	(9,293)
Total comprehensive income	–	–	–	28,783	–	3,580	–	32,363	8,725	41,088
Balance at December 31, 2024	**₱3,370**	**₱94,472**	**(₱484)**	**₱161,334**	**₱400**	**₱1,103**	**₱2,322**	**₱262,517**	**₱17,333**	**₱279,850**
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, as restated (Note 8)	–	–	–	29,313	–	6,807	–	36,120	7,547	43,667
Redemption of shares	–	(4,355)	(484)	–	–	–	–	(4,839)	–	(4,839)
Balance at December 31, 2023, as restated	₱3,370	₱94,472	(₱484)	₱134,408	₱400	(₱2,477)	₱2,322	₱232,011	₱15,813	₱247,824
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

See accompanying Notes to Consolidated Financial Statements.

Consolidated Statements of Cash Flows

(In Millions)

	Years Ended December 31		
	2024	2023 (As restated – Note 8)	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱43,528**	₱43,812	₱23,551
Adjustments for:			
Equity in net income of associates and joint ventures (Note 8)	**(25,310)**	(23,498)	(16,455)
Interest expense (Notes 16,17 and 30)	**7,306**	7,888	7,144
Depreciation and amortization (Notes 9, 11 and 13)	**1,735**	2,196	2,117
Pension expense (Note 28)	**400**	367	364
Provisions (reversal of provisions) (Note 26)	**94**	(10)	166
Interest income (Note 23)	**(1,561)**	(1,474)	(975)
Dividend income (Note 23)	**(559)**	(450)	(388)
Unrealized foreign exchange losses (Notes 26)	**560**	202	761
Realized and unrealized gain on financial assets at FVTPL (Note 23)	**(41)**	(366)	(137)
Gain on disposal of property and equipment (Notes 11 and 23)	**(46)**	(18)	(58)
Operating income before changes in working capital	**26,106**	28,649	16,090
Decreases (increases) in:			
Financial assets at FVTPL	**1**	10,655	(2,310)
Receivables	**1,782**	(14,432)	(550)
Contract assets	**(289)**	762	2,929
Inventories	**(926)**	1,830	(6,217)
Due from related parties	**(129)**	221	(201)
Prepayments and other current assets	**993**	4,436	(3,054)
Increases (decreases) in:			
Accounts and other payables	**5,758**	6,152	3,470
Contract liabilities	**(343)**	86	(177)
Customers' deposits	**532**	134	18
Due to related parties	**23**	250	(28)
Other current liabilities	**293**	628	308
Cash generated from operations	**33,801**	39,371	10,278
Dividends paid (Note 22)	**(9,292)**	(4,242)	(4,375)
Interest paid	**(6,897)**	(7,108)	(7,567)
Income tax paid	**(6,040)**	(6,610)	(2,315)
Interest received	**2,006**	961	592
Dividends received (Notes 8,10 and 23)	**11,645**	6,117	6,350
Contributions to pension plan assets and benefits paid (Note 28)	**(247)**	(294)	(130)
Net cash provided by operating activities	**24,976**	28,195	2,833

(Forward)

Consolidated Statements of Cash Flows

	Years Ended December 31		
	2024	2023(As restated – Note 8)	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment (Note 11)	₱241	₱49	₱150
Additions to:			
Investments in associates and joint ventures (Note 8)	–	(16,390)	(577)
Property and equipment (Note 11)	(3,847)	(1,482)	(653)
Investment properties (Note 9)	(257)	(1,016)	(1,230)
Intangible assets (Note 13)	(192)	(56)	(154)
Impact of business combination (Note 8)	–	–	53
Decrease (increase) in other noncurrent assets	434	2,387	(1,741)
Net cash used in investing activities	(3,621)	(16,508)	(4,152)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan availments (Notes 16 and 38)	51,025	77,629	52,132
Payments of:			
Loans payable (Note 38)	(59,075)	(84,783)	(42,681)
Bonds payable (Note 38)	(4,000)	(6,099)	–
Principal portion of lease liabilities (Note 30)	(109)	(7)	(6)
Redemption of perpetual preferred shares	–	(4,839)	–
DST on loan availments	–	(5)	–
Increases (decreases) in:			
Liabilities on purchased properties (Note 38)	(328)	(319)	(313)
Other noncurrent liabilities	302	(336)	(446)
Net cash provided by (used in) financing activities	(12,185)	(18,759)	8,686
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(560)	(202)	(766)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8,610	(7,274)	6,601
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16,731	24,005	17,404
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	₱25,341	₱16,731	₱24,005

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. Th e 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).

Group Activities
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.

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

Basis of Preparation
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.

Statement of Compliance
The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) Accounting Standards. PFRS Accounting Standards 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 2024	2023
Federal Land Group	Philippines	**100.00**	100.00
Toyota Group	-do-	**51.00**	51.00
GTCAM Group	-do-	**100.00**	100.00

Federal Land's Subsidiaries

	Percentages of Ownership 2024	2023
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

Toyota's Subsidiaries

	Percentages of Ownership 2024	2023
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**	100.00
Lexus Manila, Inc. (LMI)	**75.00**	75.00
Toyota San Fernando Pampanga, Inc. (TSFI)	**55.00**	55.00

GTCAM's Subsidiaries

	Percentages of Ownership 2024	2023
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**	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 PFRS Accounting Standards;
- 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 is 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 2024. 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 a significant impact on the consolidated financial statements of the Group.

- 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 it retained.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
  The amendments clarify that:
  - That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right.
  - 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.

- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*
  The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

- Adoption of provisions of PIC Q&A 2018-12-D, *PFRS 15 Implementation Issues Affecting the Real Estate Industry* (as amended by PIC Q&A 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 Group availed of the deferral until December 31, 2023.

  Upon full adoption of the above deferred guidance beginning on January 1, 2024, the accounting policies applied using modified retrospective approach following the guidance under PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, the overall impact of the adoption of the requirement of PIC Q&A 2018-12-D pertaining to significant financing component follows:

	As of January 1, 2024		
Consolidated Statements of Financial Position *(amounts in millions)*	As previously stated	Adjustments	As restated
ASSETS			
Current assets			
Contract Assets (Note 21)	4,092	(145)	3,947
Inventories (Note 6)	76,676	10	76,686
Noncurrent assets			
Contract assets-net of current portion (Note 21)	5,489	(394)	5,095
Investments in associates & joint ventures (Note 8)	229,283	456	229,739
LIABILITIES			
Current liabilities			
Contract liabilities (Note 21)	3,293	(226)	3,067
Noncurrent liabilities			
Deferred tax liabilities- net	4,409	(78)	4,331
EQUITY			
Unappropriated retained earnings	134,408	231	134,639

Material Accounting Policy Information

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, 2024 and 2023, 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, 2024 and 2023, 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. <u>Derivative financial instruments and hedge accounting</u>
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.

<u>Inventories</u>
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. Oil, petroleum products and chemicals are carried at the lower of cost and net realizable value (NRV). Cost comprises all cost of purchase and cost incurred in bringing each product to its present location and condition. NRV is the estimated selling price in the ordinary course of business, less estimated cost necessary to make the sale.

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

<u>Joint Arrangements</u>
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 Accounting Standards 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.

<u>Investments in Associates and Joint Ventures</u>
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 adjusts the provisional amounts recognized 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 recognized as of that date. This measurement period shall not exceed one year from the acquisition date.

<u>Investment Properties</u>
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.

<u>Property and Equipment</u>
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.

<u>Intangible Assets</u>
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, except goodwill and assets with indefinite useful life, 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 three (3) to five (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 (3) to five (5) 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 arrangeme nts, investment properties, property and equipment, goodwill and other 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.

Revenue from sale of goods arises from sale of manufactured vehicles and trading of completely built-up vehicles and local and imported parts are recognized at a point in time. Revenue is recognized when the significant risks and reward of ownership of the goods have passed to the buyer (including certain "bill and hold" sales, wherein the buyer takes title and accepts billings) which is normally upon confirmation of the ordered units and invoicing by the Group and also usually upon dispatch of goods by the dealer subsidiaries. Revenue from sale of goods is reduced by the portion attributable to the actual costs of maintenance service that are shouldered by the Group for certain Vehicles. This amount is included under "deferred income" and is recognized as revenue as the maintenance services are rendered by the dealers for the customers.

Service fees from installation of parts and repairs and maintenance of vehicles are recognized as revenue when the related services have been rendered. Other service fees from dealer operations assistance and mobility services are recognized on a monthly basis as the services are rendered and are consumed by customers.

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.

<u>Contract Balances</u>

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 differences are taken to the consolidated statements of income.

<u>Segment Reporting</u>

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, 2025

- Amendments to PAS 21, Lack of Exchangeability

Effective beginning on or after January 1, 2026

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments*
- Annual Improvements to PFRS Accounting Standards - Volume 11
  - Amendments to PFRS 1, *Hedge Accounting by a First-time Adopter*
  - Amendments to PFRS 7, *Gain or Loss on Derecognition*
  - Amendments to PFRS 9, *Lessee Derecognition of Lease Liabilities and Transaction Price*
  - Amendments to PFRS 10, *Determination of a 'De Facto Agent'*
  - Amendments to PAS 7, *Cost Model*

Effective beginning on or after January 1, 2027

- PFRS 18, *Presentation and Disclosure in Financial Statements*
- PFRS 19, *Subsidiaries without Public Accountability*

Deferred effectivity

- PFRS 17, *Insurance Contracts*
- 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*

3. MANAGEMENT'S JUDGMENTS AND USE OF ESTIMATES

The preparation of the consolidated financial statements in compliance with PFRS Accounting Standards 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.

Judgments

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. Different joint arrangements of the Group are discussed in Note 8.

As at December 31, 2024 and 2023, Federal Land assessed that it does not exercise control at more than 51% ownership over certain 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 and the decisions about the relevant activities require the unanimous consent of all parties.

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, 2024 and 2023, the Parent Company determined that it exercises significant influence over MPIC in which it holds 18.20% and 18.19% ownership interests, respectively. Although the Parent Company holds less than 20.00% of the ownership interest and voting rights in MPIC, the Parent Company considers that it exercises significant influence through its entitlement to nominate at least two (2) out of fifteen (15) directors of MPIC and at least one (1) director from the Parent Company should be present in board meetings. The Parent Company's nominees also participate as member in the Audit Committee, Risk, Cybersecurity and Data Privacy Committee, Governance, Nomination and Sustainability Committee, and Finance Committee.

The combination of the Parent Company's ownership interest in MPIC, the representation in the BOD and in the abovementioned committees 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 collectibility 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. Collectibility 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.

Management's Use of Estimates
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 2024, 2023 and 2022 amounting to ₱5.13 billion, ₱12.67 billion and ₱5.36 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 is 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. NRV for completed real estate inventories is assessed with reference to the market conditions and prices existing at the reporting date and is determined by the Group in light with the recent market transactions. NRV in respect of real estate inventories under construction is assessed with reference to market prices at reporting date for similar completed property, less estimated cost to complete construction less estimated cost to sell. 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 intangible 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, 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 and the excess of carrying value over book value of MPIC as indicators of impairment. Accordingly, the Group conducted an impairment assessment of its investments in MBTC and MPIC. 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 free cash flow to equity methodology while that of MPIC is determined based on the sum of the parts of the VIU and FVLCTS of the MPIC Group. Based on the Group's impairment testing, the investment in MBTC and MPIC are 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 and customer relationship are 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 additional 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 (see Note 8).

4. CASH AND CASH EQUIVALENTS

This account consists of:

	2024	2023
Cash on hand	₱90	₱21
Cash in banks and other financial institutions (Note 27)	5,391	6,242
Cash equivalents (Note 27)	19,860	10,468
	₱25,341	₱16,731

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 2024 and 2023 and from 0.025% to 5.75% in 2022 (Notes 23 and 27). The Group has foreign currency-denominated cash and cash equivalents (Note 33).

5. RECEIVABLES

This account consists of:

	2024	2023
Trade receivables	₱22,469	₱24,459
Loans receivable (Note 27)	1,866	5,989
Accrued rent and commission income (Note 27)	1,844	2,042
Nontrade receivables (Note 27)	1,809	1,600
Accrued interest receivable (Note 27)	886	1,330
Management fee receivables (Note 27)	394	329
Installment contracts receivables	360	195
Others (Note 27)	777	517
	30,405	36,461
Less: Allowance for credit losses	787	868
	₱29,618	₱35,593

Total receivables shown in the consolidated statements of financial position follow:

	2024	2023
Current	₱28,185	₱29,203
Noncurrent	1,433	6,390
	₱29,618	₱35,593

Noncurrent receivables consist of:

	2024	2023
Trade receivables	₱–	₱586
Loans receivable	1,433	5,804
	₱1,433	₱6,390

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 2024 and 2023. 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	2024	2023
Cathay International Resources Corp.	705	3.15%	2012	2032	₱705	₱705
-do-	150	4.15%	2022	2032	100	100
-do-	50	6.00%	2021	2024	–	50
Multi Fortune Holdings, Inc.	40	7.90%	2023	2033	40	40
-do-	290	6.60%	2017	2032	135	205
-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	0.00%	2019	Due and demandable	135	135
-do-	8	0.00%	2024	Due and demandable	8	–
Bonifacio Landmark Corp.	3,311	6.75%	2020	2029	–	3,311
-do-	550	5.25%	2021	2028	–	550
-do-	150	6.75%	2022	2028	–	150
					₱1,866	₱5,989

Interest income earned from these loans receivable follows:

	2024	2023	2022
Bonifacio Landmark Corp.	₱129	₱240	₱215
Cathay International Resources Corp.	56	63	38
Multi Fortune Holdings, Inc.	66	61	59
	₱251	₱364	₱312

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:

	2024	2023
Installment contracts receivables	₱360	₱197
Less: Unearned interest income	–	2
	₱360	₱195

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 2024 and 2023.

Movements in the unearned interest income in 2024 and 2023 follow:

	2024	2023
Balance at beginning of year	₱2	₱2
Additions	–	1
Accretion (Note 23)	(2)	(1)
Balance at end of year	₱–	₱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, 2024		
	Trade Receivables	Other Receivables	Total
Balance at beginning of year	₱174	₱694	₱868
Provision for credit losses (Note 26)	15	60	75
Reversals (Note 26)	(3)	(23)	(26)
Write-offs	(115)	(15)	(130)
Balance at end of year	₱71	₱716	₱787

	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

6. INVENTORIES

This account consists of:

	2024	2023
At cost		
Real estate		
Land and improvements	₱28,635	₱28,312
Condominium units held for sale	20,952	19,191
Construction in progress	2,683	2,591
Gasoline retail and petroleum products (Note 24)	10	10
Food (Note 24)	8	6
Automotive		
Finished goods	6,223	7,859
Work-in-process	71	46
Raw materials	11,887	12,628
Raw materials in transit	4,739	4,231
Spare parts	173	142
	75,381	75,016
At NRV		
Automotive		
Spare parts	1,830	1,660
	₱77,211	₱76,676

A summary of movements in real estate inventories (excluding gasoline retail and petroleum products, and food) follows:

	2024			
	Land and improvements	Condominium units held for sale	Construction in progress	Total
Balance at beginning of year	₱28,312	₱19,191	₱2,591	₱50,094
Construction and development costs incurred	974	1,068	2,277	4,319
Borrowing costs capitalized	69	33	262	364
Cost of sales during the year	(412)	(1,775)	–	(2,187)
Reclassifications to condominium units held for sale	(396)	2,436	(2,040)	–
Transfers from (to) investment properties (Note 9)	–	–	(406)	(406)
Others	87	–	–	87
Balance at end of year	₱28,634	₱20,953	₱2,684	₱52,271

	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

Federal Land's capitalized borrowing costs in its real estate inventories are as follows:

	2024	2023
General borrowings	₱263	₱144
Specific borrowings	102	373
	₱365	₱517

The average capitalization rate used to determine the amount of borrowing costs eligible for capitalization ranged from 3.10% to 5.57% in 2024, 2023 and 2022.

The Federal Land Group has existing purchase commitments pertaining to its inventories of ongoing projects as of December 31, 2024 and 2023.

Inventories charged to operations follow:

	2024	2023	2022
Cost of goods and services sold (Note 24)	₱201,972	₱189,348	₱157,079
Cost of goods manufactured and sold (Note 25)	42,748	39,661	36,366
Cost of real estate sales	1,871	5,400	3,059
	₱246,591	₱234,409	₱196,504

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 ₱1.83 billion and ₱1.66 billion as of December 31, 2024 and 2023, respectively.

Allowance for inventory write-down on automotive spare parts inventories follows:

	2024	2023
Balance at beginning of year	₱194	₱186
Provision for inventory write-down (Note 26)	45	16
Write-off of scrap inventories	(104)	(8)
Balance at end of year	₱135	₱194

7. PREPAYMENTS AND OTHER CURRENT ASSETS

This account consists of:

	2024	2023
Creditable withholding taxes (CWT)	₱3,308	₱2,917
Tax credits from ad-valorem tax refund	2,394	–
Prepaid expenses (Note 21)	2,011	1,677
Prepaid Ad-valorem tax	1,723	1,777
Input VAT (Note 14)	1,335	1,392
Advances to contractors and suppliers	792	1,640
Advances to officers, employees and agents (Note 27)	111	58
Safeguard bonds	1	35
Ad-valorem tax for refund	–	2,979
Others	110	303
	₱11,785	₱12,778

CWT is attributable to taxes withheld by third parties arising from service fees, real estate revenue, auto sales and rental income.

In 2024, the BIR and the Bureau of Customs (BOC) have granted tax credits to Toyota for the cumulative incremental Ad-valorem tax paid of ₱2.98 billion as of December 31, 2023. As of December 31, 2024, ₱0.58 billion of the said tax credits were utilized for payment of VAT and income tax.

Prepaid Ad-valorem tax represents advance payments to the BIR and the BOC. These are either advance payment to be applied against taxes on the manufactured vehicles or taxes on unsold inventories.

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 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.

Advances to officers and employees amounting to ₱100.68 million and ₱47.42 million as of December 31, 2024 and 2023, 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 ₱10.19 million and ₱10.39 million as of December 31, 2024 and 2023, 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 BOC for the provisional safeguard duties on imported vehicles, the remaining ₱1.00 million and ₱35.00 million is still unclaimed as of 2024 and 2023, respectively.

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:

	2024	2023 (As restated)
Investments in associates	₱204,535	₱190,336
Investments in joint ventures	44,083	38,947
	₱248,618	₱229,283

There were no impairment losses for these investments in 2024 and 2023.

The movements in the Group's investments in associates follow:

	2024	2023 (As restated)
Cost		
Balance at beginning of year	₱116,710	₱112,319
Additional investments during the year	–	4,391
Balance at end of year	116,710	116,710
Accumulated equity in net income		
Balance at beginning of year	114,236	93,774
Equity in net income for the year	23,569	19,930
Gain on bargain purchase on additional investment	–	570
Amortization of FV increment on net assets	(136)	(161)
Recognition of previously deferred gain*	72	123
Balance at end of year	137,741	114,236
Dividends received		
Balance at beginning of year	(34,035)	(28,152)
Dividends received during the year	(10,108)	(5,883)
Balance at end of year	(44,143)	(34,035)
Accumulated equity in other comprehensive income (loss)		
Balance at beginning of year	(7,611)	(10,854)
Equity in fair value changes on financial assets at FVOCI for the year	741	5,132
Equity in translation adjustments	(56)	(342)
Equity in remeasurement of life insurance reserves	(29)	(16)
Equity in net unrealized gain on remeasurement of defined benefit plans	131	(1,536)
Equity in cash flow hedge reserve	87	5
Balance at end of year	(6,737)	(7,611)
Effect of elimination of intragroup profits		
Balance at beginning of year	1,036	1,159
Recognition of previously deferred profits*	(72)	(123)
Balance at end of year	964	1,036
	₱204,535	₱190,336

Pertains to intercompany sale of lots in 2014 and 2015, which were sold to third parties in 2024 and 2023.

The movements in the Group's investments in joint ventures follow:

	2024	2023
Cost		
Balance at beginning of year	₱40,249	₱28,250
Additional investments during the year	3,220	11,999
Balance at end of year	43,469	40,249
Accumulated equity in net income		
Balance at beginning of year	7,780	4,744
Effect of full adoption of PFRS 15, *Significant Financing Component* (Note 2)	456	–
Balance at beginning of year, as restated	8,236	4,744
Equity in net income for the year	1,805	3,036
Balance at end of year	10,041	7,780
Dividends received		
Balance at beginning of year	(128)	(90)
Dividends received during the year	(722)	(38)
Balance at end of year	(850)	(128)
Accumulated equity in other comprehensive income (loss)		
Balance at beginning of year	(264)	(413)
Equity in net unrealized loss on remeasurement of defined benefit plans	–	(5)
Equity in cash flow hedge reserve	304	154
Balance at end of year	40	(264)
Effect of elimination of intragroup profits (losses)		
Balance at beginning of year	(8,690)	(499)
Elimination of deferred profit on sale	–	(8,640)
Recognition of previously deferred profit	73	449
Balance at end of year	(8,617)	(8,690)
	₱44,083	₱38,947

Details regarding the Group's associates and joint ventures follow:

	Nature of Business	Country of Incorporation	2024 Direct	2024 Indirect	2023 Direct	2023 Indirect
Associates:						
MBTC	Banking	Philippines	37.15	–	37.15	–
MPIC	Infrastructure	-do-	18.20	–	18.19	–
Phil AXA	Insurance	-do-	25.33	–	25.33	–
Crown Central Properties Corporation (CCPC)	Real estate	-do-	–	48.00	–	48.00
Joint ventures:						
Bonifacio Landmark Corporation (BLC)*ᴬ	-do-	-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 (STRC)	-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.*

ᴬ Formerly Bonifacio Landmark Realty and Development Corporation (BLRDC).

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
2024					
MBTC	**February 21, 2024**	**₱1.50**	**₱6,746**	**March 8, 2024**	**March 25, 2024**
MBTC	**February 21, 2024**	**1.50**	**6,746**	**September 5, 2024**	**September 20, 2024**
MBTC*	**February 21, 2024**	**2.00**	**8,995**	**March 8, 2024**	**March 25, 2024**
MPIC	**March 6, 2024**	**0.14**	**4,420**	**March 22, 2024**	**April 18, 2024**
SMFC	**June 28, 2024**	**5.45**	**109**	**June 13, 2024**	**July 23, 2024**
MPIC	**August 12, 2024**	**0.10**	**3,154**	**September 2, 2024**	**September 19, 2024**
Phil AXA	**December 12, 2024**	**150.00**	**1,500**	**November 30, 2024**	**December 17, 2024**

**Special cash dividends*

	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*

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.

In 2024, as permitted under the accounting standards, the Group finalized its purchase price allocation relating to the additional acquisition of MPIC shares in 2023. As a result, the Parent Company has recorded a net gain on bargain purchase of ₱0.57 billion, representing the difference between the Parent Company's share in the net fair values of MPIC's identifiable assets and liabilities that were determined at the acquisition date amounting to ₱6.71 billion over the cost of the additional investment amounting to ₱4.39 billion. and after considering the effect of dilution of interest over MPIC. The gain on bargain purchase was offset by the effect of the dilution in ownership interest where the Parent Company recognized a loss of ₱1.75 billion representing the difference between the carrying value of the investment in MPIC before and after deemed partial disposal of ownership interest. The finalization of purchase price allocation resulted to a restatement of 2023 balances.

In September 2024, the SEC approved the amendment of MPIC's Articles of Incorporation, increasing the par value of shares in MPIC or otherwise implementing a reverse stock split. This increased the par value of MPIC's common shares from ₱1.00 per common share to ₱500.00 per common share, thereby resulting in the reduction in the number of the authorized common shares from 38,500,000,000 to 77,000,000. This reduced MPIC's issued and outstanding shares to 63,087,353, and the Parent Company's owned shares to 11,480,000.

In 2024, a total of 9.07 million shares were bought back by MPIC as it continued to buy back shares held by its minority shareholders who missed the opportunity to participate in the delisting tender offer. This increased the Parent Company's ownership interest in MPIC from 18.19% to 18.20% as of December 31, 2024.

Investment in BLC

On June 8, 2012, Federal Land and Orix Risingsun Properties II, Inc. (ORPI) entered into a joint venture agreement for the creation of BLC, 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. In 2024, Federal Land converted a portion of its loans receivable from BLC amounting to ₱3.22 billion into additional investments in BLC.

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 in 2023 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 2023 consolidated statements of income amounted to ₱588.96 million and ₱490.14 million, respectively, net of intercompany elimination and applicable taxes.

<u>Investment in Sunshine Fort</u>
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.

<u>Investment in AFLCI</u>
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.

<u>Investment in STRC</u>
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.

<u>Investment in TFSPC</u>
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.

<u>Investment in SMFC</u>
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.

<u>Fair Value of Investments in Associates and Joint ventures</u>
Phil AXA and CCPC as well as BLC, 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, 2024 and 2023, the fair value of the Group's investment in MBTC and share of the Group in the net asset value of MPIC are below the carrying value of the investments (Note 32).
Details follow:

	2024	2023
MBTC based on listed price	₱120,284	₱85,702
MPIC based on net asset value	45,609	42,384

Management considers significant or prolonged decline in the quoted market price of MBTC and the excess of carrying value over book value of MPIC as indicators of impairment. 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 Group conducted an impairment assessment of its investment in MBTC in 2024 and 2023. 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 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 12.56%. 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.

The Group conducted an impairment assessment of its investment in MPIC in 2024. 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.

The following tables present the carrying values of the Group's material associates:

<u>Investment in MBTC</u>

	2024	2023
Consolidated Statements of Comprehensive Income		
Net interest income, other income and share in net income of associates and joint ventures	₱144,099	₱134,349
Expenses and provision for income tax	94,866	91,390
Net income	49,233	42,959
Other comprehensive income	3,011	9,328
Total comprehensive income	52,244	52,287
*Consolidated Statements of Financial Position**		
Total assets	3,520,355	3,104,902
Total liabilities	(3,123,950)	(2,738,164)
Net assets	396,405	366,738
Equity attributable to NCI	(10,903)	(10,073)
Net assets attributable to common shareholders of MBTC	385,502	356,665
GT Capital's ownership interest	37.15%	37.15%
GT Capital's share in net assets	143,214	132,501
Notional goodwill	4,162	4,162
Fair value and other adjustments	2,423	2,451
	₱149,799	₱139,114

**MBTC does not present classified consolidated statements of financial position.*

Investment in MPIC

	2024	2023
Consolidated Statements of Comprehensive Income		
Revenues	₱139,277	₱114,124
Expenses and provision for income tax	104,298	87,601
Net income	34,979	26,523
Other comprehensive loss	(1,411)	(2,549)
Total comprehensive income	33,568	23,974
Consolidated Statements of Financial Position		
Current assets	76,577	79,778
Noncurrent assets	732,204	633,827
Current liabilities	(123,295)	(94,016)
Noncurrent liabilities	(378,183)	(330,113)
Net assets	307,303	289,476
Equity attributable to NCI	(56,704)	(56,467)
Net assets attributable to common shareholders of MPIC	250,599	233,009
GT Capital's ownership interest	18.20%	18.19%
GT Capital's share in net assets	45,609	42,384
Capitalized transaction cost	296	296
Notional goodwill	2,573	2,573
Fair value and other adjustments*	2,176	2,110
	₱50,653	₱47,364

Includes 570 million adjustments upon finalization of the purchase price allocation in 2024.

The following table presents the carrying value of the Group's material joint venture:

Investment in FNG

	2024	2023
Statements of Comprehensive Income		
Revenues	₱436	₱301
Expenses and provision for income tax	640	294
Net income (loss)	(204)	8
Total comprehensive income (loss)	(204)	8
Statements of Financial Position		
Current assets	44,742	44,828
Noncurrent assets	1,285	651
Current liabilities	(781)	(280)
Noncurrent liabilities	(331)	(61)
Net assets	44,915	45,138
GT Capital's ownership interest	66.00%	66.00%
GT Capital's share in net assets	29,644	29,791
Intercompany eliminations and other adjustments	(15,950)	(15,966)
	₱13,694	₱13,825

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, 2024 and 2023:

	2024		2023	
	Associates	Joint ventures	Associates	Joint ventures
Statements of Financial Position				
Current assets	₱254	₱27,693	₱267	₱29,605
Non-current assets	3	32,489	3	32,376
Total assets*	186,032	166,752	177,843	147,336
Current liabilities	76	19,759	70	23,217
Non-current liabilities	9	6,574	10	11,146
Total liabilities*	170,190	146,715	162,855	129,782
Statements of Comprehensive Income				
Revenues	19,388	30,560	19,014	34,657
Expenses	16,068	23,803	15,568	26,567
Net income	2,492	4,046	2,653	5,682
Other comprehensive income (loss)	(125)	759	798	350
Total comprehensive income	₱2,367	₱4,805	₱3,451	₱6,032

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, BLC, NBLRDI, Sunshine Fort, SFNBCMC, AFLCI, STRC, HSL and MFRI, amounted to ₱34.47 billion and ₱28.98 billion as of December 31, 2024 and 2023, respectively.

Limitation on dividend declaration of associates and joint venture

AXA Philippines

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 the following 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, 2024 and 2023, 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, 2024 and 2023, accumulated equity in net earnings amounting to ₱102.79 billion and ₱87.23 billion, respectively, are not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon declaration and receipt of dividends from the investees.

As of December 31, 2024 and 2023, 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, 2024				
	Land and Improvements	Building and Improvements	Construction-in-Progress	Right-of-use Assets	Total
Cost					
At January 1	₱8,030	₱11,659	₱6,302	₱–	₱25,991
Additions	–	219	17	21	257
Transfers (Note 6)	–	406	–	–	406
At December 31	8,030	12,284	6,319	21	26,654
Accumulated Depreciation					
At January 1	32	3,633	–	–	3,665
Depreciation (Note 11)	–	519	–	11	530
At December 31	32	4,152	–	11	4,195
Net Book Value at December 31	₱7,998	₱8,132	₱6,319	₱10	₱22,459

	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

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 ₱1.67 billion, ₱1.51 billion and ₱1.40 billion in 2024, 2023 and 2022, 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 2025.

The aggregate fair values of the Group's investment properties amounted to ₱76.73 billion and ₱66.05 billion as of December 31, 2024 and 2023, 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. Valuation of the Group's investment properties are done every three years. The valuation approach and inputs to the valuation of investment properties are discussed in Note 32.

The Group has contractual commitments and obligations for the construction and development costs to be incurred for investment properties amounting to ₱342.99 million and ₱329.89 million as of December 31, 2024 and 2023, 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:

	2024	2023
Current:		
Financial assets at FVTPL (Note 27)		
Quoted	910	₱871
Noncurrent:		
Financial assets at FVOCI		
Quoted	19,950	17,420
Unquoted	147	276
	20,097	17,696
	₱21,007	₱18,567

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 ₱19.54 billion and ₱17.07 billion as of December 31, 2024 and 2023, 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 ₱135.87 million and ₱265.22 million as of December 31, 2024 and 2023, respectively. Also included in the balance are unquoted equity securities held by Federal Land amounting to ₱9.94 million as of December 31, 2024 and 2023.

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:

	2024		
	Attributable to Parent Company	Non-controlling Interest	Total
Balance at beginning of year	₱5,588	₱302	₱5,890
Changes in fair values of financial assets at FVOCI	2,326	(31)	2,295
Balance at end of year	₱7,914	₱271	₱8,185

	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

11. PROPERTY AND EQUIPMENT

The composition and rollforward analysis of this account follow:

	2024									
	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	₱9,388	₱3,340	₱2,856	₱1,479	₱723	₱387	₱6,522	₱127	₱1,292	₱26,114
Additions	471	1,078	181	297	546	32	1,545	70	456	4,676
Disposals	(82)	(148)	(18)	(92)	(189)	–	(123)	(169)	–	(821)
Reclassifications	164	–	97	154	51	2	190	–	(658)	–
Intercompany eliminations and other adjustments	–	(754)	–	–	–	–	–	–	(6)	(760)
At December 31	9,941	3,516	3,116	1,838	1,131	421	8,134	28	1,084	29,209
Accumulated Depreciation and Amortization										
At January 1	2,180	192	2,081	1,157	413	352	6,104	47	–	12,526
Depreciation and amortization	359	41	206	131	158	36	163	11	–	1,105
Disposals	(82)	(35)	(18)	(92)	(180)	–	(123)	(31)	–	(561)
Intercompany eliminations and other adjustments	–	–	–	–	–	–	–	–	–	–
At December 31	2,457	198	2,269	1,196	391	388	6,144	27	–	13,070
Net Book Value at December 31	₱7,484	₱3,318	₱847	₱642	₱740	₱33	₱1,990	₱1	₱1,084	₱16,139

	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	–	–	(76)	(8)	(107)	–	–	–	–	(191)
Reclassifications	17	–	–	–	–	–	–	–	(17)	–
Intercompany eliminations and other adjustments	13	(220)	5	1	–	–	–	(276)	–	(477)
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	–	–	(76)	(6)	(78)	–	–	–	–	(160)
Intercompany eliminations and other adjustments	20	–	5	1	(3)	–	–	9	–	32
At December 31	2,180	192	2,081	1,157	413	352	6,104	46	–	12,525
Net Book Value at December 31	₱7,208	₱3,148	₱775	₱322	₱310	₱35	₱418	₱81	₱1,292	₱13,589

Construction-in-progress as of December 31, 2024 and 2023 pertains to Federal Land's and Toyota's building construction and improvements, and Toyota Group's machineries and building improvements. Expected completion of construction-in-progress is in subsequent year.

The Group has no significant capital commitments pertaining to its property and equipment as of December 31, 2024 and 2023.

Gain on disposal of property and equipment amounted to ₱46.34 million, ₱18.42 million and ₱58.43 million in 2024, 2023 and 2022, respectively (Note 23).

Details of depreciation and amortization follow:

	2024	2023	2022
Property and equipment	₱1,105	₱1,578	₱1,517
Investment properties (Note 9)	530	549	532
Intangible assets (Note 13)	100	69	68
	₱1,735	₱2,196	₱2,117

Breakdown of depreciation and amortization in the consolidated statements of income follows:

	2024	2023	2022
Consolidated Statements of Income			
Cost of rental (Note 30)	₱532	₱550	₱529
Cost of goods manufactured and services sold (Notes 24 and 25)	477	981	896
General and administrative expenses (Note 26)	726	665	692
	₱1,735	₱2,196	₱2,117

12. GOODWILL

Goodwill in relation to acquisitions has been attributed to the following CGUs:

	2024	2023
Toyota	₱5,424	₱5,424
TMBC	241	241
TSRLI	173	173
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 11.79% in 2024 and 10.41% in 2023. Cash flows beyond the five-year period are extrapolated using a steady growth rate of 2.97% in 2024 and 2.81% in 2023. The carrying value of goodwill amounted to ₱5.60 billion as of December 31, 2024 and 2023. 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 12.36% in 2024 and 10.81% in 2023. Cash flows beyond the forecast period are extrapolated using a long-term growth rate of 2.97% in 2024 and 2.81% in 2023. The carrying value of goodwill amounted to ₱241.06 million as of December 31, 2024 and 2023. 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 - The expected automobile sales is based on outlook and historical performance of the top car dealers.
- 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 rate reflects 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 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:

	2024	2023
Customer relationship	₱3,883	₱3,883
Software costs - net	281	202
Franchise - net	3	3
	₱4,167	₱4,088

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 14.42% and 12.55% in 2024 and 2023, respectively. Cash flows beyond the forecast period are extrapolated using a steady growth rate of 2.97% and 2.81% in 2024 and 2023, respectively. The carrying value of the customer relationship amounted to 3.88 billion as of December 31, 2024 and 2023. 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 7.20% 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:

	2024	2023
Cost		
Balance at beginning of year	₱883	₱827
Additions	164	56
Disposals/reclassification	27	–
Balance at end of year	1,074	883
Accumulated Amortization		
Balance at beginning of year	681	613
Amortization (Note 11)	99	68
Disposals/reclassification	13	–
Balance at end of year	793	681
Net Book Value	₱281	₱202

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.

Additions to Franchise cost amounted to ₱0.99 million and ₱1.18 million as of December 31, 2024 and December 31, 2023, respectively. The amortization of the franchise fee amounting to ₱0.71 million, ₱0.72 million and ₱1.18 million in 2024, 2023 and 2022, 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):

	2024	2023	2022
Software cost	₱99	₱68	₱67
Franchise	1	1	1
	₱100	₱69	₱68

14. OTHER NONCURRENT ASSETS

This account consists of:

	2024	2023
Rental and other deposits (Note 30)	₱311	₱753
Retirement asset (Note 28)	36	57
Others	48	19
	₱395	₱829

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.

Others include the Group's noncurrent input VAT, deferred input VAT and derivative assets.

15. ACCOUNTS AND OTHER PAYABLES

This account consists of:

	2024	2023
Trade payables	₱24,717	₱21,903
Accrued expenses	11,370	8,979
Telegraphic transfers, drafts and acceptances payable	5,136	4,546
Deferred income	1,653	1,092
Accrued interest payable	1,288	977
Accrued commissions	1,136	1,227
Deferred output tax	1,020	1,885
Customer advances	471	343
Nontrade payables	446	391
Royalty payable	331	326
Insurance payable	257	253
Retentions payable	95	95
Others	1,917	1,773
	₱49,837	₱43,790

The details of trade payables are as follows:

	2024	2023
Automotive	₱19,805	₱18,504
Real estate	4,875	3,216
Others	37	183
	₱24,717	₱21,903

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:

	2024	2023
Dealers' incentives, supports and promotions	₱6,011	₱4,965
Salaries and employee benefits	1,086	1058
Taxes	1,129	807
Freight, handling and transportation	713	426
Professional fees	376	150
Outsourced services	262	166
Utilities and services	292	192
Payable to contractors	198	117
Office supplies	173	241
Repairs and maintenance	171	69
Insurance	116	118
Regulatory fees and charges	10	7
Rent	10	6
Others	823	658
	₱11,370	₱8,979

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	
	2024	2023	2024	2023
Affiliated (Note 27)				
Federal Land Group	5.35% - 6.60%	4.50% - 6.50%	₱2,945	₱1,850
Toyota Group	5.25% - 6.80%	5.90% - 6.35%	2,787	7,150
GTCAM Group	5.60% - 6.30%	6.35%	1,391	290
Non-affiliated				
Federal Land Group	5.35% - 6.00%	4.25% - 6.38%	19,795	5,750
Toyota Group	5.05% - 6.58%	5.25% - 6.38%	2,354	5,126
GTCAM Group	5.70% - 6.35%	5.75% - 6.35%	639	950
			₱29,911	₱21,116

**Short term debt are all unsecured*

Corporate Notes and Long-term Debt

	Interest rate range	Face amount 2024	Face amount 2023	Outstanding balance 2024	Outstanding balance 2023	Terms
Long-term Debt - Affiliated (Note 27)						
Federal Land Group	8.16% - 8.42%	**₱6,650**	₱7,325	**₱6,586**	₱7,261	5-year unsecured loans; Payable in full upon maturity (Due from 2022 to 2027); Fixed interest
Long-term Debt - Non-affiliated						
Parent Company Peso loans	5.00% - 7.25%	**61,345**	61,650	**61,184**	61,452	10 to 13 years unsecured loans; Payable upon maturity (Due from 2025 to 2032); Fixed interest

	Interest rate range	Face amount 2024	Face amount 2023	Outstanding balance 2024	Outstanding balance 2023	Terms
Parent Company JPY loans	3-month JPY TONA plus 0.65%	**8,082**	9,161	**₱8,043**	₱9,106	JPY22.01 billion loan; Payable in full upon maturity (due March 2027); Floating interest
Federal Land Group	3.95% - 8.20%	**18,050**	33,248	**18,029**	33,180	5 to 10 years unsecured loans; Payable in full upon maturity (due from 2022 to 2029); Fixed & Floating interest
Toyota Group	2.70% - 4.20%	**246**	246	**246**	246	5 to 10 years unsecured loans; Payable in full upon maturity; Fixed interest
GTCAM Group	4.85% - 5.94%	**1,500**	1,500	**235**	393	10-year secured loans; Payable in equal quarterly installments (due in 2026); Fixed interest
Total				**94,323**	111,638	
Less: Current portion				**17,454**	16,110	
				₱76,869	₱95,528	

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%	¥22.01 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 income amounting to ₱31.34 million in 2024 and other comprehensive loss amounting to ₱14.23 million in 2023. The derivative asset amounted to ₱31.34 million as of December 31, 2024 (Note 20), and the derivative liability amounted to ₱14.23 million as of December 31, 2023 (Note 20).

As of December 31, 2024 and 2023, the movements in the deferred financing cost follow:

	2024	2023
Parent Company		
Balance at beginning of year	**₱253**	₱304
Amortization	**(53)**	(51)
Balance at end of year	**₱200**	₱253
Federal Land		
Balance at beginning of year	**₱132**	₱198
Additions	**–**	5
Amortization	**(46)**	(71)
Balance at end of year	**₱86**	₱132

Total interest expense incurred on the above-mentioned debts in 2024, 2023 and 2022 follows:

	Interest expense charged to operations 2024	₱2023	₱2022	Interest expense capitalized 2024	₱2023	₱2022
Short-term debt	**₱800**	1,121	573	**₱35**	50	39
Corporate notes	**91**	104	81	**23**	33	26
Long-term debt	**5,819**	6,054	5,609	**306**	434	336

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, 2024 and 2023, the Group has complied with the foregoing required financial ratios.

17. BONDS PAYABLE

Maturity Dates	Interest rate	Par Value 2024	Par Value 2023	Amount 2024	Amount 2023
₱12.0 billion Bonds					
August 7, 2024	5.6250%	**₱–**	₱4,000	**₱–**	₱3,997

Unamortized debt issuance costs on these bonds amounted to nil and ₱3.24 million as of December 31, 2024 and 2023, 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 upon maturity.

₱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.

The ₱4.00 billion bonds with maturity date of August 7, 2024 were paid upon maturity.

As of December 31, 2024 and 2023, the movement in the deferred financing cost is as follows:

	2024	2023
Balance at beginning of year	₱3	₱10
Amortization	(3)	(7)
Balance at end of year	₱–	₱3

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.

Total interest expense incurred on bonds payable in 2024, 2023 and 2022, amounted to ₱0.14 billion (including amortization of deferred financing cost of ₱3.24 million), ₱0.27 billion (including amortization of deferred financing cost of ₱6.49 million) and ₱0.55 billion (including amortization of deferred financing cost of ₱12.80 million), respectively.

18. CUSTOMERS' DEPOSITS

As of December 31, 2024 and 2023, 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, 2024 and 2023, the balance of this account amounted to ₱1.59 billion and ₱1.06 billion, respectively (Note 27).

19. OTHER CURRENT LIABILITIES

This account consists of:

	2024	2023
VAT payable	₱1,768	₱1,509
Withholding taxes payable	466	492
Unearned warranty revenue	60	8
Lease liabilities (Note 30)	8	13
Unearned management fee income	–	42
Others	134	85
	₱2,436	₱2,149

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, 2024 and 2023 amounted to ₱1.00 billion and ₱1.15 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, 2024 and 2023 amounted to nil and ₱0.18 billion, respectively.

Current portion of liabilities on purchased properties amounted to ₱1.00 billion and ₱0.35 billion as of December 31, 2024 and 2023, respectively. Noncurrent portion of liabilities on purchased properties amounted to nil and ₱0.98 billion as of December 31, 2024 and 2023, respectively
(Note 27). Accretion of interest in 2024, 2023 and 2022 amounted to ₱20.4 million, ₱28.18 million and ₱35.4 million, respectively.

Other Noncurrent Liabilities

This account consists of:

	2024	2023
Retentions payable - noncurrent portion	₱1,215	₱1,212
Refundable and other deposits	891	894
Provisions (Note 36)	753	671
Finance lease obligation - net	182	178
Lease liabilities (Note 30)	89	155
Deferred output VAT	–	65
Derivative liabilities (Note 16)	–	14
Unearned rent income	1	1
	₱3,131	₱3,190

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:

	2024	2023
Product warranties	₱607	₱579
Claims and assessments	146	92
	₱753	₱671

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:

	2024	2023
Contract Assets		
Current	₱4,685	₱4,092
Noncurrent (Note 2)	5,185	5,489
	9,870	9,581
Contract Liabilities		
Current	₱2,950	₱3,293

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 2024 and 2023 from amounts included in contract liabilities at the beginning of the year amounted to ₱0.76 billion and ₱0.89 billion, respectively.

Cost to Obtain a Contract
The balances below pertain to the cost to obtain contracts included in 'Prepaid expenses' (Note 7):

	2024	2023
Balance at beginning of year	₱143	₱45
Additions during the year	464	601
Amortization	(513)	(503)
Balance at end of year	₱94	₱143

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:

	2024	2023
Within one year	₱2,086	₱2,511
More than one year	1,138	1,226
	₱3,224	₱3,737

22. EQUITY

Capital Stock and Additional Paid-in Capital
As of December 31, 2024 and 2023, the paid-up capital consists of the following (amounts in millions, except for number of shares):

	Shares		Amount	
	2024	2023	2024	2023
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)	(4,839,240)	(484)	(484)
Additional paid-in capital			94,472	94,472
			₱97,358	₱97,358

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, 2024 and 2023, the total number of shareholders of common stock of the Parent Company are 94 and 95, respectively.

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 13, 2024	₱0.00377	₱0.66	March 27, 2024	April 12, 2024
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
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
Series B				
December 13, 2024	12.73725	91.21	January 6, 2025	January 27, 2025
December 13, 2024	12.73725	91.21	April 7, 2025	April 28, 2025
December 13, 2024	12.73725	91.21	July 7, 2025	July 28, 2025
December 13, 2024	12.73725	91.21	October 6, 2025	October 27, 2025
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

Details of the Parent Company's dividend distributions to common s hareholders 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
August 7, 2024 (2nd payout)	₱3.00	₱645.85	August 22, 2024	September 6, 2024
March 13, 2024 (1st payout)	3.00	645.85	March 27, 2024	April 12, 2024
March 13, 2024	2.00	430.57	March 27, 2024	April 12, 2024
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

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, 2024 and 2023.

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
Toyota	June 10, 2024	Common	13,882.82	December 31, 2023	October 29, 2024
	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

Other comprehensive income (loss)
Other comprehensive income (loss) consists of the following, net of applicable income taxes:

	2024	2023
Fair value reserves on financial assets at FVOCI (Note 10)	₱7,914	₱5,588
Cash flow hedge reserve (Notes 14 and 16)	31	(14)
Cumulative translation adjustments	1	6
Net unrealized loss on remeasurement of retirement plan	(191)	(228)
Equity in other comprehensive income (loss) of associates and joint ventures:		
Equity in remeasurement of life insurance reserves	207	236
Equity in cash flow hedge reserves	202	(189)
Equity in net unrealized loss on remeasurement of retirement plan	(2,057)	(2,188)
Equity in cumulative translation adjustments	(3,052)	(2,996)
Equity in fair value reserves on financial assets at FVOCI	(1,956)	(2,697)
Equity in other equity adjustments of associates	5	5
	₱1,103	(₱2,477)

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:

	2024	2023	2022
Balance at beginning of year	15,813	₱11,272	₱11,035
Share of non-controlling interest in:			
Net income	8,735	7,562	3,371
Other comprehensive income (loss)	(10)	(15)	5
Cash dividends paid to non-controlling interesat shareholders	(7,205)	(3,006)	(3,139)
Balance at end of year	₱17,333	₱15,813	₱11,272

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	
	2024	2023
TMPC	49.00%	49.00%

Carrying value of material non-controlling interests

	2024	2023
TMPC	₱14,328	₱13,059

Net income for the period allocated to material non-controlling interests

	2024	2023	2022
TMPC	₱8,334	₱7,184	₱2,994

The following table presents the financial information of subsidiaries with material NCI as of and for the years ended December 31, 2024 and 2023:

	2024 TMPC	2023 TMPC
Statement of Financial Position		
Current assets	₱57,278	₱58,348
Non-current assets	14,716	10,915
Current liabilities	45,452	45,118
Non-current liabilities	3,077	2,955
Dividends paid to non-controlling interests	7,057	2,977
Statement of Comprehensive Income		
Revenues	247,151	228,822
Expenses and provision for income tax	230,727	214,546
Net income	16,424	14,276
Total comprehensive income	16,411	14,219
Statement of Cash Flows		
Net cash provided by (used in) operating activities	₱27,196	(₱1,723)
Net cash used in investing activities	(3,628)	(605)
Net cash provided by (used in) financing activities	(21,561)	1,541

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 2024 and 2023. The Parent Company considers total equity as its capital amounting to ₱156.45 billion and ₱142.82 billion as of December 31, 2024 and 2023, 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:

	2024	2023	2022
Interest income on:			
Cash and cash equivalents (Note 4)	₱1,180	₱886	₱121
Installment contracts receivable (Note 5)	34	196	431
Receivables (Note 5)	273	393	338
Others	74	–	85
	₱1,561	₱1,475	₱975

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:

	2024	2023	2022
Ancillary income	₱1,466	₱1,271	₱1,078
Dividend income	559	450	388
Real estate forfeitures, charges and penalties	285	545	463
Management fee (Note 27)	410	625	409
Gain on disposal of property and equipment (Note 11)	46	18	58
Realized and unrealized gain on financial assets at FVTPL	41	366	137
Subscription income	62	70	56
CARS incentives (Note 29)	–	433	475
Others (Notes 5 and 8)	794	699	4,481
	₱3,663	₱4,477	₱7,545

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 nil, ₱433.47 million and ₱474.68 million in 2024, 2023, and 2022 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 (Note 8).

24. COST OF GOODS AND SERVICES SOLD

Cost of goods and services sold consists of:

	2024	2023	2022
Beginning inventory			
Automotive	₱20,291	₱10,085	₱7,191
Gasoline, retail, and petroleum products	10	7	10
Food	6	5	5
	20,307	10,097	7,206
Add: Net purchases	200,899	200,176	158,824
Total inventories available for sale	221,206	210,273	166,030
Less: Ending inventory (Note 6)			
Automotive	19,928	20,291	10,085
Gasoline, retail, and petroleum products	10	10	7
Food	8	6	5
Subtotal	201,260	189,966	155,933
Transfers and incidental expenses	(655)	(1,419)	180
Cost of services	1,265	1,135	973
Overhead (Note 11)	319	289	212
Subtotal	929	5	1,365
Cost adjustments and intercompany elimination	(217)	(623)	(219)
	₱201,972	₱189,348	₱157,079

Overhead includes depreciation and amortization, rent expense and common usage and service area charges.

25. COST OF GOODS MANUFACTURED AND SOLD

Cost of goods manufactured and sold consists of:

	2024	2023	2022
Raw materials used	₱38,584	₱36,199	₱32,452
Employee welfare & benefits	965	897	–
Royalty and technical assistance fees	963	802	728
Direct labor	447	391	347
Repairs and maintenance	447	205	98
Indirect labor	379	346	1,197
Depreciation and amortization	310	518	636
Manufacturing supplies	257	222	181
Utilities and services	196	166	221
(Forward)			

	2024	2023	2022
Taxes and licenses	69	61	47
Stockyard operational cost	54	50	45
Miscellaneous	473	151	116
	43,144	40,008	36,068
Decrease (increase) in finished goods and work-in-process inventories	(618)	(231)	221
Effect of intragroup eliminations	222	(116)	78
	₱42,748	₱39,661	₱36,367

26. GENERAL AND ADMINISTRATIVE EXPENSES

This account consists of:

	2024	2023	2022
Advertising and promotions	₱5,332	₱4,958	₱3,296
Salaries, wages, and employee benefits (Notes 27 and 28)	4,206	3,621	3,441
Delivery and handling	4,048	3,336	2,403
Taxes and licenses	2,519	2,128	1,993
Commissions	1,655	1,616	1,489
Repairs and maintenance	783	614	346
Depreciation and amortization (Note 11)	726	665	692
Light, water and other utilities	616	502	430
Unrealized foreign exchange loss	560	202	761
Outside services	286	285	211
Professional fees	284	365	284
Warranty	207	234	312
Rent (Note 30)	189	135	65
Office supplies	185	194	227
Administrative and management fees	152	236	248
Transportation and travel	150	130	98
Communications	104	97	95
Insurance	77	71	64
Entertainment, amusement and recreation	44	39	27
Provision for (recoveries from) credit losses - net (Note 5)	49	(75)	164
Donation	40	41	4
Royalty and service fees	26	24	19
Provision for inventory write-down (Note 6)	45	16	51
Others	885	823	558
	₱23,168	₱20,257	₱17,278

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, 2024		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Subsidiaries			
Accounts receivable	₱–	₱321	Promo subsidy, warranty claims, parts and service receivables
Trade receivables	35,907	930	Unsecured; Due and demandable
Rent receivable	–	2	Unsecured; Due and demandable
Due from related parties	84	990	Non-interest bearing; due and demandable
Real estate inventories	(316)	–	Cost of lots sold to a related party
Investment Properties	(126)	–	Cost of condominium units sold to a related party
Prepayments	1	1	Amortization of CUSA prepayment
Security deposit	53	24	Rental deposits
Transportation equipment	3	4	Purchase of vehicles
Right-of-use asset	25	102	Office space rent
Land and improvements	1,065	–	Lots acquired from a related party
Building and improvements	132	–	Condominium units acquired from a related party
Land	2	2	Down payment for acquisition of parking lot
Nontrade receivables	–	1	Unsecured; Due and demandable
Investment in shares of stock	–	60,469	Investments in common shares
Accounts payable	105	1,205	Property management fees; payable for purchase of vehicles
Trade payables	957	71	Unpaid car rental fees
Accrued other expense payable	1,065	905	Amount payable for the lots and condominium purchased from a related party
Unearned warranty revenue	–	4	Unamortized portion of the warranty revenue
Lease payable	72	165	Lease of office space
Due to related parties	1	1	Unsecured; Non-interest bearing; due and demandable
Real estate sales	1,065		Sale of lots to a related party
Dividend income	7,285		Dividend income from subsidiaries
Rent income	65		Non-interest bearing; due and demandable
Gain on sale of fixed assets	5		Gain on sale of condominium units to a related party
Cost of real estate sales	316		Cost of lots sold to a related party
Advertising and promotions	1		Marketing and promotional events
Amortization expense – ROU	29		Amortization of office and parking space leases
Cost of rental	3		Janitorial and security services
Dealer operation assistance fees	81		Assistance to dealers
Earned warranty revenue	1		Amortized portion of the warranty expense
Interest expense	4		Interest expense on loans receivable
Outside services	11		Security services and assigned staff for properties in Cavite
Rent expense	5		Office space rent and maintenance; Subject to 5% escalation annually
Repairs and maintenance	6		Repairs and maintenance of properties
TDIMS fees	2		
Utilities expense	1		Electricity & water charges in offices

(Forward)

	December 31, 2024		
Category	**Amount/ Volume**	**Outstanding Balances**	**Terms and Conditions/Nature**
Associates			
Cash and cash equivalents	₱1,039,910	₱15,862	Unsecured; Interest bearing at prevailing market rate; due and demandable
Accounts receivable	–	115	Service, vehicle and financing receivables
Trade receivables	77	77	Unsecured; Non-interest bearing; due and demandable
Commission receivable	–	8	Unsecured; Non-interest bearing; due and demandable
Dividend receivable	(253)	–	Collection of dividend during the year
Rent receivable	–	(21)	Unsecured; Due and demandable
Accrued interest receivables	–	1	Interest on savings deposits
Interest receivable	–	74	Interest on loans to associates
Receivable from sharing of expenses	13	66	Non-interest bearing; due and demandable
Retirement asset	14	–	Retirement fund
Nontrade receivables	112	5	Non-interest bearing; due and demandable
FVTPL investments	6	910	Investment in UITF
Due from related parties	(57)	–	Unsecured; Non-interest bearing; due and demandable
Investment in shares of stock	–	118,227	
Accounts payable	6	–	
Trade payables	12	12	Non-interest bearing; due and demandable
Short-term loan	3,672	5,923	Unsecured; With interest ranging from 3% to 6%; Payable in 2023
Due to related parties	–	213	Unsecured; Non-interest bearing; due and demandable
Loans payable	–	6,650	Unsecured; With interest ranging from 2.75% to 4.25%; Payable on 2024-2029
Insurance payable	–	61	
Nontrade payables	51	20	Non-interest bearing; due and demandable
Commission income	29		Non-interest bearing; due and demandable
Dividend income	1,184		Dividend income from associates
Rent income	322		Rent income from associates
Interest income	474		Prevailing interest rate on regular peso savings deposit account and time deposit placements
Gain on FVTPL investments	1		Prevailing interest rate on regular peso savings deposit account and time deposit placements
Agency fee	9		Gain on investment in UITF
Insurance expense	17		Safekeeping and trust agreement
Interest expense	143		Group life, car insurance, fire, Directors and Officers Liability insurance
Bank charges	2		Miscellaneous bank charges
Joint ventures			
Accounts receivable	–	535	Unsecured; Non-interest bearing; due and demandable
Trade receivables	424	428	Promo subsidy and vehicle, service & financing
Rent receivables	–	26	Unsecured; Non-interest bearing rate; due and demandable
Interest receivables	–	14	Interest from loans paid during the year
Loans receivables	(4,011)	–	Unsecured; Interest bearing at prevailing market rate; due and demandable
Commission receivable	–	269	Non-interest bearing; due and demandable
Due from related parties	(257)	–	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	–	260	Unsecured; Non-interest bearing; due and demandable
Nontrade receivables	40	6	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	4	60	Unsecured; Non-interest bearing; due and demandable
Other non-current assets	96	111	
Investments in shares of stocks	–	5,561	
Security deposit	(1)	–	
Trade payables	58	–	
Management fee income	444		Management service income
Rent income	391		Rent income of components under joint ventures
Service income	11		Management service income
Commission income	285		Management commission income
Interest income	129		Interest on loans receivables
Dividend income	22		Dividend income from joint ventures

(Forward)

	December 31, 2024		
Category	**Amount/ Volume**	**Outstanding Balances**	**Terms and Conditions/Nature**
Others			
Cash and cash equivalents	₱199,916	₱1,279	Unsecured; Interest bearing at prevailing market rate; due and demandable
Accounts receivable	–	309	Service and vehicle receivables
FVTPL investments	(849)	–	
Trade receivables	10,878	1,101	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	–	48	Unsecured; Non-interest bearing; due and demandable
Commission receivable	–	11	Unsecured; Non-interest bearing; due and demandable
Rent receivables	–	1	
Interest receivable	–	1	Interest on time deposit placements
Loan receivable	–	1,866	Unsecured; With interest of 4.5%; Payable in 2032
Receivable from sharing of expenses	94	484	Unsecured; Non-interest bearing; due and demandable
Nontrade receivables	152	85	Various reimbursable expenses
Other receivables	–	48	Unsecured; Non-interest bearing; due and demandable
Due from related parties	–	176	Unsecured; Non-interest bearing; due and demandable
Trade payables	193,604	19,602	Unsecured; Non-interest bearing; due and demandable
Short-term loans	(36)	64	Unsecured; Interest bearing
Due to related parties	–	264	Unsecured; Non-interest bearing; due and demandable
Loans payable	(22)	1,001	Unsecured; With 3% interest; payable annually until 2025
Long-term debt	–	79	Unsecured; Interest bearing
Commission income	40		Management commission income
Dividend income	13		
Interest income	268		Interest on time deposit placements
Rent income	1		Rent income from affiliates
Service income	5		Management service income
Other income	1		
Royalty and technical assistance fees	1,014		25th day of the second month after the end of the quarter, non-interest bearing, unsecured
Interest expense	25		Interest on loans

	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		

(Forward)

	December 31, 2023		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
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		
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		Rent income of components under joint ventures
Commission income	958		
Interest income	262		
Dividend income	38		Dividend income of components under joint ventures

(Forward)

	December 31, 2023		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
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	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2022		
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)

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2022		
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		Unsecured; Non-interest bearing; payable on the 25th day of the second month after quarter-end

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, 2024 and 2023, the Group's investment in UITF of related parties amounted to ₱0.91 billion and ₱0.87 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, 2021 and 2022, 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, 2024 and 2023 amounted to ₱855.00 million (Note 5).

Affiliated bank loans
The Group's loans payable to an affiliated commercial bank bears interest rates ranging from 5.25% to 6.80%, 4.50% to 6.50 % and 4.50% to 5.80% per annum in 2024, 2023 and 2022, respectively (Note 16).

Management fee
Management fee amounting to ₱444.39 million and ₱332.59 million in 2024 and 2023, respectively, pertains to the income received from a joint venture of Federal Land with FNG, SFNBRDC, NBLRDI, BLC 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 five (5) to ten (10) years and are generally renewable for five (5) years. The rent is payable monthly with annual rent escalation rates ranging from 5.00% to 8.00%. The rental income on these leases amounted to ₱779.71 million, ₱518.40 million and ₱420.49 million in 2024, 2023 and 2022, respectively (Note 30).

Compensation of key management personnel for the years ended December 31, 2024, 2023 and 2022 follow:

	2024	2023	2022
Short-term employee benefits	₱1,227	₱1,035	₱918
Post-employment benefits	137	173	275
	₱1,364	₱1,208	₱1,193

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, 2024 and 2023 amounted to ₱1.87 billion and ₱1.93 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, 2024, 2023 and 2022 (in absolute amounts):

	December 31, 2024		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Parent Company			
Investment in equity securities	₱–	₱7,889,420	No impairment
Dividend income	99,620	–	Cash dividends
Loss on sale of investments	(146,225)	–	Loss from sale of equity securities
Associate			
Savings deposit	–	583,025	Savings account earning regular annual interest; unsecured and no impairment;
Time deposit	–	11,300,000	Interest-bearing; unsecured and no impairment
Investment in equity securities	–	14,879,520	No impairment
Investment in UITF	–	41,414,032	No impairment
Investment in other security and debt instruments	–	–	No impairment
Interest income	173,097		Income earned from savings and time deposit
Dividend income	940,675		Cash dividends
Trust fees	–		
Unrealized/realized gain on investment	2,579,349		Income from sale of UITF

	December 31, 2023		
Category	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

	December 31, 2022		
Category	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
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

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:

		2024		
		Actuarial Assumptions		
	Date of Actuarial Valuation	Expected Return on Plan Assets	Salary Rate Increase	Discount Rate
Real estate	December 31, 2024	3.69% to 5.34%	3.00% to 8.00%	6.07% to 6.18%
Automotive	-do-	5.50% to 6.38%	2.00% to 8.00%	5.50% to 6.12%
Financial	-do-	5.04%	8.00%	6.11%

		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%

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:

	2024	2023
Retirement asset (Note 14)	(₱36)	(₱57)
Retirement liability	2,096	2,040
Net retirement liability	₱2,060	₱1,983

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, 2024	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, 2024
Present value of defined benefit obligation	₱3,910	₱297	₱200	₱–	₱497	(₱346)	₱–	(₱107)	₱–	₱2	(₱105)	₱–	₱3,956
Less: Fair value of plan assets	1,927	–	97	–	97	(330)	(29)	–	–	–	(29)	231	1,896
Net defined benefit liability	₱1,983	₱297	₱103	₱–	₱400	(₱16)	₱29	(₱107)	₱–	₱2	(₱76)	(₱231)	₱2,060

		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

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:

	2024	2023
Cash and cash equivalents	₱12	₱39
Investment in government securities	1,455	1,326
Investment in equity securities	276	228
Investment in debt and other securities	84	149
Investment in mutual funds	41	187
Receivables	31	4
Liabilities	(3)	(6)
	₱1,896	₱1,927

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	2024 Increase (Decrease)	2023 Increase (Decrease)
Discount rates	+1%	(325)	(347)
	-1%	249	232
Future salary increase rate	+1%	262	216
	-1%	(342)	(320)

The Group expects to contribute ₱243.24 million to its defined benefit pension plan in 2025. The average duration of the defined benefit retirement liability at the end of the reporting period is 13.92 years for the Group. Shown below is the maturity analysis of the undiscounted benefit payments as of December 31, 2024:

	2024	2023
Less than 1 year	₱509	₱440
More than 1 year to 5 years	1,903	1,910
More than 5 years to 10 years	1,736	1,859
More than 10 years to 15 years	2,074	1,823
More than 15 years to 20 years	2,866	2,824
More than 20 years	7,475	7,496

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.

Provision for income tax account consists of:

	2024	2023	2022
Current	₱6,369	₱6,584	₱2,416
Deferred	(602)	61	(637)
Final	243	292	41
	6,010	6,937	1,820

The components of the Group's deferred taxes as of December 31, 2024 and 2023 are as follows:

Net deferred tax assets:

	2024	2023
Deferred tax assets on:		
Retirement benefit obligation	₱503	₱539
Deferred gross profit	431	191
Deferred intercompany gain	319	36
Allowance for impairment losses	208	231
Warranties payable and other provisions	148	141
Unrealized foreign exchange gain	88	88
Accrued expenses	68	90
Allowance for inventory obsolescence	38	48
Unamortized past service cost from pension obligation	13	13
Others	19	52
	1,835	1,429
Deferred tax liabilities on:		
Unearned gross profit in ending inventories	367	211
Unrealized foreign exchange loss	104	2
Capitalized customs duties	49	104
Others	27	27
	547	344
Net deferred tax assets	₱1,288	1,085

Net deferred tax liabilities:

	2024	2023
Deferred tax assets on:		
NOLCO	₱89	₱344
Unrealized gain on sale of land	332	350
Excess of cost over fair value of investment property	63	69
Unearned gross profit in ending inventories	58	55
Unearned income	35	38
Prepaid commission	32	34
Retirement benefit obligation	29	31
Provision for impairment losses on receivables	18	20
Others	17	18
	673	959
Deferred tax liabilities on:		
Mark-to-market gain on FVOCI investments	2,450	1,777
Fair value adjustment on acquisition by Parent Company	1,971	1,895
Capitalized borrowing cost and guarantee fees	693	755
Excess of book basis over tax basis of deferred gross profit	278	303
Fair value adjustment on acquisition by subsidiaries	106	109
Unrealized gross profit on sale of land	89	344
Unamortized discount on long-term payable	37	40
Lease differential	24	24
Retirement asset	17	17
Others	23	104
	5,688	5,368
Net deferred tax liabilities	₱5,015	₱4,409

NOLCO
As of December 31, 2024, the Group has incurred NOLCO before taxable year 2024 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
2024	2025-2027	₱3,507	₱–	₱–	₱–	₱3,507
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
		₱14,997	₱–	₱–	₱2,983	₱12,014

MCIT
Details of the Group's MCIT follow:

Year Incurred	Amount	Expired/Applied	Balance	Expiry Date
2024	₱24	₱–	₱24	2027
2023	115	–	115	2026
2022	22	–	22	2025
2021	10	10	–	2024
	₱171	₱10	₱161	

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:

	2024	2023
NOLCO	₱11,770	₱7,131
Excess MCIT over RCIT	162	147

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:

	2024	2023	2022
Provision for income tax computed at statutory rates	25.00%	25.00%	25.00%
Tax effects of:			
Nontaxable income	(15.63)	(9.72)	(19.97)
Changes in unrecognized deferred tax assets	2.57	(1.39)	2.18
Nondeductible interest and other expenses	1.69	1.43	0.53
Income subjected to final tax	(0.18)	(0.19)	(0.06)
Income subjected to lower tax rate	(0.01)	0.26	0.08
Others	0.38	0.44	(0.04)
Effective income tax rates	13.81%	15.83%	7.72%

TMPC is registered with the BOI as a:
- Participant in the Car Development Program and Commercial Vehicle Development Program.
- 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 to June 27, 2024. 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, 2024 and 2023, the Group recognized interest expense on lease liabilities (included in 'Interest expense' in the consolidated statements of income) amounting to ₱11.91 million and ₱22.09 million in 2024 and 2023, respectively. Rent expense from short-term leases and leases of low-value assets amounting to ₱188.71 million and ₱135.38 million in 2024 and 2023, respectively. As of December 31, 2024 and 2023, the carrying amounts of lease liabilities are as follows (Notes 19 and 20):

	2024	2023
Beginning balance	₱168	₱21
Additions	96	144
Accretion of interest	21	22
Payments	(210)	(79)
Adjustments	21	60
	₱96	₱168

As of December 31, 2024 and 2023, the future minimum rental payments are as follows:

	2024	2023
Within one year	₱32	₱77
After one year but not more than five years	86	170
	₱118	₱247

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 ₱1.67 billion, ₱1.51 billion and ₱1.40 billion in 2024, 2023 and 2022, respectively (Note 9). The cost of rental services amounting to ₱923.16 million, ₱905.15 million and ₱829.91 million in 2024, 2023 and 2022, respectively, includes maintenance fee, depreciation, repairs and maintenance, and taxes and licenses (Note 11).

As of December 31, 2024 and 2023, the future minimum rental receipts from these lease commitments are as follows:

	2024	2023
Within one year	₱2,861	₱2,168
After one year but not more than five years	3,158	3,040
More than five years	25,427	11,285
	₱31,446	₱16,493

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
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, 2024 and 2023. 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, 2024 and 2023.

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% for the years ended December 31, 2024 and 2023.

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 and 2012 with interest rates ranging from 3.00% to 3.25% per annum. As of December 31, 2024, the liabilities on purchased properties are payable in the next 12 months and thus the fair value approximates the carrying amounts.

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.

	2024				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	₱910	₱–	₱910	₱–	₱910
Financial assets at FVOCI					
Quoted equity securities	19,950	19,950	–	–	19,950
Unquoted equity securities	147	–	147	–	147
Other noncurrent assets					
Derivative assets	31	–	31	–	31
	₱21,038	₱19,950	₱1,088	₱–	₱21,038
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Loans receivables	1,433	–	–	1,433	1,4331,731
Non-financial Assets					
Investment in listed associate	149,799	120,284	–	–	120,284
Investment properties	22,459	–	–	76,734	76,734
	173,691	120,284	–	78,167	198,451
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Loans payable	₱76,869	₱–	₱–	₱78,332	₱78,332

	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 associate	139,115	85,702	–	–	85,702
Investment properties	22,326	–	–	66,052	66,052
	₱167,240	₱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

As of December 31, 2024 and 2023, 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 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	Income Approach or Cost 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:

Valuation Techniques

Market Data Approach	A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.
Income Approach	A process where all expected cash flows from the assets were projected and discounted using the appropriate discount rate reflective of the market expectations.
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.

Significant Unobservable Inputs

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.
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.
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, 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, 2024 and 2023, 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 - 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, 2024						
	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)	₱25,251	₱–	₱–	₱25,251	₱–	₱–	₱25,251
Receivables (Note 5)							
Trade receivables	17,001	290	–	17,291	5,145	33	22,469
Loans receivable	1,866	–	–	1,866	–	–	1,866
Accrued rent and commission income	1,213	–	–	1,213	12	619	1,844
Nontrade receivables	1,537	39	76	1,652	153	4	1,809
Accrued interest receivable	787	–	–	787	–	99	886
Management fee receivables	394	–	–	394	–	–	394
Installment contracts receivable	235	–	–	235	125	–	360
Due from related parties (Note 27)	264	–	–	264	–	–	264
Others	633	–	143	776	1	–	777
	₱49,181	₱329	₱219	₱49,729	₱5,436	₱755	₱55,920

Excludes cash on hand amounting to ₱90.12 million

	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

As of December 31, 2024 and 2023, the aging analysis of past due but not individually impaired financial assets presented per class, is as follows:

	December 31, 2024								
	Neither Past Due nor Individually Impaired	Past Due but not Individually Impaired						Individually Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
Cash and cash equivalents* (Note 4)	₱25,251	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱25,251
Receivables (Note 5)									
Trade receivable	17,291	1,456	1,966	766	400	557	5,145	33	22,469
Loans receivable	1,866	–	–	–	–	–	–	–	1,866
Accrued rent and commission income	1,213	2	2	1	2	5	12	619	1,844
Non-trade receivable	1,652	67	40	5	3	38	153	4	1,809
Accrued interest receivable	787	–	–	–	–	–	–	99	886
Installment contracts receivable	235	40	24	42	–	19	125	–	360
Management fee receivables	394	–	–	–	–	–	–	–	394
Others	776	1	–	–	–	–	1	–	777
Due from related parties (Note 27)	264	–	–	–	–	–	–	–	264
	₱49,729	₱1,566	₱2,032	₱814	₱405	₱619	₱5,436	₱755	₱55,920

Excludes cash on hand amounting to ₱90.12 million

	December 31, 2023								
	Neither Past Due nor Individually Impaired	Past Due but not Individually Impaired						Individually Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	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

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, 2024			
	Up to 1 year	> 1 to 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents* (Note 4)	₱25,267	₱–	₱–	₱25,267
Receivables (Note 5)				
Trade receivables	22,551	–	–	22,551
Loans receivable	433	1,849	–	2,282
Accrued rent and commission income	1,844	–	–	1,844
Nontrade receivable	1,809	–	–	1,809
Installment contracts receivables	360	–	–	360
Accrued interest receivable	886	–	–	886
Dividend receivable	–	–	–	–
Management fee receivable	394	–	–	394
Others	807	–	–	807
Due from related parties (Note 27)	264	–	–	264
Financial assets at FVTPL (Note 10)				
Investments in UITF	910	–	–	910
Financial assets at FVOCI (Note 10)				
Equity securities				
Quoted	–	–	19,949	19,949
Unquoted	–	–	147	147
Other noncurrent assets				
Derivative assets (Note 14)	–	31	–	31
Total undiscounted financial assets	₱55,525	₱1,880	₱20,096	₱77,501

	December 31, 2024			
	Up to 1 year	> 1 to 5 years	> 5 years	Total
Other financial liabilities				
Accounts and other payables (Note 15)				
Trade payables	₱24,682	₱–	₱–	₱24,682
Accrued expenses	11,231	–	–	11,231
Telegraphic transfers and drafts and acceptances payable	5,136	–	–	5,136
Retentions payable	95	1,215	–	1,310
Accrued commissions	1,136	–	–	1,136
Accrued interest payable	1,288	–	–	1,288
Royalty payable	331	–	–	331
Nontrade payables	446	–	–	446
Others	4,698	–	–	4,698
Dividends payable	365	–	–	365
Loans payable (Note 16)	49,591	58,215	34,647	142,453
Due to related parties (Note 27)	439	–	–	439
Liabilities on purchased properties (Note 20)	1,271	–	–	1,271
Other noncurrent liabilities				
Derivative liabilities (Note 20)	–	–	–	–
Total undiscounted financial liabilities	₱100,709	₱59,430	₱34,647	₱194,786
Liquidity Gap	(₱45,184)	(₱57,550)	(₱14,551)	(₱117,285)

Excludes cash on hand amounting to ₱90.12 million.

	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	₱74,445
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)	(₱132,112)

Excludes cash on hand amounting to ₱21.15 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 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$80.38 million and JP¥1.42 billion as of December 31, 2024, US$73.52 million and JP¥1.82 billion as of December 31, 2023 and US$63.13 million and JP¥1.17 billion as of December 31, 2022.

Receivables denominated in foreign currency amounted to US$19.34 million as of December 31, 2024, US$15.97 million as of December 31, 2023 and US$1.16 million and JP¥0.62 million as of December 31, 2022, respectively. Accounts and other payables denominated in foreign currency amounted to US$256.95 million and JP¥3.90 million as of December 31, 2024, US$238.26 million and JP¥1.18 billion as of December 31, 2023 and US$213.84 million as of December 31, 2022.

Loans payables denominated in foreign currency amounted to US$6.50 million and JP¥22.01 billion as of December 31, 2024, US$16.45 million and JP¥23.31 billion as of December 31, 2023 and JP¥23.31 billion as of December 31, 2022.

In translating the foreign currency-denominated monetary assets and liabilities into peso amounts, the exchange rates used were ₱58.01 to US$1.00 and ₱0.37 to JP¥1.00 as at December 31, 2024, ₱55.57 to US$1.00 and ₱0.39 to JP¥1.00 as at December 31, 2023 and ₱56.12 to US$1.00 and ₱0.42 to JP¥1.00 as at December 31, 2022.

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, 2024, 2023 and 2022. There is no other impact on the Group's equity other than those already affecting the consolidated statements of comprehensive income.

	Currency	Increase (Decrease)in foreign exchange rate	Increase (Decrease) in Income Before Tax
2024	**US$**	**(2.41)**	**₱296**
		2.41	**(296)**
	JP¥	**(0.0247)**	**382**
		0.0247	**(382)**
2023	US$	(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)

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 ¥22.01 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 ¥22.01 billion layer of the principal amount of its long-term loan with various lenders. The terms of the hedging relationships will end in March 2027.

The effectiveness of hedging relationship is tested prospectively. All designated hedging relationships were sufficiently effective as of December 31, 2024 and 2023.

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 ¥22.01 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 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 in 2023 and 2022:

	2023		
	Cash Flow Hedge Reserve	Cost of Hedging Reserve	Total
Balance at beginning of year	₱–	₱1	₱1
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, 2024 and 2023, 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, 2024 and 2023.

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 the 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, 2024 and 2023:

	Maturity				
	Up to 3 months	> 3 to 6 months	> 6 to 12 months	> 1 to 2 years	More than 2 years
2024					
Interest rate swap					
Fixed interest rate (%)					
¥22.01 billion until March 2027	**1.255%**	**1.255%**	**1.255%**	**1.255%**	**1.255%**
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%

In accordance with the terms of the loan, the Parent Company may prepay on the last day of an interest period applicable thereto, the whole or any part of the loan. On July 13, 2024, the Parent Company prepaid ¥1.30 billion and redesignated its ¥22.01 billion loan.

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, 2024 and 2023:

	December 31, 2024			
	Carrying value	Change in fair value of hedged item used for measuring ineffectiveness	Effective portionrecognized in OCI	Hedge in effectiveness recognized in the consolidated statement of income
Floating rate loans				
Interest rate swap				
Derivative asset	₱31	₱31	₱31	₱–

	December 31, 2023			
	Carrying value	Change in fair value of hedged item used for measuring ineffectiveness	Effective portionrecognized in OCI	Hedge in effectiveness recognized in the consolidated statement of income
Floating rate loans				
Interest rate swap				
Derivative asset	₱14	₱14	₱14	–

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:

	2024	2023
Balance at beginning of year	**(₱14)**	₱88
Net unrealized gain (loss) on cash flow hedge	**45**	(102)
Balance at end of year (net of tax)	**31**	(14)

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
2024	**Increase by 23.48%**	**₱385**
	Decrease by 23.48%	**(385)**
2023	Increase by 20.56%	₱267
	Decrease by 20.56%	(267)

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
2024	**Increase by 17.69%**	**₱3,165**
	Decrease by 17.69%	**(3,165)**
2023	Increase by 25.09%	₱3,958
	Decrease by 25.09%	(3,958)

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, 2024, 2023 and 2022 were computed as follows (amounts in millions, except earnings per share):

		2024	2023(As restated)	2022
a.	Net income attributable to equity holders of the Parent Company	**₱28,783**	₱29,313	₱18,360
b.	Effect of dividends declared to voting and perpetual preferred shareholders of the Parent Company	**(365)**	(365)	(589)
c.	Net income attributable to common shareholders of the Parent Company	**28,418**	28,948	17,771
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)	**₱132.00**	₱134.46	₱82.55

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 Accounting Standards, 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, 2024, 2023 and 2022, 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, 2024, 2023 and 2022:

	December 31, 2024					
	Real Estate	Financial Institution	Automotive Operations	Infrastructure	Others	Total
Revenue	₱6,797	₱–	₱282,631	₱–	₱1	₱289,429
Other income	2,640	–	2,001	–	586	5,227
Equity in net income of associates and joint venture	1,071	19,284	–	4,955	–	25,310
	10,508	19,284	284,632	4,955	587	319,966
Cost of goods and services sold	945	–	201,027	–	–	201,972
Cost of goods manufactured and sold	–	–	42,748	–	–	42,748
Cost of rental	933	–	–	–	1	934
Cost of real estate sales	1,871	–	–	–	–	1,871
General and administrative expenses	4,398	–	18,012	–	758	23,168
	8,147	–	261,787	–	759	270,693
Earnings before interest and taxes	2,361	19,284	22,845	4,955	(172)	49,273
Depreciation and amortization	655	–	1,055	–	25	1,735
EBITDA	3,016	19,284	23,900	4,955	(147)	51,008
Interest income	272	–	844	–	445	1,561
Interest expense	(2,736)	–	(442)	–	(4,128)	(7,306)
Depreciation and amortization	(655)	–	(1,055)	–	(25)	(1,735)
Pretax income (loss)	(103)	19,284	23,247	4,955	(3,855)	43,528
Provision for income tax	(27)	(130)	(5,878)	–	(105)	(3,960)
Net income (loss)	(₱130)	₱19,284	₱17,369	₱4,955	(₱3,960)	₱37,518
Segment assets	₱117,107	₱163,250	₱95,246	₱50,654	₱47,831	₱474,088
Segment liabilities	₱66,733	₱–	₱55,005	₱–	₱72,500	₱194,238

	December 31, 2023 (As restated – Note 8)					
	Real Estate	Financial Institution	Automotive Operations	Infrastructure	Others	Total
Revenue	₱14,181	₱–	₱261,544	₱–	₱1	₱275,726
Other income	3,656	–	2,118	–	798	6,572
Equity in net income of associates and joint venture	2,269	17,207	–	4,022	–	23,498
	20,106	17,207	263,662	4,022	799	305,796
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	8,774	17,207	20,075	4,022	147	50,225
Depreciation and amortization	653	–	1,532	–	11	2,196
EBITDA	9,427	17,207	21,607	4,022	158	52,421
Interest income	524	–	428	–	523	1,475
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	4,022	(3,586)	43,812
Provision for income tax	(1,752)	–	(4,933)	–	(252)	(6,937)
Net income	₱4,484	₱17,207	₱15,000	₱4,022	(₱3,838)	₱36,875
Segment assets	₱116,961	151,328	₱92,339	₱47,364	₱39,194	₱447,186
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	8,188	–	1,914	–	468	10,570
Equity in net income of associates and joint venture	1,238	13,587	–	1,630	–	16,455
	14,619	13,587	213,859	1,630	637	244,332
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
Earnings before interest and taxes	5,914	13,587	8,697	1,630	(108)	29,720
Depreciation and amortization	673	–	1,431	–	13	2,117
EBITDA	6,587	13,587	10,128	1,630	(95)	31,837
Interest income	689	–	147	–	139	975
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

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:

	2024	2023 (As restated – Note 8)	2022
Domestic	₱310,327	₱296,435	₱235,574
Foreign	11,200	10,836	9,733
	₱321,527	₱307,271	₱245,307

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 ₱0.51 billion, ₱1.53 billion and ₱2.40 billion as of December 31, 2024, 2023 and 2022, respectively.

37. EVENTS AFTER THE REPORTING DATE

On January 27, 2025, 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 6, 2025.

On March 18, 2025, the BOD of the Parent Company approved the declaration of regular cash dividends amounting to ₱1.29 billion, or ₱6.00 per common share payable on a semi-annual basis. The first tranche in favor of GT Capital's common stockholders of record as of April 2, 2025 is payable on April 16, 2025. The exact dates of the second payout will be determined during the regular meeting of the Board of Directors in August 2025.

On March 18, 2025, 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 April 2, 2025, payable on April 16, 2025.

As of March 18, 2025, the Parent Company acquired an additional 4.0 million common shares of Metrobank for a total consideration of ₱282.09 million. This increased the Parent Company's ownership interest in Metrobank from 37.15% to 37.23%.

38. NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

Below are the noncash operating, investing and financing transactions of the Group:

	2024	2023	2022
Investments in associates and joint ventures (Note 8)	₱3,220	₱–	₱–
Transfers between investment property and inventories (Note 6)	407	608	5,904
Borrowing costs capitalized to inventories (Note 6)	364	517	400
Right-of-use assets (Note 11)	₱70	₱274	₱–

The following are the changes in liabilities in 2024 and 2023 arising from financing activities including both cash and non-cash changes:

	January 1, 2024	Availment*	Payment	Forex movement	Amortization of day 1 loss	Amortization of deferred financing cost	Others*	December 31, 2024
Short-term debt (Note 16)	₱21,116	₱51,025	(₱42,259)	₱29	₱–	₱–	₱–	₱29,911
Current portion of long-term debt (Note 16)	16,110	–	(12,404)	–	–	–	13,748	17,454
Long-term debt - net of current portion (Note 16)	95,528	–	(4,412)	(598)	–	99	(13,748)	76,869
Current portion of bonds payable (Note 17)	3,997	–	(4,000)	–	–	3	–	–
Current portion of liabilities on purchased properties (Notes 20 and 27)	348	–	(348)	–	20	–	981	1,001
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	981	–	–	–	–	–	(981)	–
	₱138,080	₱51,025	(₱63,423)	(₱569)	₱20	₱102	₱–	₱125,235

** Others include reclassification from noncurrent to current portion.*

	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	₱–	₱138,080

**Availments net of documentary stamp taxes amounting to ₱5.0 million.*
***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 18, 2025.

Independent Assurance Statement

The Internal Audit team of GT Capital has reviewed this report to ensure compliance with Integrated Reporting <IR> and other globally recognized sustainability reporting frameworks, including the Global Reporting Initiative (GRI) Standards and the Sustainability Accounting Standards Board (SASB). The review also assessed the adequacy of disclosures regarding the Group's contributions to the UN Sustainable Development Goals (SDGs).

To ensure integrity of the data presented, the verification process included interviews, desk review and sample-based data validation. The scope of companies reviewed was determined based on the materiality assessment[1] conducted and their relative impact on the material ESG factors:

- Environmental: (Federal Land, Inc. and Toyota Motor Philippines Corporation)
- Economic and Social: (GT Capital Holdings, Inc., Metropolitan Bank & Trust Company, and AXA Philippines)
- Governance: GT Capital Holdings, Inc.

Based on the review, the sustainability report generally complies with the sustainability reporting requirements applicable to publicly listed companies (PLCs), as mandated by the Securities and Exchange Commission. It also aligns with <IR>, GRI standards, and SASB and provides a sufficient discussion of the Group's contribution to the UN SDGs. In addition, the data validation performed found no significant errors or inconsistencies between the reported data and the supporting documentation.

[1]Based on checking, GT Capital's Risk Management and Sustainability Department conducted a Materiality Assessment survey with various stakeholders namely the principals, board members, investors and analysts, bank, employees, operating companies, and strategic partners to determine the material factors used in the Integrated Report.

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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, 2024 to December 31, 2024 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
	2-2 Entities included in the organization's sustainability reporting	2
	2-3 Reporting period, frequency and contact point	2, 5, 261-262
	2-4 Restatements of information	253-260
	2-6 Activities, value chain and other business relationships	22-23, 32, 94-105
	2-7 Employees	52-93
	2-8 Workers who are not employees	52-93
	2-9 Governance structure and composition	108-145
	2-10 Nomination and selection of the highest governance body	138-140
	2-11 Chair of the highest governance body	108-109, 110, 114, 116
	2-12 Role of the highest governance body in overseeing the management of impacts	136-140
	2-13 Delegation of responsibility for managing impacts	108-109, 138-140
	2-14 Role of the highest governance body in sustainability reporting	3, 108-109, 138-140
	2-15 Conflicts of interest	132-135
	2-16 Communication of critical concerns	132, 134
	2-17 Collective knowledge of the highest governance body	114-115, 116-119
	2-18 Evaluation of the performance of the highest governance body	137, 140
	2-19 Remuneration policies	140
	2-20 Process to determine remuneration	140
	2-21 Annual total compensation ratio	140
	2-22 Statement on sustainable development strategy	20-21, 22-23
	2-23 Policy commitments	20-21
	2-24 Embedding policy commitments	20-21
	2-25 Processes to remediate negative impacts	32, 38-41, 42-48
	2-26 Mechanisms for seeking advice and raising concerns	32, 134, 144-145
	2-27 Compliance with laws and regulations	132-145
	2-28 Membership associations	PSE (132, 165)
	2-29 Approach to stakeholder engagement	32
	2-30 Collective bargaining agreements	52-93
GRI 3: Material Topics 2021	3-1 Process to determine material topics	26-30
	3-2 List of material topics	26-30
	3-3 Management of material topics	26-30
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	52-93, 253-260

GRI STANDARD	DISCLOSURE	LOCATION
GRI 203: Indirect Economic Impacts 2016	203-2 Significant indirect economic impacts	33, 253
GRI 302: Energy 2016	302-1 Energy consumption within the organization	52-93, 253-260
	302-3 Energy intensity	253-260
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	52-93, 253-260
	305-2 Energy indirect (Scope 2) GHG emissions	52-93
	305-3 Other indirect (Scope 3) GHG emissions	52-93
	305-4 GHG emissions intensity	253-260
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	52-93, 253-260
	401-3 Parental leave	253-260
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	52-93
	403-6 Promotion of worker health	52-93
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	52-93
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	253-260
	404-2 Programs for upgrading employee skills and transition assistance programs	52-93
	404-3 Percentage of employees receiving regular performance and career development reviews	52-93
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	110-113, 120-123, 128-129
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	52-93
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	94-105
	413-2 Operations with significant actual and potential negative impacts on local communities	94-105
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	52-93
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	52-93
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In compliance with the requirements of the NPC, TMP submitted two (2) breach notifications through the NPC's Data Breach Notification Management System for the alleged data breach incidents in 2024.

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 stockholder	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	52-93
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	52-93, 110-113, 120-123, 128-129
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		20-21
	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		132

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	26-30
	18	Materiality	26-30
	21-22	Connected Information	22-23
	27	Governance	108-109
	29	Strategy	20-21, 49, 52-93
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	44	Risk Management	38-45, 46
	46-52	Metrics and Targets	52-93
S2: Climate-related Disclosures	6	Governance	49, 108-109
	9	Strategy	20-21
	10	Risks and Opportunities	38-45, 46
	13	Business Model and Value Chain	22-23
	14	Strategy	52-93
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ESG Performance Summary

Data for all ESG indicators is presented as of the year-end reporting date.

ECONOMIC DATA

Economic Value

GT Capital's Economic Performance	2021	2022	2023	2024
Direct Economic Value Generated	174.60	245.31	307.27	321.53
Direct Economic Value Distributed	161.81	225.45	271.35	286.70
Direct Economic Value Retained	12.79	19.86	35.93	34.83

Direct Economic Value Generated (in Billion Php)	2021	2022	2023	2024
GT Capital	174.60	245.31	307.27	321.53
Metrobank	87.45	104.78	155.49	182.29
TMP	128.89	181.16	224.58	241.93
Federal Land	12.15	13.45	12.91	11.08
AXA Philippines	17.74	16.25	19.24	19.35
MPIC	44.00	50.88	61.33	73.00

Direct Economic Value Distributed (in Billion Php)	2021	2022	2023	2024
GT Capital	161.81	225.45	271.35	286.70
Metrobank	82.86	83.91	126.87	162.34
TMP	141.24	206.95	234.17	261.33
Federal Land	10.11	6.28	8.16	5.41
AXA Philippines	9.84	14.22	17.26	18.36
MPIC	29.00	31.55	59.80	71.00

Direct Economic Value Retained (in Billion Php)	2021	2022	2023	2024
GT Capital	12.79	19.86	35.93	34.83
Metrobank	4.59	20.87	28.62	19.95
TMP	-12.35	-25.79	-9.59	-19.40
Federal Land	2.04	7.17	4.75	5.67
AXA Philippines	7.90	2.03	1.98	0.99
MPIC	15.00	19.33	1.53	2.00

Payments to Government (in Billion Php)	2021	2022	2023	2024
GT Capital	4	4	9	9
Metrobank	11	14	22	28
TMP	15	24	31	35
Federal Land	3	1	2	1
AXA Philippines	1	1	1	1
MPIC	3	4	6	7
TOTAL	**37**	**48**	**71**	**81**

ENVIRONMENTAL DATA

Energy Consumption (in MWh)	2021	2022	2023	2024
Metrobank	40,036	55,602	43,804	42,951
TMP	21,961	44,758	63,759	65,344
Federal Land	44,071	6,845	26,508	42,894
AXA Philippines	848	1,793	1,713	1,649
MPIC	293,692	23,064,446	37,065,658	46,064,333
MPIC (energy sold)	46,072,898	49,554,531	51,044,021	54,321,131
TOTAL	**46,473,506**	**72,727,975**	**88,245,463**	**100,538,302**

2024 Energy Consumption by Source (in MWh)	Renewable	Non-Renewable	Renewable	Non-Renewable
Metrobank	0	191,076	0%	100%
TMP	26,453	38,891	40%	60%
Federal Land	15,106	27,788	35%	65%
AXA Philippines	0	1,649	0%	100%
MPIC	27,383	46,036,950	0%	100%
TOTAL	**68,942**	**46,296,354**	**0%**	**100%**

ESG Performance Summary

Electricity Consumption (in MWh)	2021	2022	2023	2024
Metrobank*	40,036	55,602	43,804	42,951
TMP	21,961	23,535	27,043	27,381
Federal Land	44,071	6,781	26,193	37,310
AXA Philippines	848	1,171	1,123	1,060
MPIC	293,692	309,930	290,445	308,015
MPIC (energy sold)	46,072,898	49,554,531	51,044,021	54,321,131
TOTAL	**46,473,506**	**49,951,550**	**51,432,629**	**54,737,848**

**2023 data restated*

Fuel Consumption (in MWh)	2021	2022	2023	2024
Metrobank*	103,908	160,563	136,403	148,125
TMP	16,803	21,223	36,716	37,963
Federal Land	685	64	315	5,584
AXA Philippines	0	623	590	589
MPIC	25,526,095	22,754,516	36,775,213	45,756,317
TOTAL	**26,647,491**	**22,936,989**	**36,949,237**	**45,948,578**

**2023 data restated*

Energy Intensity (MWh per Php Million revenue)	2021	2022	2023	2024
Metrobank	1,646	2,063	1,159	1,048
TMP	301	247	284	270
Federal Land	3,685	509	2,053	3,871
AXA Philippines	48	110	89	85
MPIC*	586,813	453,293	604,384	631,018

**Excludes energy sold*

EMISSIONS (Equity-based approach)

GHG Intensity (in tons CO_2e per Php Million revenue)	2021	2022	2023	2024
Scope 1	9.40	7.00	6.11	6.16
Scope 2 (Location-based)	2.35	1.72	1.57	1.60
Scope 3	31.11	22.92	21.52	21.31
TOTAL	**43**	**32**	**29**	**29**

Total GHG Emissions (in tons CO_2e)	2021	2022	2023	2024
Scope 1	1,641,757	1,715,989	1,876,304	1,980,097
Scope 2 (Location-based)	409,666	422,323	482,888	515,862
Scope 3	5,432,170	5,622,008	6,612,371	6,852,770
TOTAL	**7,483,593**	**7,760,320**	**8,971,563**	**9,348,729**

Scope 1 Emissions (in tons CO_2e)	2021	2022	2023	2024
Metrobank	55	153	128	139
TMP	1,926	2,450	4,223	6,224
Federal Land	173	16	83	711
AXA Philippines	30	25	35	36
MPIC	1,639,573	1,713,345	1,871,835	1,972,987
TOTAL	**1,641,757**	**1,715,989**	**1,876,304**	**1,980,097**

Scope 2 Location-Based Emissions (in tons CO_2e)	2021	2022	2023	2024
Metrobank	12,462	14,838	11,685	11,462
TMP	5,935	7,321	10,134	10,313
Federal Land	31,388	5,284	20,423	27,208
AXA Philippines	103	140	222	209
MPIC	359,833	394,740	440,424	466,670
TOTAL	409,721	422,377	482,888	515,862

Scope 3 Emissions (in tons CO_2e)	2021	2022	2023	2024
Metrobank*				
TMP	83,621	118,833	0	0
Federal Land	0	3,030	0	0
AXA Philippines	0	0	0	245
MPIC	5,348,550	5,500,144	6,612,371	6,852,525
TOTAL	5,432,171	5,622,007	6,612,371	6,852,770

** Not yet collected the data on Scope 3 emissions and working towards including this information in future reports.*

Scope 3 Emissions (in tons CO_2e)	Category	OpCo	2022	2022	2023	2024
Purchased Goods and Services	1	TMP	72,357	104,684	0	0
Fuel and Energy-Related Activities	3	MPIC	5,348,534	6,035,053	6,035,053	6,419,744
Upstream and Downstream Transportation and Distribution	4, 9	TMP	4,179	4,754	0	0
Business Travel and Employee Commuting	6,7	MPIC	15	42	45	45
Downstream Leased Assets	13	FLI, AXA	0	3,030	0	245
Franchises (Dealers)	14	TMP	7,085	9,395	0	0
TOTAL			**5,432,171**	**5,622,007**	**6,612,371**	**6,852,770**

VOC Emissions (in g/m$_2$)	OpCo	2021	2022	2023	2024
Body	TMP	53	51	54	53
Bumper		898	929	951	987

WATER

Water Consumption (in c um)	2021	2022	2023	2024
Metrobank	331,320	414,654	267,805	271,241
TMP	262,449	273,951	263,316	272,274
Federal Land	0	77,416	227,271	280,225
AXA Philippines	351	2,701	2,417	747
MPIC*	2,280,274	2,202,394	2,496,657	2,478,725
TOTAL	**2,874,394**	**2,971,116**	**2,994,150**	**3,303,211**

*2023 data restated

WASTE

Non-Hazardous Waste Generation (in tons)	2021	2022	2023	2024
Metrobank	26	334	237	179
TMP	4,862	4,954	5,133	5,669
Federal Land	-	104	1,011	1,039
AXA Philippines	-	52	41	-
MPIC	257,653	354,809	515,801	348,699
TOTAL	**262,541**	**360,252**	**517,090**	**355,586**

Hazardous Waste Generation (in tons)	2021	2022	2023	2024
Metrobank	0	4	15	15
TMP	585	558	645	677
Federal Land	-	4	6	5
AXA Philippines	-	-	-	-
MPIC*	1,827	2,646	3,315	2,433
TOTAL	**2,412**	**3,212**	**3,336**	**3,130**

*2023 data restated due to recalibration of waste classification

ENVIRONMENTAL MANAGEMENT SYSTEM

Certification	Companies Certified
ISO 14001:2015	TMP and its 73 dealerships MPIC (Meralco, Maynilad Water Services Inc, NLEX Corp and Light Rail Manila Corp)

ESG Performance Summary

SOCIAL DATA

EMPLOYEES

Total Headcount: Permanent & Temporary Employees	2021	2022	2023	2024
GT Capital	52	56	58	59
Metrobank	13,565	13,821	14,859	15,987
TMP	3,781	3,742	3,968	4,383
Federal Land	430	529	603	591
AXA Philippines	2,354	2,170	2,155	2,250
MPIC	17,867	17,955	17,594	22,549
TOTAL	38,049	38,273	39,237	45,819

2024 Employment Status	Permanent	Temporary
GT Capital	59	0
Metrobank	15,987	0
TMP	2,035	2,348
Federal Land	590	1
AXA Philippines	2,197	53
MPIC	22,549	0
TOTAL	43,417	2,402

2024 Employees by Gender	Female	Male	Total
GT Capital	27	32	59
Metrobank	10,342	5,645	15,987
TMP*	380	1,655	2,035
Federal Land	357	233	590
AXA Philippines	1,345	852	2,197
MPIC	6,135	16,414	22,549
TOTAL	18,586	24,831	43,417

*Covers permanent employees only

2024 Permanent Employees by Gender (%)	Female	Male
GT Capital	46%	54%
Metrobank	65%	35%
TMP	19%	81%
Federal Land	61%	39%
AXA Philippines	61%	39%
MPIC	27%	73%

2024 Group Employees by Age Group	Under 30 years old	30-50 years old	Over 50 Years Old	Total
GT Capital	13	35	11	59
Metrobank	5,956	8,718	1,313	15,987
TMP*	602	1,195	238	2,035
Federal Land	167	386	37	590
AXA Philippines	747	1,332	118	2,197
MPIC	6,383	13,289	2,877	22,549

*Covers permanent employees only

2024 Employees by Age Group (%)	Under 30 years old	30-50 years old	Over 50 Years Old
GT Capital	22%	59%	19%
Metrobank	37%	55%	8%
TMP	30%	59%	12%
Federal Land	28%	65%	6%
AXA Philippines	34%	61%	5%
MPIC	28%	59%	13%

2024 Employees by Rank	Rank-and-File	Junior Management	Middle Management	Senior Management	Total
GT Capital	4	36	0	19	59
Metrobank	7,749	7,447	0	791	15,987
TMP*	1,433	461	121	20	2,035
Federal Land	260	181	107	42	590
AXA Philippines	1,638	496	57	6	2,197
MPIC	16,866	927	3,681	1,197	22,671

*Covers permanent employees only

2024 Employees by Rank (%)	Rank-and-File	Junior Management	Middle Management	Senior Management
GT Capital	7%	61%	0%	32%
Metrobank	48%	47%	0%	5%
TMP	70%	23%	6%	1%
Federal Land	44%	31%	18%	7%
AXA Philippines	75%	23%	3%	0%
MPIC	74%	4%	16%	5%

2024 Female Representative per Rank	Rank-and-File	Junior Management	Middle Management	Senior Management
GT Capital	2	17	0	8
Metrobank	5,346	4,538	0	458
TMP*	279	58	40	3
Federal Land	179	97	61	20
AXA Philippines	1,038	274	31	2
MPIC	4,091	0	1,324	343

*Covers permanent employees only

NEW EMPLOYEES

2024 New Employees by Gender	Female	Male	Total
GT Capital	2	9	11
Metrobank	1,632	1,005	2,637
TMP	42	321	363
Federal Land	87	53	140
AXA Philippines	473	265	738
MPIC	1,470	3,495	4,965

2024 New Employees by Gender (%)	Female	Male
GT Capital	18%	82%
Metrobank	62%	38%
TMP	12%	88%
Federal Land	62%	38%
AXA Philippines	64%	36%
MPIC	30%	70%

2024 New Employees by Age Group	Under 30 years old	30-50 years old	Over 50 Years Old	Total
GT Capital	6	3	2	11
Metrobank	1,982	646	9	2,637
TMP	292	71	0	363
Federal Land	65	61	1	127
AXA Philippines	505	250	14	769
MPIC	2,708	2,046	211	4,965

ESG Performance Summary

2024 New Employees by Age Group (%)	Under 30 years old	30-50 years old	Over 50 Years Old
GT Capital	55%	27%	18%
Metrobank	75%	24%	0%
TMP	80%	20%	0%
Federal Land	51%	48%	1%
AXA Philippines	66%	33%	2%
MPIC	55%	41%	4%

2024 New Employees by Rank	Rank-and-File	Junior Management	Middle Management	Senior Management	Total
GT Capital	3	6	0	2	11
Metrobank	1,825	775	0	37	2,637
TMP	356	2	3	2	363
Federal Land	66	71	0	3	140
AXA Philippines	687	73	9	0	769
MPIC	0	0	0	0	0

2024 New Employees by Rank (%)	Rank-and-File	Junior Management	Middle Management	Senior Management
GT Capital	27%	55%	0%	18%
Metrobank	69%	29%	0%	1%
TMP	98%	1%	1%	1%
Federal Land	47%	51%	0%	2%
AXA Philippines	89%	9%	1%	0%
MPIC	0%	0%	0%	0%

EMPLOYEE TURNOVER

Employee Turnover Rate (%)	2021	2022	2023	2024
GT Capital	4%	11%	14%	19%
Metrobank	7%	12%	13%	10%
TMP	4%	3%	3%	2%
Federal Land	28%	23%	19%	18%
AXA Philippines	27%	34%	33%	27%
MPIC	21%	29%	20%	0%

2024 Employee Turnover by Gender per Company (%)	Female	Male
GT Capital	14%	18%
Metrobank	9%	10%
TMP	5%	4%
Federal Land	15%	23%
AXA Philippines	28%	25%
MPIC	14%	13%

2024 Employees Turnover Rate by Age Group per Company (%)	Under 30 years old	30-50 years old	Over 50 Years Old
GT Capital	50%	14%	0%
Metrobank	12%	7%	19%
TMP	7%	3%	3%
Federal Land	28%	15%	3%
AXA Philippines	48%	19%	5%
MPIC	19%	10%	12%

TRAINING HOURS

Total Training Hours	2021	2022	2023	2024
GT Capital	2,681	2,335	1,481	2,791
Metrobank	384,034	134,800	462,377	517,923
TMP	32,895	20,281	26,673	24,035
Federal Land	3,440	7,358	8,635	36,210
AXA Philippines	68,266	69,744	90,912	72,194
MPIC	385,510	390,896	511,295	520,885

Average Training Hours	2021	2022	2023	2024
GT Capital	56	40	26	47
Metrobank	28	10	31	32
TMP	9	5	7	12
Federal Land	8	14	14	61
AXA Philippines	29	32	43	33
MPIC	22	22	29	23

2024 Average Training Hours by Gender	Female	Male
GT Capital	41	53
Metrobank	30	38
TMP	13	12
Federal Land	55	71
AXA Philippines	35	30
MPIC	18	25

2024 Average Training Hours by Age Group	Under 30 years old	30-50 years old	Over 50 Years Old
GT Capital	68	50	14
Metrobank	57	19	12
TMP	21	9	3
Federal Land	73	58	46
AXA Philippines	24	37	39

2024 Average Training Hours by Rank	Rank-and-File	Junior Management	Middle Management	Senior Management
GT Capital	97	10	0	46
Metrobank	35	32	0	16
TMP	13	9	9	0
Federal Land	55	116	2	17
AXA Philippines	21	34	34	3

HEALTH AND SAFETY

Certification	Companies Certified
ISO 45001:2018	MPIC (Meralco, Maynilad Water Services Inc, NLEX Corp and Light Rail Manila Corp)

2024 Work-Related Fatalities	2021	2022	2023	2024
GT Capital	0	0	0	0
Metrobank	0	0	0	0
TMP	0	0	0	0
Federal Land	0	0	0	0
AXA Philippines	0	0	0	0
MPIC	1	1	1	2
TOTAL	1	1	1	2

ESG Performance Summary

2024 Work-Related Injuries	2021	2022	2023	2024
GT Capital	0	0	0	0
Metrobank	0	0	0	0
TMP	0	0	0	0
Federal Land	0	0	0	0
AXA Philippines	0	0	0	0
MPIC	194	162	194	178
TOTAL	194	162	194	178

PARENTAL LEAVES

2024 Parental Leave Availed	Female	Male
GT Capital	0	0
Metrobank	580	184
TMP	20	60
Federal Land	18	11
AXA Philippines	45	21
MPIC	613	151

2024 Return-to-Work Rates	Female	Male
GT Capital	N/A	N/A
Metrobank	100%	100%
TMP	100%	100%
Federal Land	78%	100%
AXA Philippines	100%	133%
MPIC	99%	99%

2024 Retention Rates	Female	Male
GT Capital	N/A	N/A
Metrobank	98%	96%
TMP	100%	95%
Federal Land	44%	73%
AXA Philippines	100%	133%
MPIC	76%	73%

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