COVER SHEET

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S.E.C. Registration Number

G T C A P I T A L H O L D I N G S , I N C .

(Company's Full Name)

4 3 r d F L O O R , G T T O W E R I N T E R N A -
T I O N A L A Y A L A A V E N U E C O R N E R H. V.
D E L A C O S T A S T R E E T M A K A T I C I T Y

(Business Address: No. Street City / Town Province)

Atty. Renee Lynn Miciano-Atienza
Contact Person

8 8 3 6 4 5 0 0
Company Telephone Number

1 2 (Month) **3 1** (Day)
Fiscal Year

SEC Form 20-IS (Preliminary Information Statement)
Form Type

Second Wednesday of May
Regular Meeting

Certificate of Permit to Offer Securities for Sale (Order #092)
Secondary License type, if applicable

M S R D
Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total amount of Borrowings

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = Pls. use black ink for scanning purposes.

Notice of Annual Stockholders' Meeting
May 10, 2023 at 2:00 p.m.
Virtual Annual Stockholders' Meeting

To all Stockholders:

Please take notice that the 2023 Annual Stockholders' Meeting of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation") will be conducted virtually on May 10, 2023 at 2:00 p.m. Stockholders of record may watch and participate by following the registration process to be posted in the website of the Corporation, www.gtcapital.com.ph.

A G E N D A

1. Call to Order
2. Certification of Notice and Quorum
3. Explanation of Voting Procedures
4. Approval of Minutes of the May 11, 2022 Annual Stockholders' Meeting
5. Annual Report for the Year 2022
6. General Ratification of the Acts of the Board of Directors, Executive Committee, and Management from the Date of the Last Annual Stockholders' Meeting up to May 10, 2023
7. Election of Directors for 2023-2024
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

The Board of Directors has fixed the end of trading hours of the Philippine Stock Exchange ("PSE") on April 3, 2023 as the record date for the determination of stockholders entitled to notice of and to vote at such meeting and any adjournment thereof.

To ensure the safety and well-being of our shareholders in light of the current circumstances, GT Capital shall allow attendance and participation only by remote communication, voting in absentia, or through the Chairman of the meeting as proxy.

Those who shall participate by remote communication may notify the Corporate Secretary by sending an e-mail to ASM2023@gtcapital.com.ph or go through the registration process to be posted in the Corporation's website, www.gtcapital.com.ph. Those who shall participate by proxy shall accomplish the attached proxy form and return the same by e-mail to the office of the Corporate Secretary at proxies@gtcapital.com.ph on or before 5:00 p.m. on April 28, 2023.

Makati City, March 23, 2023.

BY THE ORDER OF THE BOARD OF DIRECTORS

[redacted]

ANTONIO V. VIRAY
Corporate Secretary
GT CAPITAL HOLDINGS, INC.

PROXY

The undersigned stockholder of GT Capital Holdings, Inc. (the "Corporation") hereby appoints _______________ or in his absence, the Chairman of the meeting, as *attorney and proxy*, with the power of substitution, to present and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Stockholders' Meeting of the Corporation on **May 10, 2023** and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Approval of minutes of previous Annual Stockholders' Meeting held on May 11, 2022

   ____Yes_____No______Abstain

2. Approval of Annual Report for the year 2022

   ____Yes_____No______Abstain

3. Ratification of all acts and resolutions of the Board of Directors, Executive Committee and Management from the date of the last Annual Stockholders' Meeting up to May 10, 2023

   ____Yes_____No______Abstain

4. Appointment of external auditor

   ____Yes_____No______Abstain

5. Election of Directors

____Vote for all nominees listed below

Mr. Francisco C. Sebastian
Mr. Alfred Vy Ty
Mr. Arthur Vy Ty
Mr. Carmelo Maria Luza Bautista
Mr. Renato C. Valencia
Mr. Rene J. Buenaventura
Ms. Consuelo D. Garcia
Mr. Gil B. Genio
Mr. Pascual M. Garcia III
Dr. David T. Go
Atty. Regis V. Puno

____Withhold authority for all nominees listed above

____Withhold authority to vote for the nominees listed below

______________________	______________________	______________________
PRINTED NAME OF STOCKHOLDER	SIGNATURE OF STOCKHOLDER/ AUTHORIZED SIGNATORY	DATE

THIS PROXY SHOULD BE REQUIRED BY THE CORPORATE SECRETARY ON OR BEFORE **APRIL 28, 2023**, THE DEADLINE FOR SUBMISSION OF PROXIES.

THIS PROXY IS NOT REQUIRED TO BE NOTARIZED, AND WHEN PROPERLY EXECUTED, WILL BE VOTED IN THE MANNER AS DIRECTED HEREIN BY THE STOCKHOLDER(S). IF NO DIRECTION IS MADE, THIS PROXY WILL BE VOTED FOR THE ELECTION OF ALL NOMINEES AND FOR THE APPROVAL OF THE MATTERS STATED ABOVE AND FOR SUCH OTHER MATTERS AS MAY PROPERLY COME BEFORE THE MEETING IN THE MANNER DESCRIBED IN THE INFORMATION STATEMENT AND/OR AS RECOMMENDED BY MANAGEMENT OR THE BOARD OF DIRECTORS.

A STOCKHOLDER GIVING PROXY HAS THE POWER TO REVOKE IT AT ANY TIME BEFORE THE RIGHT GRANTED IS EXERCISED. A PROXY IS ALSO CONSIDERED REVOKED IF THE STOCKHOLDER ATTENDS THE MEETING IN PERSON AND EXPRESSES HIS OR HER INTENTION TO VOTE IN PERSON.

EXPLANATION / RATIONALE OF AGENDA ITEMS

1. **Call to Order**
   The Chairman of the Board will call to order the Annual Stockholders' Meeting of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation").

2. **Certification of Notice and Quorum**
   The Corporate Secretary will certify that copies of the notice of the meeting were provided to holders of the Corporation's shares of stock as of April 3, 2023 Record Date under the Alternative Mode for Distribution as provided in Securities and Exchange Commission ("SEC") Notice dated March 13, 2023 and that a quorum exists for the valid transaction of the business in the agenda.

   A stockholder who votes *in absentia* as well as a stockholder participating by remote communication shall be deemed present for purposes of quorum.

3. **Explanation of Voting Procedures**
   The Chairman will call on the Corporate Secretary to discuss the rules for registration, participation, and voting in the meeting.

4. **Approval of Minutes of the May 11, 2022 Annual Stockholders' Meeting**
   The draft minutes of the May 11, 2022 Annual Stockholders' Meeting has been posted on the GT Capital website since May 12, 2022 and may be accessed using the following link:

   https://www.gtcapital.com.ph/governance/stockholders-meeting

   A resolution covering this matter will be presented during the meeting.

5. **Annual Report for the Year 2022**
   The Chairman will call on the President, Mr. Carmelo Maria Luza Bautista, to render his report for the year 2022. GT Capital's Annual Report will be posted on the Corporation's website: www.gtcapital.com.ph.

   A resolution covering this matter will be presented during the meeting.

6. **General Ratification of the Acts of the Board of Directors, Executive Committee, and Management from the date of the last Annual Stockholders' Meeting up to May 10, 2023**
   This matter includes all acts, transactions, and resolutions of the Board of Directors, the Executive Committee, and Management from the date of the 2022 Annual Stockholders' Meeting up to May 10, 2023.

   A resolution covering this matter will be presented during the meeting.

7. **Election of Directors for 2023-2024**
   The Nominations Committee Chairman will explain the nomination procedure under the current SEC rules. The eleven (11) nominees have been pre-qualified by the Nominations Committee as having all of the qualifications and none of the disqualifications to serve as members of the Board for the ensuing year. The profiles of each nominee are provided in the Corporation's Information Statement.

   Preliminary votes cast will be presented during the meeting.

8. **Appointment of External Auditor**
   The Audit Committee Chairman will explain the procedure for the appointment of the external auditor. Information on the external auditor proposed for re-appointment is provided in the Corporation's Information Statement.

   A resolution covering this matter will be presented during the meeting.

9. **Other Matters**
   The stockholders of the Corporation may raise other matters or questions which may be taken up during the meeting. Questions may be sent to the Corporate Secretary at ASM2023@gtcapital.com.ph on or before 2:00 p.m., May 5, 2023. Questions that cannot be taken up during the meeting will be responded to via e-mail.

10. Adjournment

End of meeting.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [X] Preliminary Information Statement

   [] Definitive Information Statement

2. Name of Registrant as specified in its charter: **GT CAPITAL HOLDINGS, INC.**

3. Province, country or other jurisdiction of incorporation or organization: **Philippines**

4. SEC Identification Number: **CS200711792**

5. BIR Tax Identification Code: **006-806-867**

6. Address of principal office: **43/F, GT Tower International, 6813 Ayala Avenue corner H. V. de la Costa St., Makati City, Metro Manila, Philippines** Postal Code: **1227**

7. Registrant's telephone number, including area code: **(632) 8836-4500**

8. Date, time and place of the meeting of security holders: To be conducted virtually on **May 10, 2023, 2:00 p.m.** via Zoom, with links to be designated and provided to GT Capital's shareholders entitled to vote upon registration.

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **April 12, 2023**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the SRC (information on number of shares and amount of debt is applicable only to corporate registrants):

    a) Shares of Stock

Title of Each Class	Number of Shares/ Amount of Debt Outstanding
Common Shares	**215,284,587**
Series A Perpetual Preferred Shares (GTPPA)	**4,839,240**
Series B Perpetual Preferred Shares (GTPPB)	**7,160,760**
Amount of Debt Outstanding	**10,090,269,792**

    b) Debt securities: Php4 Billion Bonds

11. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes_____X______No ____________

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

Type of Share	**Stock Exchange**
Common Shares	Philippine Stock Exchange
GTPPA	Philippine Stock Exchange
GTPPB	Philippine Stock Exchange
Corporate Retail Bonds	Philippine Dealing and Exchange Corporation

    The Corporation's Voting Preferred Shares are not listed in any stock exchange.

PART I.

INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. **Date, Time and Place of Meeting of Security Holders**

(a) The Annual Stockholders' Meeting ("ASM") of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation") is scheduled to be held on May 10, 2023 at 2:00 p.m. to be conducted virtually via Zoom, with links to be designated and provided to GT Capital's shareholders entitled to vote upon registration. The complete mailing address of the principal office of the registrant is 43/F, GT Tower International, 6813 Ayala Avenue corner H. V. de la Costa Street, Makati City, Metro Manila, Philippines 1227.

(b) The approximate date on which the Information Statement will be sent or given to the stockholders is on April 12, 2023.

Statement that proxies are not solicited
WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND A PROXY.

Voting Securities

The record date for purposes of determining the stockholders entitled to vote is April 3, 2023. The total number of shares outstanding and entitled to vote in the stockholders' meeting is 389,584,587 shares composed of 215,284,587 Common Shares and 174,300,000 Voting Preferred Shares. Stockholders are entitled to cumulative voting in the election of the Board of Directors, as provided in the Revised Corporation Code of the Philippines (the "Revised Corporation Code").

Item 2. **Dissenters' Right of Appraisal**

Pursuant to Section 80 of the Revised Corporation Code, a stockholder has the right to dissent and demand payment of the fair value of his shares in the following instances:

(a) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any shares of any class, or of extending or shortening the term of corporate existence;

(b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;

(c) In case of merger or consolidation; and

(d) In case of investment of corporate funds for any purpose other than the primary purpose of the Corporation.

A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. The procedure for the exercise by a dissenting stockholder of his appraisal right is as follows:

(a) The dissenting stockholder shall make a written demand on the corporation within 30 days after the date on which the vote was taken for payment for the fair value of his shares. The failure of the stockholder to make the demand within the 30 day period shall be deemed a waiver on his appraisal right;

(b) If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of corresponding certificate(s) of stock within 10 days after demanding payment for his shares (Section 85), the fair value thereof; and

(c) Upon payment of the agreed or awarded price, the stockholder shall transfer his share to the corporation.

Item 3. **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

(a) No director or officer of the Corporation since the beginning of the last fiscal year, nominee for election as director, or associate of the foregoing persons, has any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.

(b) No director in the Corporation has given written notice that he intends to oppose any action to be taken by the Corporation at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. **Voting Securities and Principal Holders Thereof**

(a) As of February 28, 2023, the total number of shares outstanding and entitled to vote in the stockholders' meeting and the percentage holdings are as follows:

	Total Outstanding Shares	**Shares Allowed to Foreigners**	**Foreign Shares**	**Local Shares**
Common (Listed)	215,284,587	86,113,834.80	38,099,590	177,184,997
Preferred (Unlisted)	174,300,000	69,720,000	1,325,936	172,974,064
Total	389,584,587	155,833,834.80	39,425,526	350,159,061
Percentage	100%	40%	10.12%	89.88%

Each class of shares is entitled to one vote per share.

(b) The record date for determining the stockholders entitled to notice and to vote is April 3, 2023.

(c) To ensure the safety and well-being of our shareholders in light of the current circumstances, GT Capital shall, subject to validation, allow attendance and participation (including voting) only by remote communication, voting in absentia or through the Chairman of the meeting as proxy. A stockholder who votes *in absentia* as well as a stockholder participating by remote communication shall be deemed present for purposes of quorum. Unless otherwise provided by law, each stockholder shall have one vote for each share of stock entitled to vote, whether Common or Voting Preferred, and recorded in his name in the books of the Corporation. Stockholders are entitled to cumulative voting in the election of the board of directors, as provided in the Revised Corporation Code. At all meetings of the stockholders, all elections and all questions shall be decided by the plurality of vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present, except in cases where other provision is made under a statute. Voting shall be done by ballots or by proxy. All votes received shall be tabulated by the office of the Corporate Secretary and the stock transfer agent, and shall be validated by an external independent party. The Corporate Secretary shall report the results on the voting of each matter during the meeting.

In the election of Directors, each stockholder shall be entitled to cumulate his votes in the manner prescribed by Title III, Section 23 of the Revised Corporation Code.

(d) Security Ownership of Certain Record and Beneficial Owners as of February 28, 2023:

As of February 28, 2023, the following are the owners of more than 5% of the Company's voting stocks:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (%)	Percent (%) as to the Total Voting Shares
Common	Grand Titan Capital Holdings, Inc. 43rd Floor GT Tower International 6813 Ayala Avenue cor. H.V. de la Costa St., Makati City	Same as the Record Owner **Arthur Vy Ty** is authorized to vote the shares held by Grand Titan Capital Holdings, Inc.	Filipino	120,413,658	55.93%	30.91%
Common	PCD Nominee Corp. (Filipino)	Various Clients[1]	Filipino	55,773,426	25.91%	14.32%
Common	PCD Nominee Corp. (Non-Filipino)	Various Clients[1]	Foreign	38,093,987	17.69%	9.79%
Voting Preferred	Grand Titan Capital Holdings, Inc. 43rd Floor GT Tower International 6813 Ayala Avenue cor. H.V. de la Costa St., Makati City	Same as the Record Owner **Arthur Vy Ty** is authorized to vote the shares held by Grand Titan Capital Holdings, Inc.	Filipino	54,899,406	31.50%	14.09%
Voting Preferred	Nove Ferum Holdings, Inc. 43rd Floor GT Tower International 6813 Ayala Avenue cor. H.V. de la Costa St., Makati City	Same as the Record Owner **Arthur Vy Ty** is authorized to vote the shares held by Nove Ferum Holdings, Inc.	Filipino	47,261,757	27.12%	12.13%
Voting Preferred	82 Alpha Holdings Corporation 43rd Floor GT Tower International 6813 Ayala Avenue cor. H.V. de la Costa St., Makati City	Same as the Record Owner **Alfred Vy Ty** is authorized to vote the shares held by 82 Alpha Holdings Corporation.	Filipino	39,594,789	22.72%	10.16%
Voting Preferred	Neiman Rhodes Holdings, Inc. 43rd Floor GT Tower International 6813 Ayala Avenue cor. H.V. de la Costa St., Makati City	Same as the Record Owner **Anjanette Ty Dy Buncio** is authorized to vote the shares held by Neiman Rhodes Holdings, Inc.	Filipino	13,299,452	7.63%	3.41%
Voting Preferred	Philippine Geiko Holdings, Inc. 43rd Floor GT Tower International 6813 Ayala Avenue cor. H.V. de la Costa St.,	Same as the Record Owner **Alesandra T. Ty** is authorized to vote the shares held by Philippine Geiko	Filipino	13,299,452	7.63%	3.41%

	Makati City	Holdings, Inc.				

(1) PCD Nominee Corporation ("PCDNC") is a wholly owned subsidiary of the Philippine Central Depository ("PCD") and acts as trustee-nominee for all shares lodged in the PCD system where trades effected on the Philippine Stock Exchange are finally settled and lodged. Persons who opt to trade through the PCD do not receive stock certificates as an evidence of ownership, as trading using the PCD is completely paperless. Beneficial ownership of shares lodged with the PCDNC (Filipino/Non-Filipino) remains with the lodging stockholder.

Security Ownership of Management as of February 28, 2023:

Title of Securities	Name of Beneficial Owner of Common Stock	Amount and Nature of Beneficial Ownership (D) Direct/ (I) Indirect	Citizenship	Percent (%) of Class
Common	Francisco C. Sebastian	112 (D) 173,802 (I)	Filipino	0.0001% 0.0807%
Common	Alfred Vy Ty	111,780 (D) 25,299 (I)	Filipino	0.0519% 0.0118%
Common	Arthur Vy Ty	111,780 (D) 13,149 (I)	Filipino	0.0519% 0.0061%
Common	Carmelo Maria Luza Bautista	1,118 (D) 26,103 (I)	Filipino	0.0005% 0.0121%
Common	Anjanette T. Dy Buncio	176,856 (I)	Filipino	0.0821%
Common	Alesandra T. Ty	21,794 (I)	Filipino	0.0101%
Perpetual Preferred Share (GTPPA)		1900 (I)		0.0393%
Perpetual Preferred Shares (GTPPB)		1100 (I)		0.0154%
Common	Francisco H. Suarez, Jr.	5,589 (I)	Filipino	0.0026%
Perpetual Preferred Shares (GTPPA)		1000 (I)		0.0207%
Common	Consuelo D. Garcia	1,000 (I)	Filipino	0.0005%
Common	Gil B. Genio	9,810 (I)	Filipino	0.0045%
Common	Renato C. Valencia	218(D)	Filipino	0.0001%
Common	Farrah Lyra Q. De Ala	959 (I)	Filipino	0.0004%
Common	Reyna Rose P. Manon-Og	824(I)	Filipino	0.0004%
Common	David T. Go	112(D)	Filipino	0.0001%
Common	Regis V. Puno	112(D)	Filipino	0.0001%

		2,000 (I)		0.0010%
Common	Rene J. Buenaventura	112(D)	Filipino	0.0001%
Common	Pascual M. Garcia III	112(D)	Filipino	0.0001%
Common	Renee Lynn Miciano-Atienza	50(I)	Filipino	0.0000%
Perpetual Preferred Shares (GTPPB)		50 (I)	Filipino	0.0007%
Common	Vicente Jose S. Socco	0	Filipino	0.0000%
Common	Antonio V. Viray	0	Filipino	0.0000%
Common	Jocelyn Y. Kho	14,080 (I)	Filipino	0.0070%
Common	Maria Sofia A. Lopez	0	Filipino	0.0000%
Common	Jose B. Crisol	0	Filipino	0.0000%
Perpetual Preferred Shares (GTPPB)		50 (I)	Filipino	0.0007%
Common	Susan E. Cornelio	0	Filipino	0.0000%
Common	Leo Paul C. Maagma	0	Filipino	0.0000%
Common	Joyce B. De Leon	0	Filipino	0.0000%
Common	Don David C. Asuncion	0	Filipino	0.0000%
Common	Stephen John S. Comia	1,140 (I)	Filipino	0.0005%
Common	Rachel Anne R. De Leon	47(I)	Filipino	0.0000%
Total **Common** **GTPPA** **GTPPB**		224,456 (D) 472,502(I) 2,900(I) 1,200(I) 702,058 (Total)		0.3242% 0.0599% 0.0167%

There are no persons holding more than 5% of a class under a voting trust or any similar agreements as of February 28, 2023.

(e) Change in Control

The Corporation is not aware of any change in control or arrangement that may result in a change in control of the Corporation since the beginning of its last fiscal year.

There are no existing or planned stock warrant offerings. There are no arrangements which may result in a change in control of the Corporation.

Item 5. **Directors and Executive Officers of the Registrant**

(a) The Incumbent Directors and Executive Officers of the Corporation are as follows:

(i) <u>Board of Directors</u>

<u>Board of Directors</u>

Office	Name	Age	Citizenship
Chairman	Francisco C. Sebastian	69	Filipino
Vice Chairman	Alfred Vy Ty	55	Filipino
Director	Arthur Vy Ty	56	Filipino
Director/President	Carmelo Maria Luza Bautista	65	Filipino
Lead Independent Director	Renato C. Valencia	81	Filipino
Independent Director	Rene J. Buenaventura	68	Filipino
Independent Director	Consuelo D. Garcia	68	Filipino
Independent Director	Gil B. Genio	63	Filipino
Director	David T. Go	69	Filipino
Director	Regis V. Puno	64	Filipino
Director	Pascual M. Garcia III	69	Filipino

<u>Board Advisers</u>

Adviser	Mary Vy Ty	82	Filipino
Adviser	Guillermo Co Choa	63	Filipino
Adviser	Jaime Miguel G. Belmonte	59	Filipino

<u>Period of Directorship</u>

Name	Date First Elected	No. of Years Served (as of end of term 2023)
Francisco C. Sebastian	May 12, 2014	9
Alfred Vy Ty	February 14, 2012	11
Arthur Vy Ty	June 3, 2011	12
Carmelo Maria Luza Bautista	August 5, 2011	12
Renato C. Valencia	May 10, 2017*	7
Rene J. Buenaventura	May 9, 2018	5
Consuelo D. Garcia	May 17, 2021	2
Gil B. Genio	May 11, 2022	1
David T. Go	May 12, 2014	9
Regis V. Puno	May 9, 2018	5
Pascual M. Garcia III	May 17, 2021**	4

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

***Prior to May 17, 2021, Mr. Garcia was first elected as a director of the Corporation on May 9, 2018 and served as Director until March 27, 2020.*

<u>Board Committees:</u>

The members of the Executive Committee are:

Francisco C. Sebastian	- Chairman
Alfred Vy Ty	- Vice Chairman
Arthur Vy Ty	- Member

Carmelo Maria Luza Bautista	- Member
Mary Vy Ty	- Adviser
Solomon S. Cua	- Adviser

The members of the Audit Committee are:

Gil B. Genio	- Chairman
Renato C. Valencia	- Member
Rene J. Buenaventura	- Member
Regis V. Puno	- Member

The members of the Risk Oversight Committee are:

Rene J. Buenaventura	- Chairman
Renato C. Valencia	- Member
Gil B. Genio	- Member
David T. Go	- Member
Consuelo D. Garcia	- Member

The members of the Compensation Committee are:

Renato C. Valencia	- Chairman
Alfred Vy Ty	- Member
Rene J. Buenaventura	- Member

The members of the Nominations Committee are:

Renato C. Valencia	- Chairman
Gil B. Genio	- Member
Rene J. Buenaventura	- Member
Carmelo Maria Luza Bautista	- Adviser

The members of the Corporate Governance and Related Party Transactions Committee are:

Renato C. Valencia	- Chairman
Gil B. Genio	- Member
Rene J. Buenaventura	- Member
Anjanette Ty Dy Buncio	- Adviser

The business experience of the members of the Board for the last five (5) years is as follows:

Francisco C. Sebastian, 69 years old, Filipino, was re-elected as Chairman of GT Capital in May 2022. Prior to assuming this post, he was Co-Vice Chairman of GT Capital since May 2016. He joined the Metrobank Group 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 Investment Corporation's senior adviser today. Mr. Sebastian concurrently serves as Vice Chairman of Metropolitan Bank and Trust Company since 2006. He is also a director of Metro Pacific Investments Corporation and Federal Land, Inc. Mr. Sebastian started his financial career when he was seconded by Ayala Investment and Development Corporation to Hong Kong in 1975 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, 55 years old, Filipino, has been Vice Chairman of GT Capital since February 14, 2012 and has served as a Director of the Corporation since 2007. He is also a Director of Metropolitan Bank and Trust Company, Chairman of Toyota Motor Philippines Corporation, 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, a listed company; Member of the Board of Trustees, Metrobank Foundation, Inc.; Chairman, Toyota Motor Philippines Foundation; and President, GT Foundation, Inc.

Arthur V. Ty, 56 years old, Filipino, is a Director of GT Capital. Prior to this, he served as the Chairman of GT Capital from 2012 until 2014 and again from 2016 until 2022. He was also the Corporation's Vice Chairman since its inception in 2007 before assuming the Chairmanship in 2012. He was the President of Metropolitan Bank and Trust Company, a listed company, from 2006 to 2012 and was appointed as its Chairman in April 2012. He also serves as the Chairman of Metropolitan Bank (China) Ltd., Inc. and Metrobank Foundation, Inc.; Vice Chairman and Director of Philippine Savings Bank, a listed company; and Vice Chairman of Philippine AXA Life Insurance Corporation. He is also a Director of Federal Land, Inc. He earned his Bachelor of Science degree in Economics from the University of California, Los Angeles and obtained his Master in Business Administration degree from Columbia University, New York in 1991.

Carmelo Maria Luza Bautista, 65 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 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 First Metro Investment Corporation'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. 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, as well as Director of Federal Land, Inc., Toyota Motor Philippines Corporation, AXA Philippines, GT Capital Auto and Mobility Holdings, Inc., Toyota Subic, Inc., GT Mobility Ventures, Inc., and Toyota Manila Bay Corporation. He is also an Adviser to the Board of Trustees of GT Foundation, Inc. and an Independent Director of Vivant Corporation, a listed company.

Renato C. Valencia, 81 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; Chairman/CEO, Union Bank of the Philippines; President/CEO, Roxas Holdings, Inc.; Vice Chairman/Director, San Miguel Corporation; Chairman, Philippine Savings Bank; Independent Director, Metropolitan Bank & Trust Company; Advisory Board Member, Philippines Coca-Cola System Council, and Director: Philippine Long Distance Telephone Company, Manila Electric Company, Philex Mining Corporation, Far East Bank and Trust Company, Roxas and Company, Inc., Bases Conversion Development Academy, 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.

Rene J. Buenaventura, 68 years old, Filipino, is an Independent Director of GT Capital. He is also the Vice Chairman of Equicom Manila Holdings, Inc., a holding company for businesses engaged in healthcare, banking and finance, and information technology. In addition to his appointment to GT Capital's Board, he also holds the following positions: Independent Director of UBS Philippines, Inc., Independent Director of Lorenzo Shipping Corporation, and Independent Director of DDMP REIT, Inc. He is likewise a Director and Member of the Executive Committee of Maxicare Healthcare Corporation and President of Cliveden Management Corporation. Mr. Buenaventura is a Certified Public Accountant and graduated Summa Cum Laude for Bachelor of Arts, major in Behavioral Sciences and Bachelor of Science in Commerce, major in Accounting at De La Salle University in the Philippines. He also earned his Master in Business Administration from the same university.

Consuelo D. Garcia, 68 years old, Filipino, was elected as an Independent Director of GT Capital on May 17, 2021. She currently holds the following positions: Independent Director of ACEN Corporation, The Philippine Stock Exchange, Inc., Sun Life Investment Management and Trust Corporation, and Far Eastern University, Incorporated; Independent Director and Trustee of ING Foundation Philippines, Inc.; Member of the Board of Directors of the FINEX Academy and of the Financial Executives Institute of the Philippines where she is the Liaison Director for its Finex Capital Markets Committee, and for its Information, Communications and Technology Committee. She is also a member of the Capital Markets Development Council and a Fellow of the Institute of Corporate Directors. She was formerly the Country Manager and Head of Clients of ING Bank N.V., Manila Branch from September 2008 until November 15, 2017. Ms. Garcia previously worked with SGV

& Co. in audit and in Bank of Boston, Philippine Branch. Ms. Garcia is a Certified Public Accountant and she graduated Magna Cum Laude for Bachelor of Science in Business Administration, major in Accounting from the University of the East.

Gil B. Genio, 63 years old, Filipino, was nominated for the first time as Independent Director of GT Capital in May 2022. Prior to his nomination with GT Capital, 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 Telecom 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 Chief Operating Officer ("COO") of Bayan Telecommunications and Isla Communications as they were acquired, and before they were integrated into Globe Telecom. His executive roles in Globe Telecom 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 Telecom, finally retiring at the end of 2021. Before joining Ayala in 1997, Mr. Genio had spent more than 12 years with Citibank in the Philippines, Singapore, Japan, Hong Kong, and New York, with stints in financial control, risk management, product development, treasury audit, corporate audit and market risk review. Mr. Genio was an Independent Director at Insular Life Assurance Company from May 2018 to March 2022. Mr. Genio has previously served with a variety of industry associations. His past affiliations include: Vice Chairman (2012-2014) then Chairman (2014-2016) of the GSM Association Asia Pacific; 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 Telecom'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.

Dr. David T. Go, 69 years old, Filipino, has been a Director of GT Capital since May 2014. He garnered his Doctor of Philosophy degree in International Relations from New York University in 1982. He currently serves as Vice Chairman and Treasurer of Toyota Motor Philippines Corporation. 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 Foundation, Inc. and Toyota Motor Philippines School of Technology, Inc.; Chairman of Toyota San Fernando, Inc., Toyota Manila Bay Corporation, and TMP Logistics, Inc.; Advisor to the Board and Treasurer of Lexus Manila, Inc.; Comptroller of LMI Insurance Agency, Inc.; Chairman and President of TMBC Insurance Agency Corporation; and Director of Toyota Mobility Solutions Philippines, Inc. Dr. Go has no directorship in other listed companies aside from GT Capital.

Atty. Regis V. Puno, 64 years old, Filipino, assumed the role of Director and Member of the Audit Committee of GT Capital in 2018. He is currently Special Legal Counsel of the Metrobank Group and the Corporate Secretary of Metropolitan Bank and Trust Company. In addition, he is also Of Counsel of Angara Abello Concepcion Regala & Cruz Law Offices or ACCRALAW, and formerly a Senior Partner of Puno & Puno Law Offices. He was also a former 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 also a Director of Lepanto Consolidated Mining Co. and LMG Corporation (formerly LMG Chemicals Corporation), both publicly listed companies.

Pascual M. Garcia III, 69 years old, Filipino, is a Director of GT Capital. He held several positions in other companies, among which are: Vice Chairman, Cathay International Resources Corporation; Chairman, Omni-Orient Management Corporation; Chairman, Metpark Commercial Estate Association, Inc.; Chairman, Central Realty & Development Corporation; Chairman, Crown Central Properties; Chairman, Alveo-Federal Land Communities, Inc.; Chairman, Topsphere Realty Development Co. Inc.; Chairman, Fed South Dragon Corporation; Chairman, Federal Retail Holdings Inc.; Chairman, Magnificat Resources Corporation; Co-Vice

Chairman, Sunshine Fort North Bonifacio Commercial Management Corporation; 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, Inc. he was the President and Director of Philippine Savings Bank 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.

** Independent director – The Corporation has complied with the Guidelines set forth by SRC ("Securities Regulation Code") Rule 38 regarding the Nomination and Election of Independent Director. The Corporation's By-Laws incorporate the procedures for the nomination and election of independent director/s in accordance with the requirements of the said Rule. The Corporation's By-Laws were amended for this purpose and such amendment was approved by the Securities and Exchange Commission ("SEC" or the "Commission") on January 13, 2012.*

The business experience of the Board Advisers for the last five (5) years is as follows:

Mary Vy Ty, 82 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; Adviser, Metrobank Foundation, Inc. and Federal Land, Inc.; Adviser, Manila Medical Services, Inc.; Adviser, Horizon Land Development Corporation; Chairperson, Horizon Royale Holdings, Inc.; Director, Grand Titan Capital Holdings, Inc.; Chairperson, Ausan Resources Corporation; Chairperson, Grand Estate Property Corporation; Chairperson, Inter-Par Philippines Resources Corporation; and Chairperson of Philippine Securities Corporation, Tytana Corporation, and Federal Homes, 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.

Guillermo Co Choa, 63 years old, Filipino, was appointed as Board Adviser of GT Capital in June 2016. He is currently the Chairman of 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.

Jaime Miguel G. Belmonte, 59 years old, Filipino, is a Board Adviser of GT Capital. Prior to this, he was an Independent Director of GT Capital from 2012 until 2020. He is also the President and Chief Executive Officer of The Philippine Star (since 1998); President and Chief Executive Officer of BusinessWorld (since 2015); President and Publisher of Pilipino Star Ngayon (since 1994) and PM Pang-Masa (since 2003); President of Pilipino Star Printing Company (since 1994); President of Nation Broadcasting Corporation of the Philippines (since 2016); and President of Hastings Holdings Inc. Mr. Belmonte is also the President of Cebu-based The Freeman and Banat News (since 2004); Vice Chairman of People Asia magazine; Member of the Board of Trustees of Metrobank Foundation (since 2022); and a former member of the Board of Advisers of Manila Tytana College (since 2008 to 2022). Aside from GT Capital, Mr. Belmonte also sits on the board of Cignal TV, Nation Broadcasting Corporation of the Philippines, and Hastings Holdings Inc. He earned his undergraduate degree from the University of the Philippines in Diliman. Mr. Belmonte has no directorships in other listed companies aside from GT Capital.

Nominee Directors

As of the date of this report, the nominees for independent directors are Messrs. Renato C. Valencia, Rene J. Buenaventura, Ms. Consuelo D. Garcia and Mr. Gil B. Genio. The four (4) nominees for independent directors are not related either by consanguinity or affinity to the person who nominated them.

Based on Section 2.1.4 of GT Capital's Manual on Corporate Governance, the stockholders must elect at least three (3) independent directors as defined by existing laws and regulations.

Aside from the above nominees for independent directors, the other nominees for director are Messrs. Francisco C. Sebastian, Alfred Vy Ty, Arthur Vy Ty, Carmelo Maria Luza Bautista, Pascual M. Garcia III, David T. Go, and Atty. Regis V. Puno.

All the nominees are incumbent directors of GT Capital. The experience and qualifications of the nominated incumbent directors are found above.

Review of qualifications of candidates nominated as Directors, including Independent Directors, is conducted by the Nominations Committee prior to the stockholders' meeting. The Nominations Committee prepares a Final List of Candidates of those who have passed the Guidelines, Screening Policies and Parameters for nomination as Director of the Corporation, and which list contains information about the nominees. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Directors of the Corporation. No other nomination shall be entertained or allowed on the floor during the actual ASM.

The Directors of the Corporation are elected at the ASM to hold office until the next succeeding annual meeting and until their respective successors have been appointed or elected and qualified. The Directors possess all the qualifications and none of the disqualifications provided for in the SRC and its Implementing Rules and Regulations, as well as the Corporation's By-Laws.

In case of resignation, disqualification or cessation of any directorship, and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, may the vacancy be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nominations Committee; otherwise, said vacancies shall be filled by stockholders in a regular or special meeting called for that purpose. A director so elected to fill a vacancy shall serve only for the unexpired term of his or her predecessor in office.

The Nominations Committee created by the Board under its Manual on Corporate Governance nominated the following for election to the Board of Directors at the forthcoming ASM:

Francisco C. Sebastian
Alfred Vy Ty
Arthur Vy Ty
Carmelo Maria Luza Bautista
Renato C. Valencia
Rene J. Buenaventura
Consuelo D. Garcia
Gil B. Genio
Pascual M. Garcia III
Dr. David T. Go
Atty. Regis V. Puno

The Corporation has complied with the Guidelines set forth by SRC Rule 38 regarding the Nomination and Election of Independent Directors. The same provision has been incorporated in the Amended By-Laws of the Corporation.

Period of Officership

Name	Office	Period Held
Carmelo Maria Luza Bautista	President	2011-Present
Francisco H. Suarez, Jr.	Executive Vice President/Chief Financial Officer	2012-Present
Anjanette T. Dy Buncio	Treasurer	2007-Present
Alesandra T. Ty	Assistant Treasurer	2012-Present
Vicente Jose S. Socco	Chairman of GTCAM	2019-Present
Antonio V. Viray	Corporate Secretary	2009-Present
Jocelyn Y. Kho	Assistant Corporate Secretary	2011-Present
Maria Sofia A. Lopez	Assistant Corporate Secretary	2022-Present
Jose B. Crisol, Jr.	Senior Vice President/Head, Investor Relations, Strategic Planning and Corporate Communications	2012-Present
Reyna Rose P. Manon-og	First Vice President/Controller and Head, Accounting and Financial Control	2011-Present
Joyce B. De Leon	First Vice President/Chief Risk Officer	2020-Present
Susan E. Cornelio	Vice President/Head, Human Resources, Administration, and IT	2012-Present
Leo Paul C. Maagma	Vice President/Chief Audit Executive	2018-Present
Renee Lynn Miciano-Atienza	Vice President/Head, Legal and Compliance	2016-Present
Don David C. Asuncion	Vice President of GTCAM	2020-Present
Stephen John S. Comia	First Vice President/Head of Property Management	2021-Present

Francisco H. Suarez, Jr., 63 years old, Filipino, serves as GT Capital's Executive Vice President and Chief Financial Officer ("CFO"). He was appointed to the position on February 16, 2012. He is also a Director and the Treasurer of GT Capital Auto and Mobility Holdings, Inc., GT Mobility Ventures, and JBA Philippines Inc., Treasurer of Toyota Subic, Inc. and Premium Warranty Services Philippines, Inc., Adviser to the Board of Toyota Manila Bay Corp., Adviser to the Executive Committee of Toyota Santa Rosa, Laguna, Inc., and Corporate Secretary of Toyota Financial Services Philippines Corporation. Over his tenure, he successfully supervised the launch of the Corporation's initial public offering, a top-up private placement, two retail bond issuances, several bilateral fixed-rate term loans and two series of perpetual preferred shares. Mr. Suarez brings to GT Capital over 40 years of solid and extensive experience in investment banking and financial management. Prior to joining GT Capital, he was the CFO of three subsidiaries of the ATR KimEng Group. For a time, he also served as Executive Director of ATR KimEng Capital Partners, Inc. Before this, he was appointed as the CFO of PSI Technologies, Inc., and, prior to that, of SPI Technologies, Inc. Previously, he was a Director for Corporate Finance at Asian Alliance Investment Corporation. He has also assumed various positions in Metrobank, International Corporate Bank, Far East Bank and Trust Company, and the National Economic Development Authority. Mr. Suarez graduated from De La Salle University with a Bachelor of Science degree in Applied Economics and is a candidate for the Master in Business Administration degree at the Ateneo de Manila University.

Anjanette Ty Dy Buncio, 54 years old, Filipino, was appointed as GT Capital's Treasurer in May 2015. Prior to this, she served as the Corporation's Assistant Treasurer since 2007. She holds several other positions in other companies, among which are: Director, Treasurer and Executive Vice President of Federal Land, Inc.; Treasurer of Federal Land NRE Global, Inc.; Director and Chairman of the Board of Manila Medical Services, Inc.; Treasurer and Corporate Secretary of Bonifacio Landmark Corporation; Director of Horizon Land Property Development Corporation; Senior Vice President of Metrobank Foundation, Inc.; Senior Vice President of GT Foundation, Inc.; and Executive Vice President and Corporate Secretary of Pro Oil Corporation. She graduated from the International Christian University in Tokyo, Japan with a Bachelor of Social Science Degree in Economics.

Alesandra T. Ty, 42 years old, Filipino, was appointed Assistant Treasurer of GT Capital on February 14, 2012. She graduated from the Ateneo de Manila University with a Bachelor of Science degree in Legal Management. She then earned her Master's in Business Administration from the China Europe International Business School in Shanghai, China. She is currently Director and Corporate Treasurer of AXA Philippines; Corporate Secretary and

Corporate Treasurer of First Metro Investment Corporation; Corporate Secretary of GT Foundation, Inc.; Senior Vice President and Treasurer of Federal Homes, Inc.; and Executive Vice President of Grand Titan Capital Holdings, Inc.

Vicente Jose Saniel Socco, 63 years old, is the Chairman of GT Capital Auto and Mobility Holdings, Inc. GT Capital Auto and Mobility Holdings, Inc. 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 42 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 opened in 1988, where he rose through the ranks to become Senior Vice President for Marketing and After-Sales. In 2001, Mr. Socco joined the regional headquarters of Toyota in Singapore. Mr. Socco was appointed Senior Vice President of Lexus Asia in 2007, concurrent with his roles as the Executive-in-Charge for country operations at Toyota Motor Asia Pacific. 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 Toyota Motor Asia Pacific in Japan. He then returned to Singapore in 2017 as Executive Vice President for Lexus Asia until his retirement in July 2019. Mr. Socco garnered his Bachelor of Science in Economics at the University of the Philippines in Diliman and completed the Executive Development Program of the Wharton School of the University of Pennsylvania.

Atty. Antonio V. Viray, 83 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 (holding the positions of Senior Vice President for Loans, Legal, Administrative, Branch Operations and Corporate Secretary. When PSBank was acquired by Metropolitan Bank & Trust Company, he was recruited as General Counsel (then Special Counsel) of Metropolitan Bank & Trust Company, 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 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).

Jocelyn Y. Kho, 68 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 as Vice President under the Office of the Assistant to the Group Chairman from 1978 to 2009. She concurrently holds the following positions: Assistant Corporate Secretary, Grand Titan Capital Holdings, Inc.; Director and Treasurer, Global Business Holdings, Inc., and Horizon Royale Holdings, Inc.; Director, Senior Vice President and Corporate Secretary, Federal Homes, Inc.; Director, Treasurer and Corporate Secretary of Crown Central Properties Corporation; Director of Cathay International Resources, Inc. and Magnificat Resources Corporation; Corporate Secretary, Federal Land, Inc.; and Norberto & Tytana Ty Foundation, Inc.; Chairman, Multi Fortune Holdings, Inc.; Chairman and President, MBTC Management Consultancy, Inc., Granview Realty and Development Corporation, Cellini Holdings, Inc., City Tower Realty Corporation, Ocean Park Condominium and Realty, Inc., Kabayan Realty Corporation, and Service Leasing Corporation; Director and President, Harmony Property Holdings, Inc., Splendor Fortune Holdings, Inc., and Splendor Realty Corporation. 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.

Atty. Maria Sofia A. Lopez, 55 years old, Filipino, was appointed as GT Capital's Assistant Corporate Secretary on November 10, 2022. Before this, Atty. Lopez worked for Metropolitan Bank & Trust Company as Legal Counsel from 2005 to 2022. She concurrently holds the following positions: Corporate Secretary of Metrobank Foundation, Inc., Manila Medical Services, Inc., MDH Clinic Management, Inc., Manila Tytana Colleges, Inc., Metrobankers Foundation, Inc., Circa 2000 Homes, Inc., and Sumisho Motor Finance Corp.; Assistant Corporate Secretary of GT

Foundation, Inc. and Norberto and Tytana Ty Foundation, Inc. She earned her Bachelor of Science degree in Business Administration, major in Accountancy, from the University of the East (Manila) and graduated Cum Laude in 1987, and earned her Bachelor of Law degree from San Beda College (Mendiola) in 1992.

Jose B. Crisol, Jr., 56 years old, Filipino, serves as Senior Vice President and Head of the Investor Relations, Strategic Planning, and Corporate Communications 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. Prior to working with SM Investments Corporation, he was a Director at the Republic of the Philippines Department of Trade and Industry, heading its Trade and Industry Information Center. He also served for a time, on a concurrent basis, as Head of Department of Trade and Industry'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.

Reyna Rose Paner-Manon-og, 41 years old, Filipino, is the Controller and First Vice President of GT Capital. She was appointed Controller in October 2011 and serves as Head of the Accounting and Financial Control Department. She also serves as a Director of Toyota Manila Bay Corporation and serves as its Chairman of the Audit Committee. Before joining the conglomerate, she was the Assistant Vice President and Head of the Financial Accounting Department of United Coconut Planters Bank. Prior to this, she was a Director at Sycip Gorres Velayo & Company, where she gained seven years of experience in external audit. Ms. Manon-og is a Certified Public Accountant and a Cum Laude graduate of Bicol University with a Bachelor of Science degree in Accountancy. She completed the Strategic Business Economics Program of the University of Asia and the Pacific.

Joyce B. de Leon, 49 years old, Filipino, serves as Chief Risk Officer, Head of Sustainability, and First Vice President of GT Capital. She was appointed to the role on October 19, 2020. Ms. De Leon brings close to 17 years of solid risk management experience to the company, across various local and international financial institutions. Prior to GT Capital, she was the First Vice President and Head of Market and Liquidity Risk for BDO Unibank, Inc. and a member of its asset and liability committee. Previously, for close to a decade, she served as Senior Vice President and Head of Risk Management for Maybank ATR Kim Eng, building the Risk Management function from the ground up and engaging in the investment bank and stock brokerage's management risk, credit and underwriting, management, and executive committees. Before this, she was the Country Head for Market Risk of Standard Chartered Bank, with purview of the bank's risk reporting in Vietnam. For a time, she also served as Market Risk Manager for Philippine Savings Bank, the thrift bank subsidiary of the Metrobank Group. Ms. De Leon is Head of Sustainability for GT Capital, and established a framework that embeds ESG in the business strategy, aligning with best practices by communicating and coordinating with the Board, management, investors, shareholders, component companies, and employees to address sustainability issues. Ms. De Leon garnered her Master's degree in International Business at the University of Melbourne in Australia, her Master in Business Administration degree, major in Finance, with distinction, and Bachelor of Arts in Psychology from De La Salle University. Ms. De Leon has received her climate risk management credential from a globally recognized certification from the Global Association for Risk Professionals as a Sustainability and Climate Risk professional. She is also an alumnus of the University of Asia and the Pacific Applied Sustainability Management in Asia Pacific program.

Susan Encabo-Cornelio, 51 years old, Filipino, joined GT Capital on July 4, 2012 as its Head of Human Resources and Administration (now Human Resources, Administration, and IT). 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 Human Resources stints from the following institutions: Metropolitan Bank & Trust Company, ABN AMRO Offshore Banking, Solidbank, and Citytrust. She holds a Bachelor of Science in Commerce major in Accounting from Sta. Isabel College-Manila and a Master Certificate in Human Resources and International HR Practices from Cornell University's School of Industrial and Labor Relations. She obtained a Master's degree in Business Economics from the University of Asia and the Pacific and is a candidate for the Doctor of Philosophy in Human Resource Management at the University of Santo Tomas.

Leo Paul C. Maagma, 52 years old, Filipino, was appointed as Chief Audit Executive of GT Capital in April 2018. With over 29 years of extensive work experience—more than 24 years in audit and five years in accounting, accounts receivables, treasury, and payroll—Mr. Maagma began his career in an external auditing firm, then spent five years in a food manufacturing company, and nearly 15 years in a business engaged in the distribution of health care products. He spent eight of his more than two decades in audit work at the regional and country head offices of two multinational companies, Zuellig Pharma Corporation and Unilever Bestfoods. Before joining GT Capital, for 14½ years, Mr. Maagma served in various capacities at Zuellig Pharma Corporation—Internal Audit Manager from 2012 to 2018, Accounts Receivable Manager from 2010 to 2012, Corporate Internal Audit Manager from 2007 to 2010, and Internal Audit Manager from 2003 to 2007. At Zuellig Pharma Corporation, he was chiefly responsible for the Philippine subsidiary's internal audit function, while assisting in regional risk–based internal audits for the Zuellig Pharma Group across 12 countries in the Asia-Pacific region. Prior to his time at Zuellig Pharma Corporation, Mr. Maagma held several positions at Unilever Bestfoods from 1998 to 2003: Regional Information Systems Audit Supervisor, Category Accounting Manager, and Treasury Manager. Previously, he performed other supervisory roles in audit in Empire East Land Holdings, Inc. and Ernst and Young International. Mr. Maagma earned his Master's degree in Business Administration from the Asian Institute of Management. Aside from this, he is a Certified Public Accountant, Chartered Business Administrator, and a certified Information Security Management Systems Internal Auditor. He graduated from the University of Santo Tomas with a Bachelor of Science degree in Commerce, major in Accountancy.

Atty. Renee Lynn Miciano-Atienza, 40 years old, Filipino, is Vice President and Head of the Legal and Compliance Department of GT Capital. She was appointed to her position on May 11, 2016 and has been with GT Capital since August 2012. She concurrently holds the following positions: Director, GT Capital Auto and Mobility Holdings, Inc.; Director, Toyota Subic, Inc.; Corporate Secretary, AXA Philippines; Assistant Corporate Secretary; Toyota Santa Rosa, Inc. Prior to joining the Corporation, she was the Head of the Investigation and Enforcement Department of the Capital Markets Integrity Corporation. Before joining the Capital Markets Integrity Corporation, she was the Officer-in-Charge of the Prosecution and Enforcement Department of the Philippine Stock Exchange, Inc. 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.

Don David C. Asuncion, 43 years old, Filipino, is the Vice President of GT Capital Auto and Mobility Holdings, Inc., the conglomerate's wholly-owned subsidiary for the Group's automotive holdings. He brings to GT Capital more than 20 years of expertise in the automotive sector. Mr. Asuncion began his career with Toyota Motor Philippines Corporation in 2002 handling franchise and dealer development followed by area operations in 2006. He joined Ford Group Philippines in 2008 taking on diverse roles in Business Development, Zone Management for Customer Service and then for Sales. In 2012, he joined Bermaz Auto Philippines (formerly Berjaya Auto Philippines) as the company's General Sales Manager and later as General Manager for Sales and Marketing Operations. Subsequently in 2019, he joined Mitsubishi Motors Philippines Corporation as an Assistant Vice President, his most recent position prior to joining GT Capital Auto and Mobility Holdings, Inc. in 2020. Mr. Asuncion garnered his Bachelor of Science degree in Management at the Ateneo de Manila University.

Stephen John San Juan Comia, 45 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, Inc. He brings to GT Capital more than 17 years of experience in the property sector having worked for Ayala Land, Inc. from 2005 until 2021 where he served as Estate Development Head. Mr. Comia handled land acquisition and overall master-planning, development, sales, marketing, and property management of various estate developments. The estates that he handled include Nuvali in Sta. Rosa and Calamba, Laguna, Arca South in Taguig, The Junction Place in Novaliches, and Vermosa in Imus and Dasmariñas, Cavite. Mr. Comia holds a Master in Business Administration degree from the Asian Institute of Management and a Bachelor of Science degree in Management Engineering from the Ateneo de Manila University.

Directorships in Other Reporting Companies and Subsidiaries

The following are directorships held by Directors and Executive Officers in other reporting (listed) companies and subsidiaries of the Corporation during the last five (5) years:

Name of Corporation	Position
Francisco C. Sebastian	
Metropolitan Bank & Trust Company	Vice Chairman/Director
Federal Land, Inc.	Director
Metro Pacific Investments Corporation	Director
Alfred Vy Ty	
Toyota Motor Philippines Corporation	Chairman/Director
Federal Land, Inc.	Chairman/Director
Metropolitan Bank & Trust Company	Director
Metrobank Foundation, Inc.	Trustee
Metro Pacific Investments Corporation	Director
GT Capital Auto and Mobility Holdings, Inc.	Vice Chairman/Director
Toyota Motor School of Technology, Inc.	Vice Chairman/Director
Federal Land-Orix Corporation	Vice Chairman/Director
Arthur Vy Ty	
Metropolitan Bank & Trust Company	Chairman/Director
Metropolitan Bank (China) Ltd., Inc.	Chairman/Director
Metrobank Foundation, Inc.	Chairman/Director
Philippine Savings Bank	Vice Chairman/Director
First Metro Investment Corporation	Vice Chairman/Director*
Philippine AXA Life Insurance Corporation	Vice-Chairman/Director
Federal Land, Inc.	Director
Carmelo Maria Luza Bautista	
Toyota Motor Philippines Corporation	Director
Federal Land, Inc.	Director
Philippine AXA Life Insurance Corporation	Director
GT Capital Auto and Mobility Holdings, Inc.	Director
Toyota Subic, Inc.	Director
Toyota Financial Services Philippines Corporation	Chairman/Director
GT Mobility Ventures, Inc.	Director
Vivant Corporation	Independent Director
JBA Philippines, Inc.	Director*
Toyota Manila Bay Corporation	Director
Renato C. Valencia	
iPeople, Inc.	Chairman*/Director
EEI Corporation	Independent Director
Anglo Philippine Holdings Corporation	Independent Director*
Metropolitan Bank & Trust Company	Independent Director*

Rene J. Buenaventura

Lorenzo Shipping Corporation	Independent Director

Consuelo D. Garcia

ACEN Corporation (Formerly AC Energy Corporation)	Independent Director
The Philippine Stock Exchange, Inc.	Independent Director
Far Eastern University, Incorporated	Independent Director

David T. Go

Toyota Manila Bay Corporation	Chairman/Director
Toyota Motor Philippines Corporation	Vice Chairman/Director/ Treasurer
GT Capital Auto and Mobility Holdings, Inc.	Chairman/President/Director*
Toyota Subic, Inc.	Chairman/Director*
Toyota Financial Services Philippines Corporation	Director/Treasurer

Anjanette Ty Dy Buncio

Federal Land, Inc.	Director/Treasurer/Senior Vice President

Alesandra T. Ty

Philippine AXA Life Insurance Corporation	Director/Treasurer
Sumisho Motorcycle Finance Corp.	Director

Vicente Jose S. Socco

GT Capital Auto and Mobility Dealership Holdings, Inc.	Chairman/Director
GT Mobility Ventures, Inc.	Chairman/President
Toyota Manila Bay Corporation	Director
Toyota Motor Philippines Corporation	Director
Toyota Subic, Inc.	Chairman/Director
JBA Philippines Inc.	Chairman/Director
Premium Warranty Services Philippines, Inc.	Chairman/Director
Toyota Santa Rosa, Laguna, Inc.	Chairman/Director

Francisco H. Suarez, Jr.

GT Capital Auto and Mobility Holdings, Inc.	Director/Treasurer
Toyota Subic, Inc.	Director/Treasurer*
GT Mobility Ventures, Inc.	Director/Treasurer
JBA Philippines, Inc.	Director/Treasurer
Toyota Manila Bay Corporation	Director*
Premium Warranty Services Philippines, Inc.	Director/Treasurer*
Toyota Santa Rosa, Laguna, Inc.	Director*

Jose B. Crisol, Jr.

Toyota Santa Rosa, Laguna, Inc.	Director

Reyna Rose P. Manon-og

Toyota Manila Bay Corporation	Director

Renee Lynn Miciano-Atienza

GT Capital Auto and Mobility Holdings, Inc.	Director
Toyota Subic, Inc.	Director

Don David C. Asuncion	Director
Toyota Subic, Inc.	

**Past Directorships*

The following will be nominated as officers of the Corporation during the Organizational Meeting:

Office	Name
Chairman	Francisco C. Sebastian
Vice Chairman	Alfred Vy Ty
President	Carmelo Maria Luza Bautista
Treasurer	Anjanette T. Dy Buncio
Assistant Treasurer	Alesandra T. Ty
Corporate Secretary	Antonio V. Viray
Assistant Corporate Secretary	Jocelyn Y. Kho
Assistant Corporate Secretary	Maria Sofia A. Lopez
Chief Financial Officer	Francisco H. Suarez, Jr.
Chairman of GTCAM	Vicente Jose S. Socco
Head, Investor Relations, Strategic Planning and Corporate Communications	Jose B. Crisol, Jr.
Controller and Head, Accounting and Financial Control	Reyna Rose P. Manon-og
Chief Risk Officer	Joyce B. De Leon
Head, Human Resources, Administration, and IT	Susan E. Cornelio
Chief Audit Executive	Leo Paul C. Maagma
Head, Legal and Compliance	Renee Lynn Miciano-Atienza
Vice President of GTCAM	Don David C. Asuncion
Head, Property Management	Stephen John S. Comia

The following will be nominated as Board Advisers during the Organizational Meeting:

Adviser	Mary Vy Ty
Adviser	Guillermo Co Choa
Adviser	Jaime Miguel G. Belmonte

(b) Significant Employees

The Corporation does not believe that its business is dependent on the services of any particular employee.

(c) Family Relationships

Mary Vy Ty is the wife of the late Dr. George S.K. Ty. Arthur Vy Ty, Alfred Vy Ty, Anjanette T. Dy Buncio, and Alesandra T. Ty are the children of the late Dr. George S.K. Ty and Mary Vy Ty. All other directors and officers are not related either by consanguinity or affinity. There are no other family relationships known to the registrant other than the ones disclosed herein.

(d) Certain Relationships and Related Transactions

There are no known related party transactions other than those described in Note 27 (Related Party Transactions) of the Notes to the Consolidated Financial Statements and those eliminated during consolidation. Related Party Transactions are made on an arm's length basis.

(e) Involvement in Legal Proceedings

The Corporation is not aware of any of the following events having occurred during the past five years up to the date of this report that are material to an evaluation of the ability or integrity of any director, nominee for election as Director, executive officer, underwriter or controlling person of the Corporation:

(1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(2) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

(3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities;

(4) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated; and

(5) a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Item 6. **Compensation of Directors and Executive Officers**

Summary Compensation Table of Directors

Remuneration Item	**Executive Directors**	**Non-Executive Directors** (other than independent directors)	**Independent Directors**
Per diem Allowance	Php 1.50 million	Php 11.43 million	Php 6.00 million
Bonuses	PhP 0.85 million	PhP 5.70 million	PhP 3.40 million
Transportation Allowance	-	Php 0.54 million	PhP 1.22 million

The directors receive per diems, bonuses, and allowances that are included in the amounts stated above. Aside from the amounts stated, there are no other compensation plans or arrangements between the directors and the Corporation.

Summary Compensation Table of Executive Officers

The following table identifies the Corporation's President and four most highly-compensated executive officers (the "Named Executive Officers") and summarizes their aggregate compensation in 2021, 2022, and 2023. The amounts (in P millions) set forth in the table below have been prepared based on what the Corporation paid its executive officers in 2021 and 2022, and what the Corporation expects to pay in 2023.

Name and Principal Position	Year	Salary	Bonus	Other	Annual Compensation
Named Executive Officers*....................................	2021	59.60	15.77	-	-
	2022	66.01	17.01		
	2023**	71.29	19.12		
All other Officers as a Group......................	2021	48.94	15.21		
	2022	52.04	15.37		
	2023**	56.20	16.60		

** Named executive officers include: Carmelo Maria Luza Bautista (President), Francisco H. Suarez, Jr. (Chief Financial Officer), Stephen John S. Comia (First Vice President), Vicente Jose S. Socco (Chairman of GTCAM), and Jose B. Crisol (Head, Investor Relations, Strategic Planning and Corporate Communications).*
*** Figures for the year 2023 are estimates*

Employment contracts between the Corporation and named executive officers

The Corporation has no special employment contracts with its executive officers. In the ordinary course of business, the Corporation has employment contracts with all its employees, including officers, in compliance with the applicable labor laws and regulations. The salaries and bonuses of officers are included in the compensation table above.

Warrants and options outstanding

There are no outstanding warrants or options held by the CEO, executive officers, and all officers and directors as a group.

Stock option plan

The Corporation has no employee stock option plan.

Item 7. **Independent Public Accountants**

Sycip, Gorres, Velayo & Company is the external auditor for the calendar year 2022. The same external auditor will be recommended for re-appointment at the scheduled stockholders' meeting. Representatives of the said firm are expected to be present at the stockholders' meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The Corporation engaged Mr. Miguel U. Ballelos, Jr. of SGV & Co. for the examination of the Corporation's financial statements for the calendar year 2022. Pursuant to SRC Rule 68, Paragraph 3 (b) (ix) (Rotation of External Auditors), 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 table sets out the aggregate fees for audit and audit-related services, inclusive of out-of-pocket expenses and value-added-tax for each of the years ended December 31, 2021 and 2022 for professional services rendered by SGV & Co. to GT Capital:

	2021	2022
Audit and Audit-Related Services	2.61	2.46
Non-Audit Services	0.40	4.99
Total	3.01	7.45

Audit services rendered include the audit of the financial statements and supplementary schedules for submission to the SEC, and review of annual income tax returns. Audit services rendered include the audit of the financial statements and supplementary schedules for submission to SEC, and review of annual income tax returns. Non-audit services paid in 2022 pertain to financial, tax, and actuarial due diligence and transaction accounting; transfer pricing study and documentation for the taxable year 2019 and a comparability analysis for the taxable year 2020; assisting in filing of request for opinion of the Department of Finance; and third party validation of votes for the ASM.

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

Item 8. **Compensation Plans**

Not applicable.

<u>**C. ISSUANCE AND EXCHANGE OF SECURITIES**</u>

Item 9. **Authorization or Issuance of Securities Other than for Exchange**

Not applicable.

Item 10. **Modification or Exchange of Securities**

Not applicable.

Item 11. **Financial and Other Information**

Not applicable.

Item 12. **Mergers, Consolidations, Acquisitions and Similar Matters**

Not applicable.

Item 13. **Acquisition or Disposition of Property**

Not applicable.

Item 14. **Restatement of Accounts**

Not applicable.

<u>**D. OTHER MATTERS**</u>

Item 15. **Action with Respect to Reports**

The following are to be submitted for approval during the ASM:

(a) Minutes of the ASM held on May 11, 2022

The following was the agenda of the said meeting:

- Call to Order
- Certification of Notice and Quorum
- Explanation of Voting Procedures
- Approval of Minutes of the ASM held on May 17, 2021
- Annual Report for the Year 2021
- General Ratification of the Acts of the Board of Directors, Executive Committee, and Management from the Date of the last Annual Stockholders' Meeting up to May 11, 2022
- Election of Directors for 2022-2023
- Appointment of External Auditor
- Amendment of Articles of Incorporation
- Adjournment

(b) Annual Report for the Year 2022

(c) General ratification of the acts of the Board of Directors and the management from the date of the last ASM (May 11, 2022) up to the date of this meeting (May 10, 2023), including election of directors and appointment of officers.

(d) Appointment of External Auditor

There are no other matters that would require approval of the stockholders.

Item 16. **Matters Not Required to be Submitted**

Not applicable.

Item 17. **Amendment of Charter, By-Laws or Other Documents**

Not applicable.

Item 18. **Other Proposed Action**

Other than the matters indicated in the Notice and Agenda, there are no other actions proposed to be taken at the annual meeting.

Item 19. **Voting Procedures**

(a) Election of Directors

As stated in Section 2 of Article III of the Corporation's By-Laws, "The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified."

Section 24 of the Revised Corporation Code states that "At all elections of directors or trustees, there must be present, either in person or by representative authorized to act by written proxy, the owners of a majority of the outstanding capital stock… entitled to vote."

(b) Appointment of External Auditor

As stated in Section 1 of Article VII of the Corporation's By-Laws, "At the regular stockholders' meeting the external auditor of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings and expenses of the corporation." The stockholders representing the majority of the subscribed capital stock approve the appointment of the external auditor.

Methods by which votes will be counted

All matters subject to vote, except in cases where the law provides otherwise, shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present. Stockholders are entitled to cumulative voting in the election of the board of directors, as provided by the Revised Corporation Code.

Voting shall be done by ballots or by proxy. All votes received shall be tabulated by the office of the Corporate Secretary and the stock transfer agent, and shall be validated by an external independent party. The Corporate Secretary shall report the results on the voting of each matter during the meeting.

N.B. UPON WRITTEN REQUEST OF A STOCKHOLDER, GT CAPITAL SHALL PROVIDE, FREE OF CHARGE, A COPY OF ITS 2022 ANNUAL REPORT (SEC FORM 17-A). THE REQUEST SHOULD BE ADDRESSED TO THE ATTENTION OF FRANCISCO H. SUAREZ, JR., CHIEF FINANCIAL OFFICER, 43RD FLOOR, GT TOWER INTERNATIONAL, AYALA AVENUE CORNER H. V. DE LA COSTA ST., MAKATI CITY 1227.

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete, and correct. This report is signed in the City of Makati on March 23, 2023.

By:

[redacted]

ANTONIO V. VIRAY

Corporate Secretary

MANAGEMENT REPORT

A.i Consolidated Audited Financial Statements

The Company's consolidated financial statements for the year ended December 31, 2022 are incorporated herein by reference.

A.ii Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in and disagreements with accountants on accounting and financial disclosures.

A.iii Management's Discussion and Analysis or Plan of Operation

CALENDAR YEAR ENDED DECEMBER 31, 2022 VERSUS YEAR ENDED DECEMBER 31, 2021

GT Capital Consolidated Statements of Income	**Audited Year Ended December 31**		**Increase (Decrease)**	
(In Million Pesos, Except for Percentage)	**2022**	2021	**Amount**	**Percentage**
REVENUE				
Automotive operations	**211,945**	150,964	60,981	40%
Equity in net income of associates and joint venture	**16,455**	11,065	5,390	49%
Real estate sales and interest income on real estate sales	**5,793**	7,269	(1,476)	(20%)
Rent income	**1,401**	1,046	355	34%
Sale of goods and services	**957**	589	368	62%
Commission income	**667**	288	379	132%
Interest income	**232**	247	(15)	(6%)
Other income	**7,857**	3,175	4,682	147%
	245,307	174,643	70,664	40%
COSTS AND EXPENSES				
Cost of goods and services sold	**157,079**	102,959	54,120	53%
Cost of goods manufactured and sold	**36,366**	32,111	4,255	13%
General and administrative expenses	**17,278**	13,455	3,823	28%
Interest expense	**7,144**	6,270	874	14%
Cost of real estate sales	**3,059**	3,123	(64)	(2%)
Cost of rental	**830**	655	175	27%
	221,756	158,573	63,183	40%
INCOME BEFORE INCOME TAXES	**23,551**	16,070	7,481	47%
PROVISION FOR INCOME TAX	**1,820**	1,821	(1)	(0%)
NET INCOME	**21,731**	14,249	7,482	53%
ATTRIBUTABLE TO:				
Equity holders of the Parent Company	**18,360**	10,983	7,377	67%
Non-controlling interests	**3,371**	3,266	105	3%
	21,731	14,249	7,482	53%

GT Capital Holdings, Inc. ("GT Capital" or the "Parent Company" or the "Company") consolidated net income attributable to equity holders of the Parent Company grew by 67% from Php10.98 billion in 2021 to Php18.36 billion in 2022. The increase was principally due to the 40% growth in consolidated revenues with growth registered in equity in net income of associates and joint ventures (+49%), auto sales (+40%), sales and goods and services (+62%) and other income (+147%).

Core net income attributable to equity holders of the Parent Company in 2022 amounted to Php15.89 billion, after deducting the Php2.64 billion non-recurring gains earned by the Group mainly from Federal Land Inc.'s ("Federal Land") gain on investment in a joint venture, net of non-recurring expenses and Metro Pacific Investments Corporation's ("MPIC") reversal of impairment loss upon the consolidation of one of its investments, and adding back the Php0.17 billion amortization of fair value adjustments arising from various business combinations. Core net income in 2021 amounted to Php10.99 billion in 2021 after adding back Php0.07 billion share in non-recurring expenses incurred by Metro Pacific Investments Corporation (MPIC) and deducting Php0.06 billion amortization of fair value adjustments arising from various business combinations.

The financial statements of Federal Land, Toyota Motor Philippines Corporation ("TMP"), Toyota Manila Bay Corporation ("TMBC") and GT Capital Auto and Mobility Holdings, Inc. ("GTCAM") are consolidated in the financial statements of the Group. The investments in other component companies Metropolitan Bank and Trust Company ("Metrobank"), Philippine AXA Life Insurance Corporation ("AXA Philippines"), Toyota Financial Services Philippines Corporation ("TFSPC"), MPIC and Sumisho Motor Finance Corporation ("SMFC") are reported through equity accounting.

Of the nine (9) component companies, Federal Land, TMBC, GTCAM, Metrobank, MPIC, TFSPC, AXA Philippines, and SMFC posted growth in net income, while TMP reported net income decline.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts grew by 40% from Php150.96 billion in 2021 to Php211.95 billion in 2022 due to a 37% increase in wholesale volume from 127,539 to 174,197 units and several price increases in 2022.

Equity in net income of associates and joint ventures increased by 49% from Php11.07 billion in 2021 to Php16.46 billion in 2022 primarily due to significant increases in the net income of the following associates:

1. Metrobank by 48% from Php22.26 billion to Php32.78 billion arising from the rising loans, better margins, healthy fee income, stable operating expenses and lower provisions;
2. TFSPC by Php0.90 billion from Php0.73 billion to Php1.63 billion due to lower provisions for credit losses and ROPA losses; and
3. MPIC by 7% from Php10.12 billion to Php10.49 billion due to higher energy sales and tollways traffic and toll rate adjustments.

Real estate sales and interest income from real estate sales dropped by 20% from Php7.27 billion to Php5.79 billion (excluding the joint venture projects). Real estate sales and interest income from real estate sales from all projects, however, grew by 7% from Php10.24 billion to Php10.94 billion.

Rent income grew by 34% from Php1.05 billion to Php1.40 billion despite lower occupancy primarily due to the absence of rental concessions.

Sale of goods and services increased by 62% or Php0.37 billion due to higher fuel sales and sales of food franchises arising from the easing of quarantine restrictions and increase in fuel prices.

Commission income increased by Php0.38 billion from Php0.29 billion in 2021 to Php0.67 billion in 2022 due to an increase in booked sales of Federal Land joint venture companies and the easing of quarantine restrictions.

Interest income dropped by 6% from Php0.25 billion in 2021 to Php0.23 billion in 2022 due to the full payment of interest-bearing receivables in 2021.

Other income grew by Php4.68 billion mostly due to Federal Land's gain on investments and the tax incentives utilized by TMP in 2022 arising from its participation in the Comprehensive Automotive Resurgence Strategy (CARS) program of the government.

Consolidated costs and expenses increased by 40% from Php158.57 billion in 2021 to Php221.76 billion in 2022. TMP contributed Php177.18 billion comprising cost of goods sold for manufacturing and trading activities, general and administrative expenses and interest expenses. TMBC contributed Php22.10 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. Federal Land contributed Php11.11 billion consisting of cost of real estate sales, cost of goods and services sold, general and administrative expenses, cost of rental and interest expenses. GTCAM contributed Php6.11 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. GT Capital Parent Company accounted for the balance of Php5.26 billion consisting of interest expenses and general and administrative expenses.

Cost of goods and services sold grew by 53% from Php102.96 billion to Php157.08 billion relative to the increase in automotive sales and unfavorable foreign exchange differential from the depreciation of the peso versus the US dollar.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP increased by Php4.26 billion from Php32.11 billion to Php36.37 billion due to an increase in materials costs of assembled vehicles.

General and administrative expenses increased by 28% or Php3.82 billion mainly due to auto delivery and handling services from higher fuel cost, and advertising and promotional expenses from new model introductions.

Interest expense increased by 14% from Php6.27 billion to Php7.14 billion due to loan availments and higher lending rates in 2022.

Cost of rental increased by 27% from Php0.66 billion to Php0.83 billion due to higher common use service area expenses from lower occupancy.

GT Capital Consolidated Statements of Financial Position	**Audited December 31**		**Increase (Decrease)**	
(In Million Pesos, Except for Percentage)	**2022**	2021	**Amount**	**Percentage**
ASSETS				
Current Assets				
Cash and cash equivalents	**24,005**	17,404	6,601	38%
Financial assets at fair value through profit or loss	**11,160**	8,712	2,448	28%
Receivables	**14,135**	15,852	(1,717)	(11%)
Contract assets	**4,707**	6,157	(1,450)	(24%)
Inventories	**69,399**	78,817	(9,418)	(12%)
Due from related parties	**356**	155	201	130%
Prepayments and other current assets	**17,109**	14,070	3,039	22%
	140,871	141,167	(296)	(0%)
Noncurrent Assets				
Financial assets at fair value through other comprehensive income	**13,345**	16,311	(2,966)	(18%)
Receivables – net of current portion	**6,250**	3,766	2,484	66%
Contract asset – net of current portion	**5,636**	7,114	(1,478)	(21%)
Investment properties	**22,247**	15,646	6,601	42%
Investments in associates and joint ventures	**200,238**	186,187	14,051	8%
Property and equipment	**13,951**	14,918	(967)	(6%)
Goodwill and intangible assets	**10,025**	9,938	87	1%
Deferred tax assets	**1,277**	1,174	103	9%
Other noncurrent assets	**3,316**	1,573	1,743	111%
	276,285	256,627	19,658	8%
TOTAL ASSETS	**417,156**	397,794	19,362	5%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**36,928**	34,203	2,725	8%
Contract liabilities – current portion	**3,207**	3,384	(177)	(5%)
Short-term debt	**14,582**	9,127	5,455	60%
Current portion of long-term debt	**7,758**	9,423	(1,665)	(18%)
Current portion of liabilities on purchased properties	**348**	304	44	14%
Current portion of bonds payable	**6,099**	–	6,099	100%
Customers' deposits	**928**	910	18	2%
Dividends payable	**609**	590	19	3%
Due to related parties	**166**	193	(27)	(14%)
Income tax payable	**302**	161	141	88%
Other current liabilities	**1,513**	1,316	197	15%
	72,440	59,611	12,829	22%
Noncurrent Liabilities				
Long term debt – net of current portion	118,033	112,755	5,278	5%
Bonds payable – net of current portion	3,992	10,077	(6,085)	(60%)
Liabilities on purchased properties - net of current portion	1,300	1,658	(358)	(22%)
Pension liabilities	1,657	1,629	28	2%
Deferred tax liabilities	3,414	3,232	182	6%
Other noncurrent liabilities	3,306	3,753	(447)	(12%)
	131,702	133,104	(1,402)	(1%)
TOTAL LIABILITIES	**204,142**	192,715	11,427	6%

	Audited December 31		Increase (Decrease)	
(In Million Pesos, Except for Percentage)	**2022**	2021	**Amount**	**Percentage**
Equity attributable to equity holders of Parent Company				
Capital stock	**3,370**	3,370	–	0%
Additional paid-in capital	**98,827**	98,827	–	0%
Retained earnings				
Unappropriated	**106,107**	88,982	17,125	19%
Appropriated	**400**	400	–	0%
Other comprehensive gain (loss)	**(9,284)**	143	(9,427)	(6592%)
Other equity adjustments	**2,322**	2,322	–	0%
	201,742	194,044	7,698	4%
Non-controlling interests	**11,272**	11,035	237	2%
TOTAL EQUITY	**213,014**	205,079	7,935	4%
TOTAL LIABILITIES AND EQUITY	**417,156**	397,794	19,362	5%

The major changes in GT Capital's consolidated balance sheet from December 31, 2021 to December 31, 2022 are as follows:

Consolidated assets grew by Php19.36 billion from Php397.79 billion as of December 31, 2021 to Php417.16 billion as of December 31, 2022. Total liabilities rose by Php11.43 billion from Php192.72 billion to Php204.14 billion while total equity increased by Php7.94 billion from Php205.08 billion to Php213.01 billion.

ASSETS

Cash and cash equivalents increased by Php6.60 billion from Php17.40 billion to Php24.01 billion with GT Capital, TMP, Federal Land, TMBC and GTCAM accounting for Php10.24 billion, Php7.83 billion, Php5.05 billion, Php0.46 billion, Php0.42 billion, respectively.

Financial assets at fair value through profit or loss increased by Php2.45 billion from Php8.71 billion to Php11.16 billion due to additional investments in unit investment trust by the Parent Company.

Current portion of receivables dropped by 11% or Php1.72 billion due to a reclassification to noncurrent portion, partially offset by reclassification from contract assets both current and noncurrent.

Contract assets decreased by Php1.45 billion attributable to the reclassification to current portion of receivables during the year. Contract assets are the excess of progress of work (POC) over the right to an amount collectible from unit buyers.

Inventories decreased by Php9.42 billion from Php78.82 billion to Php69.40 billion primarily due to the contribution of inventories by Federal Land to Federal Land NRE Global, Inc. ("FNG"), a joint venture company with Nomura Real Estate of Japan.

Due from related parties increased by Php0.20 billion from Php0.16 billion to Php0.36 billion coming from the higher management fees earned by Federal Land from its joint venture entities.

Prepayments and other current assets grew by 22% from Php14.07 billion to Php17.11 billion mainly input VAT, advances to contractors and suppliers, creditable withholding taxes, ad valorem and excise taxes, prepaid expenses and other current assets.

Financial assets at fair value through other comprehensive income decreased by Php2.97 billion from Php16.31 billion to Php13.35 billion due to marked-to-market losses on investments.

Noncurrent portion of receivables grew by 66% or Php2.48 billion mainly due to the reclassification from the current portion of receivables.

Noncurrent portion of contract assets decreased by 21% from Php7.11 billion to from Php5.64 billion attributable to the reclassification to current portion of receivables during the year.

Investment properties increased by 42% from Php15.65 billion to Php22.25 billion due to a reclassification from inventories.

Investments in associates and joint ventures grew by Php14.05 billion mainly due to Federal Land's Php10.77 billion contribution of inventories in FNG and equity share in net income of associates and joint ventures.

Property and equipment decreased by 6% from Php14.92 billion to Php13.95 billion, net of depreciation and amortization expenses incurred.

Deferred tax assets grew by 9% from Php1.17 billion to Php1.28 billion due to the increase in TMP's deferred tax assets.

Other noncurrent assets increased by Php1.74 billion from Php1.57 billion to Php3.32 billion due to higher rental deposits, utilities, guarantee, and construction bonds.

LIABILITIES

Accounts and other payables increased to Php36.93 billion from Php34.20 billion primarily due to inventory purchases of TMP.

Contract liabilities - current portion decreased by 5% from Php3.84 billion to Php3.21 billion coming from increase in percentage of completion of Federal Land.

Short-term debt increased by Php5.46 billion from Php9.13 billion to Php14.58 billion due to Php38.3 billion loan availments made during the period, offset by Php32.85 billion in new loan payments.

Current portion of long-term debt declined by 18% or Php1.67 billion due to the refinancing by GT Capital of its Japanese yen denominated loan due last July 2022.

Current portion of liabilities on purchased properties increased by 14% from Php0.30 billion to Php0.35 billion due to reclassification from noncurrent portion.

Current portion of bonds payable increased by Php6.09 billion due to the reclassification from noncurrent portion to current maturing in February 2023.

Due to related parties declined by 14% mostly payments by Federal Land to its related parties.

Income tax payable increased by Php0.14 billion from Php0.16 billion to Php0.30 billion attributable to higher taxable income reported by the Group.

Other current liabilities increased by 15% from Php1.32 billion to Php1.51 primarily due to the higher withholding taxes payable.

Non-current portion of long-term debt grew by 5% or Php5.28 billion due to the refinancing by GT Capital of its Japanese yen denominated loan due in July 2022, and new term loans availed by Federal Land.

Non-current portion of bonds payable decreased by Php6.09 billion due to reclassification to current portion.

Non-current liabilities on purchased properties decreased by Php0.36 billion due to reclassification to current portion and amortization of deferred financing cost.

Deferred tax liabilities grew by 6% or Php0.18 billion due to GT Capital's deferred tax liabilities on the net unrealized gain on financial assets at fair value through other comprehensive income.

Other noncurrent liabilities decreased by 12% from Php3.75 billion to Php3.31 primarily due to the decline in deferred output VAT payable arising from collections of receivables.

EQUITY

Unappropriated retained earnings increased by Php17.13 billion from Php88.98 billion to Php106.11 billion arising from the Php18.36 billion consolidated net income earned attributable to the Parent Company in 2022, net of Php1.23 billion cash dividends declared.

Other comprehensive loss amounted to Php9.28 billion versus other comprehensive income of Php142.75 million as of December 31, 2021 due to the marked-to-market losses on financial assets at FVOCI of the Group in 2022.

Key Performance Indicators of the Company and its component companies

The following are the key performance indicators of the Company for the years ended December 31, 2020, 2021 and 2022.

	In Million Pesos, except for percentages		
Income Statement	**2020**	**2021**	**2022**
Total Revenues	134,420	174,643	245,307
Net Income attributable to Equity Holders of GT Capital Holdings	6,546	10,983	18,360
Balance Sheet			
Total Assets	384,980	397,794	417,156
Total Liabilities	192,795	192,715	204,142
Equity attributable to GT Capital Holdings, Inc.	183,300	194,044	201,742
Return on Equity *	4.06%	5.87%	8.21%

**Core net income attributable to GT Capital's common stockholders divided by the average equity where average equity is the sum of equity attributable to GT Capital's common stockholders at the beginning and end of the year divided by 2.*

Banking

Metrobank

	In Billion Pesos, except for percentages and ratios		
	2020	**2021**	**2022**
Net income attributable to equity holders	13.8	22.2	32.8
Net interest margin on average earning assets	3.98%	3.39%	3.56%
Operating efficiency ratio	49.6%	59.0%	54.3%
Return on average assets	0.6%	0.9%	1.2%
Return on average equity	4.4%	6.9%	10.3%

	2020	2021	2022
Total assets	2,455.2	2,502.8	2,843.1
Total liabilities	2,122.0	2,175.1	2,515.0
Equity attributable to equity holders of the parent company	324.2	318.5	318.5
Tier 1 capital adequacy ratio	19.3%	19.3%	16.8%
Total capital adequacy ratio	20.2%	20.1%	17.7%
Non-performing loans ratio	2.4%	2.2%	1.9%
Non-performing loans coverage ratio	163.0%	174.7%	172.4%

Notes:

(1) Operating efficiency ratio is the ratio of total operating expenses (excluding provisions for credit and impairment loss and income tax) to total operating income (excluding share in net income of associates and joint venture).

(2) Return on average asset is the net income attributable to equity holders of the parent company divided by the average total assets

(3) Return on average equity is the net income attributable to equity holders of the parent company divided by the average total equity attributable to equity holders of the parent company

(4) Capital adequacy ratios as of December 31, 2020, 2021 and 2022 were computed based on Basel III standards.

(5) Non-performing loans ratio is the ratio of net non-performing loans divided by total loans – excluding interbank loans.

(6) *Non-performing loans coverage ratio is the ratio of the total allowance for probable losses on loans divided by gross non-performing loans*

Metrobank consolidated net income grew by 47.9% from Php22.2 billion in 2021 to Php32.8 billion in 2022. This was primarily due to increases in interest income on investment securities and loans and receivables, together with lower provisions for credit and impairment losses in 2022 amounting to Php8.1 billion compared to Php11.8 billion booked in 2021.

Net interest income grew by 14.0% from Php75.1 billion in 2021 to Php85.5 billion in 2022, comprising 76.2% of total operating income. CASA deposits increased by 1.2% from Php1.46 trillion to Php1.48 trillion, which resulted in a lower CASA ratio from 75.8% in 2021 to 66.6% of total deposits in 2022, as time deposits reached Php741.6 billion comprising 33% of total deposits.

Non-interest income also increased by 3.7% from Php25.8 billion in 2021 to Php26.8 billion in 2022 on account of the 12% growth in fee-based income and Php0.5 billion increase in profit from asset sold reduced by the Php1.33 billion decline in net trading securities and foreign exchange gains.

Total assets grew by 13.6% from Php2.50 trillion as of December 31, 2021 to Php2.84 trillion as of December 31, 2022 primarily due to increases in net loans and receivables across all segments, investment securities, due from other banks, investment properties and property and equipment, partially offset by decreases in due from BSP and other assets.

Total liabilities, increased by 15.6% from Php2.18 trillion as of December 31, 2021 to Php2.52 trillion in 2022 due mainly to increases in deposit liabilities, bills payable and Securities Sold Under Repurchase Agreements, derivative liabilities, manager's checks and demand drafts outstanding, bonds payable and accrued interest and other expenses, partially offset by the decrease in income taxes payable.

Equity attributable to equity holders of the parent company stood at Php318.5 billion as of December 31, 2022 with very minimal movement from previous year, considering the net income reported for the year, reduced by the net effect of cash dividends paid and unrealized losses on FVOCI.

Property Development

Federal Land, Inc.

	In Million Pesos, except for ratios		
	2020	**2021**	**2022**
Real Estate Sales*	6,471.3	7,182.3	5,557.3
Revenues	9,250.9	10,374.9	15,411.9
Net income attributable to equity holders of the parent	623.7	981.9	4,548.4
	2020	**2021**	**2022**
Total assets	109,376.6	113,508.4	123,593.4
Total liabilities	72,431.3	76,268.7	81,775.0
Total equity attributable to equity holders of the parent	36,828.2	37,100.4	41,648.8
Current ratio	2.0x	3.4x	2.1x
Debt to equity ratio	1.3x	1.4x	1.9x

** Includes interest income on real estate sales*

Notes:

(1) Current ratio is the ratio of total current assets divided by total current liabilities.

(2) Debt to equity ratio is the ratio of total loans divided by total equity attributable to equity holders of the parent company

Federal Land's reservation sales amounted to Php18.5 billion in 2022, increasing 74.0% year-on-year on the back of strong luxury segment which posted 114% growth vs. 2021.

Real estate sales and interest income from real estate sales decreased by 22.6% to Php5.6 billion (excluding the joint venture projects). Including the joint venture projects, real estate sales were up 7% to Php10.9 billion in 2022 from Php10.2 billion in 2021. Revenues posted a 48.6% year-on-year growth due to higher income contribution from joint venture projects. Net income attributable to equity holders of the parent grew faster at 363.2% from Php981.9 million in 2021 to Php4.5 billion in 2022 due to higher net earnings of associates and joint ventures and gain on investment in a joint venture.

Total assets of Federal Land ended at Php123.6 billion as of December 31, 2022 from Php113.5 billion as of December 31, 2021 due to the increase in investments in associate and joint venture and higher investment properties.

Automobile Assembly and Importation and Dealership and Financing

Toyota Motor Philippines (TMP)

	In Million Pesos, except for ratios		
	2020	2021	2022
Sales	99,846.77	131,275.23	183,810.16
Gross Profit	13,022.00	14,544.54	16,804.59
Operating Profit	4,545.46	6,640.65	7,418.01
Net income attributable to Parent	3,305.73	6,023.71	5,657.29
	2020	2021	2022
Total Assets	45,058.54	44,936.57	45,342.65
Total Liabilities	35,558.35	32,083.86	32,641.07
Total Equity	9,500.19	12,852.71	12,701.58
Total Liabilities to Equity ratio*	3.7x	2.5x	2.6x

**Total Liabilities to Equity ratio is a measure of the company's financial leverage which is calculated by dividing total liabilities by total equity*

TMP's consolidated sales grew from Php131.3 billion in 2021 to Php183.8 billion in 2022 as wholesale volume increased by 36.6% from 127,539 units to 174,197 units. TMP's retail sales volume also improved by 34.3% from 129,667 units to 174,106 units. Such retail sales volume growth outperformed the industry, which grew by 24.2% from 280,338 units to 348,200 units. As a result, TMP's market share improved from 46.3% in 2021 to 50.0% in 2022.

TMP's sales volume growth was largely driven by the easing of community quarantine restrictions and introduction of new models in 2022 namely, Raize, Veloz, Rav4 HEV, third-generation Avanza, Rush GR, and Lite Ace. The increased appetite of banks for auto loans also contributed to achieving such volume growth year-on-year.

Gross profit margin declined by 2.0% from 11.1% in 2021 to 9.1% in 2022 due to the peso depreciation against the US dollar, as well as rising costs of materials and importation costs. This was cushioned by the management of operating expenses, reducing the differential in operating profit margin by 1.0% from 5.0% in 2021 to 4.0% in 2022.

Consolidated net income attributable to equity holders declined by 5.8% from Php6.0 billion to Php5.7 billion as volume growth was offset by the contraction in margins.

As of December 31, 2022, TMP directly owns six (6) dealer outlets namely Toyota Makati with one (1) branch (Toyota Bicutan), Toyota San Fernando in Pampanga with two (2) branches (Toyota Plaridel, Bulacan and Toyota Tarlac), and Lexus Manila situated in Bonifacio Global City, Taguig City.

Toyota Manila Bay Corporation (TMBC)

	In Million Pesos		
	2020	2021	2022
Net Sales	13,220.4	15,348.1	22,269.7
Gross Profit	1,136.2	1,434.9	2,149.8
Net Income*	24.5	154.9	406.0
	2020	2021	2022
Total Assets	6,519.1	6,056.7	6,534.8
Total Liabilities	4,030.4	3,391.4	3,439.0
Total Equity	2,488.7	2,665.3	3,095.8

**Note: Includes booked commission income from insurance*

Consolidated sales, comprising of vehicle sales, spare parts and maintenance services, increased by 45.1% from Php15.3 billion in 2021 to Php22.3 billion in 2022. The growth was driven by the increases in sales volume and units serviced and improvement in models mix. Retail sales volume grew by 43.6% from 12,455 units to 17,882 units. Such volume growth outpaced TMP's 34.3% retail sales volume growth. As a result, TMBC's penetration rate improved from 9.6% in 2021 to 10.3% in 2022. Moreover, the share of commercial vehicles to total number of units sold increased from 58% to 67% in 2022, hence, contributing further to the sales improvement. TMBC also saw a 20.7% increase in units serviced aftersale from 84,190 units in 2021 to 101,618 units in 2022.

TMBC's consolidated net income grew by 162.1% from Php154.9 million in 2021 to Php406.0 million in 2022 as volume and margins recovered, matched by managed operating expenses.

TMBC currently owns five (5) dealer outlets namely, Toyota Manila Bay, Toyota Abad Santos, Toyota Cubao, and Toyota Marikina, all situated within Metro Manila; and Toyota Dasmariñas in Cavite.

Toyota Financial Services Philippines Corporation (TFSPC)

	In Million Pesos		
	2020	**2021**	**2022**
Gross Interest Income	7,172.8	9,374.9	10,948.3
Net Interest Income	3,261.48	4,832.2	6,003.5
Net Income	130.4	732.6	1,630.4
Finance Receivable-net	93,425.7	110,266.1	122,687.5
	2020	**2021**	**2022**
Total Assets	104,160.1	122,139.4	133,286.9
Total Equity	11,329.0	14,331.6	15,323.6

TFSPC recorded a 16.8% growth in gross interest income from Php9.4 billion in 2021 to Php10.9 billion in 2022, as finance receivables increased by 11.2% from Php110.3 billion to Php122.7 billion on a year-on-year basis. Booking volume declined by 5.8% from 57,830 units in 2021 to 54,470 units in 2022, attributable to the normalized penetration rate from 44.6% in 2021 to 31.3%, as banks became active during the year in providing auto financing.

TFSPC generated a net profit of Php1.6 billion from Php732.6 million in the previous year, arising from higher interest income based on a growing loan base and improved asset quality which resulted in reduced provisions for credit and ROPA losses in 2022.

Sumisho Motor Finance Corporation (SMFC)

	In Million Pesos		
	2020	**2021**	**2022**
Gross Interest Income	1,757.4	1,671.4	1,613.0
Net Interest Income	1,511.6	1,483.7	1,462.3
Net Income	77.2	200.4	383.2
Finance Receivable	6,250.2	5,460.1	6,173.0
	2020	**2021**	**2022**
Total Assets	7,681.7	6,498.4	7,086.3
Total Equity	2,296.2	2,572.0	2,915.2

SMFC recorded a 3.5% decline in gross interest income from Php1.7 billion in 2021 to Php1.6 billion in 2022. Bookings, however, increased by 14% from 37,109 units in 2021 to 42,313 units in 2022.

Net income grew by 91% from Php200.4 million in 2021 to Php383.2 million in 2022 due primarily to lower provisions for credit losses arising from the improvement in overdue levels and reduced provision for income tax.

Life and Non-Life Insurance

Philippine AXA Life Insurance Corporation and Subsidiary (AXA Philippines)

The following are the major performance measures used by AXA Philippines for the period ended 2020, 2021 and 2022.

In Million Pesos, except ratios				
	AXA Philippines			Consolidated
	2020	2021	2022	2022
Gross Premiums	31,602.0	39,346.9	24,956.1	28,231.6
Net income after tax	2,829.9	2,759.7	2,453.4	2,541.1
Net Profit Margin (%)[1]	8.3%	6.5%	8.7%	
Total Assets	146,497.2	170,117.9	151,381.7	157,262.1
Total Liabilities	133,371.5	156,904.5	137,215.1	144,756.8
Total Equity	13,125.7	13,213.3	14,166.6	12,505.2
Solvency ratio[2]	270%	182%	171%	

Notes:

(1) Net profit margin (%) is the ratio of Net profit over Total Revenues.

(2) Solvency ratio is calculated as the insurance company's net worth divided by the Risk-based Capital (RBC) requirement of the Insurance Commission based on Memorandum Circular (IMC) No. 6-2006. Net worth shall include the company's paid-up capital, contributed and contingency surplus, and unassigned surplus.

New business from life insurance expressed in Annualized Premium Equivalent decreased by 37% from Php6.2 billion in 2021 to Php3.9 billion in 2022. This was dragged down by Single Premium and Regular Premium, decreasing by 63.8% and 23.4%, respectively. As a result, premium revenue declined to Php25.0 billion in 2022, 36.6% lower than the previous year. The reported premium revenue mix of life insurance shifted to 31%/69% (Single Premium vs. Regular Premium) in 2022 from 54%/46% in 2021. By distribution platform, bancassurance, sales agency and other channels accounted for 51%, 45% and 4% of premium revenues, respectively.

Gross written premiums of the non-life insurance declined from Php3.4 billion in 2021 to Php3.1 billion in 2022 dragged by motor which was impacted by the change in pricing direction that resulted to lower renewals and property portfolio initiatives.

Consolidated net income stood at Php2.5 billion in 2022, 12.4% higher than the previous year resulting from lower attritional and NatCat losses from the general insurance business, offsetting lower premium income from the life insurance business.

Infrastructure and Utilities

Metro Pacific Investments Corporation (MPIC)

In Million Pesos, except for Percentage			
	2020	2021	2022
Core net income	10,238	12,325	14,188
Net income attributable to equity holders	4,748	10,119	10,495
	2020	2021	2021
Total assets	617,796	584,334	643,796
Total liabilities	373,451	347,469	398,755
Total equity attributable to owners of Parent Company	184,858	193,304	200,088

MPIC reported share in the consolidated operating core income at Php18.9 billion in 2022, a 10% increase from Php17.1 billion in 2021, driven by the following:

- Higher contribution from power generation companies; Core net income contribution of Manila Electric Company (Meralco) to MPIC was Php12.4 billion;
- Improved traffic on all toll roads and toll rate increases; Core net income contribution of Metro Pacific Tollways Corporation (MPTC) to MPIC was Php5.7 billion;
- Partially offset by the increase in operating cost of Water in spite of slight improvement in billed volume and higher effective tariffs and a lower core net loss in rail operations despite an increase in average daily ridership; Core net income contribution of Maynilad Water Services (Maynilad) and core net loss contribution of Light Rail Manila Corporation (LRMC) to MPIC was Php2.7 billion and Php0.3 billion, respectively.

Reported net income attributable to equity holders rose by 4% from Php10.1 billion in 2021 to Php10.5 billion in 2022 due to strong contribution from Power and Toll segments. Excluding non-recurring income or expenses, MPIC reported a core net income of Php14.2 billion in 2022, 15% higher than the same period.

Except for (ii), (iv),(vi) and (vii), the Company does not know of:

(i) Any known trends or any known demands, commitments, events, uncertainties that will result or that are reasonably likely to result in the Company's liquidity increasing or decreasing in any material way;
(ii) Any events that would trigger direct or contingent financial obligation (including contingent obligation) that is material to the Company, including any default or acceleration of an obligation except those disclosed in the notes to the financial statements;
(iii) Any material off balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons created during the reporting period;
(iv) Any material commitments for capital expenditures, their purpose and sources of funds for such expenditures except as discussed below.

The GT Capital Group's 2023 capital expenditures ("CAPEX") budget is presented as follows:

Component Company	In Php Billion	Nature	Funding source
Metrobank	Php 3.0-5.0B	Mainly for IT investments	Internal
Federal Land[1]	4.4	Investments, landbanking, and leasing projects	Internal and Debt
TMP	3.0	New Model Introduction, Specs upgrade, and special projects	Internal
TMBC	0.1	Fixed assets acquisitions, facility improvements, and TSure expansion	Internal
TFS	0.3	Hardware, Software, FFE, Leasehold improvement & Company Cars	Internal and external sources
SMFC	0.1	Software, Computer equipment, Transportation Equipment, Leasehold Rights and Improvement, FFE	Internal and Debt
AXA Philippines	0.3	Computer and IT upgrade, Furniture and Fixtures, Office equipment and Refurbishments	Internal
GTCap-Parent	13.6	Mainly investments/acquisitions	Internal and Debt
Total	**Php24.9 - 26.9B**		

1. Excludes construction of vertical residential buildings and house construction

(v) Any known trends, events or uncertainties that have had or are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations;
(vi) Any significant elements of income or loss that did not arise from the Company's continuing operations except those disclosed in the audited financial statements;
(vii) The causes of any material change from period to period including vertical and horizontal analysis of any material item, the causes of material changes are discussed in the MD & A; and
(viii) Any seasonal aspects that had a material effect on financial condition or results of operation of the Company.

CALENDAR YEAR ENDED DECEMBER 31, 2021 VERSUS YEAR ENDED DECEMBER 31, 2020

GT Capital Consolidated Statements of Income	Audited Year Ended December 31		Increase (Decrease)	
(In Million Pesos, Except for Percentage)	2021	2020	Amount	Percentage
REVENUE				
Automotive operations	150,964	113,975	36,989	32%
Real estate sales and interest income on real estate sales	7,269	9,455	(2,186)	(23%)
Equity in net income of associates and joint venture	11,065	6,355	4,710	74%
Rent income	1,046	1,751	(705)	(40%)
Sale of goods and services	589	457	132	29%
Commission income	288	107	181	169%
Interest income	247	197	50	25%
Other income	3,175	2,123	1,052	50%
	174,643	134,420	40,223	30%
COSTS AND EXPENSES				
Cost of goods and services sold	102,959	76,479	26,480	35%
Cost of goods manufactured and sold	32,111	23,554	8,557	36%
General and administrative expenses	13,455	13,032	423	3%
Interest expense	6,270	6,323	(53)	(1%)
Cost of real estate sales	3,123	4,120	(997)	(24%)
Cost of rental	655	589	66	11%
	158,573	124,097	34,476	28%
INCOME BEFORE INCOME TAXES	16,070	10,323	5,747	56%
PROVISION FOR INCOME TAX	1,821	1,986	(165)	(8%)
NET INCOME	14,249	8,337	5,912	71%
ATTRIBUTABLE TO:				
Equity holders of the Parent Company	10,983	6,546	4,437	68%
Non-controlling interests	3,266	1,791	1,475	82%
	14,249	8,337	5,912	71%

GT Capital Holdings, Inc. ("GT Capital" or the "Parent Company" or the "Company") consolidated net income attributable to equity holders of the Parent Company grew by 68% from Php6.55 billion in 2020 to Php10.98 billion in 2021. The growth was principally due to the 30% increase in consolidated revenues with major increases registered in automotive operations (+32%) and equity in net income of associates and joint ventures (+74%).

Core net income attributable to equity holders of the Parent Company grew by 48% from Php7.44 billion in 2020 to Php10.99 billion in 2021 after adding back Php0.07 billion share in non-recurring expenses incurred by Metro Pacific Investments Corporation (MPIC) and deducting Php0.06 billion amortization of fair value adjustments arising from various business combinations and Core net income attributable to equity holders of the Parent Company amounted to Php7.44 billion in 2020 after adding back the Php0.89 billion non-recurring expenses incurred by MPIC, and amortization of fair value adjustments arising from various business combinations.

The financial statements of Federal Land Inc. ("Federal Land"), Toyota Motor Philippines Corporation ("TMP"), Toyota Manila Bay Corporation ("TMBC") and GT Capital Auto and Mobility Holdings, Inc. ("GTCAM") are consolidated in the financial statements of the Group. The investments in other component companies Metropolitan Bank and Trust Company ("Metrobank"), Philippine AXA Life Insurance Corporation ("AXA Philippines"), Toyota Financial Services Philippines Corporation ("TFSPC"), Metro Pacific Investments Corporation ("MPIC") and Sumisho Motor Finance Corporation ("SMFC") are reported through equity accounting.

Of the nine (9) component companies, only AXA Philippines posted a decline in net income, while Federal Land, TMP, TMBC, GTCAM, Metrobank, MPIC, TFSPC, and SMFC reported growth in their respective net income.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts grew by 32% from Php113.98 billion in 2020 to Php150.96 billion in 2021 due to a 30% increase in wholesale volume from 97,863 units to 127,539 units.

Real estate sales and interest income from real estate sales dropped by 23% from Php9.46 billion to Php7.27 billion due to the Parent Company's sale of lots to third parties in 2020.

Equity in net income of associates and joint ventures increased by 74% from Php6.36 billion in 2020 to Php11.07 billion in 2021 primarily due to significant increases in the net income of the following associates:

(1) Metrobank by 60% from Php13.83 billion to Php22.16 billion due to a 71% decrease in provisions for credit and impairment losses; and
(2) MPIC by 213% from Php4.75 billion to Php10.12 billion for the year ended December 31, 2021 arising from the gain recognized from the sale of Global Business Power and Don Muang Tollways in the first quarter of 2021.

Rent income declined by 40% from Php1.75 billion to Php1.05 billion primarily due to termination of various lease agreements.

Sale of goods and services increased by 29% or Php131.95 million due to higher fuel sales and sales of food franchises arising from the easing of quarantine restrictions.

Commission income increased by Php0.18 billion from Php0.11 billion in 2020 to Php0.29 billion in 2021 due to an increase in booked sales of Federal Land.

Interest income grew by 25% from Php0.20 billion in 2020 to Php0.25 billion in 2021 due to higher time deposit placements in 2021.

Other income grew by 50% or Php1.05 billion mostly due to the tax incentives utilized by TMP from the Comprehensive Automotive Resurgence Strategy (CARS) program.

Consolidated costs and expenses increased by 28% from Php124.10 billion in 2020 to Php158.57 billion in 2021. TMP contributed Php124.89 billion comprising cost of goods sold for manufacturing and trading activities, general and administrative expenses and interest expenses. TMBC contributed Php15.15 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. Federal Land contributed Php9.02 billion consisting of cost of real estate sales, cost of goods and services sold, general and administrative expenses, cost of rental and interest expenses. GT Capital Parent Company contributed Php5.04 billion consisting of cost of real estate sales, interest expenses and general and administrative expenses. GTCAM accounted for the balance of Php4.47 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses.

Cost of goods and services sold grew by 35% from Php76.48 billion to Php102.96 billion relative to the increase in automotive sales.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP increased by Php8.56 billion from Php23.55 billion to Php32.11 billion due to an increase in sales volume of assembled vehicles.

Cost of real estate sales dropped by 24% from Php4.12 billion to Php3.12 billion relative to the decrease in real estate sales.

Cost of rental increased by 11% from Php0.59 billion to Php0.66 billion due to an increase in operating expenses incurred in the leasing business such as taxes and licenses, depreciation, maintenance and other overhead expenses.

Provision for income tax declined by 8% from Php1.99 billion to Php1.82 billion primarily due to lower corporate income tax rate from 30% to 25%.

Net income attributable to non-controlling interest increased by 82% from Php1.79 billion to Php3.27 billion due to a higher in net income of subsidiaries which are not wholly-owned.

Consolidated Statements of Financial Position	Audited December 31		Increase (Decrease)	
(In Million Pesos, Except for Percentage)	2021	2020	Amount	Percentage
ASSETS				
Current Assets				
Cash and cash equivalents	17,404	17,114	290	2%
Financial assets at fair value through profit or loss	8,712	3,709	5,003	135%
Receivables	15,852	18,833	(2,981)	(16%)
Contract assets	6,157	6,183	(26)	(0%)
Inventories	78,817	74,735	4,082	5%
Due from related parties	155	202	(47)	(23%)
Prepayments and other current assets	14,070	12,380	1,690	14%
Total Current Assets	141,167	133,156	8,011	6%
Noncurrent Assets				
Financial assets at fair value through other comprehensive income	16,311	12,740	3,571	28%
Receivables – net of current portion	3,766	7,048	(3,282)	(47%)
Contract asset – net of current portion	7,114	6,852	262	4%
Investment properties	15,646	16,253	(607)	(4%)
Investments and advances	186,187	184,757	1,430	1%
Property and equipment	14,918	11,612	3,306	28%
Goodwill and intangible assets	9,938	9,965	(27)	(0%)
Deferred tax assets	1,174	1,402	(228)	(16%)
Other noncurrent assets	1,573	1,195	378	32%
Total Noncurrent Assets	256,627	251,824	4,803	2%
TOTAL ASSETS	397,794	384,980	12,814	3%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	34,203	29,998	4,205	14%
Contract liabilities – current portion	3,384	4,006	(622)	(16%)
Short-term debt	9,127	28,007	(18,880)	(67%)
Current portion of long-term debt	9,423	5,012	4,411	88%
Current portion of liabilities on purchased properties	304	598	(294)	(49%)
Current portion of bonds payable	–	4,995	(4,995)	(100%)
Customers' deposits	910	506	404	80%
Dividends payable	590	589	1	0%
Due to related parties	193	515	(322)	(63%)
Income tax payable	161	472	(311)	(66%)
Other current liabilities	1,316	843	473	56%
Total Current Liabilities	59,611	75,541	(15,930)	(21%)

	Audited December 31		Increase (Decrease)	
(In Million Pesos, Except for Percentage)	2021	2020	Amount	Percentage
Noncurrent Liabilities				
Long term debt – net of current portion	112,755	95,429	17,326	18%
Bonds payable – net of current portion	10,077	10,065	12	0%
Liabilities on purchased properties - net of current portion	1,658	2,657	(999)	(38%)
Pension liabilities	1,629	1,934	(305)	(16%)
Deferred tax liabilities	3,232	3,225	7	0%
Other noncurrent liabilities	3,753	3,944	(191)	(5%)
Total Noncurrent Liabilities	133,104	117,254	15,850	14%
TOTAL LIABILITIES	192,715	192,795	(80)	(0%)
Equity attributable to equity holders of Parent Company				
Capital stock	3,370	3,370	–	0%
Additional paid-in capital	98,827	98,827	–	0%
Retained earnings				
Unappropriated	88,982	79,234	9,748	12%
Appropriated	400	400	–	0%
Other comprehensive gain (loss)	143	(853)	996	117%
Other equity adjustments	2,322	2,322	–	0%
	194,044	183,300	10,744	6%
Non-controlling interests	11,035	8,885	2,150	24%
TOTAL EQUITY	205,079	192,185	12,894	7%
TOTAL LIABILITIES AND EQUITY	397,794	384,980	12,814	3%

The major changes in GT Capital's consolidated balance sheet from December 31, 2020 to December 31, 2021 are as follows:

Consolidated assets grew by 3% or Php12.81 billion from Php384.98 billion as of December 31, 2020 to Php397.79 billion as of December 31, 2021. Total liabilities decreased by Php0.08 billion from Php192.80 billion to Php192.72 billion while total equity increased by Php12.89 billion from Php192.19 billion to Php205.08 billion.

ASSETS

Financial assets at fair value through profit or loss increased by Php5.00 billion from Php3.71 billion to Php8.71 billion due to additional investments in unit investment trust placement by the Parent Company.

Receivables – current dropped by 16% from Php18.83 billion to Php15.85 billion due to collections during the period.

Inventories increased by 5% or Php4.08 billion from Php74.74 billion to Php78.82 due to higher construction progress of real estate projects.

Due from related parties decreased by 23% billion due to lower management fee billings of Federal Land to its related parties.

Prepayments and other current assets increased from Php12.38 billion to Php14.07 billion comprising of input VAT, advances to contractors and suppliers, creditable withholding taxes, ad valorem taxes, prepaid expenses and other current assets from Federal Land, (Php7.05 billion); TMP, (Php4.12 billion); GT Capital, (Php2.66 billion); TMBC, (Php0.18 billion); and GTCAM, (Php0.06 billion).

Financial assets at fair value through other comprehensive income increased by Php3.57 billion from Php12.74 billion to Php16.31 billion due to marked-to-market gains on investments.

Noncurrent portion of receivables declined by 47% or Php3.28 billion due to the settlement of the long-term receivables of TMP and reclassifications to current portion.

Property and equipment increased by 28% from Php11.61 billion to Php14.92 billion due to land acquisition and improvements of TMP.

Deferred tax assets declined by 16% from Php1.40 billion to Php1.17 billion due to the decline in TMP's deferred tax assets arising from the remeasurement of tax assets from 30% to 25% resulting from the implementation of the CREATE law.

Other noncurrent assets increased by Php0.38 billion from Php1.19 billion to Php1.57 billion due to higher deposits in rental, utilities, guarantee, and construction bonds.

LIABILITIES

Accounts and other payables increased to Php34.20 billion from Php30.00 billion primarily due to inventories purchases of TMP.

Contract liabilities dropped by 16% or Php0.62 billion coming from the increase in percentage of project completion by Federal Land.

Short-term debt decreased by Php18.88 billion from Php28.01 billion to Php9.13 billion due to Php48.90 billion loan payments made during the period, offset by Php30.02 billion new loan availments.

Current portion of long-term debt grew by 88% or Php4.41 billion due to reclassification from noncurrent portion of the of the Parent Company's JPY loans partially due in 2022.

Current portion of liabilities on purchased properties declined by Php0.29 billion from Php0.59 billion to Php0.30 billion due to scheduled payments.

Current portion of bonds payable amounting to Php5.00 billion with maturity date of August 7, 2021 were paid in full.

Customers' deposit increased by 80% from Php0.51 billion to Php0.91 billion with TMBC, TMP, and GTCAM accounting for Php0.44 billion, Php0.42 billion, Php0.05 billion, respectively.

Due to related parties decreased by Php0.32 billion from Php0.51 billion to Php0.19 billion mainly due to Federal Land's related parties.

Income tax payable declined by 66% from Php0.47 billion to Php0.16 billion primarily due to lower corporate income tax rate from 30% to 25%.

Other current liabilities grew by 56% from Php0.84 billion to Php1.32 billion mostly attributable to higher VAT payable. TMP, Federal Land, and TMBC accounting for Php0.71 billion, Php0.44 billion, Php0.08 billion, respectively. GT Capital and GTCAM contributed to the remaining balance of Php0.08 billion.

Non-current portion of long-term debt grew by 18% or Php17.33 billion due to the Php27.72 billion new loan bookings (net of Php0.10 billion deferred financing costs), offset by Php5.32 billion partial loan payments, Php4.57 billion reclassification to current portion of long term debt, and Php0.50 billion foreign exchange gain on the Parent's foreign currency denominated debt.

Non-current portion of liabilities on purchased properties decreased by Php1.00 billion due to the payments made during the year and amortization of deferred financing cost.

Pension liabilities decreased by 16% from Php1.93 billion to Php1.63 billion due to the actuarial changes arising from experience adjustments and arising from changes in financial assumptions, offset by the take up of retirement expenses for the period.

Other noncurrent liabilities dropped by 5% from Php3.94 billion to Php3.75 billion mostly attributable to the decline in deferred VAT payable of the Parent Company.

EQUITY

Unappropriated retained earnings increased by 12% from Php79.23 billion to Php88.98 billion arising from the Php10.98 billion consolidated net income earned attributable to the Parent Company in 2021, net of Php1.23 billion cash dividends paid.

Other comprehensive income amounted to Php142.75 million versus other comprehensive loss of Php853.48 million as of December 31, 2020 due to the marked-to-market gains on financial assets at Fair Value Other Comprehensive Income of the Group.

Non-controlling interest (NCI) increased by 24% from Php8.89 billion to Php11.04 billion mainly due to higher net income of subsidiaries which are not wholly-owned.

CALENDAR YEAR ENDED DECEMBER 31, 2020 VERSUS YEAR ENDED DECEMBER 31, 2019

GT Capital Consolidated Statements of Income	Audited Year Ended December 31		Increase (Decrease)	
(In Million Pesos, Except for Percentage)	2020	2019	Amount	Percentage
CONTINUING OPERATIONS				
REVENUE				
Automotive operations	113,975	192,966	(78,991)	(41%)
Real estate sales and interest income on real estate sales	9,455	9,844	(389)	(4%)
Equity in net income of associates and joint venture	6,355	14,578	(8,223)	(56%)
Rent income	1,751	1,526	225	15%
Sale of goods and services	457	802	(345)	(43%)
Interest income on deposits and investments	197	443	(246)	(56%)
Commission income	107	252	(145)	(58%)
Other income	2,123	2,529	(406)	(16%)
	134,420	222,940	(88,520)	(40%)
COSTS AND EXPENSES				
Cost of goods and services sold	76,479	133,943	(57,464)	(43%)
Cost of goods manufactured and sold	23,554	36,819	(13,265)	(36%)
General and administrative expenses	13,032	13,595	(563)	(4%)
Interest expense	6,323	6,453	(130)	(2%)
Cost of real estate sales	4,120	5,340	(1,220)	(23%)
Cost of rental	589	435	154	35%
	124,097	196,585	(72,488)	(37%)
INCOME BEFORE INCOME TAXES	10,323	26,355	(16,032)	(61%)
PROVISION FOR INCOME TAX	1,986	5,057	(3,071)	(61%)
NET INCOME FROM CONTINUING OPERATIONS	8,337	21,298	(12,961)	(61%)
NET INCOME FROM DISCONTINUED OPERATIONS	–	3,814	(3,814)	(100%)
NET INCOME	8,337	25,112	(16,775)	(67%)
ATTRIBUTABLE TO:				
Equity holders of the Parent Company				
Profit for the year from continuing operations	6,546	16,586	(10,040)	(61%)
Profit for the year from discontinued operations	–	3,723	(3,723)	(100%)
	6,546	20,309	(13,763)	(68%)
Non-controlling interests				
Profit for the year from continuing operations	1,791	4,712	(2,921)	(62%)
Profit for the year from discontinued operations	–	91	(91)	(100%)
	1,791	4,803	(3,012)	(63%)
	8,337	25,112	(16,775)	(67%)

GT Capital Holdings, Inc. (“GT Capital” or the ”Parent Company” or the ”Company”) consolidated net income attributable to equity holders of the Parent Company dropped by 68% from Php20.31 billion in 2019 to Php6.55 billion in 2020. The decline was principally due to the 40% decrease in consolidated revenues with major drops registered in auto sales (-41%) and equity in net income of associates and joint ventures (-56%) arising from the ongoing pandemic conditions.

Core net income attributable to equity holders of the Parent Company declined by 53% from Php15.78 billion in 2019 to Php7.44 billion in 2020 after adding back the Php0.89 billion non-recurring expenses incurred by Metro Pacific Investments Corporation (MPIC), and amortization of fair value adjustments arising from various business combinations. Core net income for 2019 amounted to Php15.78 billion from a reported net income of Php20.31 billion after deducting the Php3.58 billion total income from redemption of investment in Property Company of Friends, Inc. (“PCFI”), and Php1.28 billion share in MPIC's non-recurring gain; and adding back the Php0.33 billion amortization of fair value adjustments arising from business combinations.

The financial statements of Federal Land Inc. ("Federal Land"), Toyota Motor Philippines Corporation ("TMP"), Toyota Manila Bay Corporation ("TMBC") and GT Capital Auto Dealership Holdings, Inc. ("GTCAD") are consolidated in the financial statements of the Group. The investments in other component companies Metropolitan Bank and Trust Company ("Metrobank"), Philippine AXA Life Insurance Corporation ("AXA Philippines"), TFSPC, Metro Pacific Investments Corporation ("MPIC") and Sumisho Motor Finance Corporation ("SMFC") are reported through equity accounting.

Of the nine (9) component companies, only AXA Philippines posted growth in net income, while Federal Land, TMP, TMBC, GTCAD, Metrobank, MPIC, TFSPC, and SMFC reported declines in their respective net income. GTCAD reported a higher net loss of Php10 million in 2020 as compared to the previous year.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts decreased by 41% from Php192.97 billion in 2019 to Php113.98 billion in 2020 due to a 40% drop in wholesale volume from 163,493 units to 97,863 units amid the quarantine restrictions imposed nationwide.

Equity in net income of associates and joint ventures declined by 56% from Php14.58 billion in 2019 to Php6.36 billion in 2020 primarily due to decreases in the net income of the following associates:

(1) Metrobank by 50% from Php28.06 billion to Php13.83 billion due to a significant increase in provisions for credit and impairment losses as a result of proactive measures to better prepare the Bank for risks associated with the pandemic;
(2) MPIC by 80% from Php23.86 billion to Php4.75 billion as the quarantine restrictions reduced toll traffic in both domestic and regional toll roads, suspension and subsequent reduction of ridership capacity in its rail operations and decreased commercial and industrial demand from the power and water businesses; and
(3) TFSPC by 77% from Php0.58 billion to Php0.13 billion due to a significant increase in provisions for credit and impairment losses.

Rent income grew by 15% from Php1.53 billion to Php1.75 billion primarily due to rate escalation and higher newly signed lease spaces against back-outs and termination.

Sale of goods and services declined by 43% or Php0.35 billion to Php457 million due to lower fuel sales and the closure of food franchises amid the community quarantine.

Interest income dropped by 56% from Php0.44 billion in 2019 to Php0.20 billion in 2020 due to lower time deposit placements.

Commission income decreased by Php0.14 billion from Php0.25 billion in 2019 to Php0.11 billion in 2020 due to a decline in booked sales of Federal Land arising also from restrictions in construction and equity payments in compliance with the Bayanihan Act of the government.

Other income declined by Php0.41 billion from Php2.53 billion to Php2.12 billion with: (1) TMP contributing Php0.65 billion consisting of ancillary income, foreign exchange gain and other income; (2) Federal Land contributing Php0.64 billion comprising real estate forfeitures, management fees and other income; (3) GT Capital contributing Php0.44 billion arising from dividend income from its FVOCI investments and gain on sale of FVTPL investments; (4) TMBC contributing Php0.35 billion consisting of ancillary income on finance and insurance commissions and other income. The remaining balance of Php0.04 billion came from GTCAD.

Consolidated costs and expenses decreased by 37% from Php196.59 billion in 2019 to Php124.10 billion in 2020. TMP contributed Php95.79 billion comprising cost of goods sold for manufacturing and trading activities, general and administrative expenses and interest expenses. TMBC contributed Php13.29 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. Federal Land contributed Php8.00 billion consisting of cost of real estate sales, cost of goods and services sold, general and administrative expenses, cost of rental and interest expenses. GT Capital Parent Company contributed Php6.00 billion consisting of cost of real estate sales, interest expenses and general and administrative expenses. GTCAD accounted for the balance of Php1.02 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses.

Cost of goods and services sold dropped by 43% from Php133.94 billion to Php76.48 billion relative to the decline in wholesale volume of completely-built-up (CBU) units from 109,574 to 62,404 units.

Cost of goods manufactured and sold comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP declined by Php13.27 billion from Php36.82 billion to Php23.55 billion due to a decline in wholesale volume of completely-knocked-down (CKD) units from 53,919 to 35,459 units.

Cost of real estate sales dropped by 23% from Php5.34 billion to Php4.12 billion relative to the decrease in real estate sales of Federal Land.

Cost of rental increased by 35% from Php0.44 billion to Php0.59 billion due to an increase in operating expenses incurred in the leasing business such as taxes and licenses, depreciation, maintenance and other overhead expenses.

Provision for income tax declined by 61% from Php5.06 billion to Php1.99 billion due to lower taxable income in 2020 vis-à-vis 2019.

Net income from discontinued operations of Php3.81 billion in 2019 pertain to the gain on redemption of PCFI shares and the income earned by PCFI from January to June 2019.

Net income attributable to non-controlling interest decreased by 63% from Php4.80 billion to Php1.79 billion due to a decline in net income of subsidiaries which are not wholly-owned.

Consolidated Statements of Financial Position	Audited December 31		Increase (Decrease)	
(In Million Pesos, Except for Percentage)	2020	2019	Amount	Percentage
ASSETS				
Current Assets				
Cash and cash equivalents	17,114	12,133	4,981	41%
Financial assets at fair value through profit or loss	3,709	4,698	(989)	(21%)
Receivables	18,833	13,382	5,451	41%
Contract assets	6,183	5,095	1,088	21%
Inventories	74,735	72,189	2,546	4%
Due from related parties	202	209	(7)	(3%)
Prepayments and other current assets	12,380	10,416	1,964	19%
Total Current Assets	133,156	118,122	15,034	13%
Noncurrent Assets				
Receivables – net of current portion	7,048	3,421	3,627	106%
Contract asset – net of current portion	6,852	5,556	1,296	23%
Financial assets at fair value through other comprehensive income	12,740	12,373	367	3%
Investment properties	16,253	15,347	906	6%
Investments and advances	184,757	178,059	6,698	4%
Property and equipment	11,612	13,159	(1,547)	(12%)
Goodwill and intangible assets	9,965	10,040	(75)	(1%)
Deferred tax asset	1,402	1,141	261	23%
Other noncurrent assets	1,195	436	759	174%
Total Noncurrent Assets	251,824	239,532	12,292	5%
TOTAL ASSETS	384,980	357,654	27,326	8%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	29,998	25,234	4,764	19%
Contract liabilities – current portion	4,006	4,553	(547)	(12%)
Short-term debt	28,007	12,890	15,117	117%
Current portion of long-term debt	5,012	4,974	38	1%
Current portion of liabilities on purchased properties	598	432	166	38%
Current portion of bonds payable	4,995	3,899	1,096	28%
Customers' deposits	506	560	(54)	(10%)
Dividends payable	589	589	–	0%
Due to related parties	515	204	311	152%
Income tax payable	472	875	(403)	(46%)
Other current liabilities	843	1,371	(528)	(39%)
Total Current Liabilities	75,541	55,581	19,960	36%

	Audited December 31		Increase (Decrease)	
(In Million Pesos, Except for Percentage)	2020	2019	Amount	Percentage
Noncurrent Liabilities				
Long term debt – net of current portion	95,429	87,149	8,280	10%
Bonds payable – net of current portion	10,065	15,040	(4,975)	(33%)
Liabilities on purchased properties - net of current portion	2,657	3,352	(695)	(21%)
Pension liabilities	1,934	1,222	712	58%
Deferred tax liabilities	3,225	3,138	87	3%
Other noncurrent liabilities	3,944	2,852	1,092	38%
Total Noncurrent Liabilities	117,254	112,753	4,501	4%
TOTAL LIABILITIES	192,795	168,334	24,461	15%
Equity attributable to equity holders of Parent Company				
Capital stock	3,370	3,370	–	0%
Additional paid-in capital	98,827	98,827	–	0%
Retained earnings				
Unappropriated	79,234	74,569	4,665	6%
Appropriated	400	400	–	0%
Other comprehensive loss	(853)	(2,019)	1,166	(58%)
Other equity adjustments	2,322	2,322	–	0%
	183,300	177,469	5,831	3%
Non-controlling interests	8,885	11,851	(2,966)	(25%)
TOTAL EQUITY	192,185	189,320	2,865	2%
TOTAL LIABILITIES AND EQUITY	384,980	357,654	27,326	8%

The major changes in GT Capital's consolidated balance sheet from December 31, 2019 to December 31, 2020 are as follows:

Consolidated assets increased by 8% or Php27.33 billion from Php357.65 billion as of December 31, 2019 to Php384.98 billion as of December 31, 2020. Total liabilities increased by 15% or Php24.46 billion from Php168.33 billion to Php192.80 billion while total equity increased by Php2.87 billion from Php189.32 billion to Php192.19 billion.

Cash and cash equivalents increased by Php4.98 billion from Php12.13 billion to Php17.11 billion with TMP, Federal Land, GT Capital, GTCAD and TMBC accounting for Php6.77 billion, Php5.29 billion, Php3.86 billion, Php0.76 billion, Php0.43 billion, respectively.

Financial assets at fair value through profit or loss (FVTPL) declined by Php0.99 billion from Php4.70 billion to Php3.71 billion due to partial withdrawal of unit investment trust placement by the Parent Company.

Receivables – current increased by 16% from Php13.38 billion to Php15.52 billion with TMP contributing Php10.32 billion consisting of trade and non-trade receivables; Federal Land contributing Php2.33 billion, a majority of which were installment contract receivables, rent receivable and other receivables; TMBC contributing Php1.89 billion comprising of trade and non-trade receivables; GT Capital contributing Php0.86 billion consisting of trade receivable, dividend receivable and other receivables; and GTCAD accounting for the remaining Php0.13 billion representing trade receivables from the sale of automobiles and after-sales maintenance services.

Contract assets-current increased by 21% from Php5.10 billion to Php6.18 billion due to the excess of the progress of work over the right to an amount collectible from the unit buyers of Federal Land.

Prepayments and other current assets grew by 19% from Php10.42 billion to Php12.38 billion comprising of input VAT, advances to contractors and suppliers, creditable withholding taxes, ad valorem taxes, prepaid expenses and other current assets amounting to Php3.58 billion, Php2.63 billion, Php1.57 billion, Php 1.38 billion, Php0.75 billion and Php2.47 billion, respectively.

Non-current receivables increased by Php6.94 billion from Php3.42 billion to Php10.36 billion due to an increase in long-term receivables of GT Capital, Federal Land and TMP.

Non-current contract assets increased by Php1.30 billion from Php5.55 billion to Php6.85 billion due to the excess of the progress of work over the right to an amount collectible from the unit buyers of Federal Land.

Investment properties grew by 6% from Php15.35 billion to Php16.25 billion due to the reclassification from inventories of Federal Land.

Property and equipment declined by 12% or Php1.55 billion due to depreciation and amortization expenses during the period.

Deferred tax assets grew by 23% from Php1.14 billion to Php1.40 billion arising from the recognition of deferred tax from the net operating loss carry over during the period.

Other non-current assets increased from Php0.44 billion to Php1.20 billion comprising long-term deposits, non-current input tax, other non-current assets and retirement assets from Federal Land, (Php1.02 billion); GT Capital, (Php0.09 billion); TMP, (Php0.07 billion); and TMBC, (Php0.02 billion).

LIABILITIES

Accounts and other payables increased by 19% from Php25.23 billion to Php30.00 billion with TMP, Fed Land, TMBC, GT Capital and GTCAD accounting for Php19.49 billion, Php8.25 billion, Php1.78 billion, Php0.36 billion and Php0.12 billion, respectively.

Contract liabilities - current portion decreased by 12% from Php4.55 billion to Php4.01 billion coming from increase in percentage of completion of Federal Land.

Short-term debt increased by Php15.12 billion from Php12.89 billion to Php28.01 billion to the increased working capital requirements of Federal Land and TMP.

Current portion of liabilities on purchased properties increased by Php0.17 billion due to the reclassification from non-current portion of Federal Land.

Current portion of bonds payable increased by Php1.10 billion due to the reclassification from non-current portion of Php4.99 billion bonds due in August 2021, offset by the full settlement of Php3.90 billion bonds due in February 2020.

Customers' deposit declined by 10% from Php0.56 billion to Php0.51 billion with TMBC, TMP, and GTCAD accounting for Php0.25 billion, Php0.24 billion, Php0.01 billion, respectively.

Due to related parties increased by Php0.31 billion from Php0.20 billion to Php0.52 billion due mainly from Federal Land's related parties.

Income tax payable dropped by 46% from Php0.88 billion to Php0.47 billion due to the lower taxable income for 2020.

Other current liabilities declined by Php0.53 billion from Php1.37 billion to Php0.84 billion primarily due to the lower output tax payable arising from lower sales of TMP and Federal Land.

Long term debt – net of current portion increased by Php8.28 billion from Php87.15 billion to Php95.43 billion mainly due to the new availments of Federal Land and the Parent Company to refinance the bonds that matured in February 2020.

Bonds payable – net of current portion dropped by 33% from Php15.04 billion to Php10.07 billion due to reclassification to current portion of bonds due in August 2021 and amortization of deferred financing cost.

Liabilities on purchased properties - net of current portion decreased by Php0.70 billion due to the Php 0.60 billion payments during the year and Php0.17 billion reclassification to current portion, offset by the amortization of deferred financing cost.

Pension liabilities grew by Php0.71 billion from Php1.22 billion to Php1.93 billion due to increased retirement benefit obligation of TMP and Federal Land.

Other noncurrent liabilities grew by 38% or Php1.09 billion from Php2.85 billion to Php3.94 billion mainly due to the deferred output VAT on installment sale of lots by the Parent Company.

EQUITY

Unappropriated retained earnings increased by Php4.67 billion from Php74.57 billion to Php79.23 billion mainly due to the Php6.55 billion consolidated net income earned attributable to the Parent Company in 2020, net of Php1.88 billion cash dividends declared.

Other comprehensive loss improved by Php1.17 billion from Php2.02 billion to Php0.85 billion primarily due to the mark-to-market gain on financial assets at FVOCI of the Group.

Non-controlling interest (NCI) decreased by 25% from Php11.85 billion to Php8.88 billion largely due to the declaration of cash dividends by subsidiaries which are not wholly-owned.

LIQUIDITY AND CAPITAL RESOURCES

In 2020, 2021 and 2022, GT Capital's principal source of liquidity came from cash dividends received from the investee companies, interest received and availment of loans. As of December 31, 2022, GT Capital's cash and cash equivalents reached Php24.01 billion.

The following table sets forth selected information from GT Capital's statement of cash flows for the periods indicated.

	In Million Pesos		
	2020	**2021**	**2022**
Net cash provided by (used in) operating activities	(11,155)	10,227	2,833
Net cash used in investing activities	(4,037)	(6,622)	(4,152)
Net cash provided by (used in) financing activities	20,021	(3,237)	8,686
Effects of exchange rate changes on cash and cash equivalents	152	(78)	(766)
Net increase (decrease) in cash and cash equivalents	4,981	290	6,601
Cash and cash equivalents at the beginning of the period	12,133	17,114	17,404
Cash and cash equivalents of continuing operations at end of the period	17,114	17,404	24,005

Cash flows from operating activities

Net cash used in operating activities amounted to Php11.15 billion in 2020, while the net cash provided by operating activities in 2021 and 2022 amounted to Php10.23 billion and Php2.83 billion, respectively. In 2020, operating cash amounting to Php10.73 billion was used to increase inventories by Php3.41 billion, prepayments and other current assets by Php1.96 billion and pay dividends, income taxes and interest amounting to Php6.49 billion, Php2.21 billion and Php6.33 billion, respectively. In 2021, cash generated from operations, dividend, and interest received amounting to Php11.77 billion, Php8.21 billion, and Php1.65 billion, respectively, were used to pay interest, dividends and income taxes amounting to Php6.00 billion, Php2.99 billion, and Php2.32 billion, respectively. In 2022, cash generated from operations, dividend, and interest received amounting to Php10.59 billion, Php6.35 billion, and Php0.28 billion, respectively, were used to pay interest, dividends and income taxes amounting to Php7.57 billion, Php4.38 billion, and Php2.32 billion, respectively.

Cash flows used in investing activities

Net cash used in investing activities amounted to Php4.04 billion, Php6.62 billion and Php4.15 billion in 2020, 2021 and 2022, respectively. In 2020, cash flows used in investing activities went to increase investment in associates and a joint venture by Php2.10 billion and property and equipment by Php0.87 billion. In 2021, cash flows used in investing activities went to the acquisition of additional property and equipment by Php5.16 billion and increase investments in joint ventures by Php 1.01 billion. In 2022, cash flows used in investing activities mainly went to the acquisition of additional investment property by Php1.23 billion and increase noncurrent assets by Php1.74 billion.

Cash flows from financing activities

Net cash provided by financing activities amounted to Php20.02 billion and Php8.69 billion in 2020 and 2022, respectively, while the net cash used in financing activities in 2021 amounted to Php3.24 billion. In 2020, cash flows from financing activities came from Php67.80 billion in new loans which were used to partially settle Php44.43 billion in outstanding loans and Php3.90 billion bonds payable. In 2021, the cash flows from financing activities that came from the proceeds from loan availments amounting to Php57.65 billion were used to refinance other loans amounting to Php54.38 billion, and settle bonds payable amounting to Php5.00 billion and partially settle liabilities on purchased properties amounting to Php1.29 billion. In 2022, cash flows from financing activities came from Php52.13 billion in new loans which were used to partially settle Php42.68 billion in outstanding loans.

A.iv Brief Description of the General Nature and Scope of the Corporation's Business and Its Subsidiaries

Item 1. **Business**

GT Capital Holdings, Inc. (GT Capital or the Company or the Parent Company or the Group) was incorporated in the Republic of the Philippines on July 26, 2007. The Company's registered office address and principal place of business is at 43/F GT Tower International, 6813 Ayala Avenue corner H. V. del a Costa St., Makati City, Metro Manila, Philippines. GT Capital is a listed company, with 56.26% of its common shares owned by Grand Titan Capital Holdings, Inc. (Grand Titan) and the directors and senior officers of GT Capital, while the balance of its common shares is 43.74% publicly owned as of December 31, 2022.

GT Capital is a major Philippine conglomerate with interests in market-leading businesses across banking, automotive assembly, importation, distribution and financing, property development, life and non-life insurance, and infrastructure and utilities. GT Capital is the primary vehicle for the holding and management of the diversified business interests of the Ty family in the Philippines. GT Capital's business management, investment decisions and future business development are and will be firmly rooted in its corporate values of integrity, competence, respect, entrepreneurial spirit and commitment to value creation.

As a testament to its market position, GT Capital was listed on the Philippine Stock Exchange (PSE) in April 2012, included in the PSE Index in September 2013, in the Financial Times Stock Exchange (FTSE) All-World Index in March 2014, and in the Morgan Stanley Capital International (MSCI) Philippine Index in May 2015.

GT Capital's portfolio of businesses is well-positioned to benefit from broad-based growth in the Philippine economy and domestic consumption in particular. The portfolio as of December 31, 2022 comprises directly-held interests in the following GT Capital component companies:

- **Automotive Assembly, Importation, Distribution, Dealership and Financing** – GT Capital primarily conducts its automotive business through its 51.0% interest in Toyota Motor Philippines Corporation (TMP). TMP is engaged in the assembly, importation, and wholesale distribution of Toyota motor vehicles in the Philippines, and is also engaged in the sale of motor vehicle parts and accessories both within the Philippines and abroad through exports. TMP is also engaged in the distribution of Lexus brand motor vehicles in the Philippines. In addition, TMP owns Toyota Makati with one (1) branch – Toyota Bicutan; Toyota San Fernando in Pampanga with two (2) branches – in Plaridel, Bulacan and Hacienda Luisita, Tarlac City; and Lexus Manila, situated in Bonifacio Global City, Taguig.

  GT Capital conducts its automotive dealership business through its 58.10% interest in Toyota Manila Bay Corporation (TMBC). TMBC exclusively distributes Toyota motor vehicles in the Luzon island, primarily servicing the market in Metro Manila. They also offer original Toyota brand motor vehicle parts and accessories, and provide after-sales services to Toyota vehicles.

  GT Capital provides financing for the acquisition of Toyota motor vehicles through its 40.00% interest in Toyota Financial Services Philippines Corporation (TFSPH). TFSPH offers retail loans, finance lease and full service operating lease to its individual and corporate clients for the acquisition of brand-new and/or certified pre-owned Toyota vehicles. In October 19, 2021, TFSPH launched myTOYOTA Wallet, a digital payment app that brings together a range of payment options in a single platform connected to the entire Toyota ecosystem.

  On June 13, 2016, SEC approved the incorporation of GT Capital Auto and Mobility Holdings, Inc. (GTCAM), formerly GT Capital Auto Dealership Holdings, Inc. (GTCAD). GTCAM is a holding entity primarily for future auto dealerships of the Company. On July 14, 2016, SEC approved the incorporation of Toyota Subic, Inc. (TSB), a joint venture between GTCAM and JBT Global Holdings Inc. (JBT Global), with GTCAM owning 55% and JBT Global owning 45% of TSB's issued and outstanding capital stock. TSB commenced commercial operations on November 8, 2018. On December 29, 2020, GTCAM and Toyota Corolla Sapporo Philippines Holdings, Inc. (TCSPHI) entered into a share sale and purchase agreement to purchase Toyota Sta. Rosa Laguna, Inc. (TSR) from TMP with 60% of TSR transferred to GTCAM and 40% transferred to TCSPHI. GTCAM also has businesses in the pre-owned vehicle sector through its 56% interest in JBA Philippines, Inc. and 70% interest in Premium Warranty Services Philippines, Inc.

- **Banking** – GT Capital conducts banking services through its 37.15% interest in Metropolitan Bank & Trust company (MBT or Metrobank). MBT is a universal bank that provides, through itself and other members of the MBT Group, a full range of banking and other financial products and services including corporate, commercial and consumer banking products and services as well as credit card, investment banking and trust services. Metrobank has been listed on the Philippine Stock Exchange since 1981. As of December 31, 2022, the MBT Group had a total of 947 branches in the Philippines, operated by MBT and Philippine Savings Bank (PSBank); and over 2,300 automated teller machines (ATMs).

- **Property Development** – GT Capital engages in property development business through its wholly-owned subsidiary, Federal Land, Inc. (Federal Land). Federal Land primarily focuses on the development of high-rise, vertical residential condominium projects, as well as on master-planned communities that offer residential, retail, office and commercial space. It caters mainly to the upper mid-end market segment with projects in key, strategic urban communities.

- **Life and Non-Life Insurance** – GT Capital conducts its life and non-life insurance business through its 25.3% interest in Philippine AXA Life Insurance Corporation (AXA Philippines), which offers personal and group insurance products in the country, including investment-linked insurance products. AXA Philippines also offers non-life insurance products in the Philippines that include fire/property, marine, motor car, personal accident, other casualty, and engineering insurance, among others. AXA Philippines distributes its products through a multi-channel distribution network comprised of agents, bancassurance (through MBT and PSBank branches), and corporate solutions.

- **Infrastructure and Utilities –** GT Capital, through its 17.1% stake in Metro Pacific Investments Corporation (MPIC), the Philippines' largest infrastructure conglomerate, has exposure in high-growth infrastructure businesses such as toll roads, water, power, railways, healthcare, logistics, and agriculture. Among MPIC's portfolio is Manila Electric Company (MERALCO), the country's largest power distribution utility; Global Business Power Corporation (GBPC), one of the largest power generation companies in the Visayas Region; Maynilad Water Services, Inc., which manages Metro Manila's widest water distribution network; and Metro Pacific Tollways Corporation, operator of the country's largest toll road network.

- **Motorcycle Financing** – GT Capital, through its 20.0% stake in Sumisho Motor Finance Corporation (SMFC), which offers end-user financing for Japanese motorcycle brands. SMFC is a joint venture among GT Capital, PSBank, and Sumitomo Corporation of Japan. Sumisho provides a total financing package that hopes to deliver simple, convenient and hassle-free motorcycle ownership for its clients.

A.v Corporation's Directors and Executive Officers

Please refer to Item 5 of the Information Statement for the discussion on the identity of each of the Corporation's directors and executive officers including their principal occupation or employment, name, and principal business of any organization by which such persons are employed.

A.vi Market Price, Shareholder and Dividend Information

Market Information

The Company's common shares have been listed and traded at the Philippine Stock Exchange since April 20, 2012. The high and low sales prices for each period within the last two calendar years are as follows:

In Php	High	Low
	2021	
1st Quarter (Jan 1 to Mar 31)	595	506
2nd Quarter (Apr 1 to June 30)	628.5	501
3rd Quarter (July 1 to Sept 30)	629.5	510
4th Quarter (Oct 1 to Dec 31)	620	519
	2022	
1st Quarter (Jan 1 to Mar 31)	595.5	500
2nd Quarter (Apr 1 to June 30)	537	462

3rd Quarter (July 1 to Sept 30)	530	415.6
4th Quarter (Oct 1 to Dec 31)	470	380
2023		
1st Quarter (Jan 1 to Mar 8)	550	431

Source: Philippine Stock Exchange

As of March 8, 2023, the closing price of the Company's common shares of stock is Php517.00 per share.

Shareholder and Dividend Information

The top 20 stockholders of the Corporation's Common Shares as of December 31, 2022 are as follows:

	NAME OF STOCKHOLDER	NO OF SHARES *	RATIO (%) TO TOTAL AMOUNT SUBSCRIBED
1.	Grand Titan Capital Holdings, Inc.	120,413,658	55.932%
2.	PCD Nominee Corp. (Filipino)	58,942,009	27.378%
3.	PCD Nominee Corp. (Non-Filipino)	34,925,404	16.222%
4.	Ty Siao Kian	223,560	0.104%
5.	La Filipina Uy Gongco Corporation	147,190	0.068%
6	Ty, Arthur Vy	111,780	0.052%
	Ty, Alfred Vy	111,780	0.052%
7.	Ty, Mary Vy	110,662	0.051%
8.	Enrile, William T. or Nelly R. Enrile or Edwin R. Enrile or William R. Enrile	100,000	0.046%
9.	Bloomingdale Enterprises, Inc.	42,261	0.019%
10.	Po, Tiong King C.	31,000	0.014%
11.	De Castro, Salud D.	21,603	0.010%
12.	United Life Assurance Corporation	11,178	0.005%
13.	Chua, Josephine Ty	10,371	0.004%
14.	Chusuey, Henry O.	10,000	0.004%
15.	Chan, Asuncion C.	6,707	0.003%
16.	Gabaldon, William T.	5,000	0.002%
17.	Choi, Anita C.	4,471	0.002%
18.	Mar, Peter or Annabelle C. Mar	3,353	0.002%
19.	Yadan, Omry	2,540	0.001%
20.	Baguyo, Dennis G.	2,515	0.001%

* Fully subscribed and paid up

As of December 31,2022, the Corporation had approximately 90 stockholders of record for its common shares, including PCD Nominee Corporation (Filipino) and PCD Nominee Corporation (Non-Filipino).

As a policy, the Corporation has a target annual dividend payout of Php3.00 per share, payable out of its unrestricted retained earnings. Such declaration will take into consideration factors such as restrictions that may be imposed by current and prospective financial covenants; projected levels of operating results, working capital needs and long-term capital expenditures; and regulatory requirements on dividend payments, among others.

In 2021 and 2022, the Corporation paid cash dividends to its stockholders as follows:

Year	Common stock	Total	Voting Preferred Stock	Total	Record Date	Payment Date
2021	Php3.00 per share (regular)	Php645.8 million	3.77%PDST-r2 3Y rate as of April 13, 2015 (regular)	Php657,111.0 (regular)	April 7, 2021	April 21, 2021
2022	Php3.00 per share (regular)	Php645.9 million (regular)	3.77% PDST-R2 3Y rate as of April 13, 2015 (regular)	Php657,111.0 (regular)	April 8, 2022	April 22, 2022

On March 20, 2023, the Board of Directors of the Company approved the declaration of cash dividends for common and voting preferred stockholders as follows. There are no restrictions limiting payment of dividends on common shares. Cash dividends for common and voting preferred stockholders are as follows:

Year	Common stock	Total	Voting Preferred Stock	Total	Record Date	Payment Date
2023	Php3.00 per share (regular)	Php645.9 million (regular)	3.77% PDST-R2 3Y rate as of April 13, 2015 (regular)	Php657,111.0 (regular)	April 3, 2023	April 19, 2023

A.vii Recent Sale of Unregistered or Exempt Securities

There has been no sale of unregistered or exempt securities in the past three (3) years.

A.viii Legal Proceedings

There are no material pending legal proceedings to which the Corporation or any of its subsidiaries or affiliates is a party or of which any of their property is the subject.

A.ix. Corporate Governance

The Corporation adopted its Manual on Corporate Governance (the Governance Manual) on December 2, 2011. It was last amended on May 8, 2019. The policy of corporate governance is based on the Governance Manual. The Governance Manual lays down the principles of good corporate governance in the entire organization.

The Governance Manual provides that it is the Board's responsibility to initiate compliance with the principles of good corporate governance, to foster long-term success and to secure the Corporation's sustained competitiveness in a manner consistent with its fiduciary responsibility.

The Corporation's By-Laws and Governance Manual provide that the Board shall have at least three (3) independent directors or such number as to constitute at least one-third (1/3) of the members of the board, whichever is higher. The Corporation espouses the definition of independence pursuant to the Securities Regulation Code. The Corporation considers as an independent director one who, except for his director's fees and shareholdings, is independent of management and free from any business or other relationship which, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as an independent director of GT Capital.

The Governance Manual embodies the Corporation's policies on disclosure and transparency, and mandates the conduct of communication and training programs on corporate governance. The Governance Manual further provides for the rights of all shareholders and the protection of the interests of minority stockholders. Commission of any violation of the Governance Manual is punishable by a penalty ranging from reprimand to dismissal, depending on the frequency of commission as well as the gravity thereof.

The Board has constituted six (6) committees to effectively oversee the Corporation's operations: (i) the Executive Committee (ii) the Audit Committee; (iii) the Nominations Committee; (iv) the Compensation Committee; (v) the Corporate Governance Committee and Related Party Transactions Committee; and (vi) the Risk Oversight Committee. There have been no deviations from the Corporation's Governance Manual as of this date.

Board Attendance

In 2022, the Board held a total of five (5) meetings. The Board meeting attendance is at 100%, as follows:

Name	Position	No. of Meetings Attended
Francisco C. Sebastian	Chairman	5/5 (100%)
Alfred Vy Ty	Vice Chairman	5/5 (100%)
Arthur Vy Ty	Director	5/5 (100%)
Carmelo Maria Luza Bautista	President and Director	5/5 (100%)
Renato C. Valencia	Lead Independent Director	5/5 (100%)
Rene J. Buenaventura	Independent Director	4/5 (80%)
Consuelo D. Garcia	Independent Director	5/5 (100%)
Gil B. Genio*	Independent Director	4/4 (100%)
David T. Go	Director	5/5 (100%)
Regis V. Puno	Director	5/5 (100%)
Pascual M. Garcia III	Director	5/5 (100%)

*Elected on May 11, 2022

All directors attended the Annual Stockholders' Meeting of the Corporation held on May 11, 2022.

Committee Attendance

The attendance of the directors in their respective committee meetings is as follows:

1. Executive Committee

Member	Position Held in Committee	Meetings Attended
Francisco C. Sebastian	Chairman	23/24
Alfred Vy Ty	Vice Chairman	21/24
Arthur Vy Ty	Member	23/24
Carmelo Maria Luza Bautista	Member	24/24
Mary Vy Ty	Adviser	23/24
Solomon S. Cua	Adviser	24/24

2. Nominations Committee

Member	Position Held in Committee	Meetings Attended
Renato C. Valencia	Chairman	3/3
Rene J. Buenaventura	Member	3/3
Gil B. Genio*	Member	1/1
Carmelo Maria Luza Bautista	Adviser	3/3

*Elected on May 11, 2022

3. Audit Committee

Member	Position Held in Committee	Meetings Attended
Gil B. Genio*	Chairman	2/2
Renato C. Valencia	Member	4/4
Rene J. Buenaventura	Member	4/4
Regis V. Puno	Member	4/4

*Elected on May 11, 2022

4. Risk Oversight Committee

Member	Position Held in Committee	Meetings Attended
Rene J. Buenaventura	Chairman	4/4

Renato C. Valencia	Member	4/4
Consuelo D. Garcia	Member	4/4
Gil B. Genio*	Member	3/3
David T. Go	Member	4/4

*Elected on May 11, 2022

5. Corporate Governance and Related Party Transactions Committee

Member	Position Held in Committee	Meetings Attended
Renato C. Valencia	Chairman	3/3
Rene J. Buenaventura	Member	3/3
Gil B. Genio*	Member	2/2
Anjanette Ty Dy Buncio	Adviser	3/3

*Elected on May 11, 2022

6. Compensation Committee

Member	Position Held in Committee	Meetings Attended
Renato C. Valencia	Chairman	1/1
Rene J. Buenaventura	Member	1/1
Alfred V. Ty	Member	1/1

Corporate Governance Training Attendance

In 2022, the directors of the Corporation attended the following trainings on corporate governance:

Name of Director	Title of Training	Training Provider	Date of Training
Francisco C. Sebastian	Annual Corporate Governance Training	Institute of Corporate Directors	August 31, 2022
Alfred Vy Ty	Annual Corporate Governance Training	Institute of Corporate Directors	August 31, 2022
Arthur Vy Ty	Annual Corporate Governance Training	Institute of Corporate Directors	August 31, 2022
Carmelo Maria Luza Bautista	Annual Corporate Governance Training	Institute of Corporate Directors	August 31, 2022
Renato C. Valencia	Annual Corporate Governance Training	Institute of Corporate Directors	August 31, 2022
Rene J. Buenaventura	Annual Corporate Governance Training	Institute of Corporate Directors	August 31, 2022
Consuelo D. Garcia	Annual Corporate Governance Training	Institute of Corporate Directors	August 31, 2022
Gil B. Genio	Annual Corporate Governance Training	Institute of Corporate Directors	August 31, 2022
David T. Go	Annual Corporate Governance Training	Institute of Corporate Directors	August 31, 2022
Pascual M. Garcia III	Annual Corporate Governance Training	Institute of Corporate Directors	August 31, 2022

A.x Undertaking to provide without charge a copy of the Corporation’s Annual Report

The Corporation will provide without charge a copy of the Corporation’s Annual Report on SEC Form 17-A to its stockholders upon receipt of a written request addressed to Mr. Francisco H. Suarez, Jr., Executive Vice President and Chief Financial Officer at 43rd Floor, GT Tower International, Ayala Avenue corner H.V. de la Costa St., 1227 Makati City, Metro Manila, Philippines.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **RENATO C. VALENCIA,** Filipino, of legal age and a resident of 331 Ma. Cristina Road, Ayala Alabang Village, Muntinlupa City, Philippines, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **GT CAPITAL HOLDINGS, INC.** and have been independent director since May 10, 2017. Prior to that, I was first elected as independent director on February 14, 2012 and served as independent director until May 14, 2013.

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
i-People, Inc.	Chairman	2005 to Feb, 2023
	Director	2003 to Present
EEI Corporation	Independent Director	2015 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **GT CAPITAL HOLDINGS, INC.**, as provided for in Section 38 of the Securities Regulation Code ("SRC"), its implementing Rules and Regulations and other issuances by the Securities and Exchange Commission ("SEC").

4. I am not related to any director/officer/substantial shareholder of **GT CAPITAL HOLDINGS, INC.** and its subsidiaries and affiliates other than the relation provided under Rule 38.2.3 of the SRC.

5. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its Implementing Rules and Regulations, the Code of Corporate Governance, and other SEC issuances.

7. I shall inform the corporate secretary of GT Capital Holdings, Inc. of any changes in the abovementioned information within (5) days from its occurrence.

Done, this MAR 23 2023 day of March 2023, at Makati City.

[redacted]

RENATO C. VALENCIA
Affiant

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI)S.S.

SUBSCRIBED AND SWORN to before me this MAR 2 3 2023, affiant exhibiting to me his Passport No. [redacted] issued on [redacted] at [redacted].

Doc No. 36;
Page No. 9;
Book No. 57;
Series of 2023.

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
[redacted]

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **RENE J. BUENAVENTURA,** Filipino, of legal age and a resident of 45 Cabildo Street, Urdaneta Village, Makati, after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **GT CAPITAL HOLDINGS, INC.** and have been independent director since May 9, 2018;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Equitable Foundation, Inc.	Trustee	2002 to Present
Equicom Manila Holdings, Inc.	Vice Chairman	2006 to Present
Gramercy Holdings Corporation	President	2006 to Present
Canyon Crest Holdings Corp.	President	2006 to Present
Equicom Inc.	Director	2007 to Present
Equicom Information Technology, Inc.	Director	2007 to Present
Cliveden Management Corp.	President	2007 to Present
Maxicare Health Corporation	Director	2007 to Present
Pin-An Holdings Corporation	Director	2007 to Present
GO KIM PAH Foundation, Inc.	Trustee	2007 to Present
ALGO Leasing and Finance, Inc.	Vice Chairman	2008 to Present
Equicom Savings Bank	Vice Chairman	2008 to Present
UBS Investment Philippines, Inc.	Independent Director	2010 to Present
Hengrave Holdings Corporation	Director and President	2013 to Present
Steel Asia Manufacturing Corporation	Director	2016 to Present
Steel Asia Development and Management Corp.	Director	2016 to Present
Candelaria Steel	Director	2016 to Present
Consumer CreditScore Philippines, Inc.	Chairman	2016 to Present
Lorenzo Shipping Corporation	Independent Director	2017 to Present
DDMP REIT, Inc.	Independent Director	2020 to Present
DDMP REIT Fund Managers, Inc.	Independent Director and Chairman	2020 to Present
DDMP REIT Property Managers, Inc.	Independent Director and Chairman	2020 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **GT CAPITAL HOLDINGS, INC.**, as provided for in Section 38 of the Securities Regulation Code ("SRC"), its implementing Rules and Regulations and other issuances by the Securities and Exchange Commission ("SEC").

4. I am **not** related to any director/officer/substantial shareholder of **GT CAPITAL HOLDINGS, INC.** and its subsidiaries and affiliates other than the relation provided under Rule 38.2.3 of the SRC.

5. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its Implementing Rules and Regulations, the Code of Corporate Governance, and other SEC issuances.

7. I shall inform the corporate secretary of GT Capital Holdings, Inc. of any changes in the abovementioned information within (5) days from its occurrence.

Done, this MAR 2 3 2023 day of March 2023, at Makati City.

[redacted]

RENE J. BUENAVENTURA
Affiant

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI)S.S.

SUBSCRIBED AND SWORN to before me this MAR 2 3 2023, affiant exhibiting to me his Passport No. [redacted] issued on [redacted]

Doc No. 37;
Page No. 9;
Book No. 57;
Series of 2023.

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
[redacted]

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **CONSUELO D. GARCIA,** Filipino, of legal age and a resident of No. 2 Poinsettia St., Tahanan Village, Paranaque City, after having duly sworn to in accordance with the law do hereby declare that:

1. I am a nominee for independent director of **GT CAPITAL HOLDINGS, INC.** and have been independent director since May 17, 2021;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
ACEN CORPORATION (formerly AC Energy Corporation)	Independent Director	September 2019 to Present*
The Philippine Stock Exchange, Inc.	Independent Director	November 2020 to Present
Sun Life Investment and Trust Corporation	Independent Director	September 2020 to Present
Far Eastern University, Incorporated	Independent Director	October 2021 to Present
Financial Executives Institute of the Philippines ("FINEX")	Member, Board of Directors; Liason Director, FINEX Capital Markets Development Committee, and Information, Communication and Technology Committee (2021)	January 2020 to Present
FINEX Academy, Inc.	Member, Board of Trustees	January 2023 to Present
ING Foundation Philippines, Inc.	Independent Director and Member, Board of Trustee	February 2020 to Present
Institute of Corporate Directors	Fellow	April 2020 to Present
Filipina CEO Circle	Member	2017 to Present
Murrayhill Realty and Development Corporation	Director	October 2020 to Present

*Up to April 23, 2023

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GT Capital Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code ("SRC") and its implementing Rules and Regulations and other issuances by the Securities and Exchange Commission ("SEC").

4. I am not related to any director / officer / substantial shareholder of GT Capital Holdings, Inc. and its subsidiaries and affiliates other than the relation provided under Rule 38.2.3 of the SRC.

5. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its implementing Rules and Regulations, the Code of Corporate Governance, and other issuances by the SEC.

7. I shall inform the corporate secretary of GT Capital Holdings, Inc. of any changes in the abovementioned information within (5) days from its occurrence.

Done, this MAR 2 3 2023 day of March 2023, at Makati City.

[redacted]

CONSUELO D. GARCIA
Affiant

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI)S.S.

SUBSCRIBED AND SWORN to before me this MAR 2 3 2023, affiant exhibiting to me her Driver's License No. [redacted] issued by Land Transportation Office on [redacted]

Doc No. 38;
Page No. 9;
Book No. 57;
Series of 2023.

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
[redacted]

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **GIL B. GENIO,** Filipino, of legal age and a resident of 110 Ilang-Ilang, Ayala Alabang Village, Muntinlupa City after having been duly sworn to in accordance with law do hereby declare that:

1. I am a nominee for independent director of **GT CAPITAL HOLDINGS, INC**. and have been independent director since May 11, 2022;

2. I am affiliated with the following companies or organizations (including Government-Owned and Controlled Corporations):

Company/Organization	Position/Relationship	Period of Service
Institute of Corporate Directors	Member/Fellow	February 2022 to Present
Management Association of the Philippines (MAP)	Member	2022 to Present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **GT CAPITAL HOLDINGS, INC.**, as provided for in Section 38 of the Securities Regulation Code ("SRC"), its implementing Rules and Regulations and other issuances by the Securities and Exchange Commission ("SEC") issuances.

4. I am **not** related to any director/officer/substantial shareholder of **GT CAPITAL HOLDINGS, INC.** and its subsidiaries and affiliates other than the relation provided under Rule 38.2.3 of the SRC.

5. To the best of my knowledge, I am not subject of any pending criminal or administrative investigation or proceeding.

6. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the SRC and its Implementing Rules and Regulations, the Code of Corporate Governance and other SEC issuances.

7. I shall inform the Corporate Secretary of GT Capital Holdings, Inc. of any changes in the abovementioned information within (5) days from its occurrence.

Done, this MAR 2 3 2023 day of March 2023, at Makati City.

[redacted]

GIL B. GENIO
Affiant

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

SUBSCRIBED AND SWORN to before me this MAR 2 3 2023, affiant exhibiting to me his Driver's License ID No. [redacted] which will expire on [redacted]

Doc No. 39;
Page No. 9;
Book No. 57;
Series of 2023.

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
[redacted]

GT CAPITAL
HOLDINGS, INCORPORATED

March 23, 2023

SECURITIES AND EXCHANGE COMMISSION
7907 Makati Avenue, Salcedo Village
Bel-Air, Makati City, 1209

Attention: Vicente Graciano P. Felizmenio, Jr.
Director, Markets and Securities Regulation Department

Dear Director Felizmenio,

This is to certify that the best of our knowledge, none of the directors or officers of GT Capital Holdings, Inc. mentioned in its Preliminary Information Statement for the Annual Stockholders' Meeting on May 10, 2023 holds any position or is connected with any Philippine government agency or instrumentality.

Very truly yours,

[redacted]

RENEE LYNN MICIANO-ATIENZA
VP/Head, Legal and Compliance Department

GT CAPITAL
HOLDINGS, INCORPORATED

**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, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, 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.

Signature: [redacted]
Francisco C. Sebastian, Chairman of the Board

Signature: [redacted]
Carmelo Maria L. Bautista, President

Signature: [redacted]
Francisco H. Suarez, Jr., Chief Financial Officer

March 20, 2023

43rd Floor, GT Tower International, 6813 Ayala Avenue corner H.V. Dela Costa Street, 1227 Makati City, Philippines
Tel: +632 836-4500 • Fax: +632 836-4159 • E-mail: gtcap@gtcapital.com.ph

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

SUBSCRIBED AND SWORN to before me on MAR 2 1 2023, affiants exhibiting to me their respective Tax Identification Numbers, as follows:

Francisco C. Sebastian [redacted]
Carmelo Maria L. Bautista
Francisco H. Suarez, Jr.

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
[redacted]

Doc. No. 30
Page No. 7
Book No. 57
Series of 2023

C O V E R   S H E E T
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	7	1	1	7	9	2

C O M P A N Y   N A M E

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

43rd Floor, GT Tower International, Ayala Avenue corner H.V. Dela Costa St., Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS		

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
gtcap@gtcapital.com.ph	8836-4500	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
91	2nd Wednesday of May	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Francisco H. Suarez, Jr.	francis.suarez@gtcapital.com.ph	8836-4500	

CONTACT PERSON's ADDRESS

43rd Floor, GT Tower International, Ayala Avenue corner H.V. Dela Costa St., Makati City

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

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, 2022 and 2021, 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, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements as at December 31, 2022 and 2021, and for each of the three years in the period ended December 31, 2022 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) as described in Note 2 to the consolidated financial statements.

Basis for Opinion

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs as issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs, which are applicable to the Group's Real Estate Segment, specifically under Federal Land Group, on the 2022 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

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Building a better working world

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Impairment Testing of Goodwill and Customer Relationship

Under PFRSs, the Group is required to annually test the amount of goodwill and intangible assets with indefinite useful life. As of December 31, 2022, 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 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 due to the current economic conditions that have been impacted by the COVID-19 pandemic, specifically the forecasts of future cash flows, expected gross margins, discount rates, long-term growth rates, attrition rates, and earnings before interest and taxes (EBIT) margin on key customers.

The disclosures in relation to the significant assumptions and carrying values of goodwill and customer relationship are included in Note 13 to the consolidated financial statements.

Audit Response

We involved our internal specialist to evaluate the assumptions and methodologies used. These assumptions include forecasts of future cash flows, expected gross margins, discount rates, long-term growth rates, attrition rates, and EBIT margin on key customers. We compared the key assumptions used, such as discount rates and growth rates against the historical performance of the cash-generating unit (CGU), industry/market outlook and other relevant external data, taking into consideration the impact associated with the COVID-19 pandemic. We tested the parameters used in the determination of the discount rates against market data. We also reviewed the Group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, specifically those that have the most significant effect on the determination of the recoverable amount of goodwill and customer relationship.

Real Estate Revenue Recognition

The Group's real estate revenue recognition process, policies and procedures are significant to our audit because these involve the application of significant judgment and estimation in the following areas: (a) assessment of the probability that the entity will collect the total consideration from the buyer; (b) application of the output method as the measure of progress in determining real estate revenue; (c) determination of the actual costs incurred as cost of sales; and (d) recognition of cost to obtain a contract.

In evaluating whether 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 past history with the buyer, and age and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, after considering the impact of the COVID-19 pandemic, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

In measuring the progress of its performance obligation over time, the Group uses the output method. This method measures progress based on physical proportion of work done on the real estate project which requires technical determination by the Group's specialists (project engineers). This is based on the monthly project accomplishment report prepared by the project engineers as approved by the construction manager, which integrates the surveys of performance to date of both the sub-contracted construction activities and those that are fulfilled by the Group itself.

In determining the actual costs incurred to be recognized as cost of sales, the Group estimates costs incurred on materials, labor and overhead which have not yet been billed by the contractor.

The Group identifies sales commission after contract inception as the cost to obtain the contract. For contracts that qualified for revenue recognition, the Group capitalizes the total sales commission due to sales agent as cost to obtain the contract and recognizes the related commission payable. The Group uses the percentage-of-completion (POC) method in amortizing sales commission consistent with the Group's revenue recognition policy.

The assessment of the stage of completion and level of buyer's equity involves significant management judgment as disclosed in Note 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's revenue recognition process, policies, and procedures.

For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing these to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We also considered the impact of the COVID-19 pandemic to the level of cancellations during the year. We traced the analysis to supporting documents.

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, and performed tests of the relevant controls. We obtained the certified POC reports prepared by the project engineers and assessed their competence, capabilities, and objectivity by reference to their qualifications, experience, and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries, including inquiries on how the COVID-19 pandemic affected the POC during the period, and obtained the supporting details of POC reports showing the completion of the major activities in project construction.

For the cost of sales, we obtained an understanding of the Group's cost accumulation process and performed tests of the relevant controls. For selected projects, we traced costs accumulated, including costs incurred but not yet billed, to supporting documents such as accomplishment reports and progress billings from contractors.

For the recognition of cost to obtain a contract, we gained an understanding of the sales commission process. For selected contracts, we agreed the basis for calculating the sales commission capitalized and the portion recognized in profit or loss, particularly (a) the percentage of commission due against contracts with sales agents, (b) the total commissionable amount (i.e., net contract price) against the related contract to sell, and (c) the POC used in calculating the sales commission against the POC used in recognizing the related revenue from real estate sales.

Accounting for Investments in Significant Associates

The Group has investments in Metropolitan Bank & Trust Company (MBTC) and Metro Pacific Investments Corporation (MPIC) that are both accounted for under the equity method. The application of the equity method of accounting over these investments, particularly the determination of the Group's share in the net income of these associates and the assessment for impairment of these investments, is a key audit matter because the Group's equity in the net earnings of these associates contributed ₱13.84 billion, or 63.70% of the Group's consolidated net income in 2022, and the Group's investments in these associates accounted for 59.73% and 39.56% of the consolidated total noncurrent assets and total assets, respectively, of the Group as of December 31, 2022.

MBTC's net income is significantly affected by its application of the expected credit loss (ECL) model in calculating the allowance for credit losses for its loans and receivables; recognition of deferred tax assets; and recoverability of goodwill.

MBTC's application of the ECL model is significant to our audit as it involves the exercise of significant management judgment. The key areas of judgment in calculating ECL include the following: 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 and payment holidays provided as a result of the COVID-19 pandemic; 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, including the impact of the COVID-19 pandemic, in calculating ECL. Meanwhile, the recognition of deferred tax assets is significant to our audit because it requires significant judgment and is based on assumptions such as availability of sufficient taxable income in the future and the timing of the reversal of the temporary differences that are affected by expected future market or economic conditions and the expected performance of MBTC. The estimation uncertainty on MBTC's expected performance has increased as a result of the uncertainties brought about by the COVID-19 pandemic. For the recoverability of goodwill, MBTC performed the impairment testing using the cash generating unit's (CGU) fair value less costs to sell (FVLCTS) as its estimate of the CGU's recoverable amount. 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 due to the current economic conditions, which have been impacted by the COVID-19 pandemic. The CGU's assets include significant investments in unquoted equity shares and their fair values were determined using price-to-earnings (P/E) ratios of comparable companies and adjusted net asset value (NAV) method.

Meanwhile, MPIC's net income is significantly affected by the recoverability of its goodwill, service concession assets (SCAs) not yet available for use, and SCA related to the West Zone concession; the amortization of SCAs using the units-of-production (UOP) method; and revenue on water and sewerage services from the Metropolitan Waterworks and Sewerage System (MWSS) West Service Area.

MPIC has goodwill and SCAs not yet available for use, which are required to be tested for impairment at least annually. In addition, there is the ongoing discussion with MWSS on the provisions of Maynilad Water Services, Inc. (Maynilad)'s Concession Agreement identified for renegotiation and amendment, which is an impairment indicator and thus requires an assessment of the recoverability of MPIC's SCA related to Maynilad. This matter is important to our audit because the impairment assessment of goodwill and SCAs not available for use involves significant management judgment and estimates. Moreover, the SCAs related to the toll roads and water 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 and the total estimated volume of billable water over the remaining periods of the concession agreements. In addition, because of the lingering effects of COVID-19 pandemic, there remains a varying levels of uncertainty which affects the future economic outlook and market forecast. Lastly, water and sewerage service revenue recognition is significant to our audit because it is affected by the completeness of data captured during meter readings, which involves processing large volumes of data from multiple locations and different billing cut-off dates for different customer groups classified into either residential, semi-business, commercial or industrial; propriety of the application of the relevant rates to the billable consumption of different customer groups; and reliability of the systems involved in processing bills and recording revenues.

Moreover, the Group assesses the impairment of its investments in associates and joint ventures whenever events or changes in circumstances indicate that the carrying amounts of the investments may not be recoverable. As of December 31, 2022, the fair values of the Group's investments in MBTC and MPIC based on the current maket capitalization have declined compared to their carrying values of the investments, which is an impairment indicator. The assessment of the recoverable amount of the investments in MBTC and MPIC requires significant judgment and involves estimation and assumptions about the revenue growth rate, terminal growth rate, discount rate, as well as the market price, the applicable discount and net asset values of component businesses. In addition, because of the lingering effects of the COVID-19 pandemic, there remains a varying levels of uncertainty which affects the future economic outlook and market forecast.

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.

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, and management's assessment of the impact of the COVID-19 pandemic on the counterparties; (c) tested MBTC's application of its internal credit risk rating system, including the impact of the COVID-19 pandemic on the borrowers, 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, including the impact of the COVID-19 pandemic; 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 also assessed the assumptions used where there are insufficient data.

We recalculated impairment provisions on a sample basis. We involved our internal specialist in the performance of the above procedures.

For MBTC's recognition of deferred tax assets, we involved our internal specialist in interpreting the tax regulations, testing the temporary differences identified by MBTC and the applicable tax rate. We also re-performed the calculation of the deferred tax assets. We evaluated the management's assessment on the availability of sufficient taxable income in the future in reference to financial forecast and tax strategies. We evaluated management's forecast by comparing the loan portfolio and deposit growth rates to the historical performance of MBTC and the industry, including future market circumstances and taking into consideration the impact associated with the COVID-19 pandemic.

For MBTC's assessment of the recoverability of goodwill, we involved our internal specialist in evaluating the assumptions and methodology used 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, taking into consideration the impact associated with the COVID-19 pandemic. We also re-performed the calculation of the FVLCTS.

For MPIC's impairment testing of goodwill and SCAs, 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 and ridership for the rail, billed water volume for the water concession, growth rates and discount rates. For the West Zone Concession, assumptions include the concession period, forecasted cashflows under probability-weighted scenarios, and the discount rate considering the risks surrounding the Concession Agreement. We compared the forecasted revenue growth against the historical data of the CGUs, taking into consideration the impact associated with the COVID-19 pandemic, and inquired of management and operations personnel about the plans to support the forecasted revenues. We also compared the key assumptions such as traffic volume, rail ridership and water volume against historical data and against available studies by independent parties that were commissioned by the respective subsidiaries of MPIC. In cases where volume was determined by management specialists, we reviewed 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. For the West Zone Concession, we discussed with management and its legal counsel the status of the review of the Concession Agreement and inquired of any correspondences with MWSS during the year; and reviewed the bases of the cashflow scenarios including the probability weight assigned to each of the scenarios.

For MPIC's amortization of SCAs using the UOP method, we reviewed the report of management's specialists and gained an understanding of the methodology and the basis of computing the forecasted traffic volume and billable water, taking into consideration the impact associated with the COVID-19 pandemic. 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 billable water volume and traffic volume during the year against the data generated from the billing system for water and from the toll collection system for tollways. We recalculated the amortization expense for the year and the SCAs as of year-end based on the established traffic volume and billable water volume.

For MPIC's revenue on water and sewerage services from the MWSS West Service Area, we obtained an understanding of the water and sewerage service revenue process, which includes maintaining the customer database, capturing billable water consumption, uploading captured billable water consumption to the billing system, calculating billable amounts based on MWSS-approved rates, and uploading data from the billing system to the financial reporting system. We also evaluated the design of and tested the relevant controls over this process. In addition, on a sample basis, we performed test recalculation of the billed amounts using the MWSS-approved rates and formulae and compared them with the amounts reflected in the billing statements. Moreover, we involved our internal specialist in performing the procedures on the computer application automated aspects of this process.

For the Group's recoverability of investment in associates, we involved our internal specialist in evaluating the methodology and assumptions used. For the investment in MBTC, we compared the revenue and terminal growth rates to available industry, economic and financial data, taking into consideration the impact associated with the COVID-19 pandemic. 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 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, 2022, 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, 2022 are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC as described in Note 2 to the consolidated financial statements, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in accordance with PFRSs, as modified by the application of financial reporting reliefs issued and approved by the SEC as described in Note 2 to the consolidated financial statements.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Miguel U. Ballelos, Jr.

SYCIP GORRES VELAYO & CO.

Miguel U. Ballelos, Jr.

Miguel U. Ballelos, Jr.
Partner
CPA Certificate No. 109950
Tax Identification No. 241-031-088
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 109950-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-114-2022, January 20, 2022, valid until January 19, 2025
PTR No. 9369777, January 3, 2023, Makati City

March 20, 2023

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Millions)

	December 31	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱24,005**	₱17,404
Financial assets at fair value through profit or loss (Note 10)	**11,160**	8,712
Receivables (Note 5)	**14,135**	15,852
Contract assets (Note 21)	**4,707**	6,157
Inventories (Note 6)	**69,399**	78,817
Due from related parties (Note 27)	**356**	155
Prepayments and other current assets (Note 7)	**17,109**	14,070
Total Current Assets	**140,871**	141,167
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (Note 10)	**13,345**	16,311
Receivables - net of current portion (Note 5)	**6,250**	3,766
Contract assets - net of current portion (Note 21)	**5,636**	7,114
Investment properties (Note 9)	**22,247**	15,646
Investments in associates and joint ventures (Note 8)	**200,238**	186,187
Property and equipment (Note 11)	**13,951**	14,918
Goodwill (Note 12)	**5,926**	5,926
Intangible assets (Note 13)	**4,099**	4,012
Deferred tax assets - net (Note 29)	**1,277**	1,174
Other noncurrent assets (Note 14)	**3,316**	1,573
Total Noncurrent Assets	**276,285**	256,627
	₱417,156	₱397,794

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 15)	**₱36,948**	₱34,203
Contract liabilities (Note 21)	**3,207**	3,384
Short-term debt (Note 16)	**14,582**	9,127
Current portion of long-term debt (Note 16)	**7,758**	9,423
Current portion of liabilities on purchased properties (Notes 20 and 27)	**348**	304
Current portion of bonds payable (Note 17)	**6,099**	–
Customers' deposits (Note 18)	**928**	910
Dividends payable (Note 22)	**589**	590
Due to related parties (Note 27)	**166**	193
Income tax payable	**302**	161
Other current liabilities (Note 19)	**1,513**	1,316
Total Current Liabilities	**72,440**	59,611

(*Forward*)

	December 31	
	2022	2021
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 16)	**₱118,033**	₱112,755
Bonds payable (Note 17)	**3,992**	10,077
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	**1,300**	1,658
Pension liability (Note 28)	**1,657**	1,629
Deferred tax liabilities - net (Note 29)	**3,414**	3,232
Other noncurrent liabilities (Note 20)	**3,306**	3,753
Total Noncurrent Liabilities	**131,702**	133,104
Total Liabilities	**204,142**	192,715
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 22)	**3,370**	3,370
Additional paid-in capital (Note 22)	**98,827**	98,827
Retained earnings - unappropriated (Note 22)	**106,107**	88,982
Retained earnings - appropriated (Note 22)	**400**	400
Other comprehensive income (loss) (Note 22)	**(9,284)**	143
Other equity adjustments (Note 22)	**2,322**	2,322
	201,742	194,044
Non-controlling interests (Note 22)	**11,272**	11,035
Total Equity	**213,014**	205,079
	₱417,156	₱397,794

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In Millions, Except Earnings Per Share)

	Years Ended December 31		
	2022	2021	2020
REVENUE			
Automotive operations (Note 35)	**₱211,945**	₱150,964	₱113,975
Equity in net income of associates and joint ventures (Note 8)	**16,455**	11,065	6,355
Real estate sales (Note 35)	**5,362**	5,617	7,629
Rent income (Notes 9 and 30)	**1,401**	1,046	1,751
Sale of goods and services	**957**	589	457
Commission income	**667**	288	107
Interest income (Note 23)	**663**	1,899	2,023
Other income (Note 23)	**7,857**	3,175	2,123
	245,307	174,643	134,420
COSTS AND EXPENSES			
Cost of goods and services sold (Notes 6 and 24)	**157,079**	102,959	76,479
Cost of goods manufactured and sold (Notes 6 and 25)	**36,366**	32,111	23,554
General and administrative expenses (Note 26)	**17,278**	13,455	13,032
Interest expense (Notes 16 and 17)	**7,144**	6,270	6,323
Cost of real estate sales (Note 6)	**3,059**	3,123	4,120
Cost of rental (Note 30)	**830**	655	589
	221,756	158,573	124,097
INCOME BEFORE INCOME TAX	**23,551**	16,070	10,323
PROVISION FOR INCOME TAX (Note 29)	**1,820**	1,821	1,986
NET INCOME	**₱21,731**	₱14,249	₱8,337
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱18,360**	₱10,983	₱6,546
Non-controlling interests	**3,371**	3,266	1,791
	₱21,731	₱14,249	₱8,337
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 34)	**₱82.55**	₱48.28	₱27.67

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Millions)

	Years Ended December 31		
	2022	2021	2020
NET INCOME	**₱21,731**	₱14,249	₱8,337
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified to profit or loss in subsequent periods:			
Changes in cumulative translation adjustments	**30**	26	(15)
Changes in cash flow hedge reserves (Note 16)	**121**	19	2
Equity in other comprehensive income (loss) of associates and joint ventures (Note 8):			
Cash flow hedge reserve	**(182)**	149	(115)
Remeasurement on life insurance reserves	**362**	236	(364)
Translation adjustments	**92**	720	(241)
Other equity adjustments	**–**	(21)	21
	423	1,129	(712)
Items that may not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of financial assets at FVOCI (Note 10)	**(3,068)**	3,661	368
Equity in changes in fair value of financial assets at FVOCI of associates (Note 8)	**(7,489)**	(4,486)	1,959
Remeasurement of defined benefit plans (Note 28)	**235**	538	(466)
Equity in remeasurement of defined benefit plans of associates and joint ventures (Note 8)	**714**	750	(412)
Income tax effect	**(237)**	(322)	263
	(9,845)	141	1,712
OTHER COMPREHENSIVE INCOME (LOSS)	**(9,422)**	1,270	1,000
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**₱12,309**	₱15,519	₱9,337
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱8,933**	₱11,979	₱7,712
Non-controlling interests	**3,376**	3,540	1,625
	₱12,309	₱15,519	₱9,337

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Millions)

	Attributable to Equity Holders of the Parent Company								
(In Millions)	Capital Stock (Note 22)	Additional Paid-in Capital (Note 22)	Retained Earnings - Unappropriated (Note 22)	Retained Earnings - Appropriated (Note 22)	Other Comprehensive Income (Loss) (Note 22)	Other Equity Adjustments (Note 22)	Total	Attributable to Non-controlling Interests (Note 22)	Total Equity
Balance at January 1, 2022	**₱3,370**	**₱98,827**	**₱88,982**	**₱400**	**₱143**	**₱2,322**	**₱194,044**	**₱11,035**	**₱205,079**
Cash dividends declared (Note 22)	–	–	**(1,235)**	–	–	–	**(1,235)**	**(3,139)**	**(4,374)**
Total comprehensive income (loss)	–	–	**18,360**	–	**(9,427)**	–	**8,933**	**3,376**	**12,309**
Balance at December 31, 2022	**₱3,370**	**₱98,827**	**₱106,107**	**₱400**	**(₱9,284)**	**₱2,322**	**₱201,742**	**₱11,272**	**₱213,014**
Balance at January 1, 2021	₱3,370	₱98,827	₱79,234	₱400	(₱853)	₱2,322	₱183,300	₱8,885	₱192,185
Cash dividends declared (Note 22)	–	–	(1,235)	–	–		(1,235)	(1,755)	(2,990)
NCI share on stock issuance of a subsidiary	–	–	–	–	–		–	365	365
Total comprehensive income	–	–	10,983	–	996		11,979	3,540	15,519
Balance at December 31, 2021	₱3,370	₱98,827	₱88,982	₱400	₱143	₱2,322	₱194,044	₱11,035	₱205,079
Balance at January 1, 2020	₱3,370	₱98,827	₱74,569	₱400	(₱2,019)	₱2,322	₱177,469	₱11,851	₱189,320
Cash dividends declared (Note 22)	–	–	(1,881)	–	–	–	(1,881)	(4,611)	(6,492)
NCI share on additional stock issuance of a subsidiary	–	–	–	–	–	–	–	20	20
Total comprehensive income	–	–	6,546	–	1,166	–	7,712	1,625	9,337
Balance at December 31, 2020	₱3,370	₱98,827	₱79,234	₱400	(₱853)	₱2,322	₱183,300	₱8,885	₱192,185

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱23,551**	₱16,070	₱10,323
Adjustments for:			
Equity in net income of associates and joint ventures (Note 8)	**(16,455)**	(11,065)	(6,355)
Interest expense (Notes 16 and 17)	**7,144**	6,270	6,323
Depreciation and amortization (Note 11)	**2,117**	2,188	2,517
Pension expense (Note 28)	**364**	408	324
Provisions (Note 26)	**166**	367	237
Interest income (Note 23)	**(663)**	(1,899)	(2,023)
Dividend income (Note 23)	**(388)**	(356)	(333)
Unrealized foreign exchange losses (gains) (Notes 23 and 26)	**761**	78	(163)
Realized and unrealized gain on financial assets at FVTPL (Note 23)	**(137)**	(89)	(113)
Gain on disposal of property and equipment (Notes 11 and 23)	**(58)**	(34)	(7)
Operating income before changes in working capital	**16,402**	11,938	10,730
Decreases (increases) in:			
Financial assets at FVTPL	**(2,310)**	(4,908)	1,109
Receivables	**(550)**	6,148	(9,234)
Contract assets	**2,929**	(237)	(2,383)
Inventories	**(6,217)**	(3,876)	(3,413)
Due from related parties	**(201)**	47	7
Prepayments and other current assets	**(3,054)**	(1,689)	(1,964)
Increases (decreases) in:			
Accounts and other payables	**3,470**	4,464	4,873
Contract liabilities	**(177)**	(622)	(546)
Customers' deposits	**18**	404	(54)
Due to related parties	**(28)**	(322)	311
Other current liabilities	**308**	420	(519)
Cash generated from (used in) operations	**10,590**	11,767	(1,083)
Dividends paid (Note 22)	**(4,375)**	(2,990)	(6,492)
Interest paid	**(7,567)**	(5,996)	(6,330)
Income tax paid	**(2,315)**	(2,315)	(2,207)
Interest received	**280**	1,650	1,935
Dividends received (Notes 8 and 10)	**6,350**	8,214	3,097
Contributions to pension plan assets and benefits paid (Note 28)	**(130)**	(103)	(75)
Net cash provided by (used in) operating activities	**2,833**	10,227	(11,155)

(*Forward*)

	Years Ended December 31		
	2022	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment (Note 11)	**₱150**	₱240	₱27
Additions to:			
Investments in associates and joint ventures (Note 8)	**(577)**	(1,009)	(2,097)
Property and equipment (Note 11)	**(653)**	(5,158)	(874)
Investment properties (Note 9)	**(1,230)**	(101)	(91)
Intangible assets (Note 13)	**(154)**	(76)	(29)
Financial assets at FVOCI	**–**	(388)	–
Impact of business combination (Note 8)	**53**	–	–
Increase in other noncurrent assets	**(1,741)**	(130)	(973)
Net cash used in investing activities	**(4,152)**	(6,622)	(4,037)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan availments (Notes 16 and 38)	**52,132**	57,647	67,800
Payments of loans payable (Note 38)	**(42,681)**	(54,377)	(44,430)
Payments of bonds payable (Note 38)	**–**	(5,000)	(3,900)
Payment of principal portion of lease liabilities (Note 30)	**(6)**	(37)	(99)
Increases (decreases) in:			
Liabilities on purchased properties	**(313)**	(1,293)	(529)
Other noncurrent liabilities	**(446)**	(542)	1,159
Acquisition of noncontrolling interests	**–**	365	20
Net cash provided by (used in) financing activities	**8,686**	(3,237)	20,021
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(766)**	(78)	152
NET INCREASE IN CASH AND CASH EQUIVALENTS	**6,601**	290	4,981
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**17,404**	17,114	12,133
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱24,005**	₱17,404	₱17,114

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

GT Capital Holdings, Inc. (GT Capital or the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on July 26, 2007. The primary purpose of the Parent Company is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, exchange, develop or otherwise dispose of real property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned, and to secure and guarantee obligations of, and act as surety for its subsidiaries and affiliates.

On March 25, 2022 and May 11, 2022, respectively, at separate meetings, the Parent Company's Board of Directors, by a majority vote of its members, and the stockholders, by affirmative vote of more than two-thirds (2/3) of the outstanding capital stock of the Parent Company, approved the amendment of the Parent Company's Articles of Incorporation to include the following activities in the Parent Company’s primary purpose: to act as commission merchant, commercial agent or factor for, or assist in any legal manner, financially or otherwise, its subsidiaries, affiliates, associates or investee companies. The Amended Articles of Incorporation was approved by the SEC on July 8, 2022.

The common shares of the Parent Company were listed beginning April 20, 2012 and have since been traded in the Philippine Stock Exchange, Inc. (PSE).

<u>Group Activities</u>
The Parent Company, Federal Land, Inc. (Federal Land) and Subsidiaries (Federal Land Group), Toyota Motor Philippines Corporation (Toyota or TMPC) and Subsidiaries (Toyota Group), Toyota Manila Bay Corp. (TMBC) and Subsidiaries (TMBC 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), TMBC 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.

TMBC Group is engaged in purchasing, trading, exchanging, distributing, marketing, repairing and servicing automobiles, trucks and all kinds of motor vehicles and automobile products of every kind and description, motor vehicle parts, accessories, tools and supplies and equipment items.

GTCAM was formerly known as GT Capital Auto Dealership Holdings, Inc. (GTCAD). GTCAM's BOD and the SEC approved the change in name from GTCAD to GTCAM on September 13, 2021 and November 29, 2021, respectively. The principal business interests of GTCAM Group are to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, exchange, develop, or otherwise dispose of real or personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any auto dealership or other corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned. Its secondary purpose is to invest in, purchase, or otherwise acquire own shares of companies engaged in mobility-related services, including those that support the used car market which include auction services, auto portal, used car retail sales operations, inspection, warranty, financing, and parts and service.

The Parent Company also has significant shareholdings in Metropolitan Bank & Trust Company (MBTC or Metrobank), Metro Pacific Investments Corporation (MPIC), Philippine AXA Life 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 Significant 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 (PFRSs), as modified by the application of the financial reporting relief on the accounting for significant financing component as issued and approved by the SEC in response to the COVID-19 pandemic.

The Group has availed of the relief granted by the SEC under Memorandum Circular (MC) No. 34-2020 which further extended the deferral of PIC Q&A 2018-12-D, *Assessing if the transaction price includes a significant financing component* until December 31, 2023. This reporting relief is applicable to the Group's Real Estate Segment, specifically under the Federal Land Group. The details and impact of the adoption of the financial reporting relief are discussed in the section below under "Standards Issued But Not Yet Effective".

PFRSs include Philippine Financial Reporting Standards, Philippine Accounting Standards (PAS) and Interpretations issued by the Philippine Interpretations Committee (PIC).

Basis of Consolidation
The consolidated financial statements of the Group comprise the financial statements of the Parent Company and the following wholly and majority-owned domestic subsidiaries:

	Country of Incorporation	Direct and Effective Percentages of Ownership December 31 2022	2021
Federal Land Group	Philippines	**100.00**	100.00
Toyota Group	-do-	**51.00**	51.00
TMBC Group	-do-	**58.10**	58.10
GTCAM Group	-do-	**100.00**	100.00

Federal Land's Subsidiaries

	Percentages of Ownership 2022	2021
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**	50.00
Central Realty and Development Corp. (CRDC)	**75.80**	75.80
Federal Brent Retail, Inc. (FBRI)	**51.66**	51.66

**Formerly an investment in joint venture (JV). In December 2022, Federal Land increased its ownership from 50.00% to 100.00% thereby obtaining control over PHRDC.*

Toyota's Subsidiaries

	Percentages of Ownership 2022	2021
Toyota Makati, Inc. (TMI)	**100.00**	100.00
Toyota Motor Philippines Logistics, Inc. (TLI)	**100.00**	100.00
Toyota Mobility Solutions Philippines, Inc. (TMSPH)*	**100.00**	–
Lexus Manila, Inc. (LMI)	**75.00**	75.00
Toyota San Fernando Pampanga, Inc. (TSFI)	**55.00**	55.00

** On June 8, 2022, TMSPH was incorporated and started its commercial operations in August 2022.*

TMBC's Subsidiaries

	Percentages of Ownership 2022	2021
Oxfordshire Holdings, Inc. (OHI)	**100.00**	100.00
TMBC Insurance Agency Corporation (TIAC)	**100.00**	100.00

GTCAM's Subsidiaries

	Percentages of Ownership 2022	2021
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

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 statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from the Parent Company's equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if that results in the NCI having a deficit balance.

If the Group loses control over a subsidiary, it:

- derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any NCI and the cumulative translation differences, recorded in equity;
- recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss; and

- reclassifies the Parent Company's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Business Combinations Involving Entities Under Common Control
A business combination involving entities under common control is accounted for using the uniting of interest method, except when the acquisition is deemed to have commercial substance for the Group, in which case the business combination is accounted for under the acquisition method. The combined entities accounted for by the uniting of interests method reports the results of operations for the period in which the combination occurs as though the entities had been combined as of the beginning of the period. Financial statements of the separate entities presented for prior years are also restated on a combined basis to provide comparative information. The effects of intercompany transactions on assets, liabilities, revenues, and expenses for the periods presented, and on retained earnings at the beginning of the periods presented are eliminated to the extent possible.

Under the uniting of interest method, the acquirer accounts for the combination as follows:

- the assets and liabilities of the acquiree are consolidated using the existing carrying values instead of fair values;
- intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the acquiree in accordance with applicable PFRSs;
- no amount is recognized as goodwill;
- any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities; and
- comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented.

The excess of the cost of business combinations over the net carrying amounts of the assets and liabilities of the acquired companies is recognized within the equity section of the consolidated statements of financial position.

When evaluating whether an acquisition has commercial substance, the Group considers the following factors, among others:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as NCI or other third parties; and
- whether or not the transaction is conducted at fair value.

Business Combinations and Goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer elects whether to measure the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the date of acquisition. Acquisition-related costs are expensed and included in the consolidated statements of income.

When the Group acquires a business, it assesses the financial assets and liabilities of the acquiree for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. The Group also assesses whether assets or liabilities of the acquiree that are previously unrecognized in the books of the acquiree will require separate recognition in the consolidated financial statements of the Group at the acquisition date.

In a business combination achieved in stages, the Group remeasures its previously held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in the consolidated statements of income. Any recognized changes in the value of its equity interest in the acquiree previously recognized in other comprehensive income are recognized by the Group in profit or loss, as if the previously held equity interest are disposed of.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized either in the consolidated statements of income or as changes to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured until it is finally settled within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that if known, would have affected the amounts recognized as at that date. The measurement period is the period from the date of acquisition to the date the Group receives complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one (1) year.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount recognized for any NCI in the acquiree and the fair value of the acquirer's previously held interest, if any, over the fair value of the net assets acquired.

If after reassessment, the fair value of the net assets acquired exceeds the consideration transferred, the amount recognized for any NCI in the acquiree and the fair value of the acquirer's previously held interest, if any, the difference is recognized immediately in the consolidated statements of income as 'Gain on bargain purchase'.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss is recognized immediately in the consolidated statements of income and is not subsequently reversed. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination from the acquisition date irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is not amortized but is reviewed for impairment at least annually. Any impairment losses are recognized immediately in profit of loss and is not subsequently reversed.

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.

<u>Change in Ownership without Loss of Control</u>
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.

<u>Changes in Accounting Policies and Disclosures</u>
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2022. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PFRS 3, *Business Combinations, Reference to the Conceptual Framework*
  The amendments are intended to replace a reference to the *Framework for the Preparation and Presentation of Financial Statements*, issued in 1989, with a reference to the *Conceptual Framework for Financial Reporting* issued in March 2018 without significantly changing its requirements. The amendments added an exception to the recognition principle of PFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or Philippine-IFRIC 21, *Levies*, if incurred separately.

  At the same time, the amendments add a new paragraph to PFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

- Amendments to PAS 16 , *Property, Plant and Equipment: Proceeds before Intended Use*
  The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
  The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs 2018-2020 Cycle*
  - Amendments to PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards, Subsidiary as a first-time adopter*
    The amendment permits a subsidiary that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to PFRS. This amendment is also applied to an associate or joint venture (JV) that elects to apply paragraph D16(a) of PFRS 1.

- Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 percent' Test for Derecognition Financial Liabilities*
  The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

- Amendments to PAS 41, *Agriculture, Taxation in Fair Value Measurements*
  The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41.

Significant Accounting Policies

Current versus Noncurrent Classification
The Group presents assets and liabilities in the consolidated statements of financial position based on current/noncurrent classification. An asset is current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realized within twelve months after the reporting period

All other assets are classified as noncurrent.

A liability is current when:
- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or there is no unconditional right to defer the settlement of liability for at least twelve months after the reporting period

The Group classifies all other liabilities as noncurrent.

Deferred income tax asset and liability are classified as noncurrent asset and liability, respectively.

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and that are subject to an insignificant risk of changes in value.

Fair Value Measurement
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

Financial Instruments – Initial Recognition and Subsequent Measurement
Date of recognition
The Group recognizes a financial asset or a financial liability in the consolidated statement 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, 2022 and 2021, 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, short-term investments and receivables.

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 statement 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 statement of financial position at fair value with net changes in fair value recognized in the consolidated statement 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 statement 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 ECLs 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" and "Other current liabilities".

As of December 31, 2022 and 2021, 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 statement 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 statement 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 statement of income.

c. Offsetting financial instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position, if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assesses that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Group and all of the counterparties.

d. Derivative financial instruments and hedge accounting
Initial Recognition and Subsequent Measurement
The Group uses derivative financial instruments such as interest rate swaps to hedge the risks associated with foreign currency and interest rate fluctuations. Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; or,
- Cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness
requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of the hedged item.

Hedges are accounted for as fair value hedges or cash flow hedges.

Fair value hedge
The change in the fair value of a hedge instrument is recognized in the consolidated statement 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 statement 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 statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged instrument.

The amounts accumulated in OCI are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which hedged cash flows affect profit or loss.
If hedge accounting is discontinued, the amount accumulated in OCI shall remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount shall be reclassified to profit or loss as a reclassification adjustment. When the hedged cash flow occurs, any amount remaining in accumulated OCI shall be accounted for depending on the nature of the underlying transaction.

Inventories
Real estate inventories
Property acquired that are being developed or constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as real estate inventory. Real estate inventories consist of land and improvements, condominium units held for sale and residential units.

Land and land improvements are carried at the lower of cost or net realizable value (NRV).

Cost includes:
- Acquisition cost of subdivision land;
- Amounts paid to contractors for construction and development of subdivision land, residential houses and lots and condominium units;
- Planning and design costs, cost of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Borrowing costs capitalized prior to start of pre-selling activities for the real estate project.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to complete and the estimated costs of sale. The carrying amount of inventories is reduced through the use of allowance account and the amount of loss is charged to profit or loss.

Construction in progress (CIP) includes development or construction costs incurred for real estate projects that have not yet reached the preliminary stage of completion and/or not yet launched. This account also includes owner supplied materials. Upon reaching the preliminary stage of completion, these are transferred to ‘Condominium units held for sale’.

Costs of condominium units held for sale includes the carrying amount of the land transferred from 'Land and improvements' at the commencement of its real estate projects and those costs incurred for construction, development and improvement of the properties, including capitalized borrowing costs.

Costs of residential units include land cost, land improvement costs, borrowing costs, amounts paid to contractors for construction and development, planning and design cost, cost of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Gasoline retail, petroleum products and chemicals
Cost is determined using first-in, first-out method. The costs of oil, petroleum products and chemicals include cost incurred for acquisition and freight charges.

Automotive inventories
These are inventories of the Toyota Group which are valued at the lower of cost or NRV. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion, marketing and distribution.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and spare parts	– Purchase cost on a weighted average cost
Finished goods and work-in-process	– Cost of direct material and labor and proportion of fixed and overhead manufacturing costs allocated based on normal operating capacity
Raw materials and spare parts in-transit	– Cost is determined using the specific identification method

Joint Arrangements
Joint arrangements are arrangements with respect to which the Group has joint control, established by contracts requiring unanimous consent from the parties sharing control for decisions about the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- Joint operation – when the Group has rights to the assets, and obligations for the liabilities, relating to an arrangement, the Group accounts for each of its assets, liabilities and transactions, including its share of those held or incurred jointly, in relation to the joint operation in accordance with the PFRS applicable to the particular assets, liabilities and transactions.
- Joint venture – when the Group has rights only to the net assets of the arrangements, the Group accounts for its interest using the equity method, the same as the Group's accounting for investments in associates.

The financial statements of the joint venture are prepared for the same reporting period as the Group's financial statements. Where necessary, adjustments are made to bring the accounting policies of the joint venture in line with its policies.

The Group has no joint arrangement accounted as joint operation.

Investments in Associates and Joint Ventures
Investments in associates and joint ventures are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a joint venture of the Group. A joint venture (JV) is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control.

An investment is accounted for using the equity method from the day it becomes an associate or a joint venture. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and is neither amortized nor individually tested for impairment. Any excess of the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is included as income in the determination of the share in the earnings of the investee.

Under the equity method, the investments in and advances to associates and joint ventures are carried in the consolidated statement 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 statement 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 statement of income and consolidated statement 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 statement 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 statements 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.

Investment Properties

Investment properties consist of properties that are held to earn rentals and that are not occupied by the companies in the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives (EUL) of the properties which is 10 to 40 years.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

CIP is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use, including capitalized borrowing costs.

CIP is stated at cost. This includes cost of construction and other direct costs. CIP is not depreciated until such time that the relevant assets are completed and put into operational use.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against operations as incurred.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are calculated on the straight-line basis over the following EUL of the property and equipment as follows:

	Years
Transportation equipment	5
Furniture, fixtures and equipment	3 to 5
Leasehold improvements	2 to 10 or lease term (whichever is shorter)
Machinery, tools and equipment	2 to 10
Building	15 to 40
Buildings and land improvements	9 to 25
Other property and equipment	3 to 5

The assets' residual values, EUL and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Transfers are made from property and equipment, when there is a change in use, evidenced by ending of owner-occupation, and with a view of sale.

Impairment or losses of items of property, plant and equipment, related claims for or payments of compensation from third parties and any subsequent purchase or construction of replacement assets are separate economic events and are accounted for separately.

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and amortization and provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Fully depreciated assets are still carried in the accounts until they are no longer in use.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of the acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated statement 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 statement of income when the intangible asset is derecognized.

Customer Relationship

Customer relationship pertains to Toyota's contractual arrangements with its top dealer customers, which adds value to the operations of Toyota and enhances the latter's earnings potential. This is recognized initially at fair value and is assessed to have an indefinite useful life. Following initial recognition, the intangible asset is not amortized but assessed annually for impairment.

Software Costs

Costs related to software purchased by the Group for use in the operations are amortized on a straight-line basis over a period of 3 to 5 years.

Costs that are directly associated with identifiable and unique software controlled by the Group and will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets to be measured at cost less accumulated amortization and provision for impairment losses, if any. Expenditures which enhance or extend the performance of computer software programs beyond their original specifications are recognized as capital improvements and added to the original cost of the software.

Franchise
Franchise pertains to Federal Land Group's fees paid for the operating rights of its fastfood stores with estimated useful lives of three to five years.

Goodwill
Goodwill acquired in a business combination from the acquisition date is allocated to each of the Group's cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the Group's operating segments as determined in accordance with PFRS 8, *Operating Segments*.

Following initial recognition, goodwill is measured at cost, less any accumulated impairment loss. Goodwill is reviewed for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired (see Impairment of Non-financial Assets).

Where goodwill forms part of a cash-generating unit and part of the operations within that unit is disposed of, the goodwill associated with the operations disposed of is included in the carrying amount of the operations when determining the gain or loss on disposal of the operations. Goodwill disposed of in this circumstance is measured based on the relative values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill is presented together with the intangible assets in the consolidated statement of financial position.

Impairment of Non-financial Assets
The Group assesses at each financial reporting date whether there is an indication that their nonfinancial assets (e.g., investments in associates and joint ventures, joint arrangements, investment properties, property and equipment, goodwill and intangible assets), may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell (FVLCTS) and its value-in-use (VIU) and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement 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 statement 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 statement 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 statement 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.

<u>Value-added Tax (VAT)</u>
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 statement 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 (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, and 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 statement of financial position.

Revenue Recognition

Revenue from contract with customers

The Group primarily derives its revenue from automotive operations and real estate sales. Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3.

Automotive operations

The Group derives its revenue from automotive operations from the sale of manufactured vehicles, trading of completely built-up vehicles and local and imported auto parts and sale of services. In the sales contract with customers, services other than vehicle sales such as additional service, additional warranty and other services are separated from the sale of vehicles to identify performance obligations.

Timing of revenue recognition may change depending on when the performance obligation is satisfied, either at a point in time or over time. The Group recognizes revenue from goods or services at a point in time when the goods or services are transferred to the customers and fulfills the performance obligations. In order to determine whether the control over the goods or services is transferred over time, the Group determines whether the customer simultaneously obtains and consumes the benefits provided by the Group's performance and whether the assets controlled by the customer and whether the assets created by the Group have no substitute purpose, and whether the Group has the right to make executable claims for the portion that has been completed so far. The Group allocates the transaction prices based on the stand-alone selling prices to the various performance obligations identified in a single contract.

The Group estimates the amounts of consideration depending on which method the entity expects to better predict the amount of consideration to which it will be entitled - the expected value or the most likely amount. Variable consideration is included in the transaction price only to the extent that it is highly probable that a significant reversal in the cumulative amount of revenue recognized will not occur in the future periods.

If the period between the transfer of the goods or services promised to the customer and the payment of the customer is within one year, a practical simple method that does not adjust the promised price for a significant financing component is used.

Real estate sales

The Group derives its real estate revenue from sale of lots, house and lot and condominium units. Revenue from the sale of these real estate projects under pre-completion stage are recognized over time during the construction period (or percentage of completion) since based on the terms and conditions of its contract with the buyers, the Group's performance does not create an asset with an alternative use and the Group has an enforceable right to payment for performance completed to date.

In measuring the progress of its performance obligation over time, the Group uses the output method. The Group recognizes revenue on the basis of direct measurements of the value to customers of the goods or services transferred to date, relative to the remaining goods or services promised under the contract. Progress is measured using survey of performance completed to date. This is based on the monthly project accomplishment report as approved by the construction manager which integrates the surveys of performance to date of the construction activities.

Any excess of progress of work over the right to an amount of consideration that is unconditional, recognized as residential and office development receivables, under trade receivables, is included in the "contract asset" account in the asset section of the consolidated statement 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 statement 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 statement 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 statement 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.

Pension Costs
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 statements 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 statements 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.

Income Tax
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.

Foreign Currency Transactions
The Group's consolidated financial statements are presented in Philippine peso, which is also the Group's functional currency. Each entity within the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions denominated in foreign currency are recorded using the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated using the closing exchange rates prevailing at reporting date. Nonmonetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rate as at the date of the initial transaction and are not subsequently restated. All foreign exchange difference are taken to the consolidated statements of income.

Segment Reporting

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on the Group's business segments is presented in Note 35.

Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets (included in "Real estate inventories" and "Investment properties" accounts in the consolidated statement 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. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the receipt of the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement 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 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, 2023

- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

  The amendment is effective for annual reporting periods beginning on or after January 1, 2023 to transactions that occur on or after the beginning of the earliest comparative period presented.

- Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Accounting Estimates*
  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with early adoption permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:
  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023, with early adoption permitted.

Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Presentation of Financial Statements, Classification of Liabilities as Current or Non-current*
  The amendments clarify paragraphs 69 to 76 of PAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
  - What is meant by a right to defer settlement;
  - That a right to defer must exist at the end of the statement of financial position date;
  - That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
  - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
  The amendments specify how a seller-lessee measures the lease liability arising in a sale and leaseback transaction in a way that it does not recognize any amount of the gain or loss that relates to the right of use retained.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. Earlier adoption is permitted and that fact must be disclosed.

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts.* This new standard on insurance contracts applies to all types of insurance contracts (that is, life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:
  - A specific adaptation for contracts with direct participation features (the variable fee approach); and
  - A simplified approach (the premium allocation approach) mainly for short-duration contracts.

  On December 15, 2021, the Financial Reporting Standards Council (FRSC) amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission, which deferred the implementation of PFRS 17 by two (2) years after its effective date as decided by the IASB.

  PFRS 17 is effective for reporting periods beginning on or after January 1, 2025, with comparative figures required. Early application is permitted.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements,* and PAS 28, *Investments in Associates and Joint Ventures, Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined inPFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investor's interests in the associate or joint venture.

  On January 13, 2016, the FRSC postponed the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

- Deferral of Certain Provisions of PIC Q&A 2018-12, *PFRS 15 Implementation Issues Affecting the Real Estate Industry* (as amended by PIC Q&As 2020-02 and 2020-04)
  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020.

On December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023.

The PIC Q&A provisions covered by the SEC deferral that the Group availed in 2021 follows:

	Deferral Period
Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023

The SEC Memorandum Circulars also provided the mandatory disclosure requirements should an entity decide to avail of any relief. Disclosures should include:

a. The accounting policies applied.
b. Discussion of the deferral of the subject implementation issues in the PIC Q&A.
c. Qualitative discussion of the impact on the financial statements had the concerned application guidelines in the PIC Q&A been adopted.
d. Should any of the deferral options result in a change in accounting policy (e.g., when an entity excludes land and/or uninstalled materials in the POC calculation under the previous standard but opted to include such components under the relief provided by the circular), such accounting change will have to be accounted for under PAS 8, i.e., retrospectively, together with the corresponding required quantitative disclosures.

After the deferral period, real estate companies would have to adopt PIC Q&A No. 2018-12 and any subsequent amendments thereto retrospectively or as the SEC will later prescribe.

The Group availed of the SEC relief on the accounting for significant financing component (SFC) of PIC Q&A 2018-12-D. Had this provision been adopted, the mismatch between the POC of the real estate projects and the schedule of payments provided for in the contract to sell which constitutes a significant financing component should be accounted for. The accounting guidance should have been applied retrospectively and would have resulted in restatement of prior year financial statements. Adoption of this guidance would have impacted interest income, interest expense, revenue from real estate sales, installment contracts receivable, contract assets, provision for deferred income tax, deferred tax asset or liability for all years presented, and the opening balance of retained earnings.

As of December 31, 2022, the Group is refining its calculation of the SFC and still in the process of quantifying the impact of the adoption of PIC Q&A No. 2018-12-D on the consolidated financial statements.

3. Management's Judgments and Use of Estimates

The preparation of the consolidated financial statements in compliance with PFRSs requires the Group's management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of reporting date. Actual results could differ from such estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances.

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.

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, 2022 and 2021, the Group determined that it exercises significant influence over MPIC in which it holds 17.08% and 16.30 % ownership interests, respectively. Although the Group holds less than 20.0% of the ownership interest and voting rights in MPIC, the Group considers that it exercises significant influence through its entitlement to nominate at least two (2) out of fifteen (15) directors of MPIC. The Parent Company's nominees also participate as member in the Audit Committee (AC), Risk Management Committee (RMC) and Finance Committee (FC) of MPIC.

The combination of the Parent Company's 17.08% ownership interest in MPIC and the representation in the BOD, AC, RMC and FC of MPIC provides the Parent Company with the ability to exercise significant influence over the operating and financial policies of MPIC. Accordingly, the Parent Company accounted for its investment in MPIC as an associate using the equity method of accounting.

Revenue and cost recognition
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgments based on, among others:

- buyer's initial payments in relation to the total contract price (or buyer's equity); and
- stage of completion of the project.

Existence of a contract
The Group's primary document for a contract with a customer is a signed contract to sell. It has determined, however, that in cases wherein contract to sell are not signed by both parties, the combination of its other signed documentation such as reservation agreement, official receipts, buyers' computation sheets and invoices, would contain all the criteria to qualify as contract with the customer under PFRS 15.

In addition, part of the assessment process of the Group before revenue recognition is to assess the probability that the Group will collect the consideration to which it will be entitled in exchange for the real estate property that will be transferred to the customer. In evaluating whether collectability of an amount of consideration is probable, an entity considers the significance of the customer's initial payments in relation to the total contract price. Collectability is also assessed by considering factors such as past history with the customer, age and pricing of the property. Management regularly evaluates the historical cancellations and back-outs if it would still support its current threshold of customers' equity before commencing revenue recognition.

Revenue recognition method and measure of progress
The Group concluded that revenue for real estate sales is to be recognized over time because: (a) the Group's performance does not create an asset with an alternative use and; (b) the Group has an enforceable right for performance completed to date. The promised property is specifically identified in the contract and the contractual restriction on the Group's ability to direct the promised property for another use is substantive. This is because the property promised to the customer is not interchangeable with other properties without breaching the contract and without incurring significant costs that otherwise would not have been incurred in relation to that contract. In addition, under the current legal framework, the customer is contractually obliged to make payments to the developer up to the performance completed to date. In addition, the Group requires a certain percentage of buyer's payments of total selling price (buyer's equity), to be collected as one of the criteria in order to initiate revenue recognition. Reaching this level of collection is an indication of buyer's continuing commitment and the probability that economic benefits will flow to the Group. The Group considers that the initial and continuing investments by the buyer of about 10% would demonstrate the buyer's commitment to pay.

The Group has determined that the output method used in measuring the progress of the performance obligation faithfully depicts the Group's performance in transferring control of real estate development to the customers.

Definition of default and credit-impaired financial assets
The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria
The Group has applied the presumption indicated within PFRS 9 pertaining to the default definition; that is, default of a financial instrument does not occur later than when a financial asset is 90 days past due.

Qualitative criteria
The customer meets unlikeliness to pay criteria, which indicates the customer is in significant financial difficulty. These are instances where:

a. The customer is experiencing financial difficulty or is insolvent
b. The customer is in breach of financial covenant(s)
c. An active market for that financial asset has disappeared because of financial difficulties
d. Concessions have been granted by the Group, for economic or contractual reasons relating to the customer's financial difficulty
e. It is becoming probable that the customer will enter bankruptcy or other financial reorganization

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Operating lease commitments - Group as lessor
The Group entered into commercial property leases on its retail mall, investment properties and certain units of its real estate projects to different parties for a specific amount depending on the lease contracts. The Group has determined that based on the evaluation of the terms and conditions of the arrangements (i.e., the lease does not transfer the ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the major part of the asset's economic life), that it retains all significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately as of financial reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Contingencies
The Group is currently involved in a few legal proceedings. 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. The Group currently does not believe that these proceedings will have a material effect on the Group's financial position. 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 2022, 2021 and 2020 amounting to ₱5.36 billion, ₱5.62 billion and ₱7.63 billion, respectively.

Evaluating net realizable value of inventories
Inventories are valued at the lower of cost and net realizable value. The Group reviews its inventory to assess NRV at least annually. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. The net realizable value of inventories are disclosed in Note 6.

Real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether those inventories are damaged or if their selling prices have declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expense for any period would differ if different judgments were made or different estimates were utilized.

Estimating the useful life of non-financial assets
The Group determines the EUL of its intangibles assets based on the period over which the assets are expected to be available for use. The Group reviews annually the EUL of property and equipment, investment properties and intangible assets based on factors that include asset utilization, internal technical evaluation, and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the EUL of intangible assets would increase the recorded amortization expense.

Customer relationship pertains to Toyota's contractual arrangements with its top dealer customers which lay out the principal terms upon which its dealers agree to do business. Management assessed the useful life of the customer relationship to be indefinite since management is of the view that there is no foreseeable limit to the period over which the customer relationship is expected to generate net cash inflows to Toyota.

The said assessment is based on the track record of stability for the auto industry and the Toyota brand. Added to this is the commitment of management to continue to invest for the long term, to extend the period over which the intangible asset is expected to continue to provide economic benefits.

The carrying values of investment properties, property and equipment and customer relationship are disclosed in Notes 9, 11 and 13, respectively.

Evaluating impairment of non-financial assets
The Group reviews input VAT, investments in associates and joint ventures, investment properties, creditable withholding tax, property and equipment, customer relationship, and other noncurrent assets for impairment. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, plans in the real estate projects, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

As described in the accounting policy, the Group estimates the recoverable amount as the higher of the FVLCTS and VIU. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect investments in associates and joint ventures, and property and equipment.

The Group considers the significant or prolonged decline in the quoted market price of MBTC and MPIC as an indicator 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 discounted cash flow 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 investments 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 is written down for impairment when the net present value of the forecasted future cash flows from the business is insufficient to support its carrying value. The Group estimates key inputs such as discounted future cash flows forecasts, expected gross margins, discount rates and long-term growth rates. The Group uses the weighted average cost of capital in discounting the expected cash flows from specific CGUs.

Refer to Notes 12 and 13 for the details regarding the carrying values of the Group's goodwill and intangible assets as well as details regarding the impairment review and assessment.

Recognition of deferred tax assets
The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of deferred income tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.

The recognized and unrecognized deferred tax assets on temporary differences of the Group are disclosed in Note 29.

Estimating pension and other retirement benefits
The determination of the obligation and cost of pension and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 28 and include among others, discount rates, turnover rates and rates of salary increase. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement obligations. The carrying values of pension asset, liability and expense are disclosed in Note 28.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation. The carrying values of financial instruments are disclosed in Note 32.

Provision for product warranties
Estimated warranty costs are provided at the time of sale. The provision is based on the estimated costs of future servicing the products sold, the costs of which are not recoverable from customers. A provision is recognized for expected warranty claims on products sold during the last two (2) years, based on past experience of the level of returns and repairs. It is expected that most of these costs will be incurred in the next financial year and all will be incurred within three (3) years as of the reporting date. Provision for product warranty is disclosed in Note 20.

4. Cash and Cash Equivalents

This account consists of:

	2022	2021
Cash on hand	**₱212**	₱34
Cash in banks and other financial institutions (Note 27)	**5,349**	4,469
Cash equivalents (Note 27)	**18,444**	12,901
	₱24,005	₱17,404

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 0.025% to 5.75% in 2022, from 0.05% to 1.25% in 2021 and from 0.125% to 3.75% in 2020 (Notes 23 and 27).

5. Receivables

This account consists of:

	2022	2021
Trade receivables	**₱10,688**	₱11,132
Loans receivable (Note 27)	**6,084**	5,618
Accrued rent and commission income (Note 27)	**1,644**	1,230
Nontrade receivables (Note 27)	**1,360**	1,051
Accrued interest receivable (Note 27)	**817**	434
Management fee receivables (Note 27)	**282**	150
Installment contracts receivables	**249**	335
Others (Note 27)	**204**	447
	21,328	20,397
Less: Allowance for credit losses	**943**	779
	₱20,385	₱19,618

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

	2022	2021
Current portion	**₱14,135**	₱15,852
Noncurrent portion	**6,250**	3,766
	₱20,385	₱19,618

Noncurrent portion are as follows:

	2022	2021
Trade receivables	**₱1,156**	₱2,442
Loans receivable	**5,094**	1,324
	₱6,250	₱3,766

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 2022 and 2021.

Loans Receivable
Loans receivable from various counterparties in real estate segment amounted to ₱6,084 million and ₱5,618 million as of December 31, 2022 and 2021, respectively.

Loans receivable from Cathay International Resources Corp. (CIRC)
In 2012, Federal Land entered into a loan agreement with CIRC. Federal Land agreed to lend to CIRC a total amount of ₱705.00 million with a nominal and effective annual interest rate of 3.15% and 4.81%, respectively. The loan will mature on the tenth year anniversary from the date of execution of the agreement. Federal Land used discounted cash flow analyses to measure the fair value of the loan at initial recognition amounted to ₱610.78 million. The 'Day 1' difference for this receivable amounted to ₱94.22 million at inception in 2012. Accretion of interest in 2022, 2021 and 2020 amounted to ₱11.59 million, ₱6.05 million and ₱10.56 million, respectively (Note 23). In December 2022, Federal Land agreed to extend the loan with nominal interest rate of 4.15% and maturity date on December 21, 2032.

In 2021, Federal Land entered into a loan agreement with CIRC for a total amount of ₱50.00 million with nominal interest rate of 6.00% per annum and maturity date on December 24, 2024.

In 2022, Federal Land entered into a new loan agreement with CIRC for a total amount of ₱150.00 million with nominal interest rate of 4.15% per annum and maturity date on December 21, 2032.

The outstanding balance of long-term loans receivable from CIRC as of December 31, 2022 and 2021 amounted to ₱905.00 million and ₱743.41 million, respectively (Note 27).

Loans receivable from Multi Fortune Holdings, Inc. (MFHI)
In 2022, Federal Land entered into a loan agreement with MFHI. Federal Land agreed to lend to MFHI a total of ₱154.00 million with nominal interest rate of 4.40% per annum and maturity date on December 21, 2032.

In 2021, Federal Land entered into several loan agreements with MFHI. Federal Land agreed to lend to MFHI a total of ₱299.00 million with nominal interest rates ranging from 4.33% to 5.54% per annum and maturity date on December 15, 2031.

In 2020, Federal Land entered into several loan agreements with MFHI. Federal Land agreed to lend to MFHI an aggregate amount of ₱290.00 million payable in 2025 with nominal interest rates ranging from 5.25% to 5.95% per annum.

In 2019, Federal Land entered into a new loan agreement with MFHI. Federal Land agreed to lend to MFHI a total amount of ₱135.00 million with nominal interest rates ranging from 6.06% to 6.60% annually. The loan will mature on the fifth year anniversary of the execution.

In 2017, Federal Land entered into a loan agreement with MFHI. Federal Land agreed to lend to MFHI a total amount of ₱290.00 million with nominal interest rate of 6.60% annually. The loan matured on its fifth year anniversary in 2022.

Interest income earned in 2022, 2021 and 2020 amounted to ₱59.21 million, ₱45.72 million and ₱31.66 million, respectively (Note 23).

The total outstanding balance of long-term loans receivables from MFHI as of December 31, 2022 and 2021 amounted to ₱1.16 billion and ₱1.01 billion, respectively.

Loans receivable from Bonifacio Landmark Realty and Development Corporation (BLRDC)
In 2022, Federal Land entered into a loan agreement with BLRDC to lend BLRDC for a total of ₱150.00 million with nominal interest rate of 6.75% and maturity date on August 25, 2028. Interest income earned amounted to ₱8.59 million and ₱10.49 million in 2022 and 2021, respectively.

In 2021, Federal Land entered into several loan agreements with BLRDC to lend BLRDC for a total of ₱550.00 million with nominal interest rate of 5.25% and maturity date on August 25, 2028. Interest income earned amounted to ₱28.88 million and ₱10.49 million in 2022 and 2021, respectively.

In 2020, Federal Land entered into several loan agreements with BLRDC to lend BLRDC for a total of ₱3.31 billion with nominal interest rates ranging from 5.00% to 5.25% and terms of less than one year. In 2022, these loans with a total amount of ₱3.31 billion have been renewed with a maturity date of March 1, 2029 and a new interest rate of 6.75% per annum. Interest income earned in 2022, 2021 and 2020 amounted to ₱215.01 million, ₱169.56 million and ₱14.04 million, respectively.

The total outstanding balance of long-term loans receivables from BLRDC as of December 31, 2022 and 2021 amounted to ₱4.01 billion and ₱3.86 billion, respectively.

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:

	2022	2021
Installment contracts receivables	**₱251**	₱338
Less: Unearned interest income	**2**	3
	₱249	₱335

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 2022 and 2021.

Movements in the unearned interest income in 2022 and 2021 follow:

	2022	2021
Balance at beginning of year	**₱3**	₱4
Additions	**1**	1
Accretion (Note 23)	**(2)**	(2)
Balance at end of year	**₱2**	₱3

Others 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, 2022		
	Trade Receivables	**Other Receivables**	**Total**
Balance at beginning of year	**₱228**	**₱551**	**₱779**
Provision for credit losses - net (Note 26)	**2**	**162**	**164**
Balance at end of year	**₱230**	**₱713**	**₱943**

	December 31, 2021		
	Trade Receivables	Other Receivables	Total
Balance at beginning of year	₱234	₱187	₱421
Provision for (reversal of allowance for) credit losses - net (Note 26)	(6)	364	358
Balance at end of year	₱228	₱551	₱779

6. **Inventories**

This account consists of:

	2022	2021
At cost		
Real estate		
Land and improvements	**₱34,947**	₱44,142
Condominium units held for sale	**15,016**	13,738
Construction in progress	**3,951**	6,926
Gasoline retail and petroleum products (Note 24)	**7**	10
Food (Note 24)	**5**	5
Automotive		
Finished goods	**3,277**	3,046
Work-in-process	**30**	28
Raw materials	**7,717**	5,043
Raw materials in transit	**3,098**	4,785
Spare parts	**104**	71
	68,152	77,794
At NRV		
Automotive		
Spare parts	**1,247**	1,023
	₱69,399	₱78,817

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

	2022			
	Land and improvements	**Condominium units held for sale**	**Construction in progress**	**Total**
Balance at beginning of year	**₱44,142**	**₱13,738**	**₱6,926**	**₱64,806**
Construction and development costs incurred	**217**	**4,050**	**–**	**4,267**
Land acquired during the year	**92**	**–**	**–**	**92**
Borrowing costs capitalized	**105**	**9**	**286**	**400**
Cost of sales during the year	**(268)**	**(2,781)**	**(130)**	**(3,179)**
Assets contribution in a joint venture (Note 8)	**(6,297)**	**–**	**–**	**(6,297)**
Transfers to investment properties (Note 9)	**(2,773)**	**–**	**(3,131)**	**(5,904)**
Others	**(271)**	**–**	**–**	**(271)**
Balance at end of year	**₱34,947**	**₱15,016**	**₱3,951**	**₱53,914**

	2021			
	Land and improvements	Condominium units held for sale	Construction in progress	Total
Balance at beginning of year	₱42,822	₱11,710	₱4,552	₱59,084
Construction and development costs incurred	1,116	4,326	2,307	7,749
Land acquired during the year	114	–	–	114
Borrowing costs capitalized	188	16	508	712
Cost of sales during the year	(98)	(2,890)	(135)	(3,123)
Transfers from construction in progress to condominium units for sale	–	204	(204)	–
Transfers from investment properties (Note 9)	–	372	(102)	270
Balance at end of year	₱44,142	₱13,738	₱6,926	₱64,806

Federal Land's capitalized borrowing costs in its real estate inventories amounted to ₱111.00 million and ₱207.00 million in 2022 and 2021, respectively, for loans specifically used to finance Federal Land's project construction with interest rates ranging from 3.25% to 6.71% in 2022 and 2021, and from 4.50% to 6.71% in 2020. Also, Federal Land's capitalized borrowing costs in respect of its general borrowing amounted to ₱18.00 million and ₱505.12 million in 2022 and 2021, respectively. The average capitalization rate used to determine the amount of borrowing costs eligible for capitalization ranged from 3.10% to 5.57% in 2022 and 2021.

Inventories charged to operations follow:

	2022	2021	2020
Cost of goods and services sold (Note 24)	**₱157,079**	₱102,959	₱76,479
Cost of goods manufactured and sold (Note 25)	**36,366**	32,111	23,554
Cost of real estate sales	**3,059**	3,123	4,120
	₱196,504	₱138,193	₱104,153

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 ₱1.25 billion and ₱1.02 billion as of December 31, 2022 and 2021, respectively.

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

	2022	2021
Balance at beginning of year	**₱143**	₱141
Provision for inventory write-down (Note 26)	**51**	9
Write-off of scrap inventories	**(8)**	(5)
Reversal	–	(2)
Balance at end of year	**₱186**	₱143

The Group has no purchase commitments pertaining to its inventories as of December 31, 2022 and 2021.

7. Prepayments and Other Current Assets

This account consists of:

	2022	2021
Input VAT	**₱4,920**	₱4,308
Creditable withholding taxes (CWT)	**3,653**	2,201
Ad-valorem tax for refund	**2,704**	–
Assets held for sale (Note 19)	**2,145**	1,127
Advances to contractors and suppliers	**1,443**	1,706
Prepaid Ad-valorem tax	**961**	686
Prepaid expenses (Note 21)	**842**	1,003
Advances to officers, employees and agents (Note 27)	**90**	56
Safeguard bonds	**35**	2,551
Short-term investments (Note 27)	–	136
Others	**316**	296
	₱17,109	₱14,070

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.

Ad-valorem tax pertains to the incremental Ad-valorem tax paid by Toyota in 2022 which is subject for refund. In 2022, Bureau of Internal Revenue (BIR) issued memorandum circular which resulted to increased Ad-valorem tax payments on manufactured and imported vehicles. The said circular was repealed in February 2023.

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

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

On February 24, 2020, Federal Land's BOD approved the plans to transfer the "The Grand Midori - Ortigas (TGMO)" project to FLOC, a subsidiary of Federal Land. In the last quarter of 2020, Federal Land provided notice to its customers that there will be a change in the developer of TGMO. Accordingly, subject to the approval of relevant government regulatory agencies, the project owner and developer of TGMO will be changed to FLOC. In 2022, Federal Land management approved the change from FLOC to MPI, which is also a subsidiary of Federal Land, to which Federal Land will transfer TGMO. Currently, the process of transferring ownership of the property and the issuance of license to sell to MPI is not yet completed as of December 31, 2022. As a result, all assets and liabilities consisting of installment contracts receivables, real estate inventories, contract liabilities and other payables associated to TGMO were reclassified as assets held for sale and liabilities held for sale of Federal Land (Note 19).

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.

Prepaid expenses mainly include prepayments for supplies, commission, taxes and licenses, rentals, and insurance.

Advances to officers and employees amounting to ₱80.81 million and ₱46.79 million as of December 31, 2022 and 2021, 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 ₱9.60 million and ₱9.31 million as of December 31, 2022 and 2021, respectively, pertain to mobilization funds granted to agents to finance their sales-related needs. These advances are subject to liquidation within 30 days after the release of cash advance.

Safeguard bonds represent payments made by Toyota to the Bureau of Customs for the provisional safeguard duties on imported vehicles in line with Department Administrative Order No. 20-11 of the Department of Trade and Industry. The imposition of the said provisional duties was subsequently revoked in August 2021.

Short-term investments in 2021 pertain to time deposit placements in an affiliated bank, with interest rates ranging from 0.05% to 0.63% and maturity of less than 12 months (Note 27).

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:

	2022	2021
Investments in associates	**₱168,246**	₱166,620
Investments in joint ventures	**31,992**	19,567
	₱200,238	₱186,187

There were no impairment losses for any of these investments in 2022 and 2021.

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

	2022	2021
Cost		
Balance at beginning and end of year	**₱112,319**	₱112,319
Accumulated equity in net income		
Balance at beginning of year	**79,241**	68,589
Equity in net income for the year	**14,594**	10,430
Amortization of FV increment on net asset	**(165)**	(200)
Elimination during the year	**(3)**	–
Recognition of previously deferred gain*	**107**	422
Balance at end of year	**93,774**	79,241
Dividends received		
Balance at beginning of year	**(22,209)**	(14,360)
Dividends received during the year	**(5,943)**	(7,849)
Balance at end of year	**(28,152)**	(22,209)
Accumulated equity in other comprehensive income (loss)		
Balance at beginning of year	**(4,416)**	(1,429)
Equity in fair value changes on financial assets at FVOCI for the year	**(7,489)**	(4,486)
Equity in translation adjustments	**92**	720
Equity in remeasurement of life insurance reserves	**362**	236
Equity in net unrealized gain on remeasurement of defined benefit plans	**536**	564
Equity in cash flow hedge reserve	**61**	–
Equity in other equity adjustments	–	(21)
Balance at end of year	**(10,854)**	(4,416)
Effect of elimination of intragroup profits		
Balance at beginning of year	**1,685**	1,685
Elimination during the year	**3**	–
Reclassification during the year*	**(422)**	–
Recognition of previously deferred profits*	**(107)**	–
Balance at end of year	**1,159**	1,685
	₱168,246	₱166,620

* *Pertains to intercompany sale of lots in 2014 and 2015, which were sold to third parties in 2022.*

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

	2022	2021
Cost		
Balance at beginning of year	**₱17,614**	₱16,605
Additional investments during the year	**577**	1,009
Asset contribution in the form of real estate inventories (Notes 6 and 27)	**10,159**	–
Effect of business combination	**(100)**	–
Balance at end of year	**28,250**	17,614
Accumulated equity in net income		
Balance at beginning of year	**2,801**	2,388
Equity in net income for the year	**1,922**	413
Effect of business combination	**21**	–
Balance at end of year	**4,744**	2,801
Dividends received		
Balance at beginning of year	**(70)**	(62)
Dividends received during the year	**(20)**	(8)
Balance at end of year	**(90)**	(70)
Accumulated equity in other comprehensive income (loss)		
Balance at beginning of year	**(170)**	(317)
Equity in net unrealized loss on remeasurement of defined benefit plans	**(1)**	(2)
Equity in cash flow hedge reserve	**(242)**	149
Balance at end of year	**(413)**	(170)
Effect of elimination of intragroup profits (losses)		
Balance at beginning of year	**(608)**	(711)
Elimination of deferred profit on sale	**(207)**	–
Recognition of previously deferred profit	**316**	103
Balance at end of year	**(499)**	(608)
	₱31,992	₱19,567

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

	Nature of Business	Country of Incorporation	2022	2021
Associates:				
MBTC	Banking	Philippines	**37.15**	37.15
MPIC	Infrastructure	-do-	**17.08**	16.30
Phil AXA	Insurance	-do-	**25.33**	25.33
Crown Central Properties Corporation (CCPC)	Real estate	-do-	**48.00**	48.00
Joint ventures:				
BLRDC*	Real estate	-do-	**70.00**	70.00
North Bonifacio Landmark Realty and Development Inc. (NBLRDI)*	-do-	-do-	**70.00**	70.00
Federal Land NRE Global, Inc. (FNG)*	-do-	-do-	**66.00**	–
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
Pasay Hong Kong Realty Dev't Corp. (PHRDC)**	-do-	-do-	**–**	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.*

*** In December 2022, Federal Land increased ownership from 50.00% to 100.00% thereby obtaining control over PHRDC. Accordingly, PHRDC was consolidated by Federal Land starting December 2022.*

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
2022					
MBTC	February 23, 2022	₱0.80	₱3,598	March 17, 2022	March 31, 2022
MBTC*	February 23, 2022	1.40	6,296	March 17, 2022	March 31, 2022
MBTC	February 23, 2022	0.80	3,598	September 9, 2022	September 23, 2022
MPIC	March 9, 2022	0.0678	2,031	March 25, 2022	April 6, 2022
MPIC*	March 9, 2022	0.0082	246	March 25, 2022	April 6, 2022
SMFC	June 24, 2022	5.01	100	July 11, 2022	July 20, 2022
MPIC	August 3, 2022	0.0345	1,011	August 22, 2022	September 8, 2022
Phil AXA	December 20, 2022	142.00	1,420	November 28, 2022	December 22, 2022

**Special cash dividends*

	Declaration Date	Per Share	Total	Record Date	Payment Date
2021					
MBTC	February 17, 2021	₱1.00	₱4,497	March 5, 2021	March 18, 2021
MBTC*	February 17, 2021	3.00	13,492	March 5, 2021	March 18, 2021
MPIC	March 3, 2021	0.0481	1,475	March 18, 2021	March 31, 2021
MPIC*	March 3, 2021	0.0279	856	March 18, 2021	March 31, 2021
SMFC	June 25, 2021	1.93	39	July 12, 2021	July 21, 2021
MPIC	August 4, 2021	0.0345	1,057	August 18, 2021	September 2, 2021
Phil AXA	December 9, 2021	247.00	2,470	November 30, 2021	December 17, 2021

**Special cash dividends*

Investment in MBTC

In 2020, the Parent Company's ownership interest in Metrobank increased from 36.65% to 37.15% after acquiring an aggregate of 22.11 million common shares of Metrobank for a total consideration of ₱1.25 billion.

Investment in MPIC

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 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.

Investment in BLRDC
On June 8, 2012, Federal Land and Orix Risingsun Properties II, Inc. (ORPI) entered into a joint venture agreement for the creation of BLRDC, with Federal Land owning 70% and ORPI owning 30% to develop three (3) main projects, namely (1) residential condominium project, (2) hotel/office building, and (3) hotel operation .

Investment in NBLRDI
On June 14, 2018, Federal Land entered into a Joint Venture Agreement with ORPI to incorporate a joint venture company, NBLRDI, in which Federal Land held 70% equity interest. The agreement was entered to develop Grand Hyatt Residences Tower II.

Investment in FNG
In January 2022, Federal Land signed a joint venture agreement with Nomura Real Estate Development Co., Ltd. (NRE) to incorporate Federal Land NRE Global, Inc. (FNG), in which Federal Land holds a 66% stake. FNG was incorporated on March 25, 2022. FNG will develop a new urban lifestyle, creating value, and sustainable growth. As its initial project, it will incorporate four areas of land development with a total area of about 250 hectares in Metro Manila, Cavite and Cebu. These include an initial pipeline of residential, office, commercial and industrial facilities.

In 2022, FLI and HLPDC entered into a deed of exchange agreements with NRE where FLI and HLPDC will contribute real estate inventories with a total fair value of ₱17.66 billion in exchange for common and preferred shares in FNG. The total cost of the said real estate inventories amounted to ₱6.30 billion (Note 6). The Group recognized gain on the asset-for-share swap amounting 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.

Investment in Sunshine Fort
On July 3, 2017, Federal Land entered into a Joint Venture Agreement with NREMI Development Company (NRE) to incorporate a joint venture company in which Federal Land held 60% equity interest. In 2017, Federal Land made an initial investment amounting to ₱288.75 million. In 2018, Federal Land made additional investments amounting to ₱4.33 billion.

Investment in AFLCI
On April 29, 2015, Federal Land and Alveo Land Corp. executed a joint venture agreement for the organization of a joint venture, AFLCI, to manage the development of a 45-hectare property along Laguna Boulevard in Biñan, Laguna. AFLCI was incorporated on June 16, 2015. An initial investment amounting to ₱574.13 million was reflected as additions to the investments in associates and joint ventures in 2015. In 2016, an additional investment amounting to ₱17.00 million was made.

Investment in STRC
In June 2016, SM Development Corporation (SMDC) entered into an agreement with Federal Land to incorporate a joint venture company, STRC, in which Federal Land holds a 50% stake. STRC will develop a 3,200 square meter property located along Ayala Avenue as a high-end luxury residential tower. An initial investment amounting to ₱250.00 million was reflected as additions to the investments in associates and joint ventures in 2016.

On December 12, 2016, the BOD of Federal Land approved the additional investment in STRC amounting to ₱750.00 million divided into preferred shares in the amount of ₱712.50 million and common shares in the amount of ₱37.50 million. On January 10, 2017, Federal Land has fully paid its subscription to STRC. The percentage of ownership is retained as SMDC also invested an equivalent amount.

In 2018 and 2017, Federal Land made additional investments in STRC amounting to ₱0.47 billion and ₱0.03 billion, respectively.

Investment in TFSPC
On August 29, 2014, the Parent Company signed a Sale and Purchase Agreement with MBTC and Philippine Savings Bank (PSBank), a majority owned subsidiary of MBTC, to purchase their respective shares in TFSPC representing 15.00% and 25.00%, respectively, of ownership interest for an aggregate consideration of ₱2.10 billion.

In 2021, 2020 and 2018, the Parent Company remitted ₱800.00 million, ₱800.00 million and ₱720.00 million, respectively, to TFSPC in response to the latter's equity call upon its stockholders.

Investment in SMFC
On August 11, 2017, the Parent Company acquired 4.0 million common shares, representing 20% ownership in SMFC for a total consideration of ₱379.92 million from PSBank and PSBank Retirement Fund. In relation to the acquisition, the Parent Company capitalized documentary stamp taxes amounting to ₱1.50 million as part of the cost of the investment.

Fair Value of Investments in Associates and Joint ventures
Phil AXA and CCPC as well as BLRDC, NBLRDI, Sunshine Fort, SFNBCMC, AFLCI, STRC, PHRDC, HSL, MFRI, FNG, TFSPC and SMFC are private companies and there are no quoted market prices available for their shares.

As of December 31, 2022 and 2021, the fair values of the Group's investments in PSE-listed entities follow, which are below their respective carrying values (Note 32):

	2022	2021
MBTC	**₱90,213**	₱91,048
MPIC	**16,709**	19,110
	₱106,922	₱110,158

Management considers significant or prolonged decline in the quoted market price of MBTC and MPIC as an indicator 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. Based on the Group's impairment testing, the investments in MBTC and MPIC are determined to be not impaired.

The recoverable amount of the investment in MBTC was based on the VIU of MBTC. The discount rate applied to MBTC cash flow projections is 9.60%. Cash flows beyond the five-year period are extrapolated using a steady growth rate of 3.00%. The calculation of VIU for the MBTC CGU is most sensitive to the assumptions on revenue and terminal growth rates, and discount rate.

The recoverable amount of the investment in MPIC, which is the calculated VIU, was based on the sum-of-the-parts of the VIU and FVLCTS of the MPIC Group. The VIU and FVLCTS calculations for the MPIC CGU are most sensitive to the FVLCTS of its listed associate based on its market price, and the VIU of MPIC's component businesses based on net asset values, cash flow forecasts and applicable discount. Regarding the assessment of the VIU of investments in MBTC and MPIC, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

The following tables present the carrying values of the Group's material associates:

Investment in MBTC

	2022	2021
Consolidated Statements of Comprehensive Income		
Net interest income, other income and share in net income of associates and joint ventures	**₱113,026**	₱101,448
Expenses and provision for income tax	**79,728**	79,084
Net income	**33,298**	22,364
Other comprehensive loss	**(19,297)**	(9,663)
Total comprehensive income	**14,001**	12,701
*Consolidated Statements of Financial Position**		
Total assets	**2,843,090**	2,502,816
Total liabilities	**(2,515,000)**	(2,175,084)
Net assets	**328,090**	327,732
Equity attributable to NCI	**(9,582)**	(9,227)
Net assets attributable to common shareholders of MBTC	**318,508**	318,505
GT Capital's ownership interest	**37.15%**	37.15%
GT Capital's share in net assets	**118,326**	118,325
Notional goodwill	**4,162**	4,162
Fair value and other adjustments	**2,485**	2,974
	₱124,973	₱125,461

**MBTC does not present classified consolidated statements of financial position.*

Investment in MPIC

	2022	2021
Consolidated Statements of Comprehensive Income		
Revenues	**₱101,253**	₱87,364
Expenses and provision for income tax	**87,315**	75,695
Net income	**13,938**	11,669
Other comprehensive income (loss)	**4,417**	4,839
Total comprehensive income	**18,355**	16,508
Consolidated Statements of Financial Position		
Current assets	**68,903**	72,412
Noncurrent assets	**575,733**	511,922
Current liabilities	**(76,683)**	(58,452)
Noncurrent liabilities	**(322,283)**	(289,017)
Net assets	**245,670**	236,865
Equity attributable to NCI	**(45,757)**	(43,561)
Net assets attributable to common shareholders of MPIC	**199,913**	193,304
GT Capital's ownership interest	**17.08%**	16.30%
GT Capital's share in net assets	**34,145**	31,509
Capitalized transaction cost	**277**	277
Notional goodwill	**2,573**	2,573
Fair value and other adjustments	**3,060**	3,835
	₱40,055	₱38,194

The following table presents the carrying value of the Group's material joint venture:

Investment in FNG

	2022
Consolidated Statements of Comprehensive Income	
Revenues	**₱50**
Expenses and provision for income tax	**162**
Net loss	**(112)**
Other comprehensive income	**–**
Total comprehensive loss	**(112)**
Consolidated Statements of Financial Position	
Current assets	**27,169**
Noncurrent assets	**8**
Current liabilities	**(64)**
Noncurrent liabilities	**33**
Net assets	**27,146**
GT Capital's ownership interest	**66.00%**
GT Capital's share in net assets	**17,916**
Intercompany eliminations and other adjustments	**(7,455)**
	₱10,461

The following table presents the aggregate financial information of the Group's other associates and joint ventures as of and for the years ended December 31, 2022 and 2021:

	2022		2021	
	Associates	**Joint ventures**	Associates	Joint ventures
Statements of Financial Position				
Current assets	**₱195**	**₱41,408**	₱222	₱36,000
Non-current assets	**44**	**20,642**	44	17,780
Total assets*	**157,262**	**133,287**	177,277	122,139
Current liabilities	**64**	**23,695**	73	20,030
Non-current liabilities	**9**	**12,117**	1	9,307
Total liabilities*	**144,762**	**117,963**	165,713	107,808
Statements of Comprehensive Income				
Revenues	**₱16,323**	**₱25,624**	₱23,165	₱18,581
Expenses	**12,876**	**20,014**	20,072	16,209
Net income	**2,571**	**4,112**	2,289	1,371
Other comprehensive income (loss)	**(190)**	**(577)**	(282)	430
Total comprehensive income	**2,381**	**3,535**	2,007	1,801

**Phil AXA and TFSPC do not present classified statements of financial position.*

The aggregate carrying values of the other associates and joint ventures, which includes Phil AXA, TFSPC, SMFC, CCPC, BLRDC, NBLRDI, Sunshine Fort, SFNBCMC, AFLCI, STRC, PHRDC, HSL and MFRI, amounted to ₱24.75 billion and ₱22.53 billion as of December 31, 2022 and 2021, respectively.

Limitation on dividend declaration of associates and joint venture

Phil AXA

Section 195 of the Insurance Code provides that a domestic insurance company shall declare or distribute dividends on its outstanding stock only from profits remaining on hand after retaining unimpaired:

- the entire paid-up capital stock;
- the margin of solvency required;

- the legal reserve fund required; and
- a sum sufficient to pay all net losses reported or in the course of settlement and all liabilities for expenses and taxes.

MBTC and TFSPC
The Bangko Sentral ng Pilipinas (BSP) requires banks to keep certain levels of regulatory capital and liquid assets, limit their exposures to other parts of the Group and comply with other regulatory ratios.

As of December 31, 2022 and 2021, 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, 2022 and 2021, accumulated equity in net earnings amounting to ₱70.28 billion and ₱59.76 billion, respectively, is not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon declaration and receipt of cash dividends from the investees.

As of December 31, 2022 and 2021, 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, 2022			
	Land and Improvements	**Building and Improvements**	**Construction-in-Progress**	**Total**
Cost				
At January 1	**₱4,883**	**₱10,430**	**₱2,917**	**₱18,230**
Additions	**–**	**1,229**	**–**	**1,229**
Transfers (Note 6)	**2,773**	**–**	**3,131**	**5,904**
At December 31	**7,656**	**11,659**	**6,048**	**25,363**
Accumulated Depreciation				
At January 1	**28**	**2,556**	**–**	**2,584**
Depreciation (Note 11)	**4**	**528**	**–**	**532**
At December 31	**32**	**3,084**	**–**	**3,116**
Net Book Value at December 31	**₱7,624**	**₱8,575**	**₱6,048**	**₱22,247**

	December 31, 2021			
	Land and Improvements	Building and Improvements	Construction-in-Progress	Total
Cost				
At January 1	₱5,149	₱10,320	₱2,930	₱18,399
Additions	4	97	–	101
Transfers (Note 6)	(270)	13	(13)	(270)
At December 31	4,883	10,430	2,917	18,230
Accumulated Depreciation				
At January 1	24	2,122	–	2,146
Depreciation (Note 11)	4	434	–	438
At December 31	28	2,556	–	2,584
Net Book Value at December 31	₱4,855	₱7,874	₱2,917	₱15,646

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 ₱1.40 billion, ₱1.05 billion and ₱1.75 billion in 2022, 2021 and 2020, 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 2023.

The aggregate fair values of the Group's investment properties amounted to ₱46.86 billion and ₱41.85 billion as of December 31, 2022 and 2021, respectively (Note 32). The fair values of the Group's investment properties have been determined based on valuations performed by third party independent appraisers which are accredited by the SEC. The value of the land was estimated by using the Market Data Approach, a valuation approach that considers the sales, listings and other related market data within the vicinity of the subject properties and establishes a value estimate by processes involving comparison. Valuation of the Group's investment properties are done every three years with the latest valuation report issued in 2022.

The Group has no purchase commitments pertaining to its investment properties as of December 31, 2022 and 2021.

10. **Investment Securities**

Investment securities consist of:

	2022	2021
Current:		
Financial assets at FVTPL (Note 27)		
Quoted	**₱11,160**	₱8,712
Noncurrent:		
Financial assets at FVOCI		
Quoted	**13,154**	15,919
Unquoted	**191**	392
	13,345	16,311
	₱24,505	₱25,023

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 ₱12.89 billion and ₱15.71 billion as of December 31, 2022 and 2021, 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 ₱179.70 million and ₱381.41 million as of December 31, 2022 and 2021, respectively. Also included in the balance are unquoted equity securities held by Federal Land amounting to ₱9.94 million as of December 31, 2022 and 2021.

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:

	2022		
	Attributable to Parent Company	**Non-controlling Interest**	**Total**
Balance at beginning of year	**₱4,927**	**₱289**	**₱5,216**
Changes in fair values of financial assets at FVOCI	**(2,999)**	**(69)**	**(3,068)**
Balance at end of year	**₱1,928**	**₱220**	**₱2,148**

	2021		
	Attributable to Parent Company	Non-controlling Interest	Total
Balance at beginning of year	₱1,357	₱198	₱1,555
Changes in fair values of financial assets at FVOCI	3,570	91	3,661
Balance at end of year	₱4,927	₱289	₱5,216

11. Property and Equipment

The composition and rollforward analysis of this account follow:

	2022									
	Transportation Equipment	**Furniture, Fixtures and Equipment**	**Leasehold Improvements**	**Machinery, Tools and Equipment**	**Land and Building**	**Building and Land Improvements**	**Other Property and Equipment**	**Right-of-use assets**	**Construction-in-Progress**	**Total**
Cost										
At January 1	**₱667**	**₱1,216**	**₱297**	**₱2,703**	**₱3,225**	**₱9,098**	**₱6,493**	**₱194**	**₱945**	**₱24,838**
Additions	**130**	**170**	**56**	**36**	**29**	**12**	**17**	**–**	**203**	**653**
Disposals and reclassifications	**(182)**	**1**	**3**	**(8)**	**–**	**(5)**	**12**	**(65)**	**(221)**	**(465)**
At December 31	**615**	**1,387**	**356**	**2,731**	**3,254**	**9,105**	**6,522**	**129**	**927**	**25,026**
Accumulated Depreciation and Amortization										
At January 1	**458**	**842**	**295**	**1,186**	**142**	**1,454**	**5,490**	**53**	**–**	**9,920**
Depreciation and amortization	**106**	**152**	**14**	**259**	**32**	**319**	**613**	**22**	**–**	**1,517**
Disposals and reclassifications	**(183)**	**(45)**	**–**	**(23)**	**–**	**(66)**	**–**	**(45)**	**–**	**(362)**
At December 31	**381**	**949**	**309**	**1,422**	**174**	**1,707**	**6,103**	**30**	**–**	**11,075**
Net Book Value at December 31	**₱234**	**₱438**	**₱47**	**₱1,309**	**₱3,080**	**₱7,398**	**₱419**	**₱99**	**₱927**	**₱13,951**

	2021									
	Transportation Equipment	Furniture, Fixtures and Equipment	Leasehold Improvements	Machinery, Tools and Equipment	Land and Building	Building and Land Improvements	Other Property and Equipment	Right-of-use assets	Construction-in-Progress	Total
Cost										
At January 1	₱705	₱1,106	₱355	₱2,627	₱3,224	₱4,821	₱6,128	₱187	₱904	₱20,057
Additions	110	91	20	54	3	4,256	365	139	120	5,158
Disposals and reclassifications	(148)	19	(78)	22	(2)	21	–	(132)	(79)	(377)
At December 31	667	1,216	297	2,703	3,225	9,098	6,493	194	945	24,838
Accumulated Depreciation and Amortization										
At January 1	463	717	263	951	123	1,144	4,735	49	–	8,445
Depreciation and amortization	131	126	32	236	19	310	755	37	–	1,646
Disposals and reclassifications	(136)	(1)	–	(1)	–	–	–	(33)	–	(171)
At December 31	458	842	295	1,186	142	1,454	5,490	53	–	9,920
Net Book Value at December 31	₱209	₱374	₱2	₱1,517	₱3,083	₱7,644	₱1,003	₱141	₱945	₱14,918

Construction-in-progress as of December 31, 2022 pertains to Federal Land's and Toyota's building construction and improvements, and Toyota Group's machineries and building improvements.

The Group has no significant capital commitments pertaining to its property and equipment as of December 31, 2022 and 2021.

Gain on disposal of property and equipment amounted to ₱58.43 million, ₱33.50 million and ₱6.57 million in 2022, 2021 and 2020, respectively (Note 23).

Details of depreciation and amortization follow:

	2022	2021	2020
Property and equipment	**₱1,517**	₱1,646	₱2,009
Investment properties (Note 9)	**532**	438	401
Intangible assets (Note 13)	**68**	104	107
	₱2,117	₱2,188	₱2,517

Breakdown of depreciation and amortization in the consolidated statements of income follows:

	2022	2021	2020
Consolidated Statements of Income			
Cost of goods manufactured	**₱896**	₱990	₱1,098
Cost of rental (Note 30)	**529**	434	397
Cost of goods and services	**–**	–	12
General and administrative expenses (Note 26)	**692**	764	1,010
	₱2,117	₱2,188	₱2,517

12. **Goodwill**

Goodwill in relation to acquisitions has been attributed to the following CGUs:

	2022	2021
Toyota	**₱5,597**	₱5,597
TMBC	**241**	241
TRDCI	**88**	88
	₱5,926	₱5,926

<u>Goodwill</u>
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 11.51% in 2022 and 9.52% in 2021. Cash flows beyond the five-year period are extrapolated using a steady growth rate of 2.82% in 2022 and 3.10% in 2021. The carrying value of goodwill amounted to ₱5.60 billion as of December 31, 2022 and 2021. 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 12.05% in 2022 and 11.36% in 2021. Cash flows beyond the forecast period are extrapolated using a long-term growth rate of 2.82% in 2022 and 3.10% in 2021. The carrying value of goodwill amounted to ₱241.06 million as of December 31, 2022 and 2021. No impairment loss was recognized on the goodwill arising from the acquisition of TMBC.

The calculations of VIU for TMBC CGU are most sensitive to the following assumptions:

- Expected future cash inflows from automobile sales
- Growth rate; and
- Pre-tax discount rate **-** Discount rate reflects management's best estimate of the risks associated with the specific CGU.

Regarding the assessment of the VIU of TMBC, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

13. **Intangible Assets**

Intangible assets consist of:

	2022	2021
Customer relationship	**₱3,883**	₱3,883
Software costs - net	**214**	127
Franchise - net	**2**	2
	₱4,099	₱4,012

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 14.08% and 12.33% in 2022 and 2021, respectively. Cash flows beyond the forecast period are extrapolated using a steady growth rate of 2.82% and 3.10% in 2022 and 2021, respectively. The carrying value of the customer relationship amounted to ₱3.88 billion as of December 31, 2022 and 2021. 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 5.91% 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:

	2022	2021
Cost		
Balance at beginning of year	**₱675**	₱599
Additions	**154**	76
Disposals/reclassification	**(2)**	–
Balance at end of year	**827**	675
Accumulated Amortization		
Balance at beginning of year	**548**	445
Amortization (Note 11)	**67**	103
Disposals/reclassification	**(2)**	–
Balance at end of year	**613**	548
Net Book Value	**₱214**	₱127

Franchise
Franchise fee pertains to the Federal Land Group's operating rights for its fastfood stores with estimated useful lives of three to five years.

The amortization of the franchise fee amounting to ₱1.18 million, ₱0.56 million and ₱0.56 million in 2022, 2021 and 2020, 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):

	2022	2021	2020
Software cost	**₱67**	₱103	₱106
Franchise	**1**	1	1
	₱68	₱104	₱107

14. Other Noncurrent Assets

This account consists of:

	2022	2021
Rental and other deposits (Note 30)	**₱3,173**	₱1,522
Derivative asset (Note 16)	**88**	–
Retirement asset (Note 28)	**29**	8
Deferred input VAT	**9**	30
Others	**17**	13
	₱3,316	₱1,573

Rental and other deposits include rental deposits for the leased offices of the Group and deposits for the initial set-up of the services rendered by public utility companies. Rental deposits are to be applied on the last month's rent of the lease contract.

15. Accounts and Other Payables

This account consists of:

	2022	2021
Trade payables	**₱19,049**	₱15,429
Accrued expenses	**7,084**	5,460
Telegraphic transfers, drafts and acceptances payable	**3,373**	4,956
Deferred output tax	**3,311**	3,660
Accrued commissions	**1,055**	1,056
Deferred income	**978**	773
Customer advances	**518**	682
Nontrade payables	**327**	264
Accrued interest payable	**324**	955
Royalty payable	**302**	293
Insurance payable	**214**	224
Retentions payable	**95**	95
Others	**318**	356
	₱36,948	₱34,203

The details of trade payables are as follows:

	2022	2021
Automotive	**₱14,155**	₱12,243
Real estate	**4,857**	3,166
Others	**37**	20
	₱19,049	₱15,429

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 details of accrued expenses are as follows:

	2022	2021
Dealers' incentives, supports and promotions	**₱3,333**	₱3,156
Employee benefits	**995**	663
Taxes	**758**	101
Freight, handling and transportation	**574**	130
Outsourced services	**238**	156
Office supplies	**170**	161
Utilities and services	**164**	424
Repairs and maintenance	**105**	18
Insurance	**76**	59
Professional fees	**21**	27
Rent	**19**	19
Payable to contractors	**7**	53
Regulatory fees and charges	**7**	13
Others	**617**	480
	₱7,084	₱5,460

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 payables 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	
	2022	2021	**2022**	2021
Affiliated (Note 27)				
Federal Land Group	**4.50% - 5.50%**	4.50% - 5.50%	**₱1,490**	₱1,750
Toyota Group	**5.35%**	2.00% - 2.70%	**800**	1,460
TMBC Group	**5.00% - 5.80%**	2.50% - 3.75%	**1,280**	675
GTCAM Group	**4.95% - 5.60%**	2.50%	**90**	90
Non-affiliated				
Federal Land Group	**4.00% - 6.50%**	4.00% - 5.00%	**7,108**	622
Toyota Group	**4.00% - 6.88%**	1.90% - 2.00%	**3,814**	4,000
TMBC Group	–	2.50%	–	475
GTCAM Group	–	2.50%	–	55
			₱14,582	₱9,127

Corporate Notes and Long-term Debt

	Interest rate range	Face amount	Outstanding balance 2022	2021	Terms
Corporate Notes					
Federal Land Group	5.57% - 6.27%	₱955	**₱955**	₱960	5-year unsecured notes; Due from 2022 to 2023; Fixed interest
Long-term Debt - Affiliated (Note 27)					
Federal Land Group	3.68% - 5.00%	10,500	**10,417**	9,930	5-year unsecured loans; Due from 2022 to 2027; Fixed interest
Long-term Debt - Non-affiliated					
Parent Company Peso loans	5.00% - 7.25%	61,975	**61,691**	61,681	10 to 13 years unsecured loans; Due from 2025 to 2032; Fixed interest
Parent Company JPY loans	3-month JPY TONA plus 0.65% - 0.80%	10,287	**9,660**	10,260	JPY23.31 billion loan; Due March 2027; Floating interest

	Interest rate range	Face amount	Outstanding balance 2022	2021	Terms
Federal Land Group	3.95% - 6.25%	42,385	**₱42,272**	₱38,394	5 to 10 years unsecured loans; Due from 2022 to 2029; Fixed interest
Toyota Group	2.70% - 4.20%	246	**246**	246	5 to 10 years unsecured loans; Automatically renewed upon maturity ; Fixed interest
TMBC Group	4.85% - 5.94%	1,500	**550**	707	10-year secured loans; Due from 2022 to 2023; Fixed interest
Total			**125,791**	122,178	
Less: Current portion			**7,758**	9,423	
			₱118,033	₱112,755	

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 + 0.80%	¥11.655 billion up to July 2024
1.255%	JPY TONA + 0.80%	¥23.31 billion from July 2024 to March 2027

In July 2022, the Parent Company entered into an interest rate swap agreement with a non-affiliated foreign bank. Under the agreement, the Parent Company, on a quarterly basis, pays fixed interest rate of 0.852% - 1.255% and receives a floating interest rate of JPY TONA plus 0.65% - 0.80% spread from July 2022 to March 2027. On the same date, the Parent Company designated the swap as an effective hedging instrument under a cash flow hedge arrangement (Note 33). As such, the effective portion of the changes in fair value of the swaps was recognized under other comprehensive income amounting to ₱87.70 million in 2022 and other comprehensive loss amounting to ₱32.01 million in 2021. The derivative asset amounted to ₱87.70 million as of December 31, 2022 (Note 14), and the derivative liability amounted to ₱32.01 million as of December 31, 2021 (Note 20).

As of December 31, 2022 and 2021, the movements in the deferred financing cost follow:

	2022	2021
Parent Company		
Balance at beginning of year	**₱296**	₱308
Additions	**77**	38
Amortization	**(69)**	(50)
Balance at end of year	**₱304**	₱296
TMBC Group		
Balance at beginning of year	**₱1**	₱2
Amortization	**(1)**	(1)
Balance at end of year	**₱–**	₱1
Federal Land		
Balance at beginning of year	**₱203**	₱88
Additions	**105**	155
Amortization	**(110)**	(40)
Balance at end of year	**₱198**	₱203

Total interest expense incurred on the above-mentioned debts in 2022, 2021 and 2020 follows:

	Interest expense charged to operations			Interest expense capitalized		
	2022	2021	2020	**2022**	2021	2020
Short-term debt	**₱573**	₱482	₱347	**₱39**	₱71	₱114
Corporate notes	**81**	60	176	**26**	47	166
Long-term debt	**5,609**	4,770	4,711	**336**	621	682

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, 2022 and 2021, the Group has complied with the foregoing financial ratios.

17. Bonds Payable

Maturity Dates	Interest rate	Par Value 2022	Par Value 2021	Amount 2022	Amount 2021
₱10.0 billion Bonds					
February 27, 2023	5.0937%	**₱6,100**	₱6,100	**₱6,099**	₱6,090
₱12.0 billion Bonds					
August 7, 2024	5.6250%	**4,000**	4,000	**3,992**	3,987
		₱10,100	₱10,100	**₱10,091**	₱10,077

Unamortized debt issuance costs on these bonds amounted to ₱9.73 million and ₱22.53 million as of December 31, 2022 and 2021, 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. This was refinanced in February 2020 with a long-term loan from a non-affiliated local bank.

₱12.00 billion GT Capital bonds due 2019, 2021 and 2024
On July 24, 2014, the Parent Company issued ₱12.00 billion unsecured bonds with tenors of five years, seven years and ten years due November 7, 2019 (Series A Bonds), August 7, 2021 (Series B Bonds) and August 7, 2024 (Series C Bonds), respectively, with annual interest rates of 4.71%, 5.20% and 5.63% respectively. Gross and net proceeds amounted to ₱12.00 billion and ₱11.88 billion, respectively, net of deferred financing cost incurred of ₱0.12 billion. The bonds were listed on August 7, 2014.

The ₱3.00 billion and ₱5.00 billion bonds with maturity dates of November 7, 2019 and August 7, 2021 were paid upon maturity. These were refinanced in November 2019 and July 2019 with long-term loans from non-affiliated local banks.

As of December 31, 2022 and 2021, the movement in the deferred financing cost is as follows:

	2022	2021
Balance at beginning of year	**₱23**	₱40
Amortization	**(13)**	(17)
Balance at end of year	**₱10**	₱23

Both bonds contain negative covenants, which among others, include provision that the Parent Company should maintain a debt-to-equity ratio of 2.3:1.0. As of December 31, 2022 and 2021, the Parent Company has complied with its bond covenants.

Total interest expense incurred on bonds payable in 2022, 2021 and 2020, amounted to ₱0.55 billion (including amortization of deferred financing cost of ₱12.80 million), ₱0.71 billion (including amortization of deferred financing cost of ₱17.40 million) and ₱0.84 billion (including amortization of deferred financing cost of ₱21.02 million), respectively.

18. Customers' Deposits

As of December 31, 2022 and 2021, 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, 2022 and 2021, the balance of this account amounted to ₱0.93 billion and ₱0.91 billion, respectively (Note 27).

19. Other Current Liabilities

This account consists of:

	2022	2021
Withholding taxes payable	**₱693**	₱452
VAT payable	**386**	572
Liabilities held for sale (Note 7)	**346**	182
Unearned management fee income	**29**	37
Lease liabilities (Note 30)	**6**	9
Others	**53**	64
	₱1,513	₱1,316

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 ₱743.84 million. 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, 2022 and 2021, amounted to ₱1.29 billion and ₱1.43 billion, respectively.

In 2019, Federal Land acquired a land located in Makati City in November 2019. Of the total amount of ₱1.20 billion, ₱288.00 million is paid in 2019 as downpayment, ₱912.00 million 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, 2022 and 2021 amounted to ₱0.36 billion and ₱0.53 billion, respectively.

Current portion of liabilities on purchased properties amounted to ₱0.35 billion and ₱0.30 billion as of December 31, 2022 and 2021, respectively. Noncurrent portion of liabilities on purchased properties amounted to ₱1.30 billion and ₱1.66 billion as of December 31, 2022 and 2021, respectively (Note 27). Accretion of interest in 2022, 2021 and 2020 amounted to ₱35.4 million, ₱55.47 million and ₱83.34 million, respectively.

Other Noncurrent Liabilities

This account consists of:

	2022	2021
Retentions payable - noncurrent portion	**₱1,502**	₱1,384
Refundable and other deposits	**849**	808
Provisions (Note 36)	**648**	426
Deferred output VAT	**130**	928
Finance lease obligation - net	**110**	134
Derivative liabilities (Note 16)	**47**	32
Lease liabilities (Note 30)	**15**	36
Unearned rent income	**5**	5
	₱3,306	₱3,753

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:

	2022	2021
Claims and assessments	**₱173**	₱193
Product warranties	**475**	233
	₱648	₱426

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:

	2022	2021
Contract Assets		
Current	**₱4,707**	₱6,157
Noncurrent	**5,636**	7,114
	₱10,343	₱13,271
Contract Liabilities		
Current	**₱3,207**	₱3,384

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 2022 and 2021 from amounts included in contract liabilities at the beginning of the year amounted to ₱1.38 billion and ₱0.91 billion, respectively.

Cost to Obtain a Contract
The balances below pertain to the cost to obtain contracts included in 'Prepaid expenses' (Note 7):

	2022	2021
Balance at beginning of year	**₱42**	₱102
Additions during the year	**475**	308
Amortization	**(472)**	(368)
Balance at end of year	**₱45**	₱42

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 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:

	2022	2021
Within one year	**₱3,311**	₱3,032
More than one year	**515**	752
	₱3,826	₱3,784

22. Equity

Capital Stock and Additional Paid-in Capital
As of December 31, 2022 and 2021, the paid-up capital consists of the following (amounts in millions, except for number of shares):

	Shares		**Amount**	
	2022	2021	**2022**	2021
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
Additional paid-in capital			**98,827**	98,827
			₱102,197	₱102,197

The Parent Company's common shares with par value of ₱10.00 were listed on the Philippine Stock Exchange on April 20, 2012.

Voting Preferred Shares of Stock
The voting preferred shares has the following features, rights and privileges:
a. The voting preferred shares have a par value of ₱0.10 per share.
b. The Dividend Rate of 3.77% was fixed based on the 3-year PDST-R2 on April 13, 2015, subject to re-pricing every ten (10) years and payable annually;
c. These are non-cumulative and the holders thereof are entitled to the payment of current but not past dividends;
d. These are non-participating in any other further dividends beyond that specifically payable on the shares;
e. These are redeemable at par value, at the sole option of the Parent Company, under terms and conditions approved by the Board of Directors;

f. The holders of Voting Preferred Shares shall be entitled to one vote for each share in his name on the books of the Parent Company;
g. The holders of Voting Preferred Shares shall have no pre-emptive rights to any issue of shares, Common or Preferred;
h. These are not listed and not tradable in the Philippine Stock Exchange.

Perpetual Preferred Shares of Stock
The perpetual preferred shares shall have the following features, rights and privileges:
a. The perpetual preferred shares have a par value of ₱100.00 per share and issued on October 27, 2016 with an issue value of ₱1,000.00 per share. Series A issued amount to ₱4.80 billion with a dividend rate per annum of 4.6299% while Series B issued amount to ₱7.20 billion with a dividend rate per annum of 5.0949%;
b. The perpetual preferred shares are cumulative and the holders thereof are entitled to the payment of current as well as any accrued or unpaid dividends before any dividends can be paid to the holders of common shares. No dividend shall be declared or paid on the common shares unless the full accumulated dividends on all the perpetual preferred shares for all past dividend periods and for the current dividend period shall have been declared and paid by the Corporation;
c. The holders of perpetual preferred shares have preference over holders of common shares in the distribution of corporate assets in the event of dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary;
d. The perpetual preferred shares are not entitled to vote, except in those cases specifically provided by law;
e. The perpetual preferred shares are non-participating in any other further dividends beyond that specifically payable thereon;
f. The perpetual preferred shares are non-convertible to common shares or voting preferred shares;
g. The perpetual preferred shares have no pre-emptive rights to any issue of shares, common or preferred;
h. Both Series A and B of said perpetual preferred shares were listed on the Philippine Stock Exchange on October 27, 2016;
i. The Parent Company has the option, but not the obligation, to redeem in whole (but not a part of) the Shares of Series A on 5th anniversary of the Issue Date, or any dividend payment date and for Series B on the 7th anniversary of the Issue Date, or any dividend payment date;
j. If not redeemed on the optional redemption date, the dividend rate will be adjusted on the 7th anniversary of the Issue Date for Series A while the 10th anniversary of the Issue Date for Series B;
k. The dividend rate for Series A will be adjusted on the relevant Rate Adjustment Date to the higher of (1) Prevailing dividend rate of 4.6299%; or (2) the sum of: (a) simple average of closing 7-year PDST-R2 benchmark rate for each of the 3 consecutive business days immediately preceding and inclusive of the Rate Adjustment date; and (b) Series A adjustment Spread of 1.5% per annum while for Series B will be adjusted to the higher of (1) Prevailing dividend rate of 5.0949%; or (2) the sum of: (a) simple average of closing 10yr PDST-R2 benchmark rate for each of the 3 consecutive business days immediately preceding and inclusive of the Rate Adjustment date; and (b) Series B adjustment Spread of 1.875% per annum.

Common Shares
As of December 31, 2022 and 2021, the total number of shareholders of common stock of the Parent Company are 91 and 89, respectively.

Stock Dividends
The BOD and Shareholders of the Parent Company approved on March 26, 2019 and May 8, 2019, respectively, the declaration of an 8.00% stock dividend in favor of the Parent Company's common shareholders. The record and payment dates were set on July 8, 2019 and August 1, 2019, respectively. On August 1, 2019, the 8.00% stock dividend equivalent to 15,947,003 common shares were issued and listed in the Philippine Stock Exchange.

Retained Earnings
On December 6, 2018, the BOD of the Parent Company approved the appropriation of retained earnings amounting to ₱17.00 billion to be earmarked for strategic investment in property development starting in 2019. In March 2019, ₱16.60 billion out of ₱17.00 billion was reversed. The remaining ₱400.00 million was earmarked for strategic investment in property development expected to be completed in the next three years.

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 25, 2022	₱0.00377	₱0.66	April 8, 2022	April 22, 2022
March 22, 2021	0.00377	0.66	April 5, 2021	April 27, 2021
May 21, 2020	0.00377	0.66	June 5, 2020	June 19, 2020
Perpetual Preferred Shares				
Series A				
December 16, 2022	11.57475	56.01	January 5, 2023	January 27, 2023
December 16, 2022	11.57475	56.01	April 5, 2023	April 27, 2023
December 16, 2022	11.57475	56.01	July 5, 2023	July 27, 2023
December 16, 2022	11.57475	56.01	October 5, 2023	October 27, 2023
December 17, 2021	11.57475	56.01	January 5, 2022	January 27, 2022
December 17, 2021	11.57475	56.01	April 5, 2022	April 27, 2022
December 17, 2021	11.57475	56.01	July 5, 2022	July 27, 2022
December 17, 2021	11.57475	56.01	October 5, 2022	October 27, 2022
December 15, 2020	11.57475	56.01	January 4, 2021	January 27, 2021
December 15, 2020	11.57475	56.01	April 5, 2021	April 27, 2021
December 15, 2020	11.57475	56.01	July 5, 2021	July 27, 2021
December 15, 2020	11.57475	56.01	October 4, 2021	October 27, 2021
Series B				
December 16, 2022	12.73725	91.21	January 5, 2023	January 27, 2023
December 16, 2022	12.73725	91.21	April 5, 2023	April 27, 2023
December 16, 2022	12.73725	91.21	July 5, 2023	July 27, 2023
December 16, 2022	12.73725	91.21	October 5, 2023	October 27, 2023
December 17, 2021	12.73725	91.21	January 5, 2022	January 27, 2022
December 17, 2021	12.73725	91.21	April 5, 2022	April 27, 2022
December 17, 2021	12.73725	91.21	July 5, 2022	July 27, 2022
December 17, 2021	12.73725	91.21	October 5, 2022	October 27, 2022
December 15, 2020	12.73725	91.21	January 4, 2021	January 27, 2021
December 15, 2020	12.73725	91.21	April 5, 2021	April 27, 2021
December 15, 2020	12.73725	91.21	July 5, 2021	July 27, 2021
December 15, 2020	12.73725	91.21	October 4, 2021	October 27, 2021

Details of the Parent Company's dividend distributions to common shareholders out of the Parent Company's retained earnings as approved by the Parent Company's BOD follow:

Date of declaration	Per share	Total amount (in millions)	Record date	Payment date
March 25, 2022	₱3.00	₱645.85	April 8, 2022	April 22, 2022
March 22, 2021	3.00	₱645.85	April 7, 2021	April 21, 2021
May 21, 2020	6.00	1,291.71	June 5, 2020	June 19, 2020

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, 2022 and 2021.

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	December 20, 2021	Preferred Shares-A	₱320.00	December 31, 2021	February 28, 2022
	December 20, 2021	Preferred Shares-B	332.58	December 31, 2021	February 28, 2022
	December 20, 2021	Common	100.00	December 31, 2021	February 28, 2022
	December 14, 2020	Preferred Shares-A	320.00	December 31, 2020	February 28, 2021
	December 14, 2020	Preferred Shares-B	332.58	December 31, 2020	February 28, 2021
	December 14, 2020	Common	100.00	December 31, 2020	February 28, 2021
	February 24, 2020	Common	100.00	December 31, 2019	February 28, 2020
Toyota	June 13, 2022	Common	5,913.11	December 31, 2021	October 28, 2022
	June 29, 2021	Common	3,253.38	December 31, 2020	October 8, 2021
	June 26, 2020	Common	9,059.67	December 31, 2019	November 27, 2020

Other comprehensive income (loss)
Other comprehensive income consists of the following, net of applicable income taxes:

	2022	2021
Fair value reserves on financial assets at FVOCI (Note 10)	**₱1,928**	₱4,927
Cash flow hedge reserve (Notes 14 and 16)	**88**	(32)
Cumulative translation adjustments	**18**	3
Net unrealized loss on remeasurement of retirement plan	**(97)**	(215)
Equity in other comprehensive income of associates and joint ventures:		
Equity in remeasurement of life insurance reserves	**252**	(110)
Equity in cash flow hedge reserves	**(348)**	(166)
Equity in net unrealized loss on remeasurement of retirement plan	**(647)**	(1,183)
Equity in cumulative translation adjustments	**(2,654)**	(2,746)
Equity in fair value reserves on financial assets at FVOCI	**(7,829)**	(340)
Equity in other equity adjustments of associates	**5**	5
	(₱9,284)	₱143

The movements and analysis of the other comprehensive income are presented in the consolidated statements of comprehensive income.

Other equity adjustments

TCI
In June 2015, the Parent Company acquired 2,705,295 shares of TCI for a total consideration of ₱13.50 million, resulting in 53.80% ownership over TCI. This acquisition was accounted for as an equity transaction and resulted in the recognition of negative other equity adjustments amounting to ₱7.12 million.

Non-controlling interests
The following table presents the rollforward of non-controlling interests:

	2022	2021	2020
Balance at beginning of year	**₱11,035**	₱8,885	₱11,851
Share of non-controlling interest shareholders on:			
Net income	**3,371**	3,266	1,791
Other comprehensive income (loss)	**5**	274	(166)
Cash dividends paid to non-controlling interest shareholders	**(3,139)**	(1,755)	(4,611)
Acquisition of additional interest in a subsidiary	**–**	344	20
NCI on the acquisition of a new subsidiary	**–**	21	–
Balance at end of year	**₱11,272**	₱11,035	₱8,885

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	
	2022	2021
TMPC	**49.00%**	49.00%

Carrying value of material non-controlling interests

	2022	2021
TMPC	**₱8,877**	₱8,998

Net income for the period allocated to material non-controlling interests

	2022	2021	2020
TMPC	**₱2,994**	₱3,062	₱1,788

The following table presents the financial information of subsidiaries with material NCI as of and for the years ended December 31, 2022 and 2021:

	2022	2021
	TMPC	TMPC
Statement of Financial Position		
Current assets	**₱34,511**	₱33,446
Non-current assets	**10,832**	11,491
Current liabilities	**30,038**	29,843
Non-current liabilities	**2,603**	2,240
Dividends paid to non-controlling interests	**3,109**	1,755
Statement of Comprehensive Income		
Revenues	**185,180**	132,854
Expenses and provision for income tax	**179,189**	126,632
Net income	**5,991**	6,222
Total comprehensive income	**5,991**	6,773
Statement of Cash Flows		
Net cash provided by operating activities	**5,464**	1,668
Net cash used in investing activities	**(377)**	(4,203)
Net cash used in financing activities	**(7,121)**	(9,824)

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 2022 and 2021. The Parent Company considers total equity as its capital amounting to ₱132.49 billion and ₱130.83 billion as of December 31, 2022 and 2021, 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:

	2022	2021	2020
Interest income on:			
Installment contracts receivable (Note 5)	**₱431**	₱1,652	₱1,826
Cash and cash equivalents (Note 4)	**121**	23	189
Receivables	**26**	196	5
Others	**85**	28	3
	₱663	₱1,899	₱2,023

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:

	2022	2021	2020
Ancillary income	**₱1,078**	₱715	₱647
Real estate forfeitures, charges and penalties	**775**	540	326
CARS incentives (Note 29)	**475**	494	–
Management fee (Note 27)	**409**	241	231
Dividend income	**388**	356	333
Realized and unrealized gain on financial assets at FVTPL	**137**	89	113
Gain on disposal of property and equipment (Note 11)	**58**	34	7
Subscription income	**56**	110	64
Foreign exchange gain	**–**	–	163
Others (Notes 5 and 8)	**4,481**	596	239
	₱7,857	₱3,175	₱2,123

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 ₱474.68 million and ₱493.69 million in 2022 and 2021, respectively (Note 29).

Management fee includes services rendered by Federal Land and PCFI in the administration of different projects related to the joint venture (Note 27).

Other income includes the ₱3.86 billion gain on property exchange of Federal Land for its transfer of properties to FNG in exchange for common shares.

24. Cost of Goods and Services Sold

Cost of goods and services sold consists of:

	2022	2021	2020
Beginning inventory			
Automotive	**₱7,191**	₱11,023	₱7,784
Gasoline, retail, and petroleum products	**10**	7	11
Food	**5**	5	8
	7,206	11,035	7,803
Add: Net purchases	**158,824**	98,176	79,085
Total inventories available for sale	**166,030**	109,211	86,888
Less: Ending inventory (Note 6)			
Automotive	**10,085**	7,191	11,023
Gasoline, retail, and petroleum products	**7**	10	7
Food	**5**	5	5
Subtotal	**155,933**	102,005	75,853
Cost adjustments and intercompany elimination	**(219)**	283	164
Internal and other transfers	**180**	(109)	(30)
Direct labor	**973**	643	369
Overhead	**212**	137	123
	₱157,079	₱102,959	₱76,479

Overhead includes rent expense and common usage and service area charges.

25. Cost of Goods Manufactured and Sold

Cost of goods manufactured and sold consists of:

	2022	2021	2020
Raw materials, beginning	**₱2,151**	₱1,342	₱1,169
Purchases	**32,454**	28,953	20,265
Total materials available for production	**34,605**	30,295	21,434
Less: Raw materials, end	**1,947**	2,151	1,342
Raw materials placed in process	**32,658**	28,144	20,092
Direct labor	**347**	328	320
Manufacturing overhead	**3,244**	3,214	3,142
Total cost of goods placed in process	**36,249**	31,686	23,554
Work-in-process, beginning	**10**	16	27
Total Cost of goods in process	**36,259**	31,702	23,581
Less: Work-in-process, ending	**5**	10	16
Total cost of goods manufactured	**36,254**	31,692	23,565
Finished goods, beginning	**382**	752	861
Total goods available for sale/transfer	**36,636**	32,444	24,426
Less: Finished goods, ending	**164**	382	752
Other transfers	**106**	(49)	120
	₱36,366	₱32,111	₱23,554

26. **General and Administrative Expenses**

This account consists of:

	2022	2021	2020
Salaries, wages, and employee benefits (Notes 27 and 28)	**₱3,441**	₱2,973	₱2,718
Advertising and promotions	**3,296**	2,888	2,434
Delivery and handling	**2,403**	1,571	839
Taxes and licenses	**1,993**	1,515	1,907
Commissions	**1,489**	1,180	924
Unrealized foreign exchange loss	**761**	78	–
Depreciation and amortization (Note 11)	**692**	724	796
Light, water and other utilities	**430**	389	510
Repairs and maintenance	**346**	377	238
Warranty	**312**	100	220
Professional fees	**284**	237	191
Administrative and management fees	**248**	98	138
Office supplies	**227**	168	373
Outside services	**211**	203	198
Provision for credit losses - net (Note 5)	**164**	358	237
Transportation and travel	**98**	58	58
Communications	**95**	81	69
Rent (Note 30)	**65**	33	313
Insurance	**64**	64	67
Provision for inventory write-down (Note 6)	**51**	9	42
Entertainment, amusement and recreation	**27**	20	21
Royalty and service fees	**19**	12	9
Donation	**4**	10	32
Unallocated overhead costs	**–**	110	479
Others	**558**	199	219
	₱17,278	₱13,455	₱13,032

Unallocated overhead costs pertain to the fixed labor and overhead costs incurred during the COVID-19 pandemic when the automotive segment had no production operation. These include depreciation and amortization amounting to ₱39.72 million and ₱214.48 million in 2021 and 2020, respectively.

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, 2022		
Category	**Amount/ Volume**	**Outstanding Balances**	**Terms and Conditions/Nature**
Subsidiaries			
Accounts receivable - trade	**₱16,381**	**₱67**	Receivable from sale of lots; Vehicle swapping; Current - accordingly, no provision for losses is required.
Rent receivable	–	**17**	Unsecured; Non-interest bearing; due and demandable
Dividends receivable	**653**	–	Dividends declared in 2022
Prepayments	**4**	**2**	Advance rental payments
Security deposit	**5**	**25**	Rental deposits
Right-of-use asset	**5**	**265**	Lease of office and parking spaces
Transportation equipment	**2**	–	Car assigned to employee
Accounts payable	**384**	**43**	Represent payables arising from sales adjustments, warranty, sales promotions, and reimbursable expenses
Lease payable	**17**	**245**	Lease of office and parking spaces
Real estate sales	**68**	–	Sale of lots in Cavite
Dividend income	**3,016**	–	
Rent income	**42**	–	Office space rent and maintenance fty 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

(Forward)

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2022		
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 on 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
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 (Note 8)
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 (Notes 8 and 23)
Cost of real estate sales	**121**	**–**	Sale of lots in Cavite
Travel and transportation expense	**1**	**–**	Employee shuttle cost

(Forward)

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2022		
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
Liabilities on purchased properties	–	**1,291**	Unsecured; With 3% interest; payable annually until 2025
Insurance payable	**98**	**98**	Unsecured; Non-interest bearing; due and demandable
Other payables	**42**	–	Unsecured; Non-interest bearing; due and demandable
Commission income	**3**	–	Unsecured; Non-interest bearing; due and demandable
Interest income	**75**	–	Interest on time deposit placements
Rent income	**166**	–	Rent income from affiliates
Advisory fees	**9**	–	Retainer's fee
Agency fees	**2**	–	Safekeeping and trust agreement
Insurance expense	**3**	–	General comprehensive liability insurance; car insurance; D&O liability insurance
Management fees	**213**	–	Management service fees fty 2022
Royalty and technical assistance fees	**652**	**174**	Unsecured; Non-interest bearing; payable on the 25th day of the second month after quarter-end

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2021		
Subsidiaries			
Accounts receivable - trade	₱14,021	₱5,290	Receivable from sale of lots; Vehicle swapping; Current - accordingly, no provision for losses is required.
Rent receivable	15	15	Unsecured; Non-interest bearing; due and demandable
Dividends receivable	1,659	753	Dividends declared in 2021
Receivables - others	6	–	Unsecured; Non-interest bearing; due and demandable
Prepayments	2	18	Rental deposits
Right-of-use asset	16	28	Lease of office space
Transportation equipment	4	–	Employee car plan
Accounts payable	647	36	Represent payables arising from sales adjustments, warranty, sales promotions, and reimbursable expenses
Lease payable	18	27	Lease of office space
Dividends payable	753	753	Non-interest bearing; due and demandable; Unsecured
Liabilities on purchased properties	310	4,474	Unsecured; With effective interest rate of 5.80%; payable up to 2035
Dividend income	2,412	–	

(Forward)

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2021		
Rent income	₱55	₱–	Office space rent and maintenance fty 2021; Subject to 5% escalation annually
Miscellaneous income	1	–	Management service income
Amortization expense - ROU	12	–	Amortization of office space lease
Cost of rental	7	–	Janitorial and security services
Service fees	167	–	Property management fees for properties in Cavite
Outside services	12	–	Security services for properties in Cavite
Rent expense	60	–	Office space rent and maintenance; Subject to 5% escalation annually
Repairs and maintenance	3	–	Repairs and maintenance of properties
Associates			
Cash and cash equivalents	6	5,834	Unsecured; Interest bearing at prevailing market rate; due and demandable
Rent receivables	51	9	Unsecured; Non-interest bearing; due and demandable
Commission receivable	1	7	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	2	43	Unsecured; Non-interest bearing; due and demandable
Due from related parties	21	45	Unsecured; Non-interest bearing; due and demandable
Other receivables	7	15	Unsecured; Non-interest bearing; due and demandable
Short-term notes payable	1,750	1,750	Unsecured; With interest 3%-6% due in 2022
Short-term debt	4,690	1,460	Interest bearing; Payable within 90 days from the date of the availment
Due to related parties	31	20	Unsecured; Non-interest bearing; due and demandable
Loans payable	1,051	10,000	Unsecured; With interest ranging from 2.75% to 4.25%; Payable on 2021-2022
Other payables	19	–	Insurance payable
Dividend income	7,850	–	Dividend income from associates
Rent income	132	–	Rent income from associates
Interest income	11	–	Prevailing interest rate on regular peso savings deposit account
Interest expense	380	–	Interest expense on loans payable
Joint ventures			
Dividend receivable	8	–	Dividend receivable from joint venture
Rent receivables	21	4	Unsecured; Non-interest bearing; due and demandable
Interest receivables	152	187	Unsecured; Interest bearing at prevailing market rate; due and demandable
Loans receivables	550	3,861	Unsecured; Interest bearing at prevailing market rate; due and demandable
Commission receivable	96	173	Unsecured; Non-interest bearing; due and demandable
Due from related parties	16	83	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	1	27	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	1	1	Unsecured; Non-interest bearing; due and demandable
Other receivables	5	–	Unsecured; Non-interest bearing; due and demandable
Investment in shares of stocks	800	5,180	Additional investments to a joint venture
Other payables	7	4	Unsecured; Non-interest bearing; due and demandable
Dividend income	8	–	Dividend income from joint ventures
Management fee income	23	–	Management service income
Rent income	33	–	Unsecured; Non-interest bearing; due and demandable
Commission income	293	–	Unsecured; Non-interest bearing; due and demandable
Interest income	165	–	Unsecured; Interest bearing at prevailing market rate; due and demandable

(Forward)

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2021		
Others			
Cash and cash equivalents	₱1,721	₱5,690	Unsecured; Interest bearing at prevailing market rate; due and demandable
FVTPL investments	7,852	8,712	Interest bearing
Commission receivable	1	1	Unsecured; Non-interest bearing; due and demandable
Loan receivable	743	743	Unsecured; With interest of 3.15%; Payable in 2022
Nontrade receivables	12	11	Within one (1) year, non-interest bearing, unsecured, no impairment
Receivable from sharing of expenses	355	355	Unsecured; Non-interest bearing; due and demandable
Other receivables	7	49	Unsecured; Non-interest bearing; due and demandable
Prepaid insurance	3	–	Unsecured; Non-interest bearing; due and demandable
Due from related parties	28	27	Unsecured; Non-interest bearing; due and demandable
Accounts payable	58	14	Insurance expense and agency fees
Due to related parties	224	173	Unsecured; Non-interest bearing; due and demandable
Insurance payable	93	93	Unsecured; Non-interest bearing; due and demandable
Other payables	32	1	Pertains to various credit card transactions
Loans payable	1,433	1,433	Unsecured; With 3% interest; payable annually until 2025
Commission income	1	–	Unsecured; Non-interest bearing; due and demandable
Interest income	58	–	Interest on time deposit placements
Rent income	1	–	Rent income from affiliates
Gain or loss on disposal of investments	52	–	Realized gain on investments in FVTPL
Unrealized gain from investment in UITF	37	–	MTM gain on investments in FVTPL
Advisory fees	59	–	Retainer's fee
Agency fees	3	–	Safekeeping and trust agreement
Insurance expense	3	–	General comprehensive liability insurance; car insurance; D&O liability insurance

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2020		
Significant investor			
Consultancy fees	₱4	₱–	Consultancy fee for the year
Subsidiaries			
Accounts receivable - trade	–	5,644	Receivables from sale of lots, with terms of up to 15 years; discounted at current market rate; Secured; Current - accordingly, no provision for losses is required.
Dividends receivable	–	753	Dividends declared in December 2020
Receivables - others	–	1	Test kits advanced by the Parent Company
Right-of-use asset	36	45	Lease of office space
Investments in subsidiaries	565	42,283	Additional investments during the year
Lease payable	36	23	Lease of office space
Security deposits	2	3	Rental deposits for lease of office space
Accounts payable	–	7	Property management; outside services
Real estate sales	4,803	–	Revenue from sale of lots
Dividend income	5,473	–	Dividend income
Cost of real estate sales	3,067	–	Cost of lots sold
Cost of rental	7	–	Janitorial and security services
Service fees	83	–	Property management fee
Outside services	3	–	Security services in land inventories
Repairs and maintenance	2	–	Maintenance fee for office space
Associates			
Cash and cash equivalents	18	13,914	Interest bearing at prevailing market rate; due and demandable
Short-term investments	–	1,248	Time deposit placements with interest rates ranging from 0.05% to 0.63%

(Forward)

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2020		
Rent receivables	₱–	₱60	Non-interest bearing; due and demandable; Unsecured
Commission receivable	–	6	Non-interest bearing; due and demandable; Unsecured
Receivable from sharing of expenses	–	41	Non-interest bearing; due and demandable; Unsecured
Other receivables	–	8	Non-interest bearing; due and demandable; Unsecured
Inventories	245	–	Capitalized interest expense on short-term debt
Due from related parties	–	66	Non-interest bearing; due and demandable; Unsecured
Other current assets	–	49	Cash deposit required for the CARS program
Short-term debt	56	6,150	With interest ranging from 3% to 6% due in 2021
Due to related parties	–	51	Non-interest bearing; due and demandable; Unsecured
Other payables	8	–	Non-interest bearing; due and demandable; Unsecured
Loans payable	–	8,949	With interest ranging from 2.90% to 4.75%; Payable in 2021 to 2022
Rent income	114	–	Rent income
Interest income	6	–	Interest income at prevailing market rate
Commission income	1	–	Commission income
Joint ventures			
Rent receivables	–	25	Non-interest bearing; due and demandable; Unsecured
Interest receivables	–	35	Interest receivables on loans; due and demandable
Loans receivables	–	3,311	Interest bearing at prevailing market rate; due and demandable
Commission receivable	–	77	Non-interest bearing; due and demandable; Unsecured
Due from related parties	–	81	Non-interest bearing; due and demandable; Unsecured
Management fee receivables	–	28	Non-interest bearing; due and demandable; Unsecured
Nontrade receivables	3	1	Non-interest bearing; due and demandable; Unsecured
Due to related parties	–	67	Non-interest bearing; due and demandable; Unsecured
Other payables	14	–	Non-interest bearing; due and demandable; Unsecured
Rent income	71	–	Rent income
Commission income	93	–	Commission income
Interest income	35	–	Interest income at prevailing market rate
Management income	60	–	Management income
Others			
Cash and cash equivalents	–	8	Interest bearing at prevailing market rate; due and demandable
Nontrade receivables	2	–	Non-interest bearing; due and demandable; Unsecured
Accounts payable	–	1	Insurance expense payable; agency fee
Due from related parties	–	55	Non-interest bearing; due and demandable; Unsecured
Due to related parties	–	397	Non-interest bearing; due and demandable; Unsecured
Insurance payable	104	104	Non-interest bearing; due and demandable; Unsecured
Other payables	28	–	Various credit card transactions
Interest income	4	–	Interest on time deposit placements
Rent income	1	–	Office space rent
Agency fees	2	–	Safekeeping and trust agreement
Insurance expense	2	–	General comprehensive liability insurance; car insurance; D&O liability insurance

Details of the transactions with affiliates are as follows:

Cash and cash equivalents and short-term investments
The Group maintains cash and short-term deposits accounts with MBTC, an associate. The Group also has cash and short-term deposits with other related parties such as Metrobank Card Corporation (until 2019) and PSBank, which are subsidiaries of MBTC. Cash and cash equivalents earn interest at the prevailing investment rates (Note 4).

Financial assets at FVTPL
As of December 31, 2022 and 2021, the Group's investment in UITF amounted to ₱11.16 billion and ₱8.71 billion, respectively (Note 10).

Operating advances
Due from and to related parties consist mostly of operating advances which are non-interest bearing and due and demandable.

Loans receivable
In 2012 and 2021, Federal Land entered into loan agreements with CIRC. Federal Land agreed to lend to CIRC a total amount of ₱755.00 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, 2022 and 2021 amounted to ₱905.00 million and ₱743.41 million, respectively (Note 5).

Affiliated bank loans
The Group's loans payable to an affiliated commercial bank bears interest rates ranging from 4.50% to 5.80%, 2.00% to 5.50% and 2.30% to 6.25% per annum in 2022, 2021 and 2020, respectively (Note 16).

Management fee
Management fee amounting to ₱195.66 million and ₱23.31 million in 2022 and 2021, respectively, pertains to the income received from a joint venture of Federal Land with SFNBRDC, NBLRDI, BLRDC and STRC (Note 23).

Lease agreements
Federal Land entered into operating lease agreements for the use of office spaces in GT Tower International Building. The terms of lease range from 5 to 10 years and are generally renewable for 5 years. The rent is payable monthly with annual rent escalation rates ranging from 5% to 8%. The rental income on these leases amounted to ₱420.49 million, ₱220.16 million and ₱215.55 million in 2022, 2021 and 2020, respectively (Note 30).

Compensation of key management personnel for the years ended December 31, 2022, 2021 and 2020 follow:

	2022	2021	2020
Short-term employee benefits	**₱918**	₱903	₱707
Post-employment benefits	**275**	122	106
	₱1,193	₱1,025	₱813

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, 2022 and 2021 amounted to ₱2.00 billion and ₱2.43 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, 2022, 2021 and 2020 (in absolute amounts):

	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

	December 31, 2021		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Parent Company			
Investment in equity securities	(₱393,840)	₱5,779,080	No impairment
Dividend income	1,165,240	−	Cash dividends
Loss on sale of investments	(590,210)	−	Loss from sale of equity securities
Associate			
Savings deposit	(3,116,567)	1,079,343	Savings account earning regular annual interest; unsecured and no impairment;
Time deposit	(6,000,000)	−	With annual interest of 3.88%, 1 - 3 months maturity; unsecured and no impairment
Investment in equity securities	9,328,039	22,885,459	No impairment
Investment in UITF	30,970,333	51,301,769	No impairment
Investment in other security and debt instruments	(1,479,519)	40,335,755	No impairment
Interest income	32,393	−	Income earned from savings and time deposit
Dividend income	500,177	−	Cash dividends
Gain on sale of investments	80,917	−	Income from sale of UITF

	December 31, 2020		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Parent Company			
Investment in equity securities	(₱2,722,274)	₱6,172,920	No impairment
Dividend income	63,012	−	Cash dividends
Associate			
Savings deposit	4,182,492	4,195,910	Savings account with annual interest of 1%, unsecured and no impairment;
Time deposit	(29,722,000)	6,000,000	With annual interest of 3.88%, 1 - 3 months maturity; unsecured and no impairment
Investment in equity securities	(6,670,710)	13,557,420	No impairment
Investment in UITF	15,846,481	20,331,436	No impairment
Investment in other security and debt instruments	169,490	41,815,274	No impairment
Interest income	383,175	−	Income earned from savings and time deposit
Dividend income	305,100	−	Cash dividends
Loss on sale of UITF	(877,679)	−	Loss on 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:

		2022		
		Actuarial Assumptions		
	Date of Actuarial Valuation	**Expected Return on Plan Assets**	**Salary Rate Increase**	**Discount Rate**
Real estate	**December 31, 2022**	**3.69% to 5.34%**	**3.00% to 6.00%**	**7.22% to 7.38%**
Automotive	**-do-**	**6.01% to 7.16%**	**5.00% to 8.00%**	**5.50% to 7.22%**
Financial	**-do-**	**5.04%**	**8.00%**	**7.26%**

		2021		
		Actuarial Assumptions		
	Date of Actuarial Valuation	Expected Return on Plan Assets	Salary Rate Increase	Discount Rate
Real estate	December 31, 2021	3.69%	3.00% to 8.00%	4.94% to 5.21%
Automotive	-do-	4.11% to 5.09%	5.00% to 6.00%	5.01% to 5.06%
Financial	-do-	3.50%	8.00%	5.11 %

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:

	2022	2021
Retirement asset (Note 14)	**(₱29)**	(₱8)
Retirement liability	**1,657**	1,629
Net retirement liability	**₱1,628**	₱1,621

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, 2022	**Current service cost**	**Net interest**	**Past service cost**	**Subtotal**	**Benefits paid**	**Return on plan assets (excluding amount included in net interest)**	**Actuarial changes arising from experience adjustments**	**Actuarial changes arising from demographic assumptions**	**Actuarial changes arising from changes in financial assumptions**	**Subtotal**	**Contributions paid**	**December 31, 2022**
Present value of defined benefit obligation	**₱4,055**	**₱294**	**₱186**	**₱2**	**₱482**	**(₱542)**	**₱–**	**(₱421)**	**₱–**	**₱57**	**(₱364)**	**₱–**	**₱3,631**
Less: Fair value of plan assets	**2,434**	**–**	**118**	**–**	**118**	**(504)**	**(137)**	**–**	**–**	**–**	**(137)**	**92**	**2,003**
Net defined benefit liability	**₱1,621**	**₱294**	**₱68**	**₱2**	**₱364**	**(₱38)**	**₱137**	**(₱421)**	**₱–**	**₱57**	**(₱227)**	**(₱92)**	**₱1,628**

		Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2021	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, 2021
Present value of defined benefit obligation	₱4,634	₱337	₱169	₱–	₱506	(₱328)	₱–	(₱244)	₱5	(₱518)	(₱757)	₱–	₱4,055
Less: Fair value of plan assets	2,709	–	98	–	98	(315)	(148)	–	–	–	(148)	90	2,434
Net defined benefit liability	₱1,925	₱337	₱71	₱–	₱408	(₱13)	₱148	(₱244)	₱5	(₱518)	(₱609)	(₱90)	₱1,621

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:

	2022	2021
Cash and cash equivalents	**₱76**	₱6
Investment in government securities	**1,305**	1,710
Investment in equity securities	**310**	545
Investment in debt and other securities	**278**	124
Investment in mutual funds	**22**	53
Receivables	**18**	4
Liabilities	**(6)**	(8)
	₱2,003	₱2,434

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:

		2022	2021
	Possible Fluctuations	**Increase (Decrease)**	Increase (Decrease)
Discount rates	**+1%**	**(₱376)**	(₱277)
	-1%	**429**	304
Future salary increase rate	**+1%**	**445**	315
	-1%	**(392)**	(292)

The Group expects to contribute ₱378.52 million to its defined benefit pension plan in 2023.

The average duration of the defined benefit retirement liability at the end of the reporting period is 11.85 years for the Group.

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31, 2022:

	2022	2021
Less than 1 year	**₱356**	₱481
More than 1 year to 5 years	**1,784**	1,689
More than 5 years to 10 years	**2,088**	2,100
More than 10 years to 15 years	**1,661**	1,490
More than 15 years to 20 years	**2,600**	2,240
More than 20 years	**6,921**	5,428

The Group does not currently have any asset-liability matching study.

29. Income Taxes

On March 26, 2021, RA No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate from 30.00% to 25.00% depending on the criteria set by the law effective July 1, 2020. With the implementation of this Act, interest expense allowed as a deductible expense shall be reduced by 20.00% of the interest income subjected to final tax, compared to the 33.00% reduction prior to the Act.

The regulations also provide for MCIT of 2.00% (prior to CREATE) and 1.00% from (July 1, 2020 to June 30, 2023 before reverting to 2.00%) on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Group's income tax liability and taxable income, respectively, over a three-year period from the year of inception. For the taxable years 2020 and 2021, the NOLCO incurred can be carried over as a deduction for the next five (5) consecutive taxable years, pursuant to Revenue Regulation (RR) No. 25-2020.

Based on the provisions of RR No. 5-2021 dated April 8, 2021 issued by the BIR, the transitory RCIT and MCIT rates of the Group for the taxable year 2020 are 27.50% and 1.50%, respectively. The reduced amounts were reflected in the Group's 2020 annual income tax returns filed in 2021. However, for financial reporting purposes, the changes were only recognized in the 2021 consolidated financial statements. The deferred tax assets and liabilities as of December 31, 2020 were also remeasured using the lower RCIT rate of 25.00%. These reductions were recognized in the 2021 consolidated financial statements.

Provision for income tax account consists of:

	2022	2021	2020
Current	**₱2,416**	₱1,935	₱1,753
Deferred	**(637)**	(183)	182
Final	**41**	69	51
	₱1,820	₱1,821	₱1,986

The components of the Group's deferred taxes as of December 31, 2022 and 2021 are as follows:

Net deferred tax assets:

	2022	2021
Deferred tax assets on:		
Retirement benefit obligation	**₱478**	₱474
Deferred gross profit	**309**	82
Allowance for impairment losses	**249**	208
Deferred intercompany gain	**149**	228
Warranties payable and other provisions	**115**	63
Accrued expenses	**78**	73
Allowance for inventory obsolescence	**46**	37
Unamortized past service cost from pension obligation	**14**	21
Excess MCIT over RCIT	**–**	52
NOLCO	**–**	20
Others	**27**	50
	1,465	1,308
Deferred tax liabilities on:		
Unearned gross profit in ending inventories	**116**	17
Capitalized customs duties	**25**	32
Unrealized foreign exchange loss	**20**	58
Others	**27**	27
	188	134
Net deferred tax assets	**₱1,277**	₱1,174

Net deferred tax liabilities:

	2022	2021
Deferred tax assets on:		
NOLCO	**₱405**	₱381
Unrealized gain on sale of land	**381**	408
Excess of cost over fair value of investment property	**81**	116
Unearned income	**45**	25
Prepaid commission	**40**	58
Retirement benefit obligation	**37**	52
Provision for impairment losses on receivables	**23**	33
Unearned gross profit in ending inventories	**22**	20
Interest expense on Day 1 loss	**10**	15
Allowance for impairment loss on inventories	**4**	5
Others	**6**	6
	1,054	1,119
Deferred tax liabilities on:		
Fair value adjustment on acquisition by Parent Company	**1,959**	1,962
Capitalized borrowing cost and guarantee fees	**885**	1,261
Mark-to-market gain on FVOCI investments	**629**	–
Unrealized gross profit on sale of land	**405**	381
Excess of book basis over tax basis of deferred gross profit	**356**	507
Fair value adjustment on acquisition by subsidiaries	**117**	138
Unamortized discount on long-term payable	**47**	68
Lease differential	**21**	22
Deferred financing costs	**1**	3
Retirement asset	**5**	2
Others	**43**	7
	4,468	4,351
Net deferred tax liabilities	**₱3,414**	₱3,232

NOLCO
As of December 31, 2022, the Group has incurred NOLCO before taxable year 2022 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
2022	2022-2025	₱3,031	₱–	₱–	₱–	₱3,031
2021	2020-2021	3,990	–	–	–	3,990
2020	2022-2025	4,386	–	–	–	4,386
		₱11,407	₱–	₱–	₱–	₱11,407

MCIT
Details of the Group's MCIT follow:

Year Incurred	Amount	Expired/Applied	Balance	Expiry Date
2022	₱23	₱–	₱23	2025
2021	10	–	10	2024
2020	38	–	38	2023
2019	114	114	–	2022
	₱	₱114	₱68	

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:

	2022	2021
NOLCO	**₱9,643**	₱5,498
Excess MCIT over RCIT	**42**	138

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:

	2022	2021	2020
Provision for income tax computed at statutory rates	**25.00%**	25.00%	30.00%
Tax effects of:			
Nontaxable income	**(19.97)**	(19.73)	(14.10)
Changes in unrecognized deferred tax assets	**2.18**	6.24	4.07
Nondeductible interest and other expenses	**0.53**	2.09	0.91
Income subjected to final tax	**(0.06)**	(0.25)	(0.26)
Income subjected to lower tax rate	**0.08**	0.05	0.09
Changes in tax rates	**–**	(1.28)	–
Operating income within income tax holiday (ITH)	**–**	–	(1.52)
Others	**(0.04)**	(0.79)	0.05
Effective income tax rates	**7.72%**	11.33%	19.24%

TMPC is registered with the BOI as a:

- Participant in the Car Development Program and Commercial Vehicle Development Program.
- Pioneer status for the production of Vios. Under its terms and conditions, TMPC shall be entitled to ITH from July 2, 2013 to July 1, 2019 for revenues generated from this vehicle model subject to achievement of certain percentage of local value added.
- Non-pioneer status for the production of Innova. Under its terms and conditions, TMPC shall be entitled to ITH from April 2016 to March 2020 for portion (as determined by its Logistic Efficiency Index) of revenues generated from this vehicle model.
- Participant in Comprehensive Automotive Resurgence Strategy (CARS) Program. BOI approved TMPC's enrollment of its locally-produced vehicle model to the CARS Program on June 27, 2016. Under the terms of registration, TMPC shall be entitled to Fixed Investment Support and Production Volume Incentives (as determined by its Logistic Efficiency Index) subject to achievement of production volume and localization of body shells and large plastic parts (See Note 23).

30. Lease Commitments

Group as a lessee

The Group is a party under various lease agreements including the lease of premises occupied by the Parent Company, office space leased for the Group's branches, land leased for Federal Land Group's mall and gasoline station and lease of parking spaces with terms ranging from one (1) to 10 years.

As of December 31, 2022 and 2021, the Group recognized interest expense on lease liabilities (included in 'Interest expense' in the consolidated statement of income) amounting to ₱23.29 million and ₱32.13 million in 2022 and 2021, respectively. Rent expense from short-term leases and leases of low-value assets amounting to ₱65.22 million and ₱33.29 million in 2022 and 2021, respectively.

As of December 31, 2022 and 2021, the carrying amounts of lease liabilities are as follows (Notes 19 and 20):

	2022	2021
Beginning balance	**₱45**	₱24
Additions	**–**	139
Accretion of interest	**23**	32
Disposals	**(24)**	–
Payments	**(106)**	(37)
Adjustments	**83**	(113)
	₱21	₱45

As of December 31, 2022 and 2021, the future minimum rental payments are as follows:

	2022	2021
Within one year	**₱55**	₱69
After one year but not more than five years	**57**	47
More than five years	**–**	8
	₱112	₱124

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 ₱1.40 billion, ₱1.05 billion and ₱1.75 billion in 2022, 2021 and 2020, respectively (Note 9). The cost of rental services amounting to ₱829.91 million, ₱655.26 million and ₱588.76 million in 2022, 2021 and 2020, respectively, includes maintenance fee, depreciation, repairs and maintenance, and taxes and licenses (Note 11).

As of December 31, 2022 and 2021, the future minimum rental receipts from these lease commitments are as follows:

	2022	2021
Within one year	**₱1,685**	₱1,282
After one year but not more than five years	**3,084**	2,990
More than five years	**5,353**	2,690
	₱10,122	₱6,962

31. Business Combination

On December 29, 2020, GTCAM and TCSPHI entered into a Share Sale and Purchase Agreement with TMPC. TMPC agreed to sell and transfer its 5,000,000 shares of TSRLI shares with a par value of ₱100.00 per share, representing in the aggregate 100% of the total issued and outstanding voting shares of TSRLI, to GTCAM and TCSPHI. 60% of the sale shares equivalent to 3,000,000 shares were sold and transferred to GTCAM and the remaining 40% or 2,000,000 shares were sold and transferred to TCSPHI. The said agreement took effect on January 1, 2021.

32. Fair Value Measurement

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents and short-term cash investments
The fair value of cash and cash equivalents approximate the carrying amounts at initial recognition due to the short-term maturities of these instruments.

Receivables
The fair value of receivables due within one year approximates its carrying amounts. The fair values of installment contracts receivable are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used were 8.00% as of December 31, 2022 and 2021. 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, 2022 and 2021.

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 1.70% to 6.94% and 0.44% to 6.17% for the years ended December 31, 2022 and 2021, respectively.

Liabilities on purchased properties
Estimated fair value was based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date. Long-term payables were incurred in 2019, 2017 and 2012 with interest rates ranging from 3.00% to 3.25% per annum.

The following tables summarize the carrying amount and fair values of financial assets and liabilities, as well as nonfinancial assets, analyzed based on the fair value hierarchy (see accounting policy on Fair Value Measurement), except for assets and liabilities where the carrying values as reflected in the consolidated statements of financial position and related notes approximate their respective fair values.

	2022				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	**₱11,160**	**₱–**	**₱11,160**	**₱–**	**₱11,160**
Financial assets at FVOCI					
Quoted equity securities	**13,154**	**13,154**	**–**	**–**	**13,154**
Unquoted equity securities	**191**	**–**	**191**	**–**	**191**
Other noncurrent assets					
Derivative assets	**88**		**88**		**88**
	₱24,593	**₱13,154**	**₱11,439**	**₱–**	**₱24,593**
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	**₱249**	**₱–**	**₱–**	**₱251**	**₱251**
Loans receivables	**5,094**	**–**	**–**	**5,094**	**5,094**
Non-financial Assets					
Investment in listed associates	**164,998**	**106,922**	**–**	**–**	**106,922**
Investment properties	**22,247**	**–**	**–**	**46,861**	**46,861**
	₱192,588	**₱106,922**	**₱–**	**₱52,206**	**₱159,128**
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liabilities	**₱46**	**₱–**	**₱46**	**₱–**	**₱46**
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	**₱1,300**	**₱–**	**₱–**	**₱1,649**	**₱1,649**
Loans payable	**118,033**	**–**	**–**	**139,606**	**139,606**
Bonds payable	**3,992**	**4,048**	**–**	**–**	**4,048**
	₱123,325	**₱4,048**	**₱–**	**₱141,255**	**₱145,303**

	2021				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	₱8,712	₱–	₱8,712	₱–	₱8,712
Financial assets at FVOCI					
Quoted equity securities	15,919	15,919	–	–	15,919
Unquoted equity securities	392	–	392	–	392
	₱25,023	₱15,919	₱9,104	₱–	₱25,023
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	₱335	₱–	₱–	₱338	₱338
Loans receivables	1,324	–	–	1,994	1,994
Non-financial Assets					
Investment in listed associates	163,655	110,158	–	–	110,158
Investment properties	15,646	–	–	41,850	41,850
	₱180,960	₱110,158	₱–	₱44,182	₱154,340
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liabilities	₱32	₱–	₱32	₱–	₱32
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	₱1,658	₱–	₱–	₱2,194	₱2,194
Loans payable	112,755	–	–	113,536	113,536
Bonds payable	10,077	10,448	–	–	10,448
	₱124,490	₱10,448	₱–	₱115,730	₱126,178

As of December 31, 2022 and 2021, no transfers were made among the three levels in the fair value hierarchy.

Inputs used in estimating fair values of financial instruments carried at cost and categorized under Level 3 include risk-free rates and applicable risk premium.

The fair value of the Group's investment properties has been determined based on valuations performed by third-party valuers. The value of the land was estimated by using the Market Data Approach, a valuation approach that considers the sales, listings and other related market data within the vicinity of the subject properties and establishes a value estimate by processes involving comparison.

The table below summarizes the valuation techniques used and the significant unobservable inputs valuation for each type of investment properties held by the Group:

	Valuation Techniques	**Significant Unobservable Inputs**
Land	Market Data Approach	Price per square meter, size, location, shape, time element and corner influence
Building and Land Improvements	Cost Approach or Market Data Approach	Lineal and square meter, current cost of materials, labor and equipment, contractor's profits, overhead, taxes and fees

Description of the valuation techniques and significant unobservable inputs used in the valuation of the Group's investment properties are as follows:

<u>Valuation Techniques</u>

Market Data Approach	A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.
Cost Approach	A process of determining the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation on physical wear and tear, and obsolescence.

<u>Significant Unobservable Inputs</u>

Reproduction Cost New	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
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.

Significant Unobservable Inputs

Time Element	"An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time". In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

33. Financial Risk Management and Objectives

The Group's principal financial instruments are composed of cash and cash equivalents, financial assets at FVTPL and FVOCI, receivables, due from related parties, accounts and other payables, dividends payable, due to related parties, loans payable, bonds payable, liabilities on purchased properties and derivative financial instruments.

Exposures to credit, liquidity, foreign currency, interest rate, and equity price risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of financial derivative instruments (if any) is solely for the management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's respective financing and treasury functions focus on managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

Credit Risk

The Group's credit risks are primarily attributable to its financial assets. To manage credit risks, the Group maintains defined credit policies and monitors on a continuous basis its exposure to credit risks. Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

Financial assets comprise cash and cash equivalents, short-term investments, receivables, due from related parties and investment securities. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

In respect of installment receivables from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant and the requirement for remedial procedures is minimal given the profile of buyers.

Maximum exposure to credit risk after taking into account collateral held or other credit enhancements

As of December 31, 2022 and 2021, the maximum exposure to credit risk of the Group's financial assets is equal to its carrying value except for installment contracts receivable with nil exposure to credit risk since the fair value of the related condominium and residential units collateral is greater than the carrying value of the installment contracts receivable.

a. Credit quality per class of financial assets

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and long-term cash investment - based on the nature of the counterparty and the Group's internal rating system.

Receivables - high grade pertains to receivables that had no default in payment; medium grade pertains to receivables with a history of being 30 to 90 days past due; and low grade pertains to receivables with a history of being over 90 days past due.

The table below shows the credit quality per class of financial assets based on the Group's rating system:

	December 31, 2022						
	Neither Past Due Nor Individually Impaired				Past Due but not Individually Impaired	Individually Impaired	Total
	High Grade	Medium Grade	Low Grade	Total			
Cash and cash equivalents* (Note 4)	**₱23,794**	**₱–**	**₱–**	**₱23,794**	**₱–**	**₱–**	**₱23,794**
Receivables (Note 5)							
Trade receivables	**7,198**	**165**	**–**	**7,363**	**3,309**	**16**	**10,688**
Loans receivable	**6,084**	**–**	**–**	**6,084**	**–**	**–**	**6,084**
Accrued rent and commission income	**1,138**	**–**	**–**	**1,138**	**4**	**502**	**1,644**
Nontrade receivables	**839**	**65**	**98**	**1,002**	**176**	**182**	**1,360**
Accrued interest receivable	**782**	**–**	**–**	**782**	**–**	**35**	**817**
Installment contracts receivable	**77**	**–**	**–**	**77**	**172**	**–**	**249**
Management fee receivables	**282**	**–**	**–**	**282**	**–**	**–**	**282**
Others	**120**	**–**	**83**	**203**	**1**	**–**	**204**
Due from related parties (Note 27)	**356**	**–**	**–**	**356**	**–**	**–**	**356**
	₱40,670	**₱230**	**₱181**	**₱41,081**	**₱3,662**	**₱735**	**₱45,478**

**Excludes cash on hand amounting to ₱211.87 million*

	December 31, 2021						
	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)	₱17,370	₱–	₱–	₱17,370	₱–	₱–	₱17,370
Receivables (Note 5)							
Trade receivables	7,499	183	31	7,713	3,415	4	11,132
Loans receivable	5,618	–	–	5,618	–	–	5,618
Accrued rent and commission income	881	–	–	881	4	345	1,230
Nontrade receivables	606	67	97	770	231	50	1,051
Accrued interest receivable	397	–	–	397	–	37	434
Installment contracts receivable	103	–	–	103	232	–	335
Management fee receivables	150	–	–	150	–	–	150
Others	308	–	–	308	10	129	447
Due from related parties (Note 27)	155	–	–	155	–	–	155
	₱33,087	₱250	₱128	₱33,465	₱3,892	₱565	₱37,922

**Excludes cash on hand amounting to ₱34.02 million*

As of December 31, 2022 and 2021, the aging analysis of past due but not individually impaired financial assets presented per class, is as follows:

	December 31, 2022								
		Past Due but not Individually Impaired							
	Neither Past Due nor Individually Impaired	**<30 days**	**30-60 days**	**61-90 days**	**91-120 days**	**>120 days**	**Total**	**Individually Impaired**	**Total**
Cash and cash equivalents* (Note 4)	**₱23,794**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱23,794**
Receivables (Note 5)									
Trade receivable	**7,363**	**1,014**	**1,029**	**416**	**177**	**673**	**3,309**	**16**	**10,688**
Loans receivable	**6,084**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,084**
Accrued rent and commission income	**1,138**	**1**	**1**	**1**	**1**	**–**	**4**	**502**	**1,644**
Non-trade receivable	**1,002**	**39**	**35**	**15**	**5**	**82**	**176**	**182**	**1,360**
Accrued interest receivable	**782**	**–**	**–**	**–**	**–**	**–**	**–**	**35**	**817**
Installment contracts receivable	**77**	**55**	**34**	**57**	**–**	**26**	**172**	**–**	**249**
Management fee receivables	**282**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**282**
Others	**203**	**1**		**–**	**–**	**–**	**1**	**–**	**204**
Due from related parties (Note 27)	**356**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**356**
	₱41,081	**₱1,110**	**₱1,099**	**₱489**	**₱183**	**₱781**	**₱3,662**	**₱735**	**₱45,478**

**Excludes cash on hand amounting to ₱211.87 million*

	December 31, 2021								
	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)	₱17,370	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱17,370
Receivables (Note 5)									
Trade receivable	7,713	1,008	1,000	543	251	613	3,415	4	11,132
Loans receivable	5,618	–	–	–	–	–	–	–	5,618
Accrued rent and commission income	881	1	1	1	1	–	4	345	1,230
Non-trade receivable	770	13	79	112	10	17	231	50	1,051
Accrued interest receivable	397	–	–	–	–	–	–	37	434
Installment contracts receivable	103	75	45	77	–	35	232	–	335
Management fee receivables	150	–	–	–	–	–	–	–	150
Others	308	1		–	–	9	10	129	447
Due from related parties (Note 27)	155	–	–	–	–	–	–	–	155
	₱33,465	₱1,098	₱1,125	₱733	₱262	₱674	₱3,892	₱565	₱37,922

**Excludes cash on hand amounting to ₱34.02 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, 2022			
	Up to 1 year	**> 1 to 5 years**	**> 5 years**	**Total**
Financial assets				
Cash and cash equivalents* (Note 4)	**₱23,825**	**₱–**	**₱–**	**₱23,825**
Receivables (Note 5)				
Trade receivables	**9,593**	**1,156**	–	**10,749**
Loans receivable	**990**	**6,571**	–	**7,561**
Accrued rent and commission income	**1,644**	–	–	**1,644**
Nontrade receivable	**1,360**	–	–	**1,360**
Installment contracts receivables	**249**	–	–	**249**
Accrued interest receivable	**817**	–	–	**817**
Management fee receivable	**282**	–	–	**282**
Others	**203**	–	–	**203**
Due from related parties (Note 27)	**356**	–	–	**356**
Financial assets at FVTPL (Note 10)				
Investments in UITF	**11,160**	–	–	**11,160**
Financial assets at FVOCI (Note 10)				
Equity securities				
Quoted	–	–	**13,154**	**13,154**
Unquoted	–	–	**191**	**191**
Other noncurrent assets				
Derivatives assets	–	**88**	–	**88**
Total undiscounted financial assets	**₱50,479**	**₱7,815**	**₱13,345**	**₱71,639**
Other financial liabilities				
Accounts and other payables (Note 15)				
Trade payables	**₱17,049**	**₱–**	**₱–**	**₱17,049**
Accrued expenses	**6,995**	–	–	**6,995**
Telegraphic transfers and drafts and acceptances payable	**3,373**	–	–	**3,373**
Retentions payable	**95**	**1,501**	–	**1,596**
Accrued commissions	**1,055**	–	–	**1,055**
Accrued interest payable	**324**	–	–	**324**
Royalty payable	**302**	–	–	**302**
Nontrade payables	**327**	–	–	**327**
Others	**3,509**	–	–	**3,509**
Dividends payable	**589**	–	–	**589**
Loans payable (Note 16)	**28,248**	**88,936**	**58,445**	**175,629**
Bonds payable (Note 17)	**6,374**	**4,136**	–	**10,510**
Due to related parties (Note 27)	**166**	–	–	**166**
Liabilities on purchased properties (Note 20)	**348**	**1,021**	**700**	**2,069**
Other noncurrent liabilities				
Derivative liabilities (Note 20)	**46**	–	–	**46**
Total undiscounted financial liabilities	**₱68,800**	**₱95,594**	**₱59,145**	**₱223,539**
Liquidity Gap	**(₱18,321)**	**(₱87,779)**	**(₱45,800)**	**(₱151,900)**

**Excludes cash on hand amounting to ₱211.87 million.*

	December 31, 2021			
	Up to 1 year	> 1 to 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents* (Note 4)	₱17,371	₱–	₱–	₱17,371
Receivables (Note 5)				
Trade receivables	8,707	2,486	–	11,193
Loans receivable	4,294	1,993	–	6,287
Accrued rent and commission income	1,230	–	–	1,230
Nontrade receivable	1,051	–	–	1,051
Installment contracts receivables	335	–	–	335
Accrued interest receivable	434	–	–	434
Management fee receivable	150	–	–	150
Others	447	–	–	447
Due from related parties (Note 27)	155	–	–	155
Financial assets at FVTPL (Note 10)				
Investments in UITF	8,712	–	–	8,712
Financial assets at FVOCI (Note 10)				
Equity securities				
Quoted	–	–	15,919	15,919
Unquoted	–	–	392	392
Total undiscounted financial assets	₱42,886	₱4,479	₱16,311	₱63,676
Other financial liabilities				
Accounts and other payables (Note 15)				
Trade payables	₱15,429	₱–	₱–	₱15,429
Accrued expenses	5,388	–	–	5,388
Telegraphic transfers and drafts and acceptances payable	4,956	–	–	4,956
Retentions payable	95	1,384	–	1,479
Accrued commissions	1,056	–	–	1,056
Accrued interest payable	955	–	–	955
Royalty payable	293	–	–	293
Nontrade payables	264	–	–	264
Others	1,354	–	–	1,354
Dividends payable	590	–	–	590
Loans payable (Note 16)	24,487	67,980	77,824	170,291
Bonds payable (Note 17)	536	10,510	–	11,046
Due to related parties (Note 27)	193	–	–	193
Liabilities on purchased properties (Note 20)	304	2,057	1,414	3,775
Derivative liabilities (Note 20)	–	32	–	32
Total undiscounted financial liabilities	₱55,900	₱81,963	₱79,238	₱217,101
Liquidity Gap	(₱13,014)	(₱77,484)	(₱62,927)	(₱153,425)

**Excludes cash on hand amounting to ₱34.02 million.*

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. The Parent Group's primary risk management objective is to reduce the Group's exposure to changes in foreign exchange rates. To manage the currency risk, the Group enters into hedging activities.

The Group's foreign currency-denominated financial instruments are included in cash and cash equivalents, short-term investments, receivables, accounts and other payables and loans payable. Cash and cash equivalents denominated in foreign currency amounted to US$63.13 million and JP¥1.17 billion as of December 31, 2022, US$55.13 million and JP¥1.76 billion as of December 31, 2021 and US$48.53 million and JP¥2.19 billion as of December 31, 2020. Receivables denominated in foreign currency amounted to US$1.16 million and JP¥0.62 million as of December 31, 2022, and US$0.82 million and US$1.09 million as of December 31, 2021 and 2020, respectively. Accounts and other payables denominated in foreign currency amounted to US$213.84 million as of December 31, 2022, US$152.76 million and JP¥23.49 million as of December 31, 2021, and US$158.68 million and JP¥19.80 million as of December 31, 2020.

Loans payables denominated in foreign currency amounted to JP¥23.31 billion as of December 31, 2022, 2021 and 2020. In translating the foreign currency-denominated monetary assets and liabilities into peso amounts, the exchange rates used were ₱56.12 to US$1.00 and ₱0.42 to JP¥1.00 as at December 31, 2022, ₱50.99 to US$1.00 and ₱0.44 to JP¥1.00 as at December 31, 2021 and ₱48.04 to US$1.00 and ₱0.46 to JP¥1.00 as at December 31, 2020.

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, 2022, 2021 and 2020. There is no other impact on the Group's equity other than those already affecting the consolidated statements of comprehensive income.

	Currency	Change in Variable	Increase (Decrease) in Income Before Tax
2022	**US$**	**(₱1.79)**	**₱201**
		1.79	**(201)**
	JP¥	**(0.0152)**	**252**
		0.0152	**(252)**
2021	US$	(0.53)	22
		0.53	(22)
	JP¥	(0.0113)	182
		0.0113	(182)
2020	US$	(0.63)	45
		0.63	(45)
	JP¥	0.0003	4
		(0.0003)	(4)

The Group determined the reasonably possible change in foreign exchange rate by using the absolute average change in Philippine peso-US dollar and Philippine peso-JP¥ exchange rates for the past three (3) years.

Fair Value Hedge
The Parent Company's primary risk management strategy is to reduce the Parent Company's exposure to changes in foreign exchange rates. In this regard, the Parent Company designated a layer of its JPY-denominated long-term loan (the "Hedging Instrument") to hedge the variability in the fair value arising from the translation of its investment in Toyota Motor Corporation (TMC) (the "Hedged Item") amounting to ¥22.05 billion due to fluctuations in JPY/PHP foreign exchange (FX) rates. The hedged risk is the variability in the fair value arising from the translation of the investments (the Hedged Items) due to fluctuations in JPY/PHP FX rates (foreign currency risk). The hedged item is the variability in the fair value arising from the translation of the investments (the Hedged Items) due to foreign currency risk. The hedging instrument is the of ¥22.05 billion layer of the principal amount of its long-term loan with various lenders. The terms of the hedging relationships will end in July 2024. The effectiveness of hedging relationship is tested prospectively. All designated hedging relationships were sufficiently effective as of December 31, 2022 and 2021.

Economic relation between the hedged item and the hedging instrument was qualitatively tested by matching their critical terms. The hedged items create a foreign currency risk on the translation of investments amounting to ¥22.05 billion while the hedging instruments create the exact offset of this risk. Since the critical terms of the hedged item and hedging instrument matched, a clear economic relationship was established. The Parent Company's and the counterparty's credit risk were monitored for adverse changes. The Parent Company assessed that the risk associated with them and the counterparty is considered minimal, at inception, and during the year and did not dominate the value changes that result from the economic relationship. The hedge ratio for hedge accounting purposes is 1:1 or 100% since only a layer of the long-term loan which exactly matches the notional amount of the hedged item was designated as hedging instrument.

Cash Flow Hedge

Non-deliverable forward

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.

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:

	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 income statement**
Non-deliverable forward contracts				
Derivative asset	**₱–**	**₱–**	**₱–**	**₱–**
Derivative liability	**₱46**	**(₱26)**	**₱45**	**₱–**

The Group follows a prudent policy in managing its assets and liabilities so as to ensure that exposure to fluctuation in foreign exchange rates are kept within acceptable limits. There is no ineffectiveness recognized in the profit or loss as the changes in the fair value of the hedged items used as basis for recognizing hedge ineffectiveness equals to the carrying amount of the hedging instruments.

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

	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 and 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, 2022 and 2021, 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 December 31, 2022 and 2021.

An economic relation between the hedged item and the hedging instrument was qualitatively tested by matching their critical terms. The hedged item creates an exposure to pay 3m JPY TONA (floored at 0%) + 0.65% to 0.80%, settled quarterly. The hedging instrument creates an exact offset of this exposure with a consequence of paying a fixed interest payment of 0.852% to 1.255% per annum. Since most of the critical terms of the hedged item and hedging instrument matched, a clear economic relationship was established. The Parent Company's and the counterparty's credit risk was monitored for adverse changes. The Parent Company assessed that the risk associated with them and the counterparty is considered minimal, at inception, and during the year and did not dominate the value changes that result from the economic relationship. The hedge ratio for hedge accounting purposes is 1:1 or 100% since the notional amount of the IRS exactly matches the notional amount of the Loan. The hedge ineffectiveness can arise from the counterparties' credit risk differently impacting the fair value movements of the hedging instrument and the hedged item.

The Group is holding the following hedging instruments designated as cash flow hedges as of December 31, 2022 and 2021:

	Maturity				
	Up to 3 months	> 3 to 6 months	> 6 to 12 months	> 1 to 2 years	More than 2 years
2022					
Interest rate swap					
Fixed interest rate (%)					
¥11.655 billion up to July 2024	**0.852%**	**0.852%**	**0.852%**	**0.852%**	–
¥11.655 billion up to July 2024	**0.865%**	**0.865%**	**0.865%**	**0.865%**	–
¥23.31 billion from July 2024 to March 2027	–	–	–	**1.255%**	**1.255%**
2021					
Interest rate swap					
Fixed interest rate (%)	0.852%	0.852%	0.852%	0.852%	0.852%

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, 2022 and 2021:

	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 income statement**
Floating rate loans				
Interest rate swap				
Derivative assets	**₱88**	**₱88**	**₱88**	**₱–**

	December 31, 2021			
	Carrying value	Change in fair value of hedged item used for measuring ineffectiveness	Effective portion recognized in OCI	Hedge ineffectiveness recognized in the income statement
Floating rate loans				
Interest rate swap				
Derivative liabilities	₱32	₱32	₱32	₱–

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:

	2022	2021
Balance at beginning of year	**(₱32)**	(₱51)
Net unrealized gain (loss) on cash flow hedge	**120**	19
Balance at end of year (net of tax)	**₱88**	(₱32)

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
2022	**Increase by 32.51%**	**₱380**
	Decrease by 32.51%	**(380)**
2021	Increase by 22.94%	₱302
	Decrease by 22.94%	(302)

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
2022	**Increase by 5.05%**	**₱592**
	Decrease by 5.05%	**(592)**
2021	Increase by 10.40%	₱1,497
	Decrease by 10.40%	(1,497)

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, 2022, 2021 and 2020 were computed as follows (amounts in millions, except earnings per share):

		2022	2021	2020
a.)	Net income attributable to equity holders of the Parent Company	**₱18,360**	₱10,983	₱6,546
b.)	Effect of dividends declared to voting and perpetual preferred shareholders of the Parent Company	**(589)**	(589)	(589)
c.)	Net income attributable to common shareholders of the Parent Company	**17,771**	10,394	5,957
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)	**₱82.55**	₱48.28	₱27.67

Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

35. Operating Segments

Segment Information

For management purposes, the Group is organized into business units based on their products and activities and has the following reportable segments:

- Real estate is engaged in real estate and leasing, development and selling of properties of every kind and description, as well as ancillary trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintenance of a petroleum service station, engaging in food and restaurant service and acting as a marketing agent for and in behalf of any real estate development company or companies;
- Financial institutions are engaged in the banking and insurance industry and financing institution;
- Automotive operations are engaged in the assembly, manufacture, importation, sale and distribution of all kinds of automobiles including automobile parts, accessories, and instruments;
- Infrastructure is engaged in the water distribution, toll operation, power sector, hospitals and rail; and
- Others pertain to other corporate activities of the Group (i.e., capital raising activities, acquisitions and investments).

The Chief Operating Decision Maker (CODM), which is the Executive Committee, monitors the operating results of the Group for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, earnings before interest, taxes and depreciation/amortization (EBITDA) and pretax income which are measured similarly under PFRS, except for EBITDA. EBITDA is computed by reconciling net interest income (expense) and provision for income taxes to the net income and adding back depreciation and amortization expenses for the period.

For the years ended December 31, 2022, 2021 and 2020, 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, 2022, 2021 and 2020:

	December 31, 2022					
	Real Estate	**Financial Institution**	**Automotive Operations**	**Infrastructure**	**Others**	**Total**
Revenue	**₱5,193**	**₱–**	**₱211,945**	**₱–**	**₱169**	**₱217,307**
Other income	**8,500**	–	**1,914**	–	**468**	**10,882**
Equity in net income of associates and joint venture	**1,238**	**13,587**	–	**1,630**	–	**16,455**
	14,931	**13,587**	**213,859**	**1,630**	**637**	**244,644**
Cost of goods and services sold	**859**	–	**156,220**	–	–	**157,079**
Cost of goods manufactured and sold	**–**	–	**36,366**	–	–	**36,366**
Cost of rental	**817**	–	–	–	**13**	**830**
Cost of real estate sales	**2,996**	–	–	–	**63**	**3,059**
General and administrative expenses	**4,033**	–	**12,576**	–	**669**	**17,278**
	8,705	–	**205,162**	–	**745**	**214,612**
Earnings before interest and taxes	**6,226**	**13,587**	**8,697**	**1,630**	**(108)**	**30,032**
Depreciation and amortization	**673**	–	**1,431**	–	**13**	**2,117**
EBITDA	**6,899**	**13,587**	**10,128**	**1,630**	**(95)**	**32,149**
Interest income	**377**	–	**147**	–	**139**	**663**
Interest expense	**(2,401)**	–	**(228)**	–	**(4,515)**	**(7,144)**
Depreciation and amortization	**(673)**	–	**(1,431)**	–	**(13)**	**(2,117)**
Pretax income	**4,202**	**13,587**	**8,616**	**1,630**	**(4,484)**	**23,551**
Provision for income tax	**224**	–	**(2,008)**	–	**(36)**	**(1,820)**
Net income	**₱4,426**	**₱13,587**	**₱6,608**	**₱1,630**	**(₱4,520)**	**₱21,731**
Segment assets	**₱120,648**	**₱135,668**	**₱66,586**	**₱40,055**	**₱54,199**	**₱417,156**
Segment liabilities	**₱82,282**	**₱–**	**₱38,497**	**₱–**	**₱83,363**	**₱204,142**

	December 31, 2021					
	Real Estate	Financial Institution	Automotive Operations	Infrastructure	Others	Total
Revenue	₱5,607	₱–	₱150,964	₱–	₱10	₱156,581
Other income	2,828	–	1,894	–	376	5,098
Equity in net income of associates and joint venture	97	9,443	–	1,525	–	11,065
	8,532	9,443	152,858	1,525	386	172,744
Cost of goods and services sold	467	–	102,492	–	–	102,959
Cost of goods manufactured and sold	–	–	32,111	–	–	32,111
Cost of rental	642	–	–	–	13	655
Cost of real estate sales	3,114	–	–	–	9	3,123
General and administrative expenses	3,304	–	9,651	–	500	13,455
	7,527	–	144,254	–	522	152,303
Earnings before interest and taxes	1,005	9,443	8,604	1,525	(136)	20,441
Depreciation and amortization	538	–	1,631	–	19	2,188
EBITDA	1,543	9,443	10,235	1,525	(117)	22,629
Interest income	1,587	–	229	–	83	1,899
Interest expense	(1,509)	–	(249)	–	(4,512)	(6,270)
Depreciation and amortization	(538)	–	(1,631)	–	(19)	(2,188)
Pretax income	1,083	9,443	8,584	1,525	(4,565)	16,070
Provision for income tax	(281)	–	(1,440)	–	(100)	(1,821)
Net income	₱802	₱9,443	₱7,144	₱1,525	(₱4,665)	₱14,249
Segment assets	₱109,973	₱135,453	₱65,406	₱38,194	₱48,768	₱397,794
Segment liabilities	₱70,867	₱–	₱37,748	₱–	₱84,100	₱192,715

	December 31, 2020					
	Real Estate	Financial Institution	Automotive Operations	Infrastructure	Others	Total
Revenue	₱4,646	₱–	₱113,975	₱–	₱2,983	₱121,604
Other income	3,022	–	1,041	–	375	4,438
Equity in net income of associates and joint venture	(300)	5,826	–	829	–	6,355
	7,368	5,826	115,016	829	3,358	132,397
Cost of goods and services sold	358	–	76,121	–	–	76,479
Cost of goods manufactured and sold	–	–	23,554	–	–	23,554
Cost of rental	580	–	–	–	9	589
Cost of real estate sales	3,157	–	–	–	963	4,120
General and administrative expenses	2,534	–	10,043	–	455	13,032
	6,629	–	109,718	–	1,427	117,774
Earnings before interest and taxes	739	5,826	5,298	829	1,931	14,623
Depreciation and amortization	529	–	1,979	–	9	2,517
EBITDA	1,268	5,826	7,277	829	1,940	17,140
Interest income	1,833	–	154	–	36	2,023
Interest expense	(1,379)	–	(447)	–	(4,497)	(6,323)
Depreciation and amortization	(529)	–	(1,979)	–	(9)	(2,517)
Pretax income	1,193	5,826	5,005	829	(2,530)	10,323
Provision for income tax	(370)	–	(1,564)	–	(52)	(1,986)
Net income	₱823	₱5,826	₱3,441	₱829	(₱2,582)	₱8,337
Segment assets	₱102,768	₱136,111	₱65,464	₱36,465	₱44,172	₱384,980
Segment liabilities	₱66,241	₱–	₱41,853	₱–	₱84,701	₱192,795

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:

	2022	2021	2020
Domestic	**₱235,574**	₱165,662	₱128,346
Foreign	**9,733**	8,981	6,074
	₱245,307	₱174,643	₱134,420

36. **Contingencies**

In the ordinary 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. Management believes that the bases of said protest/appeal are legally valid such that the ultimate resolution of these assessments/claims would not have material effects on the consolidated financial position and results of operations. The information usually required by PAS 37 is not disclosed on the grounds 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 ₱2.40 billion, ₱2.81 billion and ₱3.45 billion as of December 31, 2022, 2021 and 2020, respectively.

37. **Events After the Reporting Date**

On January 27, 2023, the Parent Company paid the quarterly cash dividends amounting to ₱56.01 million, or ₱11.57475 per share in favor of GT Capital's perpetual preferred series A stockholders as of record date January 5, 2023.

On January 27, 2023, the Parent Company paid the quarterly cash dividends amounting to ₱91.21 million, or ₱12.73725 per share in favor of GT Capital's perpetual preferred series B stockholders as of record date January 5, 2023.

On February 27, 2023, the Parent Company paid the ₱6.10 billion bonds with maturity date of February 27, 2023.

On March 20, 2023, the BOD of the Parent Company approved the declaration of regular cash dividends amounting to ₱645.85 million, or ₱3.00 per share in favor of GT Capital's common stockholders of record as of April 3, 2023, payable on April 19, 2023.

On March 20, 2023, the BOD of the Parent Company approved the declaration of regular cash dividends in favor of its voting preferred stockholders at a dividend rate of 3.77%, with record date on April 3, 2023 and payment date on April 19, 2023.

38. **Notes to Consolidated Statements of Cash Flows**

Below are the noncash operating, investing and financing transactions of the Group:

	2022	2021	2020
Transfers between investment property and inventories (Note 6)	**₱5,904**	₱270	₱1,216
Borrowing costs capitalized to inventories (Note 6)	**400**	712	642
Impact of business combination (Note 8)	**–**	50	–

The following are the changes in liabilities in 2022 and 2021 arising from financing activities including both cash and non-cash changes:

	January 1, 2022	**Availment**	**Payment**	**Forex movement**	**Amortization of day 1 loss**	**Amortization of deferred financing cost**	**Others***	**December 31, 2022**
Short-term debt (Note 16)	**₱9,127**	**₱38,314**	**(₱32,854)**	**₱–**	**₱–**	**₱–**	**(₱5)**	**₱14,582**
Current portion of long-term debt (Note 16)	**9,423**	**–**	**(125)**	**–**	**–**	**–**	**(1,540)**	**7,758**
Long-term debt - net of current portion (Note 16)	**112,755**	**13,818**	**(9,702)**	**(557)**	**–**	**179**	**1,540**	**118,033**
Current portion of bonds payable	**–**	**–**	**–**	**–**	**–**	**–**	**6,099**	**6,099**
Bonds payable (Note 17)	**10,077**	**–**	**–**	**–**	**–**	**14**	**(6,099)**	**3,992**
Current portion of liabilities on purchased properties (Notes 20 and 27)	**304**	**–**	**(306)**	**–**	**350**	**–**	**–**	**348**
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	**1,658**	**–**	**(261)**	**–**	**(97)**	**–**	**–**	**1,300**
	₱143,344	**₱52,132**	**(₱43,248)**	**(₱557)**	**₱253**	**₱193**	**(₱5)**	**₱152,112**

** Others include reclassification from noncurrent to current portion.*

	January 1, 2021	Availment	Payment	Forex movement	Amortization of day 1 loss	Amortization of deferred financing cost	Others*	December 31, 2021
Short-term debt (Note 16)	₱28,007	₱30,020	(₱48,900)	₱–	₱–	₱–	₱–	₱9,127
Current portion of long-term debt (Note 16)	5,012	–	(157)	–	–	–	4,568	9,423
Long-term debt - net of current portion (Note 16)	95,429	27,627	(5,320)	(503)	–	90	(4,568)	112,755
Current portion of bonds payable	4,995	–	(5,000)	–	–	5	–	–
Bonds payable (Note 17)	10,065	–	–	–	–	12	–	10,077
Current portion of liabilities on purchased properties (Notes 20 and 27)	598	–	(1,299)	–	35	–	970	304
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	2,657	–	(342)	–	313	–	(970)	1,658
	₱146,763	₱57,647	(₱61,018)	(₱503)	₱348	₱107	₱–	₱143,344

** 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 20, 2023.

SyCip Gorres Velayo & Co.
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1226 Makati City
Philippines

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**INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors
GT Capital Holdings, Inc.
43rd Floor, GT Tower International
Ayala Avenue corner H.V. Dela Costa St.
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of GT Capital Holdings, Inc. and its subsidiaries (the Group) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 included in this Form 17-A and have issued our report thereon dated March 20, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedules listed in the Index to the Supplementary Schedules are the responsibility of the Group's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic consolidated financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, the financial information required to be set forth therein in relation to the basic consolidated financial statements taken as a whole, are prepared in all material respects, in accordance with Philippine Financial Reporting Standards, as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission as described in Note 2 to the consolidated financial statements.

SYCIP GORRES VELAYO & CO.

Miguel U. Ballelos Jr.

Miguel U. Ballelos, Jr.
Partner
CPA Certificate No. 109950
Tax Identification No. 241-031-088
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
SEC Partner Accreditation No. 109950-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
SEC Firm Accreditation No. 0001-SEC (Group A)
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions
BIR Accreditation No. 08-001998-114-2022, January 20, 2022, valid until January 19, 2025
PTR No. 9369777, January 3, 2023, Makati City

March 20, 2023

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INDEPENDENT AUDITOR'S REPORT
COMPONENTS OF FINANCIAL SOUNDNESS INDICATORS

The Stockholders and the Board of Directors
GT Capital Holdings, Inc.
43rd Floor, GT Tower International
Ayala Avenue corner H.V. Dela Costa St.
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of GT Capital Holdings, Inc. and its subsidiaries (the Group) as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, and have issued our report thereon dated March 20, 2023. Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplementary Schedule on Components of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC), as described in Note 2 to the consolidated financial statements, and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purpose of complying with the Revised Securities Regulation Code Rule 68 issued by the SEC, and is not a required part of the basic consolidated financial statements prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs issued and approved by the SEC as described in Note 2 to the consolidated financial statements. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 and no material exceptions were noted.

SYCIP GORRES VELAYO & CO.

Miguel U. Ballelos, Jr.

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Partner
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PTR No. 9369777, January 3, 2023, Makati City

March 20, 2023

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2022

GT CAPITAL HOLDINGS, INC.

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE YEAR ENDED DECEMBER 31, 2022

(In Millions)

Unappropriated Retained Earnings, beginning			₱20,886
Add:	**Net income actually earned during the period**		
	Net income during the period, closed to Retained Earnings	5,696	
Less:	**Non-actual/unrealized income**		
	Unrealized market valuation gain on financial assets at FVPTL	(137)	
	PFRS interest accretion	(458)	
Net income actually earned during the period			5,101
Less:	Dividend declarations during the period		(1,235)
TOTAL RETAINED EARNINGS, END OF THE YEAR AVAILABLE FOR DIVIDEND			**₱24,752**

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Millions)

Schedule A. Financial Assets

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Valued based on market quotation at end of reporting period (iii)	Income received and accrued
Investment securities				
Financial assets at FVTPL	Various	₱11,160	₱11,160	₱137
Financial assets at FVOCI				
Quoted	Various	13,154	13,154	368
Unquoted	Various	191	191	20

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
V. P. Constantino Jr.	Rank & File / Supervisor	₱ –	₱1	(₱1)	₱ –	₱–	₱–	₱ –
M. T. Esplana	Officer	–	1	(2)	–	–	–	–
M. B. Candelario	Rank & File / Supervisor	–	1	(1)	–	–	–	–
G. M. Castro	Rank & File / Supervisor	–	1	(1)	–	–	–	–
K. P. Fenol	Rank & File / Supervisor	–	–	(1)	–	–	–	–
G. G. Deangkinay	Officer	1	–	(1)	–	–	–	–
J. N. Velasco Jr.	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. J. De Dios	Rank & File / Supervisor	1	1	(1)	–	–	–	–
A. M. Cruz	Officer	1	1	(2)	–	–	–	–
G. G. Castillo	Officer	1	–	(1)	–	–	–	–
R. O. Obmina	Rank & File / Supervisor	1	1	(2)	–	–	–	–
N. C. Inton	Rank & File / Supervisor	1	–	(1)	–	–	–	–
G. P. Blanes	Rank & File / Supervisor	1	1	(2)	–	–	–	–
D. G. Ratac	Rank & File / Supervisor	1	1	(2)	–	–	–	–
R. D. Pelobello	Rank & File / Supervisor	1	–	(1)	–	–	–	–
C. F. Tolete	Rank & File / Supervisor	1	–	(1)	–	–	–	–
R. A. Sampan	Officer	1	1	(2)	–	–	–	–
R. P. Malaiba	Officer	1	–	(1)	–	–	–	–
R. L. Martinez	Rank & File / Supervisor	1	–	(1)	–	–	–	–
E. M. Caisip	Rank & File / Supervisor	1	–	(1)	–	–	–	–
R. D. Elca	Officer	1	1	(2)	–	–	–	–

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
G. A. Deapera	Officer	₱1	₱–	(₱1)	₱–	₱–	₱–	₱–
F. G. Alivio Jr.	Rank & File / Supervisor	1	1	(2)	–	–	–	–
N. R. Amboy	Rank & File / Supervisor	–	1	(1)	–	–	–	–
E. D. Cantre	Rank & File / Supervisor	–	1	(1)	–	–	–	–
S. A. Austria	Rank & File / Supervisor	–	1	(1)	–	–	–	–
D. C. Rosales	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. Q. Bantuan	Rank & File / Supervisor	–	1	–	–	–	1	1
V. B. Delos Santos	Officer	–	3	(2)	–	–	1	1
L. B. Aguilera	Rank & File / Supervisor	–	2	(2)	–	1	–	1
C. B. Ofilada	Rank & File / Supervisor	–	3	(2)	–	1	–	1
A. B. Bautista	Officer	1	1	(1)	–	1	–	1
N. O. Bravante	Officer	1	1	(1)	–	1	–	1
E. O. Garcia	Rank & File / Supervisor	–	2	(2)	–	1	–	1
D. R. Escuro	Officer	1	2	(2)	–	1	–	1
F. C. Cristobal	Rank & File / Supervisor	1	2	(2)	–	1	–	1
M. B. Antonio	Officer	–	2	(2)	–	1	–	1
J. G. Jimenez	Rank & File / Supervisor	–	3	(2)	–	1	–	1
R. R. Gutierrez	Officer	2	2	(2)	–	1	–	1
J. L. Orteza	Officer	–	2	(1)	–	1	–	1
A. A. Marcellana	Rank & File / Supervisor	1	1	(1)	–	1	–	1
D. F. Mendiola	Officer	2	2	(2)	–	1	–	1
R. S. Maaño	Rank & File / Supervisor	1	1	(1)	–	1	–	1
R. G. Waje	Rank & File / Supervisor	–	2	(1)	–	1	–	1
A. L. Aya-Ay	Rank & File / Supervisor	1	1	(1)	–	1	–	1
B. E. Dionela	Officer	1	1	(1)	–	1	–	1
J. C. Villanueva	Officer	1	1	(2)	–	1	–	1
R. N. Gaspar	Officer	–	2	(1)	–	1	–	1
J. M. Atienza	Officer	2	2	(2)	–	2	–	2
R. B. De Grano	Officer	–	2	(1)	–	1	–	1
A. V. Pesigan	Rank & File / Supervisor	–	2	(1)	–	1	–	1
H. P. Hernandez	Rank & File / Supervisor	–	2	(1)	–	1	–	1
S. T. Chua-Lim	Officer	2	1	(2)	–	1	–	1
E. M. Claro	Rank & File / Supervisor	–	3	(2)	–	1	–	1
F. C. Escrimadora	Rank & File / Supervisor	1	1	(1)	–	1	–	1
E. D. Felix	Officer	1	1	(1)	–	1	–	1

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
R. B. Valdez	Officer	₱1	₱5	(₱3)	₱–	₱3	₱–	₱3
J. S. Matsuo	Officer	–	3	(1)	–	–	1	1
M. M. Legaspi	Rank & File / Supervisor	1	1	(1)	–	–	1	1
A. D. Bautista	Rank & File / Supervisor	–	1	(1)	–	–	1	1
P. C. Castro	Officer	1	–	–	–	–	–	–
M. L. Gardiner	Officer	1	–	–	–	–	–	–
M. P. De Leon	Rank & File / Supervisor	–	3	(1)	–	–	1	1
M. C. Buena	Officer	–	3	(1)	–	–	1	1
A. G. Lopez	Officer	–	4	(2)	–	–	2	2
L. A. Sy	Officer	1	1	(1)	–	–	1	1
M. J. Vicente	Rank & File / Supervisor	–	2	(1)	–	–	1	1
M. E. Arvesu	Rank & File / Supervisor	1	1	(1)	–	–	1	1
N. T. Torrano	Rank & File / Supervisor	1	–	–	–	–	–	–
D. M. Miranda	Rank & File / Supervisor	1	–	(1)	–	–	1	1
D. C. Dy	Rank & File / Supervisor	1	1	(1)	–	–	1	1
A. S. Dayrit	Officer	1	2	(1)	–	–	1	1
D. T. Tagubase	Officer	1	–	–	–	–	–	–
J. B. Tablizo	Rank & File / Supervisor	1	–	–	–	–	–	–
A. M. Abante	Rank & File / Supervisor	1	1	(1)	–	–	1	1
L. R. Aspiras	Rank & File / Supervisor	1	–	–	–	–	–	–
J. Z. Alam	Rank & File / Supervisor	1	–	–	–	–	–	–
M. A. Zalameda	Officer	1	–	–	–	–	–	–
C. S. Ablaza	Officer	2	1	(1)	–	–	1	1
C. T. Dionela	Officer	1	–	–	–	–	–	–
R. B. Magdaong	Rank & File / Supervisor	–	1	(1)	–	–	1	1
F. C. Hermosa	Rank & File / Supervisor	–	1	(1)	–	–	1	1
E. D. Mangila	Rank & File / Supervisor	1	–	–	–	–	–	–
E. N. Mogol	Rank & File / Supervisor	1	–	–	–	–	–	–
J. D. Cabrera	Rank & File / Supervisor	1	–	–	–	–	–	–
R. R. De Guzman	Rank & File / Supervisor	–	1	(1)	–	–	1	1
E. C. Marcial	Officer	1	–	–	–	–	–	–
C. B. Nalaunan	Rank & File / Supervisor	1	–	–	–	–	–	–
F. M. Mercado Jr.	Rank & File / Supervisor	–	2	(1)	–	–	1	1
E. A. Concepcion	Rank & File / Supervisor	1	–	–	–	–	–	–
V. A. Nazareth	Rank & File / Supervisor	1	–	–	–	–	–	–

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
M. A. Gache	Rank & File / Supervisor	₱1	₱–	₱–	₱–	₱–	₱–	₱–
M. G. Canlobo	Rank & File / Supervisor	–	1	–	–	–	1	1
M. A. Quinto	Rank & File / Supervisor	1	–	–	–	–	–	–
W. M. Solas	Rank & File / Supervisor	1	–	–	–	–	–	–
F. B. De Guzman Jr.	Rank & File / Supervisor	–	1	(1)	–	–	1	1
W. F. Guerrero	Rank & File / Supervisor	–	2	–	–	–	1	1
J. D. Sotto	Rank & File / Supervisor	1	–	–	–	–	–	–
J. S. Abes	Rank & File / Supervisor	1	–	–	–	–	–	–
E. S. Araracap	Rank & File / Supervisor	1	–	–	–	–	–	–
M. N. Caraan	Rank & File / Supervisor	1	–	–	–	–	–	–
T. V. Pinca	Rank & File / Supervisor	–	1	–	–	–	1	1
L. A. Gregorio	Rank & File / Supervisor	1	–	–	–	–	–	–
R. S. Tabaranza	Rank & File / Supervisor	1	–	–	–	–	–	–
R. C. Cay	Rank & File / Supervisor	1	–	–	–	–	–	–
B. O. Añonuevo	Rank & File / Supervisor	–	2	(1)	–	–	1	1
C. B. Marquez	Rank & File / Supervisor	1	–	–	–	–	–	–
A. B. Alvarez	Rank & File / Supervisor	1	–	–	–	–	–	–
M. C. Fernandez	Rank & File / Supervisor	1	–	–	–	–	–	–
B. F. Felipe	Rank & File / Supervisor	1	–	–	–	–	–	–
A. P. Peralta	Rank & File / Supervisor	–	1	–	–	–	1	1
A. A. Guico	Officer	1	–	–	–	–	–	–
F. A. Bartolata	Rank & File / Supervisor	1	–	–	–	–	–	–
C. A. Trumpo	Rank & File / Supervisor	1	–	–	–	–	–	–
E. F. Aclado	Rank & File / Supervisor	1	–	–	–	–	–	–
P. E. Calderon Jr.	Rank & File / Supervisor	1	–	–	–	–	–	–
A. P. Binauhan	Rank & File / Supervisor	1	–	–	–	–	–	–
R. A. Evangelista	Rank & File / Supervisor	1	–	–	–	–	–	–
G. J. Villafuerte	Rank & File / Supervisor	1	–	–	–	–	–	–
M. B. Celmar	Rank & File / Supervisor	1	–	–	–	–	–	–
N. B. Sebastian	Rank & File / Supervisor	1	–	–	–	–	–	–
M. M. Viceral	Rank & File / Supervisor	1	–	–	–	–	–	–
M. G. Sese	Rank & File / Supervisor	1	–	–	–	–	–	–
F. C. Aspiras	Rank & File / Supervisor	1	–	–	–	–	–	–
A. C. Mariquit	Rank & File / Supervisor	1	–	–	–	–	–	–
R. M. Lanip	Rank & File / Supervisor	–	1	–	–	–	1	1

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
R. B. Leochico	Rank & File / Supervisor	₱1	₱–	₱–	₱–	₱–	₱–	₱–
C. T. Bolaños	Officer	–	3	(1)	–	–	2	2
P. G. Lechuga	Rank & File / Supervisor	1	–	–	–	–	–	–
L. N. Sombilon	Rank & File / Supervisor	–	1	–	–	–	1	1
M. B. Laza	Rank & File / Supervisor	1	–	–	–	–	–	–
L. L. Elomina	Rank & File / Supervisor	1	–	–	–	–	–	–
F. M. Montero	Rank & File / Supervisor	1	–	–	–	–	–	–
M. G. Dinulos	Rank & File / Supervisor	1	–	–	–	–	–	–
J. G. Palisoc	Rank & File / Supervisor	1	–	–	–	–	–	–
R. V. Cabatcan	Rank & File / Supervisor	1	–	–	–	–	–	–
W. L. Duena Jr.	Rank & File / Supervisor	1	–	–	–	–	–	–
Z. C. Palad	Rank & File / Supervisor	1	–	–	–	–	–	–
N. D. Alcoran	Rank & File / Supervisor	1	–	–	–	–	–	–
A. D. Bargo	Rank & File / Supervisor	–	2	(1)	–	–	1	1
E. D. Palma Jr.	Rank & File / Supervisor	1	–	–	–	–	–	–
R. B. Mapula	Rank & File / Supervisor	1	–	–	–	–	–	–
E. J. Mendoza	Rank & File / Supervisor	1	–	–	–	–	–	–
C. G. Visaya	Officer	1	–	–	–	–	–	–
R. S. Arroyo	Rank & File / Supervisor	1	–	–	–	–	–	–
R. M. Nuñez	Rank & File / Supervisor	1	–	–	–	–	–	–
A. A. Palomares	Rank & File / Supervisor	1	–	–	–	–	–	–
R. S. Macasieb	Rank & File / Supervisor	–	1	–	–	–	1	1
M. A. Dotollo	Rank & File / Supervisor	1	–	–	–	–	–	–
R. M. Canicosa	Officer	1	–	–	–	–	–	–
N. A. Hare	Rank & File / Supervisor	1	–	–	–	–	1	1
N. D. Lozano Jr.	Rank & File / Supervisor	1	–	–	–	–	–	–
E. D. Guevarra	Rank & File / Supervisor	1	–	–	–	–	–	–
E. B. Tatad	Rank & File / Supervisor	1	–	–	–	–	–	–
M. C. Catangay	Rank & File / Supervisor	1	–	–	–	–	–	–
R. P. Opano	Rank & File / Supervisor	1	–	–	–	–	–	–
R. R. Rafer	Rank & File / Supervisor	1	–	–	–	–	1	1
R. B. Bonaobra Jr.	Rank & File / Supervisor	1	–	–	–	–	–	–
C. E. Cabingan	Rank & File / Supervisor	1	–	–	–	–	–	–
R. L. Garcia	Rank & File / Supervisor	1	–	–	–	–	–	–
M. T. Gertes	Rank & File / Supervisor	1	–	–	–	–	–	–

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
L. A. Deocariza	Rank & File / Supervisor	₱1	₱–	₱–	₱–	₱–	₱–	₱–
R. D. Viadoy	Rank & File / Supervisor	1	–	–	–	–	1	1
H. L. Buendia	Officer	–	1	–	–	–	1	1
D. P. Ubang	Rank & File / Supervisor	1	–	–	–	–	–	–
I. C. De Guzman	Rank & File / Supervisor	1	–	–	–	–	–	–
N. O. Manglo	Officer	1	–	–	–	–	1	1
D. B. Gregorio	Rank & File / Supervisor	1	–	–	–	–	–	–
M. S. Villanueva	Rank & File / Supervisor	1	–	–	–	–	–	–
I. E. Claudio	Officer	1	–	–	–	–	1	1
M. M. Peria	Rank & File / Supervisor	1	–	–	–	–	–	–
R. P. Cuevas	Rank & File / Supervisor	1	–	–	–	–	–	–
R. B. Villanueva	Rank & File / Supervisor	1	–	–	–	–	–	–
G. T. Laural	Rank & File / Supervisor	–	1	–	–	–	1	1
A. E. Capoquian Jr.	Rank & File / Supervisor	1	–	–	–	–	–	–
B. C. Arevalo	Officer	1	–	–	–	–	1	1
J. P. Magbojos	Rank & File / Supervisor	1	–	–	–	–	1	1
R. T. Ramos	Rank & File / Supervisor	1	–	–	–	–	1	1
V. E. Dionela Jr.	Rank & File / Supervisor	1	–	–	–	–	1	1
F. A. Pagaspas	Rank & File / Supervisor	1	–	–	–	–	1	1
M. D. Nuque	Rank & File / Supervisor	1	–	–	–	–	–	–
R. F. Benitez	Rank & File / Supervisor	1	–	–	–	–	1	1
R. M. Rosales	Rank & File / Supervisor	1	–	–	–	–	1	1
B. L. Abraham	Rank & File / Supervisor	–	1	–	–	–	1	1
E. B. Legion	Rank & File / Supervisor	1	–	–	–	–	1	1
J. B. Sison	Rank & File / Supervisor	1	–	–	–	–	–	–
R. V. Arellano	Rank & File / Supervisor	1	–	–	–	–	–	–
R. G. Malate	Rank & File / Supervisor	–	1	–	–	–	1	1
R. C. Delos Santos Jr.	Rank & File / Supervisor	–	1	–	–	–	1	1
E. D. Forteza	Rank & File / Supervisor	1	–	–	–	–	1	1
A. Z. Cuaresma	Rank & File / Supervisor	1	–	–	–	–	–	–
M. D. Gonzales	Rank & File / Supervisor	1	–	–	–	–	–	–
J. M. Roqueza	Officer	–	2	–	–	–	1	1
A. S. Zaide	Rank & File / Supervisor	1	–	–	–	–	1	1
M. G. Marcelo	Rank & File / Supervisor	1	–	–	–	–	1	1
L. N. Magnaye	Rank & File / Supervisor	1	–	–	–	–	1	1

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
D. L. Pilapil	Rank & File / Supervisor	₱1	₱–	₱–	₱–	₱–	₱1	₱1
L. A. Guno	Rank & File / Supervisor	1	–	–	–	–	–	–
R. A. Lopez	Rank & File / Supervisor	1	–	–	–	–	1	1
E. B. Gozo	Rank & File / Supervisor	1	–	–	–	–	1	1
N. C. Briones	Rank & File / Supervisor	1	–	–	–	–	1	1
C. M. Gutierrez	Rank & File / Supervisor	1	–	–	–	–	1	1
R. L. Dugay	Rank & File / Supervisor	1	–	–	–	–	–	–
R. S. Reyes	Rank & File / Supervisor	1	–	–	–	–	–	–
G. F. Gonzales	Rank & File / Supervisor	1	–	–	–	–	1	1
L. U. Lejano	Rank & File / Supervisor	1	–	–	–	–	1	1
E. N. Alcantara Jr.	Rank & File / Supervisor	1	–	–	–	–	1	1
A. T. Claudio	Rank & File / Supervisor	1	–	–	–	–	1	1
D. F. Dizon	Rank & File / Supervisor	1	–	–	–	–	1	1
M. G. Masamayor	Officer	1	–	–	–	–	1	1
R. A. Hechanova	Rank & File / Supervisor	1	–	–	–	–	1	1
P. B. Robosa	Officer	1	–	–	–	–	1	1
J. D. Fisico	Rank & File / Supervisor	1	–	–	–	–	–	–
R. M. Bolledo	Rank & File / Supervisor	1	–	–	–	–	–	–
M. N. Vallo	Rank & File / Supervisor	1	–	–	–	–	–	–
A. E. Santos	Rank & File / Supervisor	1	–	–	–	–	1	1
R. A. Abustan	Rank & File / Supervisor	1	–	–	–	–	–	–
M. L. Inciso	Rank & File / Supervisor	1	–	–	–	–	–	–
V. S. Agravante	Rank & File / Supervisor	1	–	–	–	–	–	–
E. C. Esplana	Officer	1	–	–	–	–	1	1
R. D. Quibral	Rank & File / Supervisor	1	–	–	–	–	–	–
R. B. Matias	Rank & File / Supervisor	1	–	–	–	–	1	1
R. C. Eje	Rank & File / Supervisor	1	–	–	–	–	1	1
J. N. Cabarrubias	Rank & File / Supervisor	1	–	–	–	–	–	–
D. M. Balaaldia	Rank & File / Supervisor	1	–	–	–	–	–	–
A. T. Aldave Jr.	Rank & File / Supervisor	1	–	–	–	–	1	1
D. C. Simbahan	Rank & File / Supervisor	1	–	–	–	–	–	–
G. S. Espinosa	Officer	1	–	–	–	–	1	1
C. V. Esmile	Officer	1	–	–	–	–	1	1
R. G. Sacil	Rank & File / Supervisor	1	–	–	–	–	1	1
E. B. Breis	Rank & File / Supervisor	1	–	–	–	–	–	–

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
O. G. Peregrina	Rank & File / Supervisor	₱1	₱–	₱–	₱–	₱–	₱1	₱1
D. Y. Capuno	Rank & File / Supervisor	1	–	–	–	–	1	1
E. M. Lacibal	Rank & File / Supervisor	1	–	–	–	–	1	1
O. M. Fernandez	Rank & File / Supervisor	1	–	–	–	–	1	1
A. M. Sabido	Rank & File / Supervisor	–	1	–	–	–	1	1
N. A. Recto	Rank & File / Supervisor	1	–	–	–	–	–	–
E. L. Molino	Rank & File / Supervisor	1	–	–	–	–	1	1
J. T. Sendon	Rank & File / Supervisor	1	–	–	–	–	1	1
N. S. Molar	Rank & File / Supervisor	1	–	–	–	–	–	–
D. T. Roma	Rank & File / Supervisor	1	–	–	–	–	1	1
R. P. Shinyo	Rank & File / Supervisor	1	–	–	–	–	–	–
A. F. Manimtim	Rank & File / Supervisor	1	–	–	–	–	–	–
J. A. Rualo	Rank & File / Supervisor	1	–	–	–	–	–	–
A. A. Neala Jr.	Rank & File / Supervisor	1	–	–	–	–	1	1
E. C. Cruz	Rank & File / Supervisor	1	–	–	–	–	1	1
H. B. Feliciano	Rank & File / Supervisor	1	–	–	–	–	1	1
J. T. De La Torre	Rank & File / Supervisor	1	–	–	–	–	–	–
R. P. Alcantara	Rank & File / Supervisor	1	–	–	–	–	–	–
E. H. Reyes	Rank & File / Supervisor	1	–	–	–	–	–	–
A. C. Bermil	Rank & File / Supervisor	1	–	–	–	–	1	1
M. T. Dizon	Rank & File / Supervisor	1	–	–	–	–	–	–
E. A. Yaba	Rank & File / Supervisor	1	–	–	–	–	–	–
A. N. Llona	Rank & File / Supervisor	1	–	–	–	–	–	–
J. E. Bacus	Rank & File / Supervisor	1	–	–	–	–	–	–
A. L. Ferrer Jr.	Rank & File / Supervisor	1	–	–	–	–	1	1
P. C. Vibar	Rank & File / Supervisor	1	–	–	–	–	1	1
V. P. Gozo	Rank & File / Supervisor	1	–	–	–	–	1	1
J. A. Saguan	Rank & File / Supervisor	1	–	–	–	–	1	1
V. Q. Oclarino	Officer	–	1	–	–	–	1	1
B. V. Zabat	Rank & File / Supervisor	1	–	–	–	–	–	–
R. P. Habaña	Rank & File / Supervisor	1	–	–	–	–	1	1
J. S. Lavarro	Rank & File / Supervisor	1	–	–	–	–	–	–
C. G. Corales Jr.	Rank & File / Supervisor	1	–	–	–	–	–	–
A. A. Año	Rank & File / Supervisor	1	–	–	–	–	–	–
C. R. Ramos	Rank & File / Supervisor	1	–	–	–	–	1	1

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
M. B. Lanto	Rank & File / Supervisor	₱–	₱2	₱–	₱–	₱–	₱1	₱1
J. E. Gomez	Rank & File / Supervisor	1	–	–	–	–	–	–
E. C. Vivar	Rank & File / Supervisor	1	–	–	–	–	–	–
E. M. Alfuerto	Rank & File / Supervisor	1	–	–	–	–	1	1
R. M. Inanoria	Rank & File / Supervisor	1	–	–	–	–	1	1
J. F. Plaza	Rank & File / Supervisor	1	–	–	–	–	–	–
A. E. Cayabyab	Rank & File / Supervisor	1	–	–	–	–	1	1
M. P. Agipo	Rank & File / Supervisor	1	–	–	–	–	–	–
J. A. Martinez	Rank & File / Supervisor	1	–	–	–	–	–	–
J. C. Mandras	Rank & File / Supervisor	1	–	–	–	–	1	1
J. R. Nuñez	Rank & File / Supervisor	1	–	–	–	–	–	–
L. P. Muyna	Rank & File / Supervisor	1	–	–	–	–	–	–
C. J. Atienza	Rank & File / Supervisor	1	–	–	–	–	–	–
A. M. Alunan	Rank & File / Supervisor	1	–	–	–	–	1	1
G. E. Go	Rank & File / Supervisor	1	–	–	–	–	–	–
D. M. Gatchalian	Rank & File / Supervisor	1	–	–	–	–	1	1
C. A. Velasquez	Rank & File / Supervisor	1	–	–	–	–	–	–
A. T. France Jr.	Rank & File / Supervisor	1	–	–	–	–	1	1
F. C. Benitez	Rank & File / Supervisor	1	–	–	–	–	1	1
C. G. Marcon	Rank & File / Supervisor	1	–	–	–	–	–	–
E. A. Olayta	Rank & File / Supervisor	1	–	–	–	–	1	1
M. T. Obligado	Officer	1	–	–	–	–	1	1
C. P. Espinosa	Rank & File / Supervisor	1	–	–	–	–	–	–
M. V. Abad Jr.	Rank & File / Supervisor	1	–	–	–	–	1	1
R. T. Bagadiong	Rank & File / Supervisor	1	–	–	–	–	–	–
N. C. Laserna	Rank & File / Supervisor	1	–	–	–	–	1	1
K. K. Rosas	Rank & File / Supervisor	1	–	–	–	–	–	–
J. V. Pulmano Jr.	Rank & File / Supervisor	1	–	–	–	–	–	–
R. R. Del Ayre	Rank & File / Supervisor	1	–	–	–	–	–	–
J. C. Alicabo	Rank & File / Supervisor	1	–	–	–	–	1	1
A. J. Diaz	Rank & File / Supervisor	1	–	–	–	–	–	–
R. S. Bautista	Rank & File / Supervisor	1	–	–	–	–	1	1
A. A. Bawar	Rank & File / Supervisor	1	–	–	–	–	1	1
C. M. Alcantara	Rank & File / Supervisor	1	–	–	–	–	1	1
E. E. Aguila	Rank & File / Supervisor	1	–	–	–	–	1	1

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
N. D. Galon Jr.	Rank & File / Supervisor	₱–	₱1	₱–	₱–	₱–	₱1	₱1
J. A. Padojinog	Rank & File / Supervisor	–	1	–	–	–	1	1
N. M. De Chavez	Rank & File / Supervisor	1	–	–	–	–	1	1
J. G. Mercado	Rank & File / Supervisor	1	–	–	–	–	1	1
M. G. Mortiz	Rank & File / Supervisor	1	–	–	–	–	–	–
J. Y. Amanca	Rank & File / Supervisor	1	–	–	–	–	1	1
P. M. Ruiz	Rank & File / Supervisor	1	–	–	–	–	–	–
C. B. Benitez	Officer	–	2	–	–	–	1	1
G. F. Delos Reyes	Rank & File / Supervisor	–	1	–	–	–	1	1
G. A. Infante	Rank & File / Supervisor	1	–	–	–	–	1	1
M. B. Rarela	Rank & File / Supervisor	–	2	–	–	–	1	1
E. I. Alvarez	Rank & File / Supervisor	2	–	–	–	–	1	1
R. B. Fabula	Rank & File / Supervisor	1	–	–	–	–	1	1
J. R. Santos	Rank & File / Supervisor	–	1	–	–	–	1	1
B. S. Canaoay	Rank & File / Supervisor	1	–	–	–	–	1	1
J. J. Caig	Rank & File / Supervisor	1	–	–	–	–	–	–
J. S. Candelaria	Rank & File / Supervisor	1	–	–	–	–	1	1
J. D. Manaig	Rank & File / Supervisor	–	1	–	–	–	1	1
R. C. Chavez	Rank & File / Supervisor	1	–	–	–	–	1	1
A. L. Peñaojas	Rank & File / Supervisor	–	1	–	–	–	1	1
R. T. Bascon	Rank & File / Supervisor	–	1	–	–	–	1	1
J. D. Francisco	Rank & File / Supervisor	–	1	–	–	–	1	1
R. B. Cube	Rank & File / Supervisor	–	1	–	–	–	1	1
M. O. Medina	Rank & File / Supervisor	–	1	–	–	–	1	1
L. C. Villa	Officer	–	2	–	–	–	2	2
G. G. Diwas Jr.	Rank & File / Supervisor	–	2	–	–	–	1	1
L. M. Garcia	Officer	–	2	–	–	–	1	1
A. C. Dacoco	Rank & File / Supervisor	–	1	–	–	–	1	1
J. A. Mamonong	Officer	–	2	–	–	–	1	1
R. L. Veluz	Rank & File / Supervisor	–	1	–	–	–	1	1
C. A. Negro	Rank & File / Supervisor	–	1	–	–	–	1	1
M. J. Nagera	Officer	–	1	–	–	–	1	1
G. H. Dacillo	Officer	–	2	–	–	–	2	2
E. O. Natividad	Rank & File / Supervisor	–	1	–	–	–	1	1
B. S. Lanuza	Rank & File / Supervisor	–	2	–	–	–	2	2

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
R. D. Miranda	Rank & File / Supervisor	–	1	–	–	–	1	1
		₱267	₱159	(₱103)	₱–	₱31	₱150	₱181

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements

Name of debtor	Relationship	Balance at beginning of period	Net Transaction	Current	Not Current	Balance at end of period
GT Capital Holdings, Inc.	Parent of GT Capital Auto and Mobility Holdings, Inc.	₱52	(₱52)	₱–	₱–	₱–
Federal Land, Inc.	Subsidiary of GT Capital Holdings, Inc.	6,018	(6,018)	–	–	–
GT Capital Auto and Mobility Holdings, Inc.	–do–	5	(5)	–	–	–
Toyota San Fernando Pampanga, Inc.	Subsidiary of Toyota Motor Philippines Corp.	6	32	38	–	38
Toyota Makati, Inc.	–do–	205	(40)	165	–	165
Lexus Manila, Inc.	–do–	–	2	2	–	2
TMP Logistics, Inc.	–do–	1	22	23	–	23
Toyota Sta. Rosa Laguna Inc.	Affiliate of Toyota Motor Philippines Corp.	2	(1)	1	–	1
Topsphere Realty Development Co. Inc.	Subsidiary of Federal Land, Inc.	823	(25)	798	–	798
Omni Orient Management Corp.	–do–	4	–	4	–	4
Central Realty & Dev't Corp.	–do–	228	–	228	–	228
Horizon Land Property Development Corp.	–do–	983	(163)	820	–	820
TMBC Insurance Agency Corporation	Subsidiary of Toyota Manila Bay Corporation	27	87	114	–	114
Oxfordshire Holdings, Inc.	–do–	26	4	30	–	30
		₱8,380	(₱6,157)	₱2,223	₱–	₱2,223

Schedule D. Long Term Debt

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long−term debt" in related balance sheet (ii)	Amount shown under caption "Long−Term Debt" in related balance sheet (iii)	Other details
Bonds payable	₱6,100	₱6,099	₱−	Interest rate of 5.0937% and will mature on February 27, 2023
Bonds payable	4,000	−	3,992	Interest rate of 5.6250% and will mature on August 7, 2024
	10,100	6,099	3,992	
Note Facility Agreement	955	955	−	Annual payment of ₱25 million from 2014 to 2020; ₱5 million payable in years 2021 and 2022; ₱955 million payable on July 5, 2023
Loans payable	7,000	7	6,965	Interest rate of 5.7895% and will mature on March 26, 2025
Loans payable	6,000	6	5,970	Interest rate of 5.5400% and will mature on March 26, 2025
Loans payable	2,000	2	1,989	Interest rate of 5.8081% and will mature on December 4, 2027
Loans payable	4,000	4	3,974	Interest rate of 5.8075% and will mature on December 3, 2027
Loans payable	2,000	2	1,986	Interest rate of 5.9343% and will mature on December 22, 2028
Loans payable	4,000	4	3,975	Interest rate of 5.7895% and will mature on December 22, 2026
Loans payable	10,000	100	9,848	Interest rate of 7.3232% and will mature on March 27, 2030
Loans payable	15,000	150	14,783	Interest rate of 6.5687% and will mature on March 27, 2028
Loans payable	3,000	−	2,983	Interest rate of 5.4482% and will mature on November 4, 2029
Loans payable	4,000	−	3,976	Interest rate of 5.5843% and will mature on February 24, 2032
Loans payable	5,000	−	4,967	Interest rate of 4.9002% and will mature on July 13, 2032
Loans payable	9,660	−	9,660	Interest rate of 3-month JPY TONA plus 0.65% spread from July 2022 to July 2024 and 0.80% spread up to maturity; full amount will mature in March 2027
Loans payable	79	−	79	Interest rate of 4.2% and will mature on February 26, 2026
Loans payable	91	−	91	Interest rate of 2.7% and will mature on September 28, 2025
Loans payable	76	−	76	Interest rate of 2.7% and will mature on October 23, 2026
Loans payable	1,100	157	392	Interest rates ranging from 4.85% to 5.94% and will mature on May 29, 2026
Loans payable	5,732	260	5,471	₱2,000 million with fixed interest rate of 5.8422% per annum will mature on December 20, 2024; ₱1,500 million with fixed interest rate of 5.8591% per annum will mature on December 22, 2024; ₱2,000 million payable at 40% quarterly payment starting at the end of 5th year and 60% on December 23, 2024 with fixed interest rate of 5.6658% per annum; ₱1,100 million payable at 40% quarterly payment at the end of 5th year to 9th year and 60% on December 20, 2024 with fixed interest rate of 5.05% per annum
Loans payable	1,672	176	1,496	Fixed interest rate of 5.05%. Principal payment of the loan will start on December 31, 2020 to 2024 at the amount of ₱176 million per year and the remaining balance will be paid on maturity date
Loans payable	798	−	798	Interest rate of 6.07% with a term of 20 years and will be paid in full on maturity date
Loans payable	200	−	199	Interest rate of 5.8633% subject to equal annual principal amortization of ₱0.2 million starting on May 29, 2021 and fully payable on May 29, 2026
Loans payable	2,500	2,490	−	Interest rate of 4.25% and will mature on June 30, 2023.
Loans payable	1,280	−	1,277	Interest rate of 5.30% and will be payable on November 23, 2024
Loans payable	300	−	299	Interest rate of 5.29% and will be payable on November 26, 2024
Loans payable	650	−	647	Interest rate of 5.59% and will be payable on December 20, 2024
Loans payable	1,100	−	1,096	Interest rate of 5.99% and will be payable on December 20, 2024
Loans payable	1,200	−	1,195	Interest rate of 5.93% and will be payable on December 20, 2024
Loans payable	450	448	−	Interest rate of 4.75% and will be payable on December 29, 2023
Loans payable	1,565	−	1,559	Interest rate of 5.00% and will be payable on July 2, 2025
Loans payable	925	75	846	Interest rate of 4.75% per annum and payable in 2024
Loans payable	2,500	2,490	−	Interest rate of 4.25% per annum and payable in 2023
Loans payable	463	−	461	Interest rate of 4.50% per annum and payable in 2026
Loans payable	950	50	896	Interest rate of 5% per annum and payable in 2026
Loans payable	500	−	498	Interest rate of 4.25% per annum and payable in 2024
Loans payable	4,733	267	4,447	Interest rate of 5.00% per annum and payable in 2024
Loans payable	1,978	15	1,955	Interest rate of 5.00% per annum and payable in 2024
Loans payable	2,922	−	2,910	Interest rate of 5.00% per annum and payable in 2028
Loans payable	500	−	498	Interest rate of 4.75% per annum and payable in lump sum upon maturity on September 23, 2026
Loans payable	1,000	−	996	Interest rate of 4.75% per annum and payable in lump sum upon maturity on October 1, 2024
Loans payable	500	−	498	Interest rate of 4.75% per annum and payable in lump sum upon maturity on October 29, 2024

Title of issue and type of obligation (i)	Amount authorized by indenture	Amount shown under caption "Current portion of long–term debt" in related balance sheet (ii)	Amount shown under caption "Long–Term Debt" in related balance sheet (iii)	Other details
Loans payable	2,700	100	2,588	₱2,000 million with interest rate of 5.00% per annum will mature on September 6, 2026; ₱1,000 million with interest rate of 5.00% will mature on September 8, 2026
Loans payable	₱1,800	₱–	₱1,792	Interest rate of 3.68% per annum and will mature on September 8, 2026
Loans payable	491	–	489	Interest rate of 5.00% per annum and payable in 2029
Loans payable	983	–	977	Interest rate of 5.00% per annum and payable in 2029
Loans payable	997	–	992	Interest rate of 5.63% per annum and payable in 2029
Loans payable	1,600	–	1,592	Interest rate of 3.95% per annum and payable in 2027
Loans payable	900	–	895	Interest rate of 3.95% per annum and payable in 2027
Loans payable	1,000	–	995	Interest rate of 3.95% per annum and payable in 2027
Loans payable	5,000	–	4,974	Interest rate of 3.95% per annum and payable in 2027
Loans payable	1,500	–	1,492	Interest rate of 6.25% per annum and payable in 2027
Loans payable	1,500	–	1,492	Interest rate of 6.25% per annum and payable in 2027
	126,850	7,758	118,033	
	₱136,950	₱13,857	₱122,025	

Schedule E. Indebtedness to Related Parties (Long-term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period	Remarks
Metropolitan Bank & Trust Co.	₱10,000	₱10,500	Due to availments during the year
Toyota Aisin Philippines, Inc.	79	79	
Metropolitan Bank & Trust Co.	1,165	1,280	Due to availments during the year

Schedule F. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
NONE				

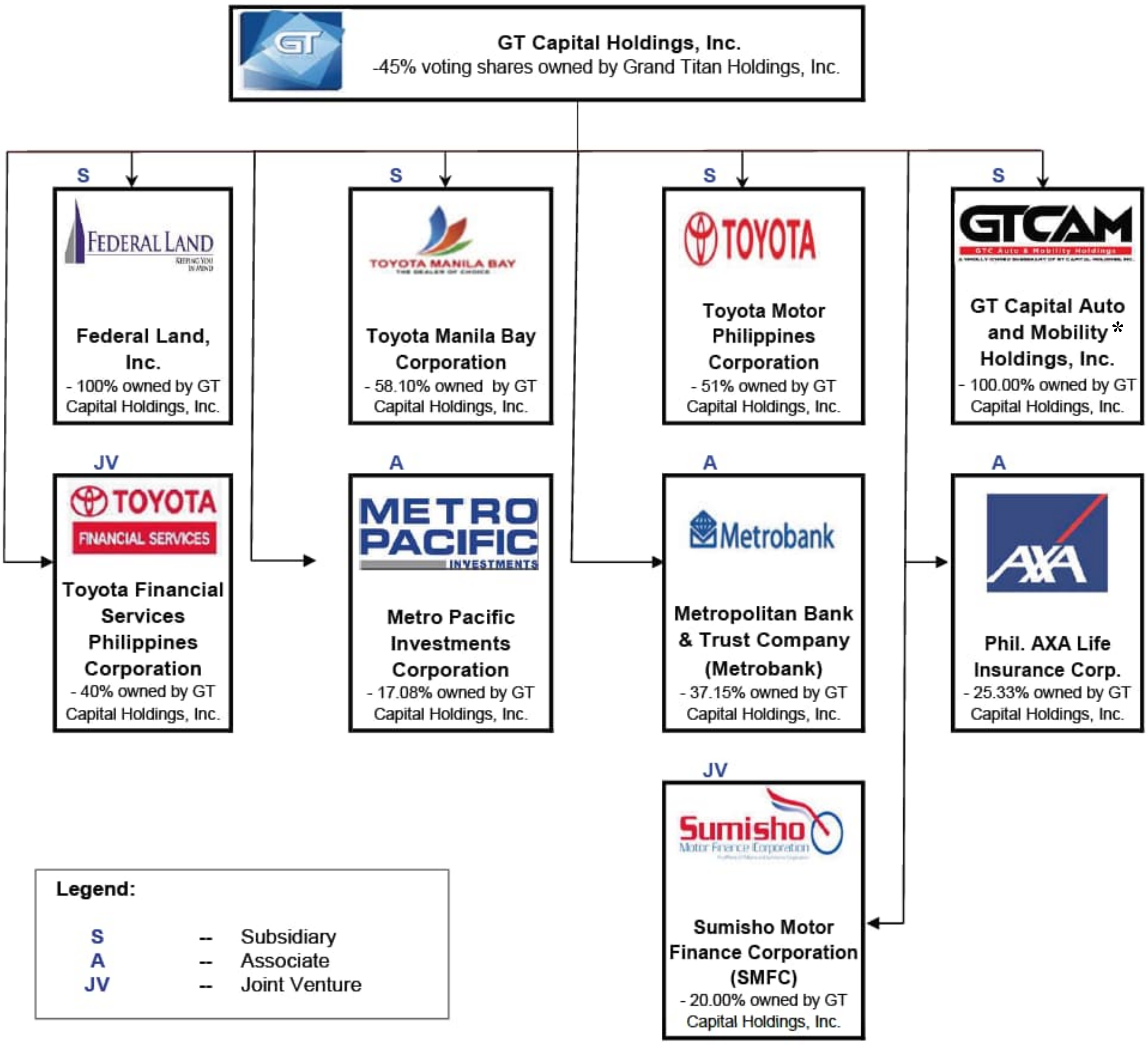
Schedule G. Capital Stock (in absolute amounts)

Title of issue	Number of Shares authorized	Number of Shares issued and outstanding and shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock	298,257,000	215,284,587	–	120,413,658	697,508	94,173,421
Voting preferred stock	174,300,000	174,300,000	–	55,847,403	2,676,619	115,775,978
Perpetual preferred stock	20,000,000	12,000,000	–	–	4,100	11,995,900

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

MAP OF RELATIONSHIP BETWEEN AND AMONG THE PARENT COMPANY AND ITS SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

AS OF DECEMBER 31, 2022

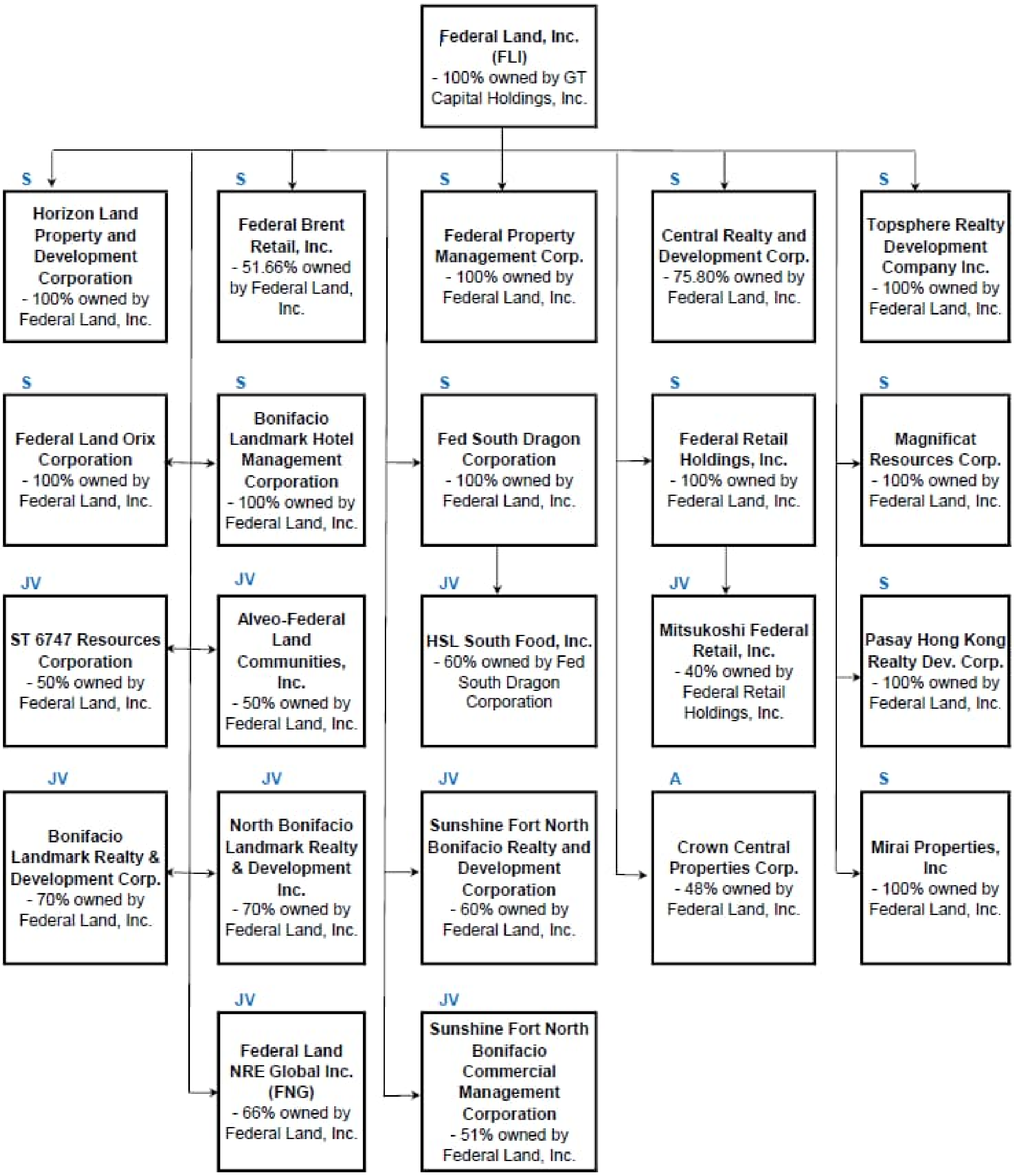


* *Formerly GT Capital Auto Dealership Holdings, Inc.*

FEDERAL LAND, INC.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

AS OF DECEMBER 31, 2022



LEGEND:

Subsidiary (S)

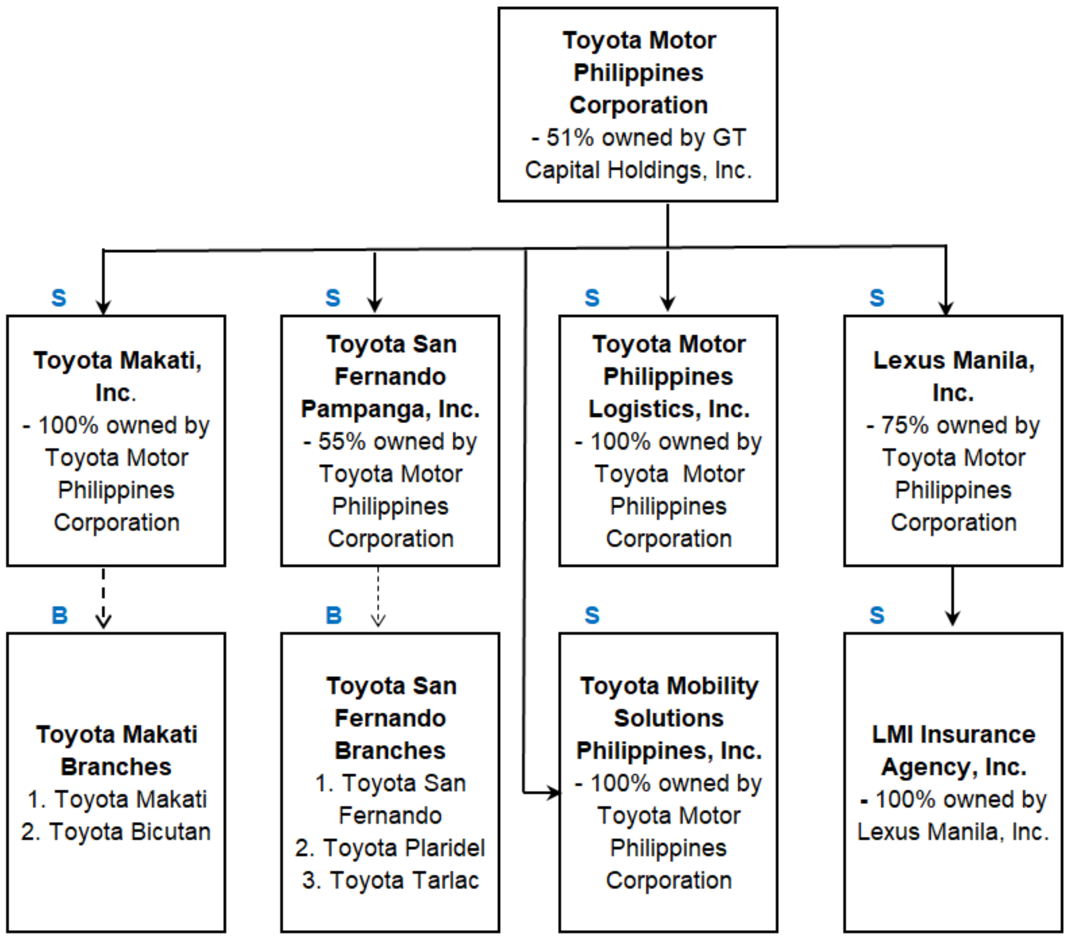
Associate (A)

Joint Venture (JV)

TOYOTA MOTOR PHILIPPINES CORPORATION

SUBSIDIARIES

AS OF DECEMBER 31, 2022

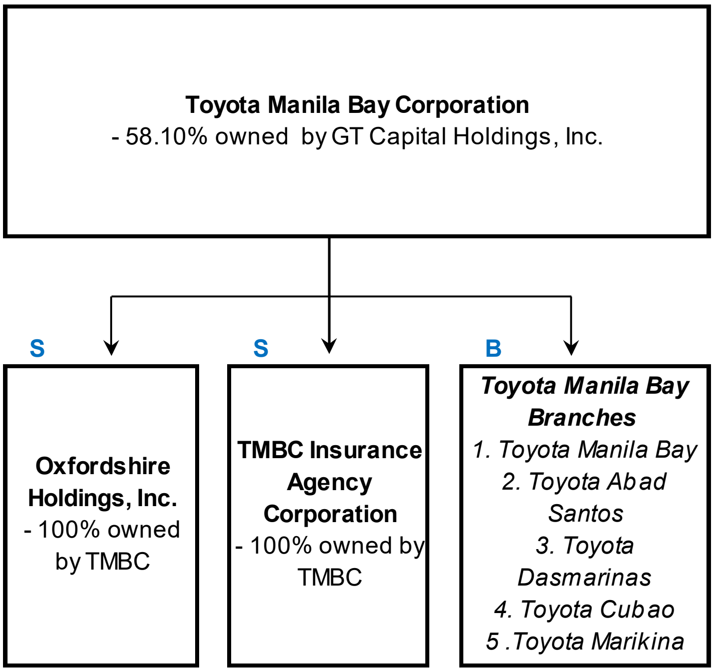


LEGEND:

Subsidiary (S)

Branch (B)

TOYOTA MANILA BAY CORPORATION
SUBSIDIARIES
AS OF DECEMBER 31, 2022

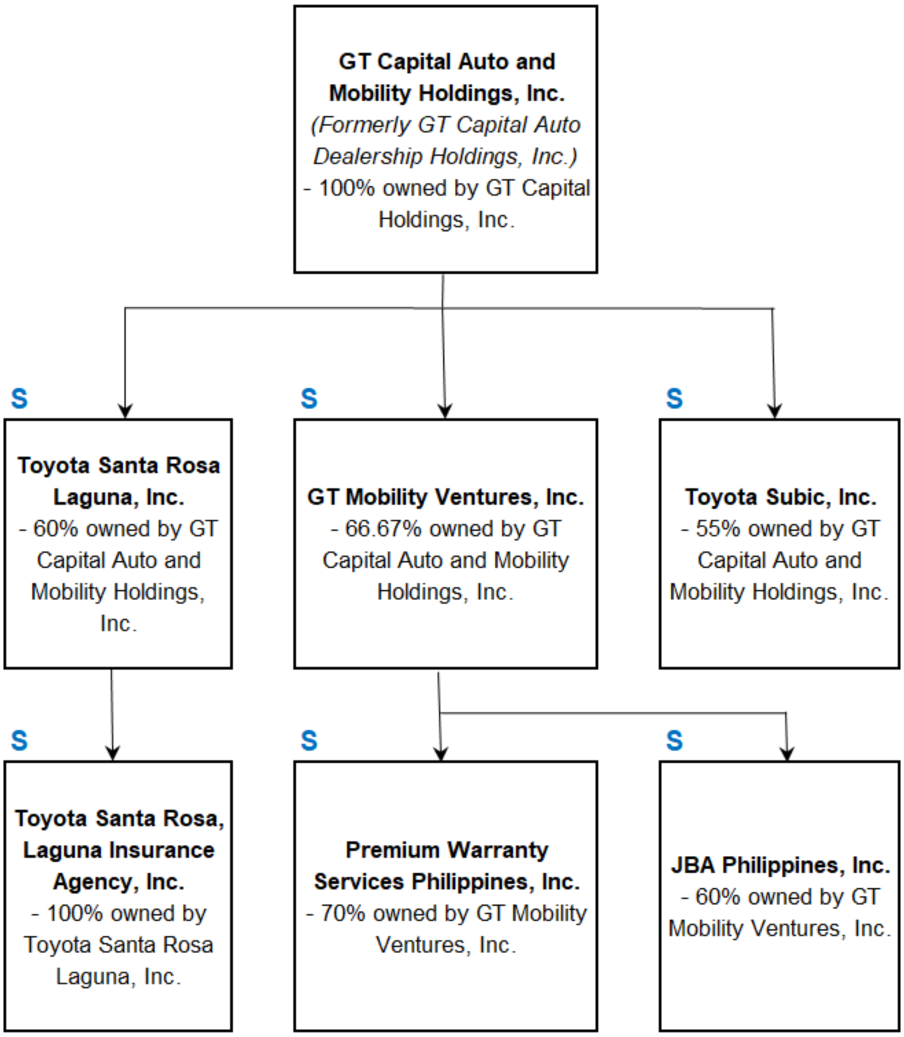


LEGEND:
Subsidiary (S)
Branch (B)

GT CAPITAL AUTO AND MOBILITY HOLDINGS, INC.

SUBSIDIARIES

AS OF DECEMBER 31, 2022



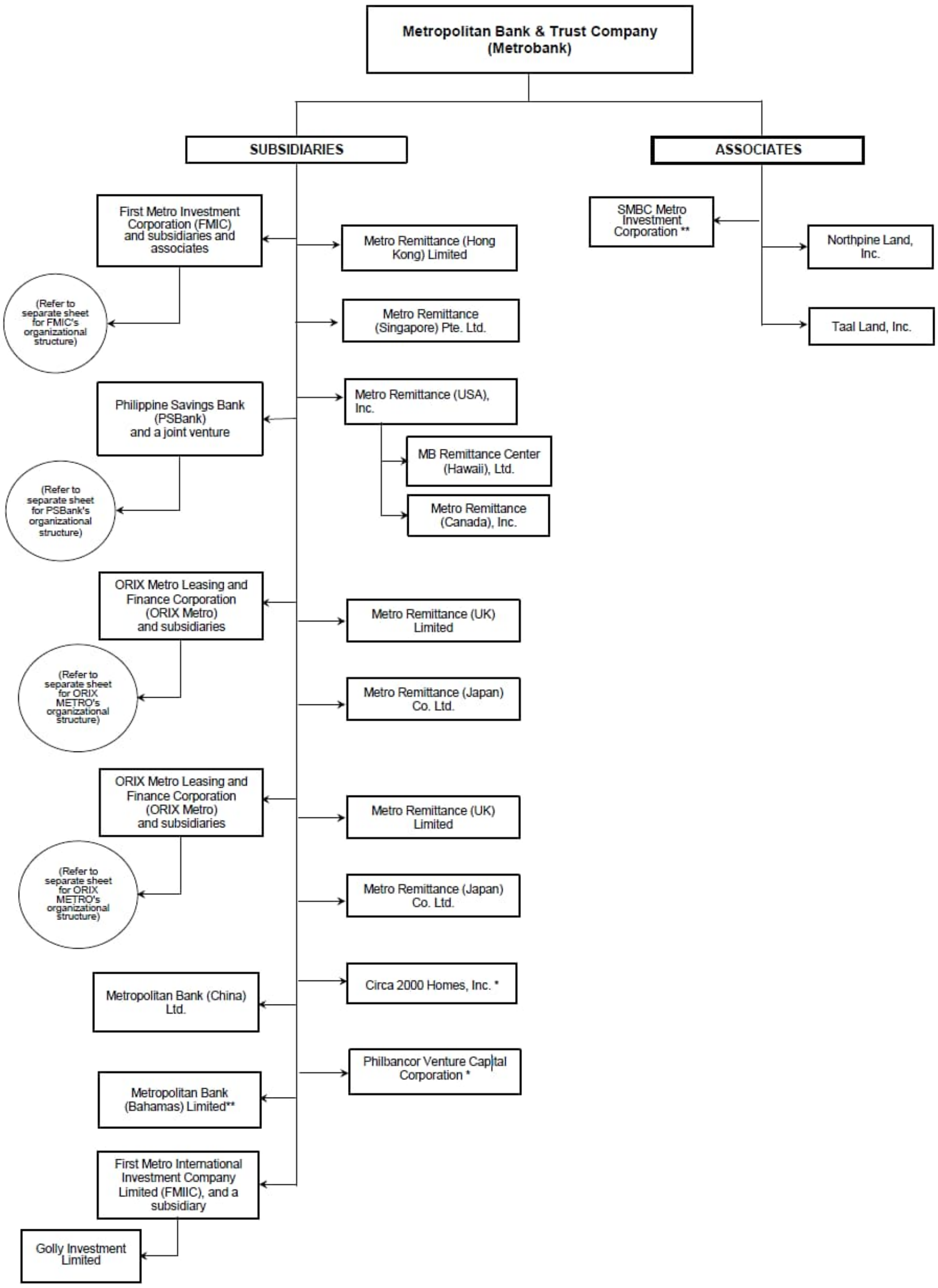
LEGEND:

Subsidiary (S)

METROPOLITAN BANK & TRUST COMPANY

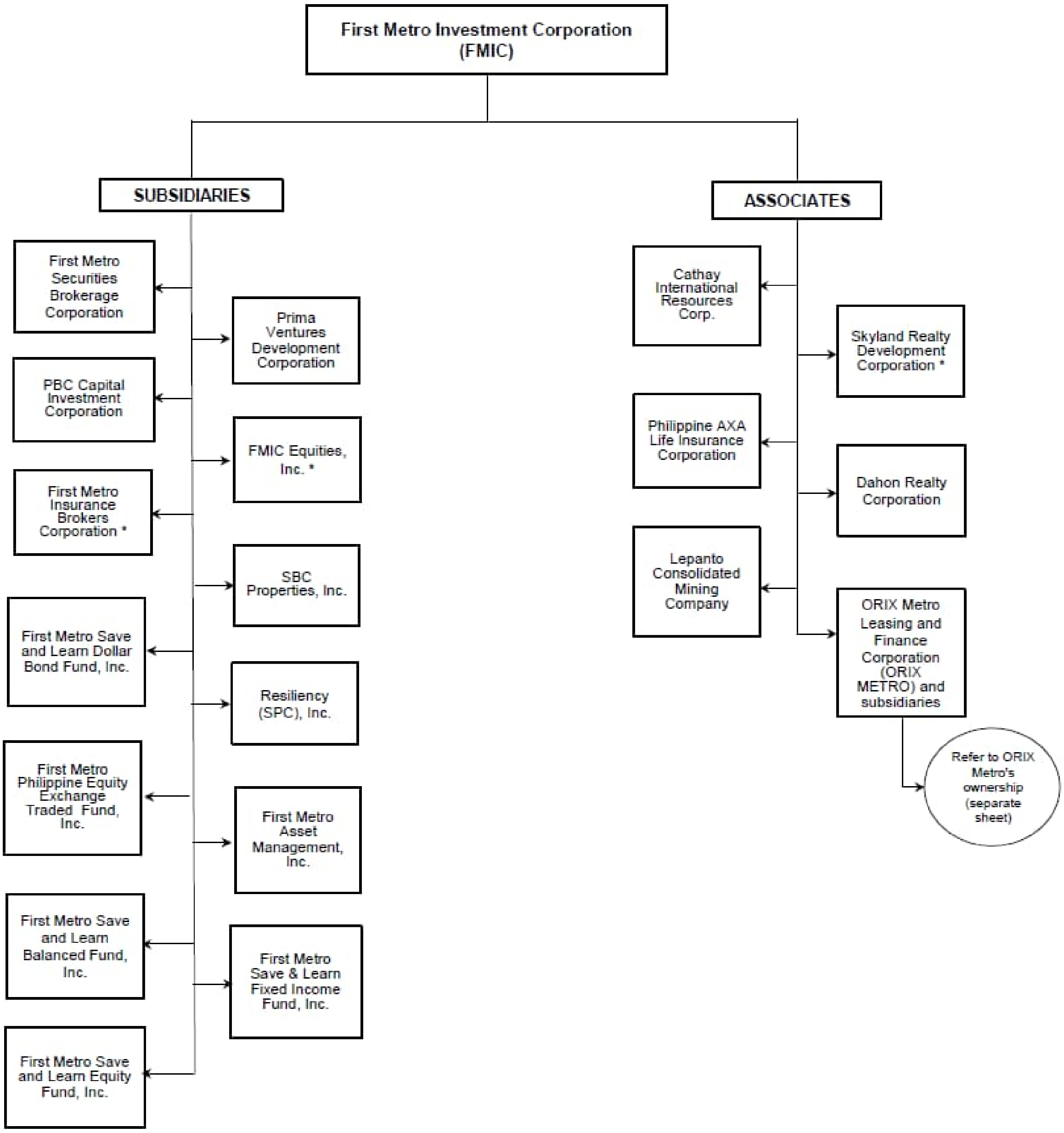
SUBSIDIARIES AND ASSOCIATES

AS OF DECEMBER 31, 2022

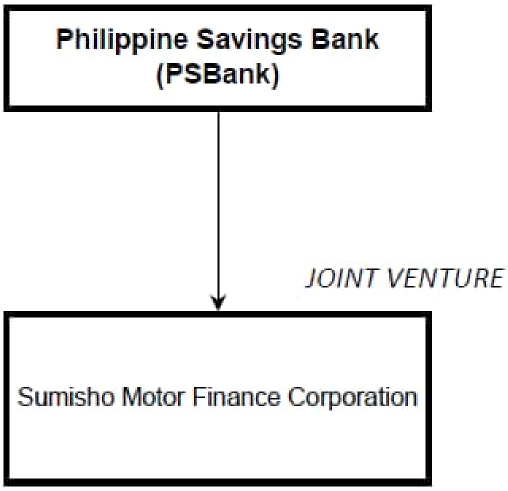


* In process of dissolution
** In process of liquidation

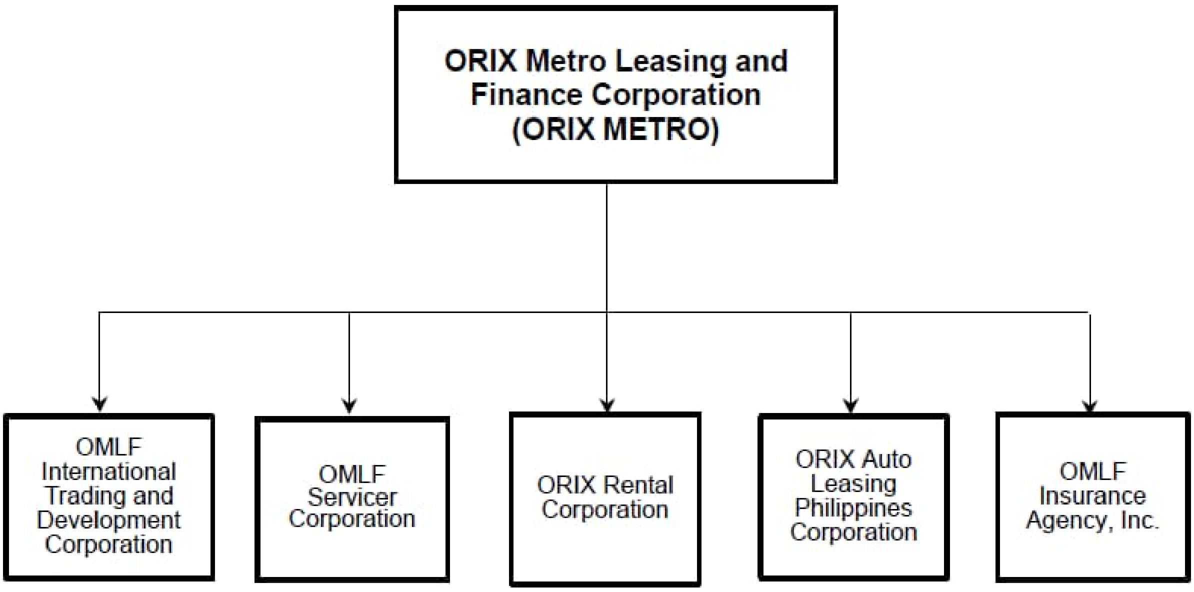
First Metro Investment Corporation
Subsidiaries, Joint Venture and Associates
As of December 31, 2022



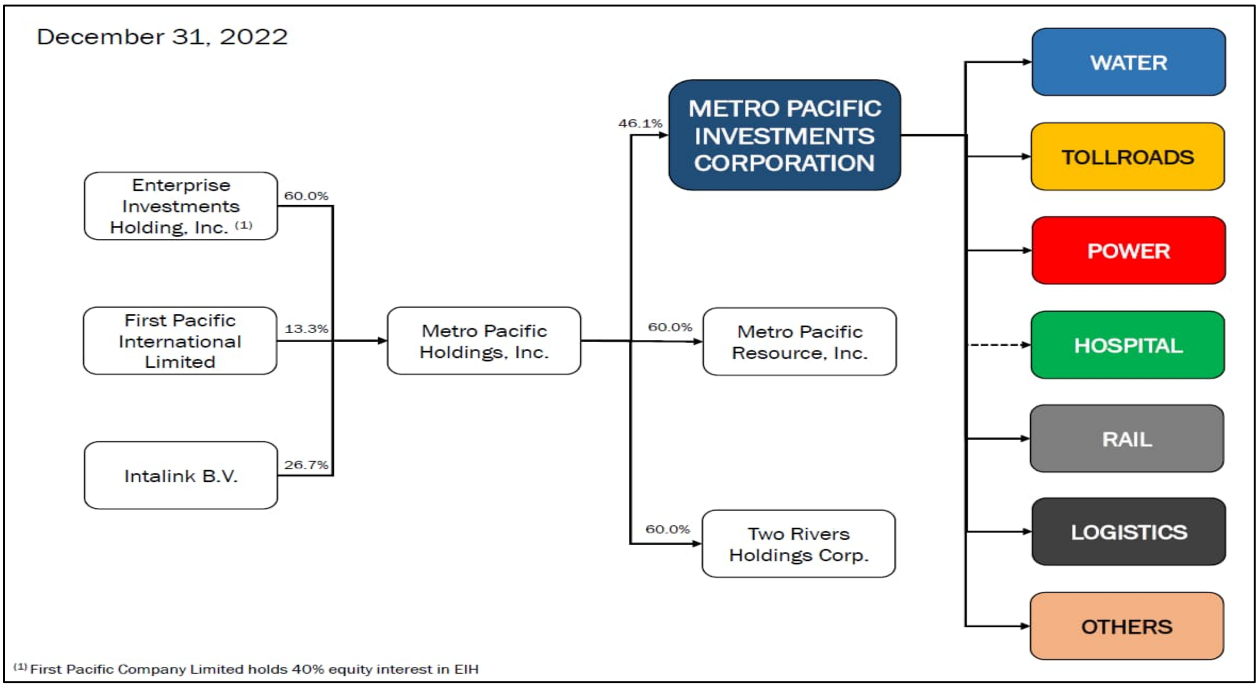
Philippine Savings Bank
Joint Venture
As of December 31, 2022

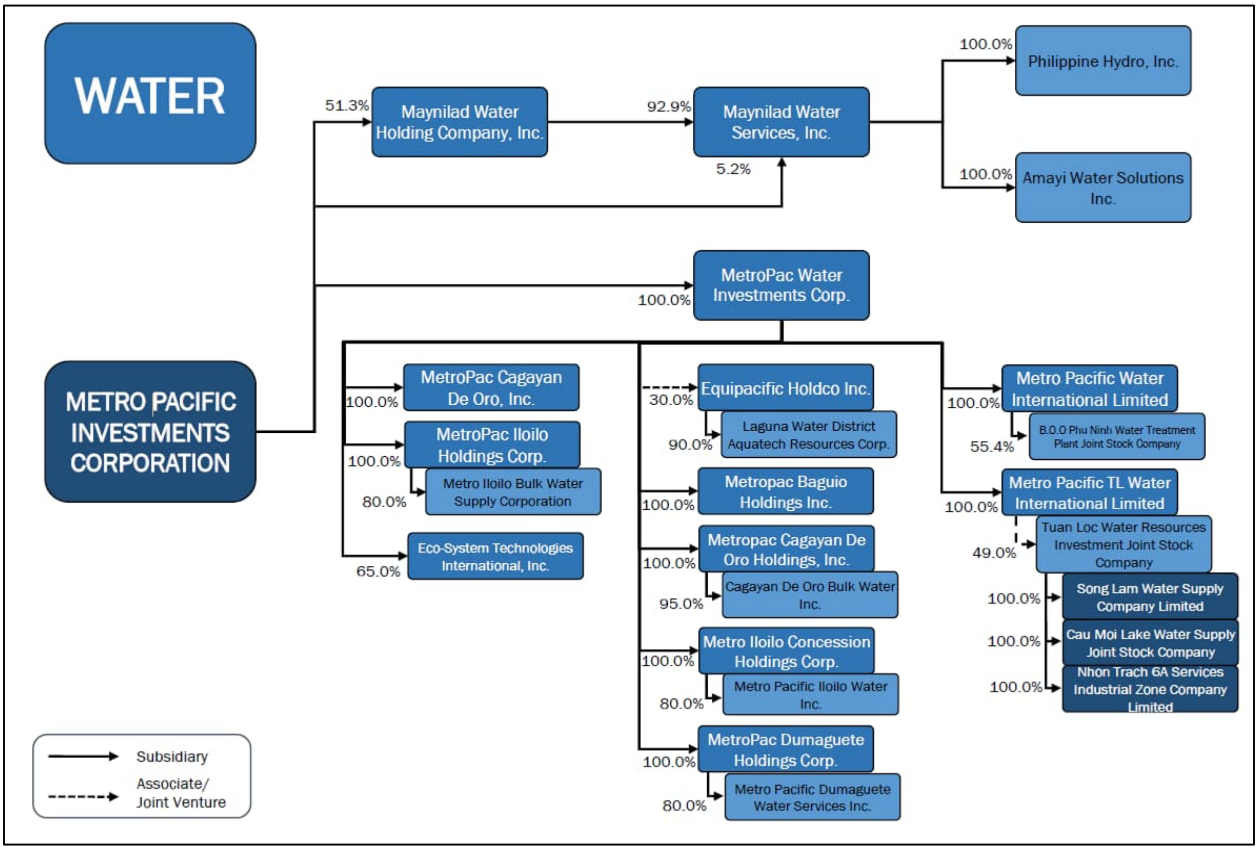


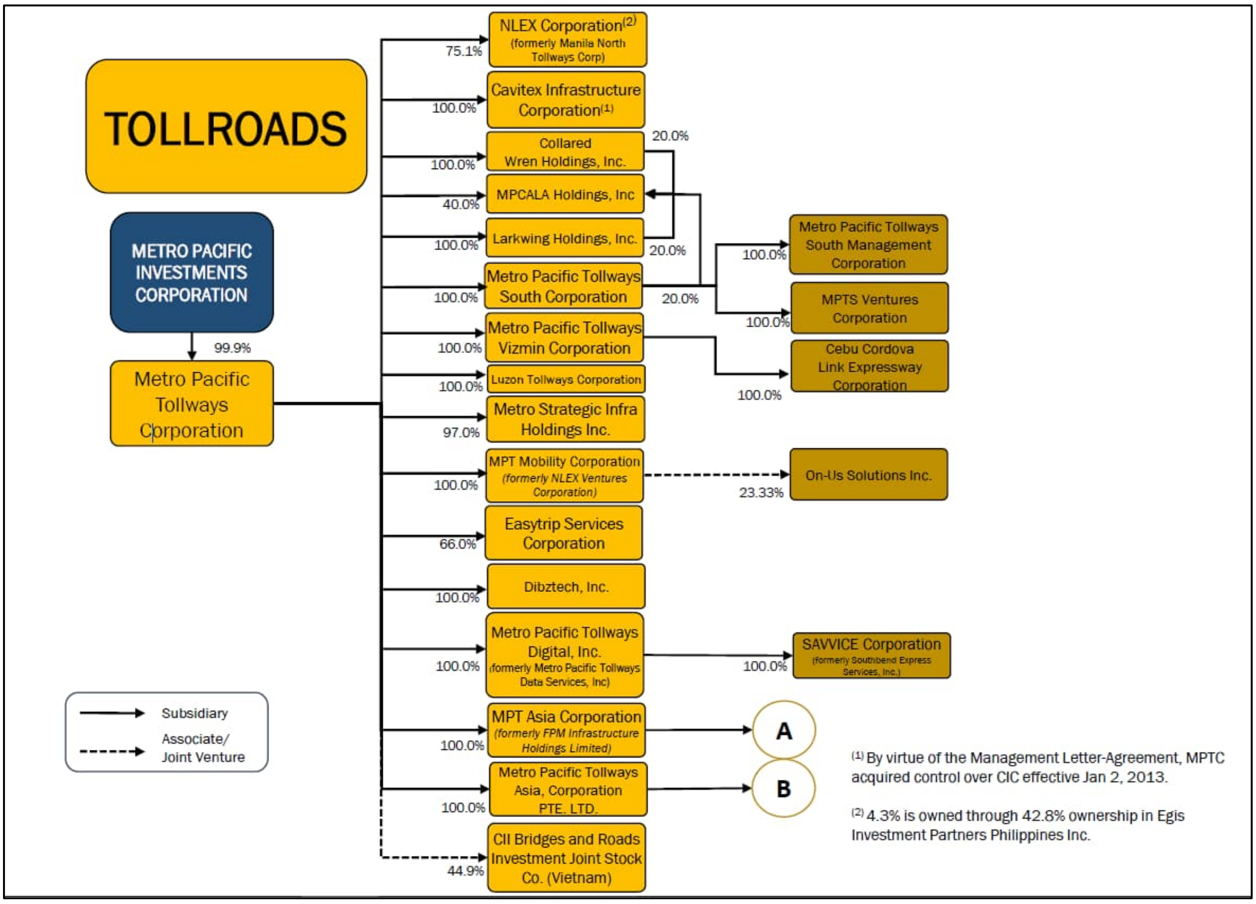
ORIX Metro Leasing and Finance Corporation (ORIX METRO)
Subsidiaries
As of December 31, 2022

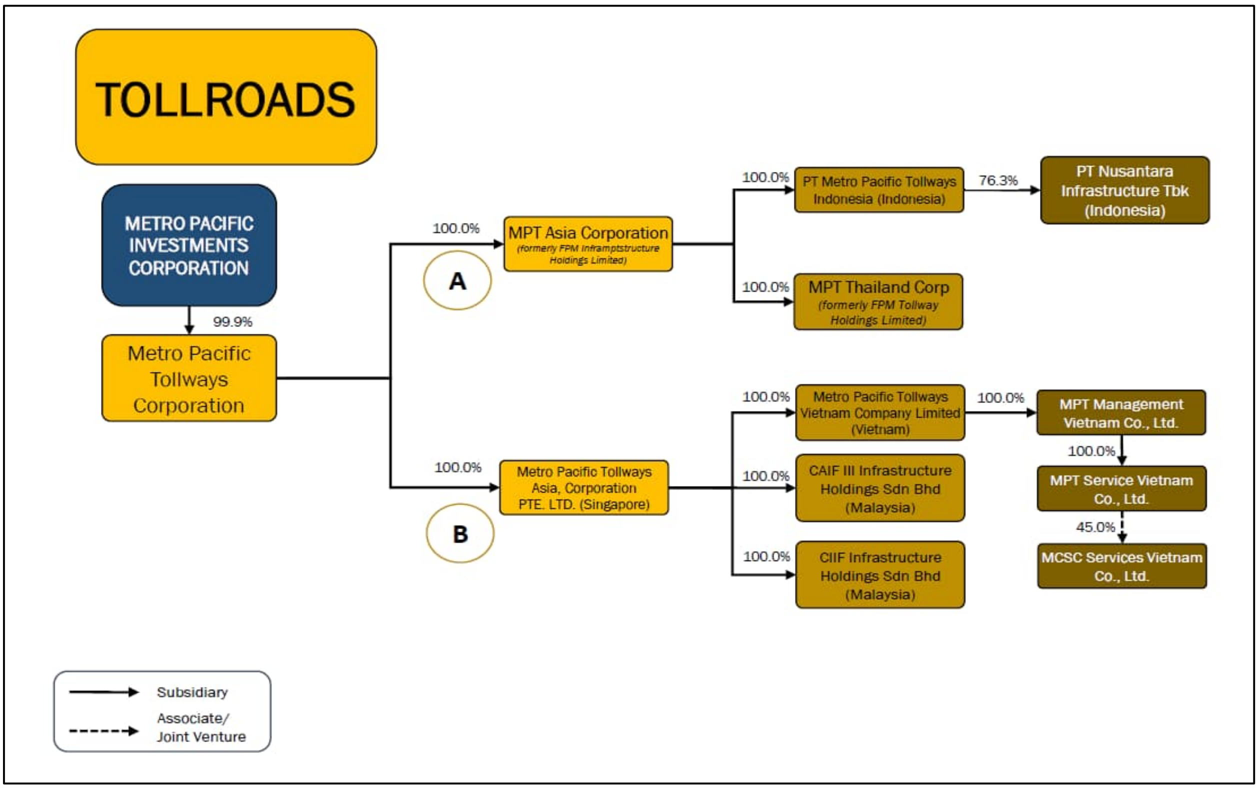


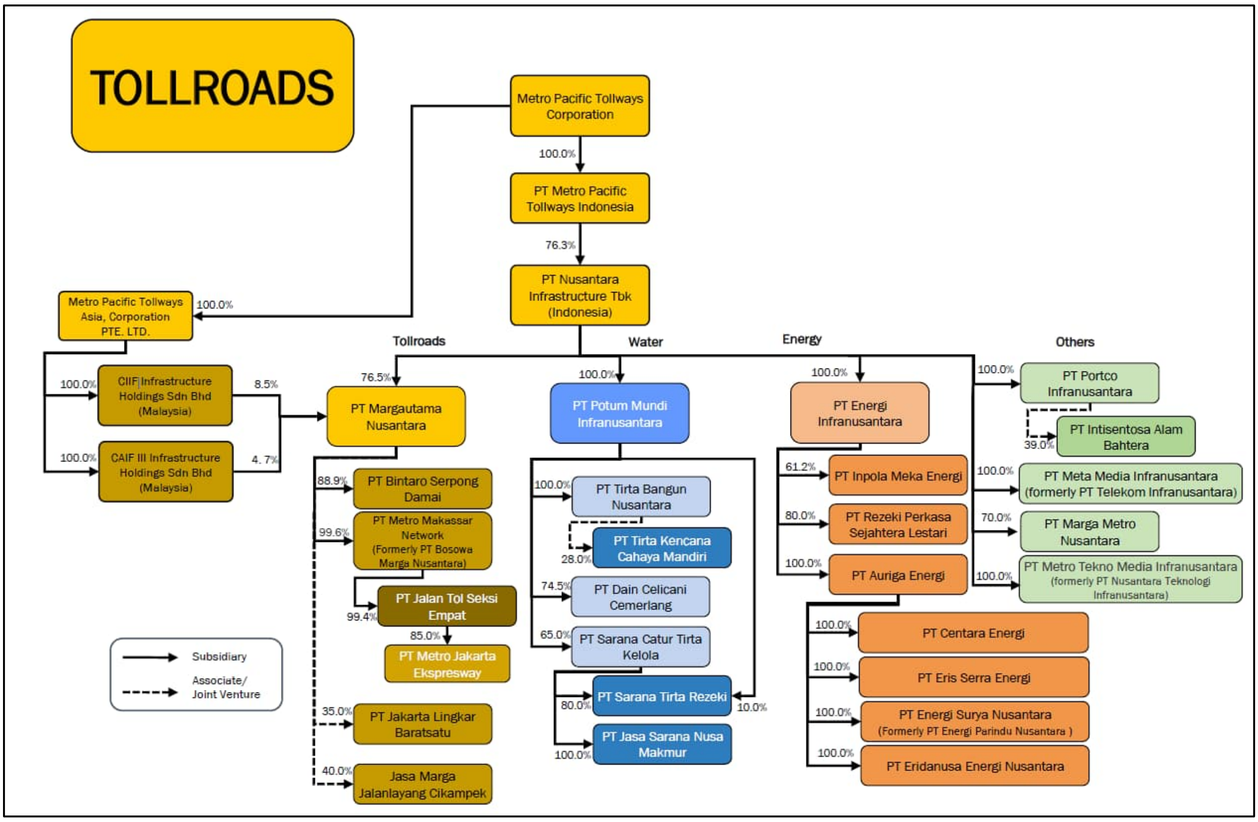
METRO PACIFIC INVESTMENTS CORPORATION
SUBSIDIARIES
AS OF DECEMBER 31, 2022

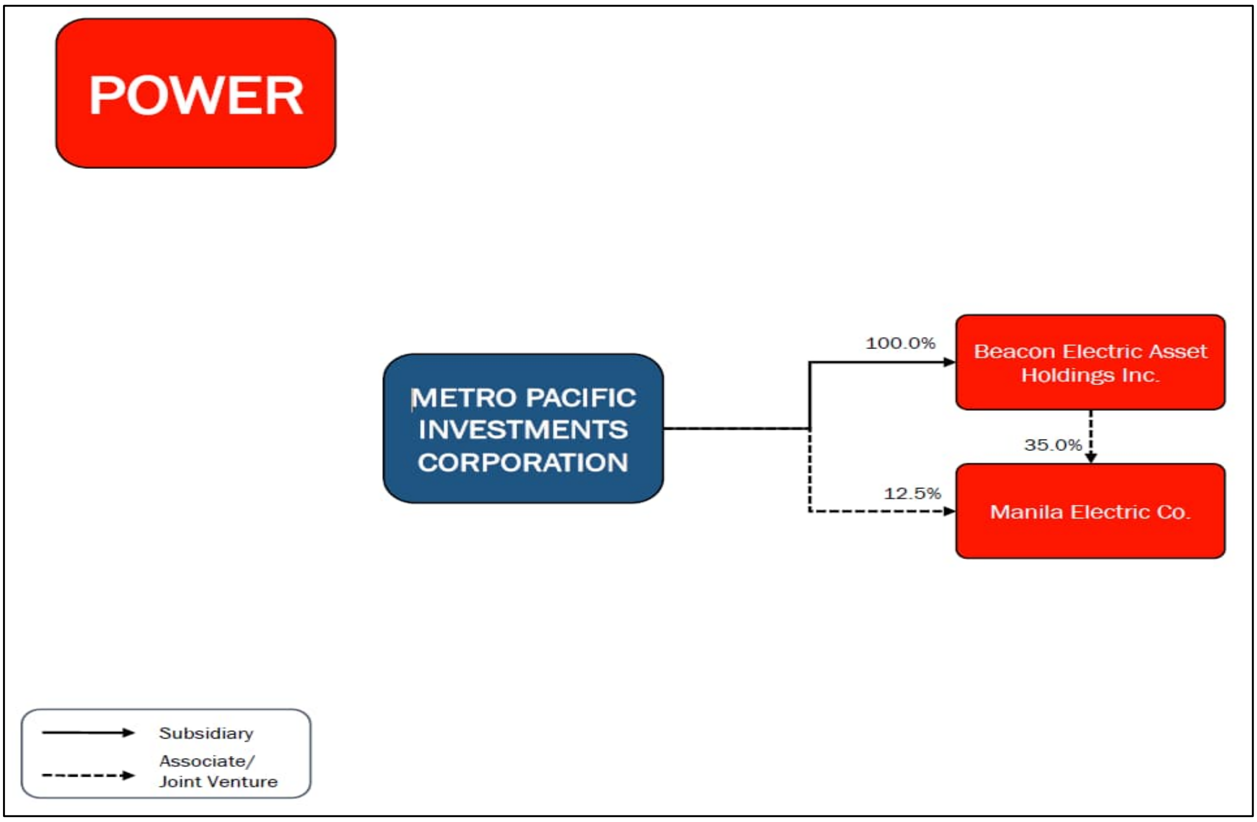


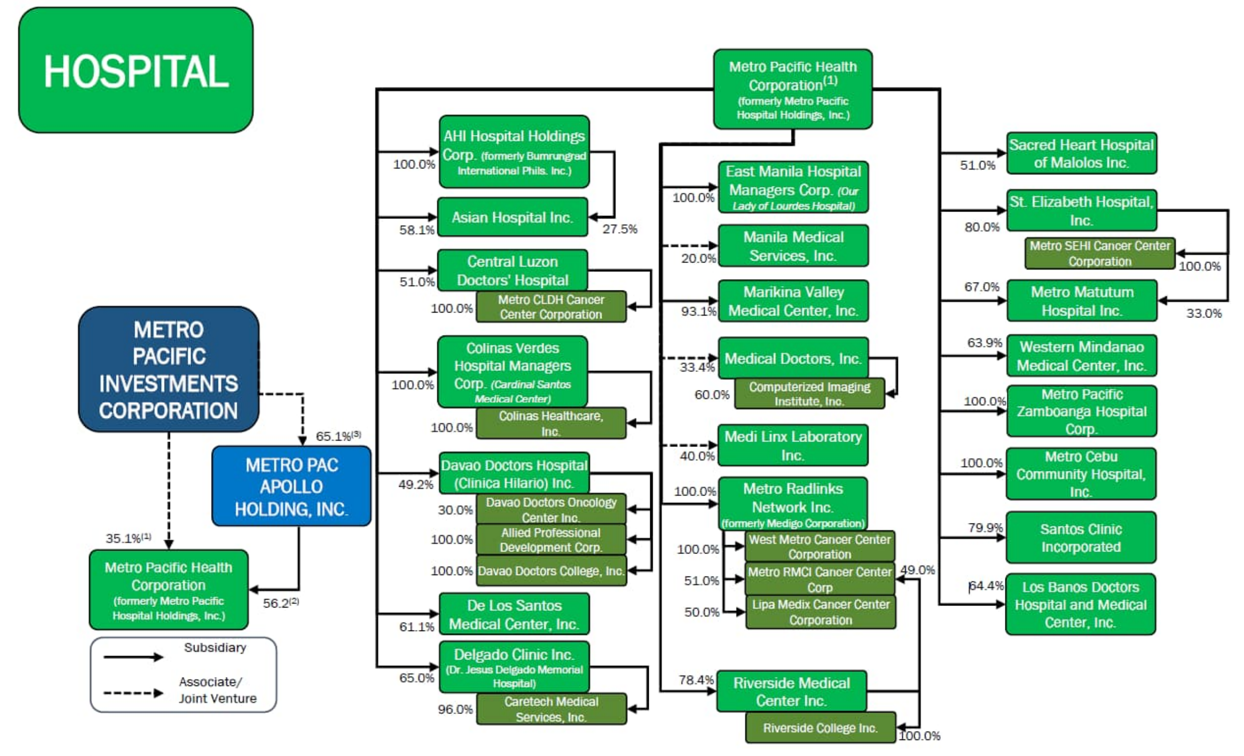



TOLLROADS
METRO PACIFIC INVESTMENTS CORPORATION
99.9%
Metro Pacific Tollways Corporation
NLEX Corporation(2) (formerly Manila North Tollways Corp)
75.1%
Cavitex Infrastructure Corporation(1)
100.0%
Collared Wren Holdings, Inc.
100.0%
20.0%
MPCALA Holdings, Inc
40.0%
Larkwing Holdings, Inc.
100.0%
20.0%
Metro Pacific Tollways South Corporation
100.0%
20.0%
Metro Pacific Tollways South Management Corporation
100.0%
MPTS Ventures Corporation
100.0%
Metro Pacific Tollways Vizmin Corporation
100.0%
Cebu Cordova Link Expressway Corporation
100.0%
Luzon Tollways Corporation
100.0%
Metro Strategic Infra Holdings Inc.
97.0%
MPT Mobility Corporation (formerly NLEX Ventures Corporation)
100.0%
On-Us Solutions Inc.
23.33%
Easytrip Services Corporation
66.0%
Dibztech, Inc.
100.0%
Metro Pacific Tollways Digital, Inc. (formerly Metro Pacific Tollways Data Services, Inc)
100.0%
SAVVICE Corporation (formerly Southbend Express Services, Inc.)
100.0%
MPT Asia Corporation (formerly FPM Infrastructure Holdings Limited)
100.0%
A
Metro Pacific Tollways Asia, Corporation PTE. LTD.
100.0%
B
CII Bridges and Roads Investment Joint Stock Co. (Vietnam)
44.9%
Subsidiary
Associate/ Joint Venture
(1) By virtue of the Management Letter-Agreement, MPTC acquired control over CIC effective Jan 2, 2013.
(2) 4.3% is owned through 42.8% ownership in Egis Investment Partners Philippines Inc.

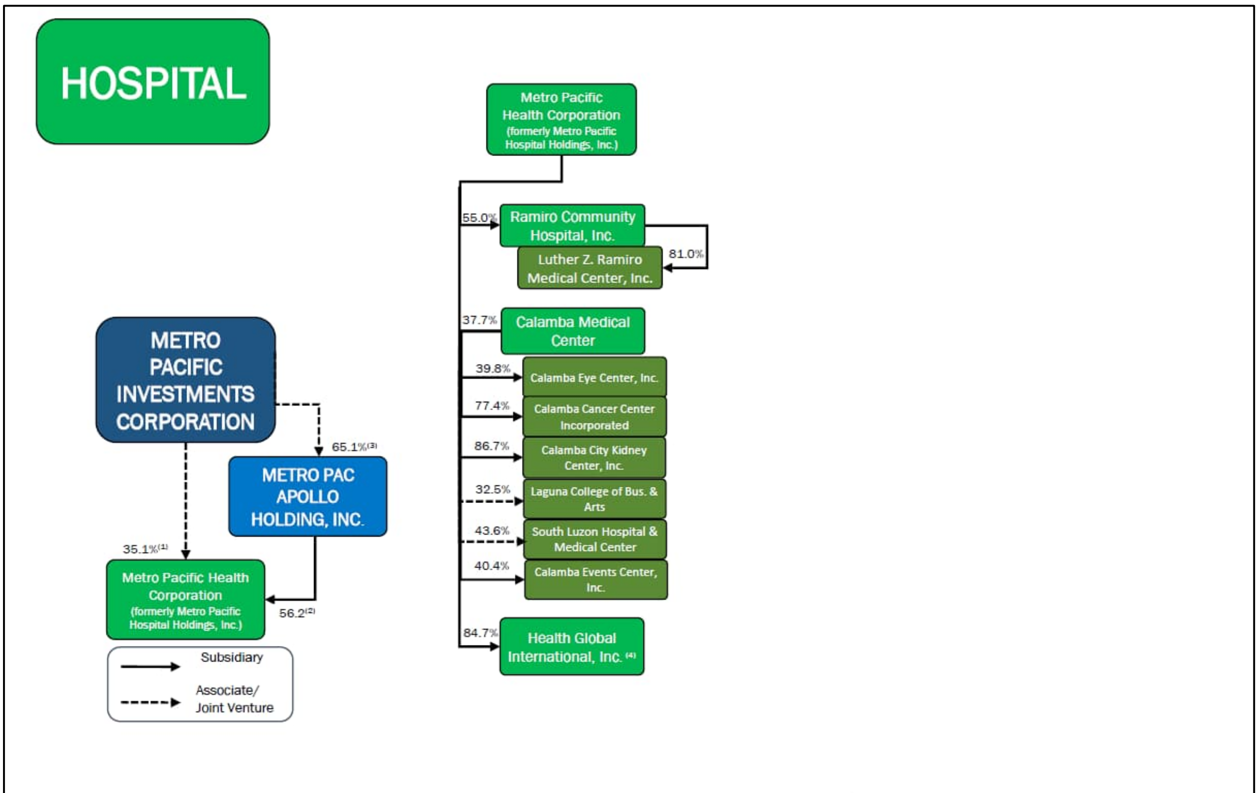

TOLLROADS
METRO PACIFIC INVESTMENTS CORPORATION
99.9%
Metro Pacific Tollways Corporation
100.0%
MPT Asia Corporation (formerly FPM Infraмptstructure Holdings Limited)
A
100.0%
PT Metro Pacific Tollways Indonesia (Indonesia)
76.3%
PT Nusantara Infrastructure Tbk (Indonesia)
100.0%
MPT Thailand Corp (formerly FPM Tollway Holdings Limited)
100.0%
Metro Pacific Tollways Asia, Corporation PTE. LTD. (Singapore)
B
100.0%
Metro Pacific Tollways Vietnam Company Limited (Vietnam)
100.0%
MPT Management Vietnam Co., Ltd.
100.0%
MPT Service Vietnam Co., Ltd.
45.0%
MCSC Services Vietnam Co., Ltd.
100.0%
CAIF III Infrastructure Holdings Sdn Bhd (Malaysia)
100.0%
CIIF Infrastructure Holdings Sdn Bhd (Malaysia)
Subsidiary
Associate/ Joint Venture


TOLLROADS
Metro Pacific Tollways Corporation
100.0%
PT Metro Pacific Tollways Indonesia
76.3%
PT Nusantara Infrastructure Tbk (Indonesia)
Metro Pacific Tollways Asia, Corporation PTE. LTD.
100.0%
100.0%
CIIF Infrastructure Holdings Sdn Bhd (Malaysia)
8.5%
100.0%
CAIF III Infrastructure Holdings Sdn Bhd (Malaysia)
4.7%
Tollroads
76.5%
PT Margautama Nusantara
88.9%
PT Bintaro Serpong Damai
99.6%
PT Metro Makassar Network (Formerly PT Bosowa Marga Nusantara)
99.4%
PT Jalan Tol Seksi Empat
85.0%
PT Metro Jakarta Ekspresway
35.0%
PT Jakarta Lingkar Baratsatu
40.0%
Jasa Marga Jalanlayang Cikampek
Water
100.0%
PT Potum Mundi Infranusantara
100.0%
PT Tirta Bangun Nusantara
28.0%
PT Tirta Kencana Cahaya Mandiri
74.5%
PT Dain Celicani Cemerlang
65.0%
PT Sarana Catur Tirta Kelola
80.0%
PT Sarana Tirta Rezeki
10.0%
100.0%
PT Jasa Sarana Nusa Makmur
Energy
100.0%
PT Energi Infranusantara
61.2%
PT Inpola Meka Energi
80.0%
PT Rezeki Perkasa Sejahtera Lestari
100.0%
PT Auriga Energi
100.0%
PT Centara Energi
100.0%
PT Eris Serra Energi
100.0%
PT Energi Surya Nusantara (Formerly PT Energi Parindu Nusantara)
100.0%
PT Eridanusa Energi Nusantara
Others
100.0%
PT Portco Infranusantara
39.0%
PT Intisentosa Alam Bahtera
100.0%
PT Meta Media Infranusantara (formerly PT Telekom Infranusantara)
70.0%
PT Marga Metro Nusantara
100.0%
PT Metro Tekno Media Infranusantara (formerly PT Nusantara Teknologi Infranusantara)
Subsidiary
Associate/ Joint Venture

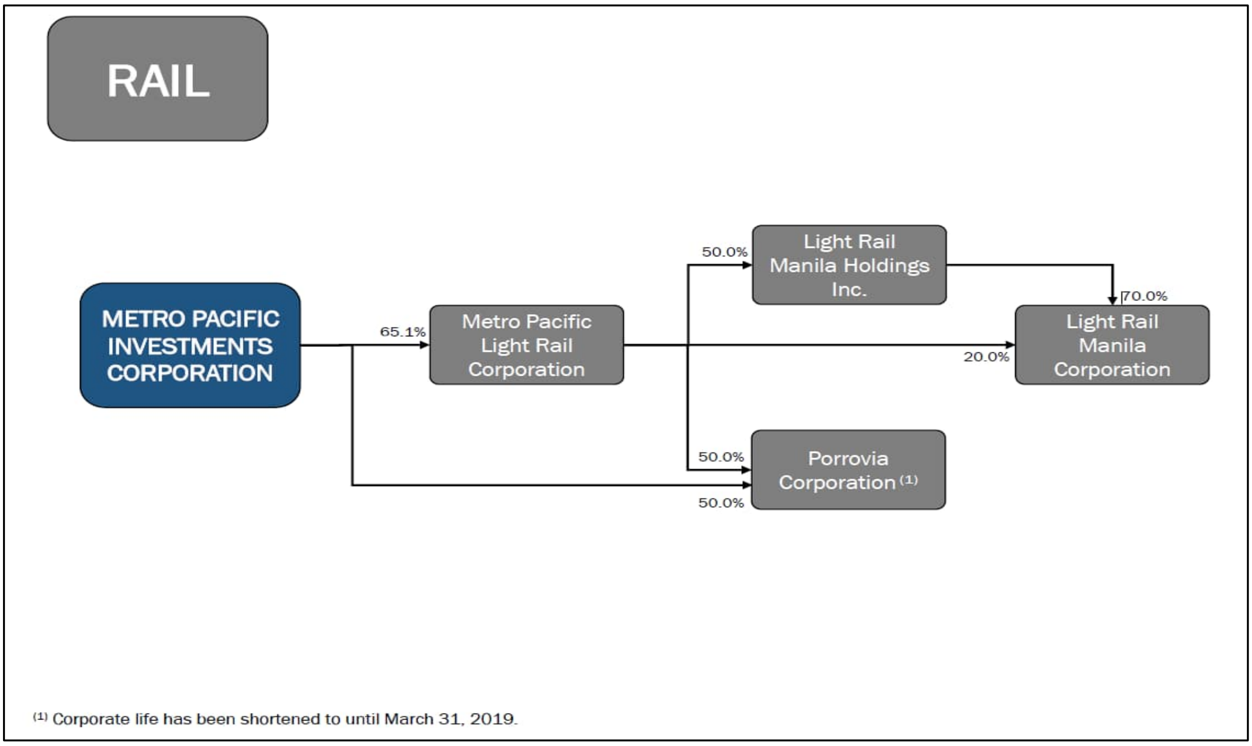

POWER
METRO PACIFIC INVESTMENTS CORPORATION
100.0%
Beacon Electric Asset Holdings Inc.
35.0%
12.5%
Manila Electric Co.
Subsidiary
Associate/ Joint Venture

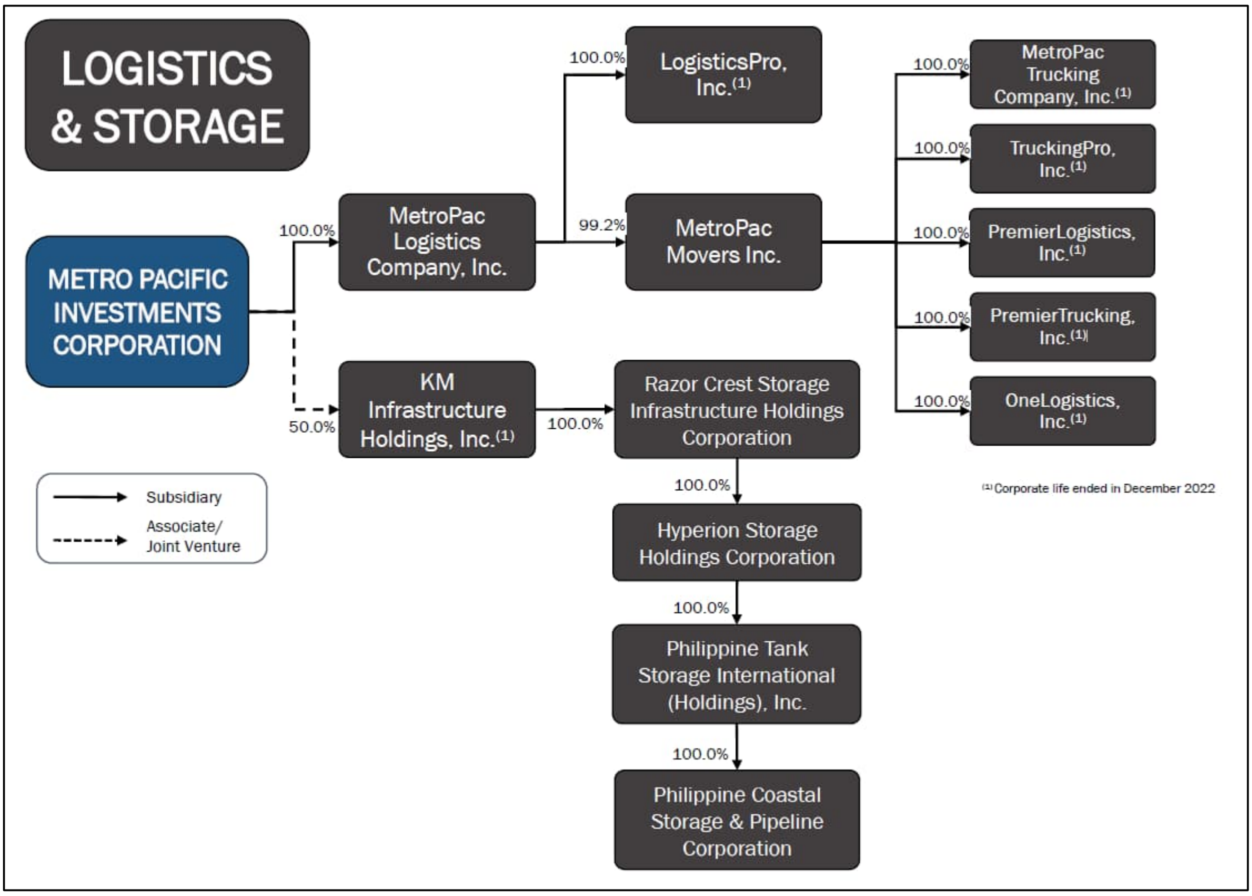


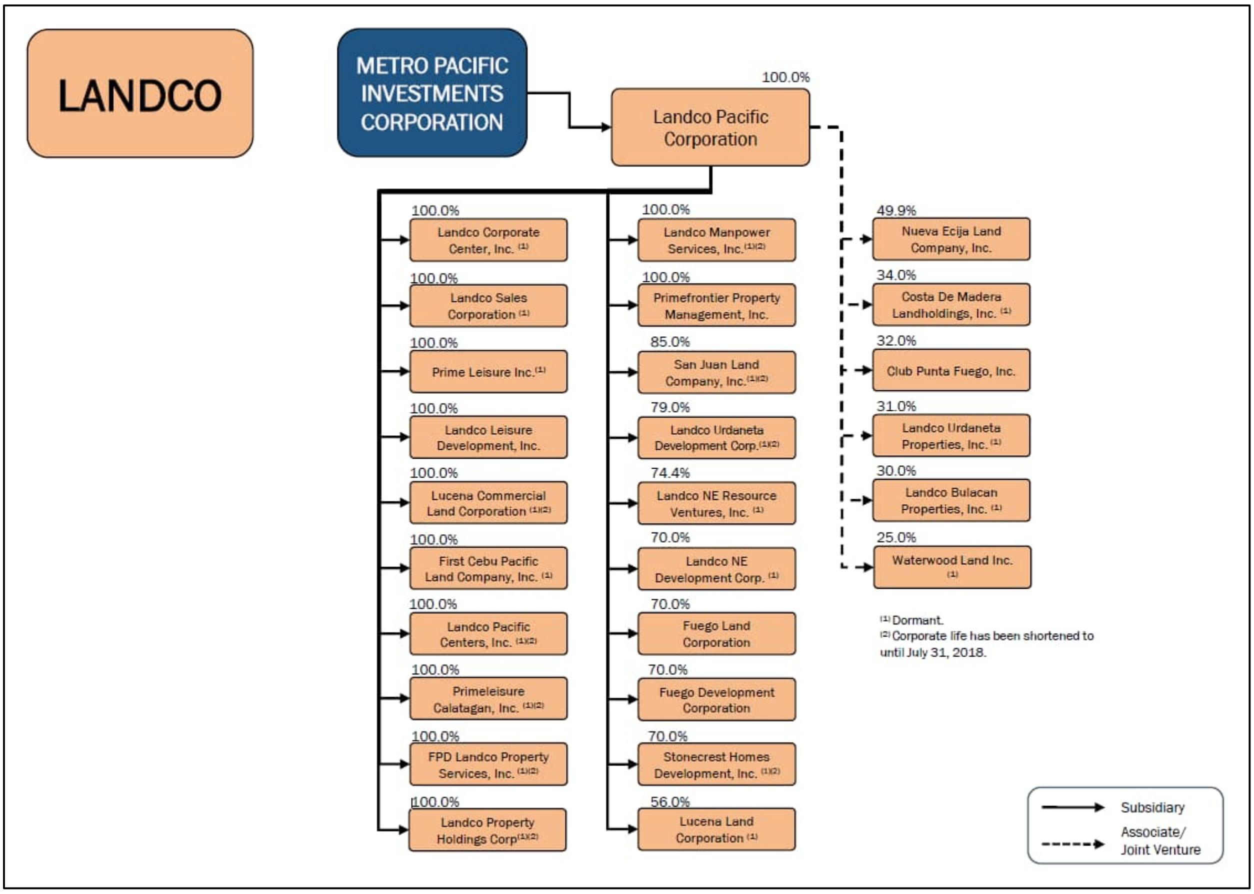
(1) Represents voting rights of common shares issued by MPH. Subject of an Exchangeable Bond covering 398,070,552 MPH common shares (refer to Audited Consolidated Financial Statements).
(2) Represents voting rights of preferred shares issued by MPH (refer to Audited Consolidated Financial Statements).
(3) Subject to a Call Option agreement granting the holder of the Option an irrevocable right to require MPIC to sell all or a portion of MPIC's shares in Apollo (refer to Audited Consolidated Financial Statements).

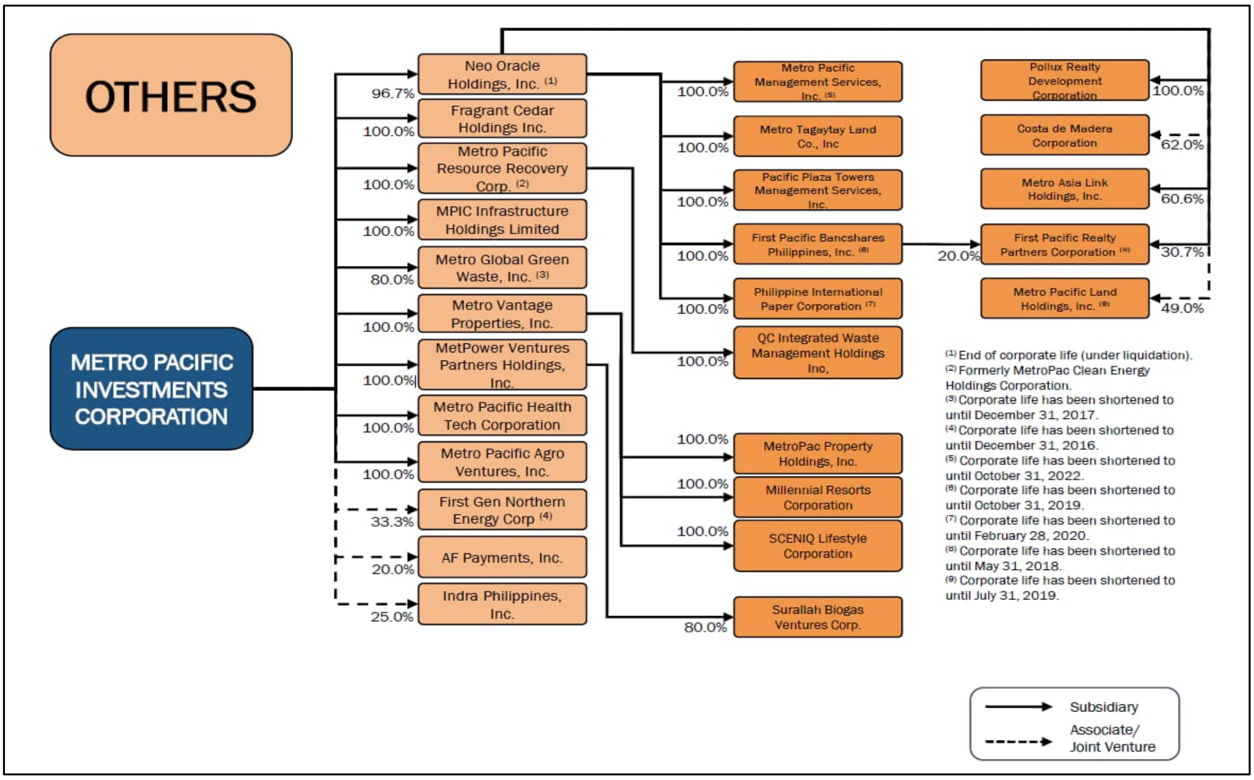


(1) Represents voting rights of common shares issued by MPH. Subject of an Exchangeable Bond covering 398,070,552 MPH common shares (refer to Audited Consolidated Financial Statements).
(2) Represents voting rights of preferred shares issued by MPH (refer to Audited Consolidated Financial Statements).
(3) Subject to a Call Option agreement granting the holder of the Option an irrevocable right to require MPIC to sell all or a portion of MPIC's shares in Apollo (refer to Audited Consolidated Financial Statements).
(4) Doing business under the name and style of Commonwealth Hospital and Medical Center


RAIL
METRO PACIFIC INVESTMENTS CORPORATION
65.1%
Metro Pacific Light Rail Corporation
50.0%
Light Rail Manila Holdings Inc.
70.0%
20.0%
Light Rail Manila Corporation
50.0%
50.0%
Porrovia Corporation (1)
(1) Corporate life has been shortened to until March 31, 2019.


LOGISTICS & STORAGE
METRO PACIFIC INVESTMENTS CORPORATION
100.0%
MetroPac Logistics Company, Inc.
100.0%
LogisticsPro, Inc.(1)
99.2%
MetroPac Movers Inc.
100.0%
MetroPac Trucking Company, Inc.(1)
100.0%
TruckingPro, Inc.(1)
100.0%
PremierLogistics, Inc.(1)
100.0%
PremierTrucking, Inc.(1)
100.0%
OneLogistics, Inc.(1)
(1) Corporate life ended in December 2022
50.0%
KM Infrastructure Holdings, Inc.(1)
100.0%
Razor Crest Storage Infrastructure Holdings Corporation
100.0%
Hyperion Storage Holdings Corporation
100.0%
Philippine Tank Storage International (Holdings), Inc.
100.0%
Philippine Coastal Storage & Pipeline Corporation
Subsidiary
Associate/ Joint Venture


LANDCO
METRO PACIFIC INVESTMENTS CORPORATION
100.0%
Landco Pacific Corporation
100.0%
Landco Corporate Center, Inc. (1)
100.0%
Landco Sales Corporation (1)
100.0%
Prime Leisure Inc.(1)
100.0%
Landco Leisure Development, Inc.
100.0%
Lucena Commercial Land Corporation (1)(2)
100.0%
First Cebu Pacific Land Company, Inc. (1)
100.0%
Landco Pacific Centers, Inc. (1)(2)
100.0%
Primeleisure Calatagan, Inc. (1)(2)
100.0%
FPD Landco Property Services, Inc. (1)(2)
100.0%
Landco Property Holdings Corp(1)(2)
100.0%
Landco Manpower Services, Inc.(1)(2)
100.0%
Primefrontier Property Management, Inc.
85.0%
San Juan Land Company, Inc.(1)(2)
79.0%
Landco Urdaneta Development Corp.(1)(2)
74.4%
Landco NE Resource Ventures, Inc. (1)
70.0%
Landco NE Development Corp. (1)
70.0%
Fuego Land Corporation
70.0%
Fuego Development Corporation
70.0%
Stonecrest Homes Development, Inc. (1)(2)
56.0%
Lucena Land Corporation (1)
49.9%
Nueva Ecija Land Company, Inc.
34.0%
Costa De Madera Landholdings, Inc. (1)
32.0%
Club Punta Fuego, Inc.
31.0%
Landco Urdaneta Properties, Inc. (1)
30.0%
Landco Bulacan Properties, Inc. (1)
25.0%
Waterwood Land Inc. (1)
(1) Dormant.
(2) Corporate life has been shortened to until July 31, 2018.
Subsidiary
Associate/ Joint Venture


OTHERS
METRO PACIFIC INVESTMENTS CORPORATION
96.7%
Neo Oracle Holdings, Inc. (1)
100.0%
Fragrant Cedar Holdings Inc.
100.0%
Metro Pacific Resource Recovery Corp. (2)
100.0%
MPIC Infrastructure Holdings Limited
80.0%
Metro Global Green Waste, Inc. (3)
100.0%
Metro Vantage Properties, Inc.
100.0%
MetPower Ventures Partners Holdings, Inc.
100.0%
Metro Pacific Health Tech Corporation
100.0%
Metro Pacific Agro Ventures, Inc.
33.3%
First Gen Northern Energy Corp (4)
20.0%
AF Payments, Inc.
25.0%
Indra Philippines, Inc.
100.0%
Metro Pacific Management Services, Inc. (5)
100.0%
Metro Tagaytay Land Co., Inc
100.0%
Pacific Plaza Towers Management Services, Inc.
100.0%
First Pacific Bancshares Philippines, Inc. (6)
100.0%
Philippine International Paper Corporation (7)
100.0%
QC Integrated Waste Management Holdings Inc.
100.0%
MetroPac Property Holdings, Inc.
100.0%
Millennial Resorts Corporation
100.0%
SCENIQ Lifestyle Corporation
80.0%
Surallah Biogas Ventures Corp.
100.0%
Pollux Realty Development Corporation
62.0%
Costa de Madera Corporation
60.6%
Metro Asia Link Holdings, Inc.
20.0%
30.7%
First Pacific Realty Partners Corporation (8)
49.0%
Metro Pacific Land Holdings, Inc. (9)
(1) End of corporate life (under liquidation).
(2) Formerly MetroPac Clean Energy Holdings Corporation.
(3) Corporate life has been shortened to until December 31, 2017.
(4) Corporate life has been shortened to until December 31, 2016.
(5) Corporate life has been shortened to until October 31, 2022.
(6) Corporate life has been shortened to until October 31, 2019.
(7) Corporate life has been shortened to until February 28, 2020.
(8) Corporate life has been shortened to until May 31, 2018.
(9) Corporate life has been shortened to until July 31, 2019.
Subsidiary
Associate/ Joint Venture

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2022, 2021 AND 2020

	2022	2021	2020
Liquidity Ratio			
Current ratio	**1.94**	2.37	1.76
Current assets	**₱140,871**	₱141,167	₱133,156
Current liabilities	**72,440**	59,611	75,541
Solvency Ratio			
Total liabilities to total equity ratio	**0.96**	0.94	1.00
Total liabilities	**₱204,142**	₱192,715	₱192,795
Total equity	**213,014**	205,079	192,185
Debt to equity ratio	**0.71**	0.70	0.76
Total debt	**₱152,112**	₱143,344	₱146,763
Total equity	**213,014**	205,079	192,185
Asset to Equity Ratio			
Asset to equity ratio	**1.96**	1.94	2.00
Total assets	**₱417,156**	₱397,794	₱384,980
Total equity	**213,014**	205,079	192,185
Interest Rate Coverage Ratio*			
Interest rate coverage ratio	**4.20**	3.26	2.31
Earnings before interest and taxes (EBIT)	**₱30,032**	₱20,441	₱14,623
Interest expense	**7,144**	6,270	6,323
Profitability Ratio			
Return on average assets	**4.51%**	2.81%	1.76%
Net income attributable to Parent Company	**₱18,360**	₱10,983	₱6,546
Average assets	**407,475**	391,387	371,317
Return on Average Equity	**9.28%**	5.82%	3.63%
Net income attributable to Parent Company	**₱18,360**	₱10,983	₱6,546
Average equity attributable to Parent Company	**197,893**	188,672	180,385
Income before income tax	**₱23,551**	16,070	₱10,323
Interest expense	**7,144**	6,270	6,323
Interest income	**663**	1,899	2,023
EBIT	**30,032**	20,441	14,623

* computed as EBIT/Interest Expense