COVER SHEET

CS200711792
S.E.C. Registration Number

GT CAPITAL HOLDINGS, INC.

(Company's Full Name)

43rd FLOOR, GT TOWER INTERNA-
TIONAL AYALA AVENUE CORNER H.V
DELA COSTA STREET MAKATI CITY

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

Atty. Renee Lynn Miciano-Atienza
Contact Person

8836 4500
Company Telephone Number

12	31
Month	Day

Fiscal Year

SEC Form 20-IS (Definitive 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

MSRD
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.

GT CAPITAL
HOLDINGS, INCORPORATED

1 April 2024

Securities and Exchange Commission
7907 Makati Avenue, Salcedo Village
Bel-Air Makati City, 1209

Attention: **Oliver O. Leonardo**
Director, Markets and Securities Regulation Department

Gentlemen:

We are submitting the Definitive Information Statement (DIS) of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation"), in line with the Corporation's 2024 Annual Stockholders' Meeting, to be held on May 8, 2024.

Pursuant to your good office's checklist of comments on GT Capital's Preliminary Information Statement received on March 26, 2024, we present the following information as proof of our compliance thereto:

I. General comment: compliance with Section 49 of the Revised Corporation Code (RCC)
   - A table or list of the required disclosure/ information required by Section 49 of the Revised Corporation Code and the page number or section of the DIS where the disclosure/ information can be found is attached to this letter.

II. Uploading of Information Statement and Management Report (SRC Rule 20.3.3.5)
   - A copy of GT Capital's Preliminary Information Statement, which contains the Corporation's Management Report, is uploaded to GT Capital's website for downloading by interested parties: https://www.gtcapital.com.ph/investor-relations/financial-reports. The Definitive Information Statement will likewise be uploaded to GT Capital's website upon approval by the Securities and Exchange Commission.

III. Market Information (Share Price)
   - The share prices in the Definitive Information Statement were updated to include (1) the high and low sales price for the 1st quarter of 2024, (2) the latest share price before distribution date (as of April 1, 2024).

IV. Shareholder information
   - The following shareholder information has been updated to the latest date practicable (March 27, 2024): (1) approximate number of holders of GT Capital's common shares, (2) names of the Top Twenty (20) shareholders of such common shares, (3) the number of shares held, and (4) the percentage of total shares outstanding held by each shareholder.

In addition to the changes required by the said checklist of comments, we also made the following revisions to the DIS:

1. Updated background information on GT Capital's directors
   The background information of GT Capital's directors, namely, Mr. Arthur V. Ty and Ms. Consuelo Garcia (p. 13 to 15), was updated to include positions held by the said directors in other companies.

2. Compliance with Section 49 of the RCC
   The following information and document were added to comply with Section 49 of the RCC:
   a. Disclosure on appraisals and performance reports for the board, and the criteria and procedure for assessment (p. 67)
   b. A copy of the Minutes of the previous Annual Stockholders' Meeting held on May 10, 2023 (**Annex A**)

3. Updated number of ATMs of the Metrobank Group
   We reflected the exact number of branches of the Metrobank Group as of December 31, 2023 (p. 61) and included a breakdown on the number of branches held by Metropolitan Bank & Trust Company (Metrobank) and Philippine Savings Bank (PSBank).

4. Dividend policy
   We updated the target annual dividend payout from Php3.00 to Php6.00 per share (p. 62).

5. Annex Numbers
   The following annexes were numbered accordingly for reference purposes:
   a. **Annex A**- Minutes of the previous Annual Stockholders' Meeting held on May 10, 2023
   b. **Annex B-** Certification of Independent Directors (Mr. Renato C. Valencia)
   c. **Annex B-1**- Certification of Independent Directors (Mr. Rene J. Buenaventura)
   d. **Annex B-2**- Certification of Independent Directors (Ms. Consuelo D. Garcia)
   e. **Annex B-3**- Certification of Independent Directors (Mr. Gil B. Genio)
   f. **Annex B-4**- Certification of Independent Directors (Mr. Carlos G. Dominguez III)
   g. **Annex C-** Certification of GT Capital's Legal and Compliance Department Head
   h. **Annex D-** Statement of Management's Responsibility for Financial Statements
   i. **Annex E-** 2023 Audited Financial Statement

Very truly yours,

[redacted]

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

Required Disclosures under Section 49 of the Revised Corporation Code (RCC)

Required Disclosures (Sec. 49, RCC)	Remarks
a. The minutes of the most recent regular meeting which shall include, among others: (1) A description of the voting and vote tabulation procedures used in the previous meeting; (2) A description of the opportunity given to stockholders or members to ask questions and a record of the questions asked and answers given; (3) The matters discussed and resolutions reached; (4) A record of the voting results for each agenda item; (5) A list of the directors or trustees, officers and stockholders or members who attended the meeting; (6) Such other items that the Commission may require in the interest of good corporate governance and the protection of minority stockholders.	A copy of the Minutes of the previous Annual Stockholders' Meeting held on May 10, 2023 is attached to the Definitive Information Statement (DIS) as **Annex A** and uploaded to GT Capital's website: https://www.gtcapital.com.ph/governance/stockholders-meeting
b. A members' list for nonstock corporations and, for stock corporations, material information on the current stockholders, and their voting rights;	Please see Item 4. Voting Securities and Principal Holders Thereof, p. 8 of the DIS
c. A detailed, descriptive, balanced and comprehensible assessment of the corporation's performance, which shall include information on any material change in the corporation's buseinss strategy, and other affairs.	Please see Management Report, p. 31 of the DIS
d. A financial report for the preceding year, which shall include financial statements duly signed and certified in accordance with this Code and the rules the Commission may prescribe, a statement on the adequacy of the corporation's internal controls or risk management systems, and a statement of all external audit and non-audit fees.	Please see Audited Financial Statement of the Corporation, **Annex E** of the DIS
e. An explanation of the dividend policy and the fact of payment of dividends or the reasons for nonpayment thereof.	Please see p. 62 to 63 of the DIS
f. Director or trustee profiles which shall inlcude, among others, their qualifications and relevant experience, length of service in the corporation, trainings and continuing education attended, and their board representation in other corporations.	Please see p. 13 to 16 of the DIS
g. A director or trustee attendance report, indicating the attendance of each of the meetings of the board and its committees and in regular or special stockholder meetings.	Please see p. 64 of the DIS

h. Appraisals and performance reports for the board and the criteria and procedure for assessment.	Please see p. 67 of the DIS
i. A director or trustee compensation report prepared in accordance with this Code and the rules the Commission may prescribe.	Please see p. 25 to 26 of the DIS
j. Director disclosures on self-dealings and related party transactions; and/or	Please see p. 25 of the DIS
k. The profiles of directors nominated if seeking election or reelection.	Please see p. 13 to 16 of the DIS

Notice of Annual Stockholders' Meeting May 8, 2024 at 2:00 p.m.
Virtual Annual Stockholders' Meeting

To all Stockholders:

Please take notice that the 2024 Annual Stockholders' Meeting of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation") will be conducted virtually on May 8, 2024 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 Annual Stockholders' Meeting held on May 10, 2023
5. Annual Report for the Year 2023
6. General Ratification of the Acts of the Board of Directors, Committees, and Management from the date of the last Annual Stockholders' Meeting up to May 8, 2024
7. Election of Directors for 2024-2025
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 1, 2024 as the record date for the determination of stockholders entitled to notice of and to vote at such meeting and any adjournment thereof.

Stockholders may attend the Meeting by remote communication, voting in absentia, or by proxy. The meeting will be recorded. All votes cast shall be subject to the validation of SGV & Co.

Those who shall participate by remote communication may notify the Corporate Secretary by sending an e-mail to ASM2024@gtcapital.com.ph or go through the registration process to be posted in the Corporation's website, www.gtcapital.com.ph. Those who wish to 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 26, 2024.

Makati City, April 1, 2024.

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 8, 2024** 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 10, 2023

   ______ Yes _____ No ______ Abstain

2. Ratification of all acts and resolutions of the Board of Directors, Committees and Management from the date of the last Annual Stockholders' Meeting up to May 8, 2024

   ______ Yes _____ No ______ Abstain

3. Appointment of external auditor

   ______ Yes _____ No ______ Abstain

4. 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
   Dr. David T. Go
   Atty. Regis V. Puno
   Mr. Renato C. Valencia
   Mr. Rene J. Buenaventura
   Mr. Gil B. Genio
   Ms. Consuelo D. Garcia
   Mr. Carlos G. Dominguez III

   ______ 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 SENT TO AND RECEIVED BY THE CORPORATE SECRETARY ON OR BEFORE **APRIL 26, 2024**, 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 1, 2024 Record Date 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 10, 2023 Annual Stockholders' Meeting**
   The draft minutes of the May 10, 2023 Annual Stockholders' Meeting has been posted on the GT Capital website since May 11, 2023 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 2023**
   The Chairman of the Board will call on the President, Mr. Carmelo Maria Luza Bautista, to render his report for the year 2023. 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, Committees, and Management from the date of the last Annual Stockholders' Meeting up to May 8, 2024**
   This matter includes all acts, transactions, and resolutions of the Board of Directors, the Committees, and Management from the date of the 2023 Annual Stockholders' Meeting up to May 8, 2024.

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

7. **Election of Directors for 2024-2025**
   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 ASM2024@gtcapital.com.ph on or before 2:00 p.m., May 3, 2024. 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:

   [ ] Preliminary Information Statement [X] 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 8, 2024 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 8, 2024**

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 B Perpetual Preferred Shares (GTPPB)	**7,160,760**
Amount of Debt Outstanding	**3,996,764,018**

    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
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 8, 2024 at 2:00 p.m. to be conducted virtually via Zoom, with links to be provided to GT Capital's shareholders entitled to vote upon registration, subject to the registration procedure posted on the GT Capital website. 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 8, 2024.

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 1, 2024. 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 29, 2024, 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	41,773,772	173,510,815
Preferred (Unlisted)	174,300,000	69,720,000	1,325,936	172,974,064
Total	389,584,587	155,833,834.80	43,099,708	346,484,879
Percentage	100%	40%	11.06%	88.94%

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 1, 2024.

(c) Stockholders may, subject to validation, attend, participate and vote at the Annual Stockholders' Meeting by remote communication, voting in absentia, or by 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 (1) 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 of the Philippines.

(d) Security Ownership of Certain Record and Beneficial Owners as of February 29, 2024:

As of February 29, 2024, 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	53,985,155	25.07%	13.86%
Common	PCD Nominee Corp. (Non-Filipino)	Various Clients[1]	Foreign	39,932,879	18.55%	10.25%
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., Makati City	Same as the Record Owner **Alesandra T. Ty** is authorized to vote the shares held by Philippine Geiko Holdings, Inc.	Filipino	13,299,452	7.63%	3.41%

(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 29, 2024

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% 0.0117%
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	Renato C. Valencia	218 (D)	Filipino	0.0001%
Common	Rene J. Buenaventura	112 (D)	Filipino	0.0001%
Common	Consuelo D. Garcia	1,000 (I)	Filipino	0.0005%
Common	Gil B. Genio	9,810 (I)	Filipino	0.0045%
Common	Carlos G. Dominguez III	100 (I)	Filipino	0.0000%
Common	David T. Go	112 (D)	Filipino	0.0001%
Common	Regis V. Puno	112 (D) 2,000 (I)	Filipino	0.0001% 0.0010%
Common	Anjanette T. Dy Buncio	176,856 (I)	Filipino	0.0821%
Common	Alesandra T. Ty	21,794 (I)	Filipino	0.0101%
Perpetual Preferred Shares (GTPPB)		1,100 (I)		0.0154%
Common	Antonio V. Viray	0	Filipino	0.0000%
Common	Jocelyn Y. Kho	14,080 (I)	Filipino	0.0065%
Common	Maria Sofia A. Lopez	0	Filipino	0.0000%
Common	Francisco H. Suarez, Jr.	5,589 (I)	Filipino	0.0026%
Common	Vicente Jose S. Socco	0	Filipino	0.0000%

Common	Jesus G. Chua, Jr.	0	Filipino	0.0000%
Common	Jose B. Crisol, Jr.	0	Filipino	0.0000%
Perpetual Preferred Shares (GTPPB)		50 (I)		0.0007%
Common	Reyna Rose P. Manon-Og	1,024 (I)	Filipino	0.0005%
Common	Stephen John S. Comia	1,140 (I)	Filipino	0.0005%
Common	Joyce B. De Leon	0	Filipino	0.0000%
Common	Susan E. Cornelio	0	Filipino	0.0000%
Common	Renee Lynn Miciano-Atienza	50 (I)	Filipino	0.0000%
Perpetual Preferred Shares (GTPPB)		50 (I)		0.0007%
Common	Don David C. Asuncion	0	Filipino	0.0000%
Common	Cheryll B. Sereno	0	Filipino	0.0000%
Common	Farrah Lyra Q. De Ala	959 (I)	Filipino	0.0004%
Common	Rachel Anne R. De Leon	47 (I)	Filipino	0.0000%
Common	Bruce Ricardo O. Lopez	333 (I)	Filipino	0.0002%
Total Common GTPPB		225,344 (D) 473,135 (I) 1,200 (I) 699,679 (Total)		0.3245% 0.0168%

There are no persons holding more than 5% of a class under a voting trust or any similar agreements as of February 29, 2024.

(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) Board of Directors

Office	**Name**	**Age**	**Citizenship**
Chairman	Francisco C. Sebastian	70	Filipino
Vice Chairman	Alfred Vy Ty	56	Filipino
Director	Arthur Vy Ty	57	Filipino
Director/President	Carmelo Maria Luza Bautista	66	Filipino
Lead Independent Director	Renato C. Valencia	82	Filipino
Independent Director	Rene J. Buenaventura	69	Filipino
Independent Director	Consuelo D. Garcia	69	Filipino
Independent Director	Gil B. Genio	64	Filipino
Independent Director	Carlos G. Dominguez III	78	Filipino
Director	David T. Go	70	Filipino
Director	Regis V. Puno	65	Filipino

Board Advisers

Adviser	Mary Vy Ty	83	Filipino
Adviser	Guillermo Co Choa	64	Filipino
Adviser	Jaime Miguel G. Belmonte	60	Filipino
Adviser	Pascual M. Garcia III	70	Filipino

Period of Directorship

Name	**Date First Elected**	**No. of Years Served (as of end of term 2023)**
Francisco C. Sebastian	May 12, 2014	10
Alfred Vy Ty	February 14, 2012	12
Arthur Vy Ty	June 3, 2011	13
Carmelo Maria Luza Bautista	August 5, 2011	13
Renato C. Valencia	May 10, 2017*	8
Rene J. Buenaventura	May 9, 2018	6
Consuelo D. Garcia	May 17, 2021	3
Gil B. Genio	May 11, 2022	2
David T. Go	May 12, 2014	10
Regis V. Puno	May 9, 2018	6
Carlos G. Dominguez III	August 11, 2023	1

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

Board Committees:

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

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

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

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

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

Rene J. Buenaventura, 69 years old, Filipino, is an Independent Director of GT Capital Holdings, Inc. He is also the Vice Chairman of ALGO Leasing and Finance, Inc., Equicom Savings Bank, and Equicom Manila Holdings, Inc., a holding company for businesses engaged in healthcare, banking and finance, and information technology. In addition, Mr. Buenaventura is the Independent Director and Chairman of DDMP REIT Fund Managers, Inc. and DDMP REIT Property Managers, Inc.; Independent Director of UBS Investment Philippines, Inc., Lorenzo Shipping Corporation, and DDMP REIT, Inc.; Chairman of Consumer CreditScore Philippines, Inc., Director and President of Hengrave Holdings Corporation; Director of Equicom, Inc., Equicom Services Inc., Maxicare Health Corporation, Pin-An Holdings Corporation, Steel Asia Manufacturing Corporation, Steel Asia Development and Management Corp., and Candelaria Steel; and President of Gramercy Holdings Corporation, Canyon Crest Corp., and Cliveden Management Corp. He is likewise a Trustee of Equitable Foundation, Inc. and GO KIM PAH Foundation, Inc., as well as an Adviser for Maxicare Life 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, 69 years old, Filipino, was elected as an Independent Director of GT Capital Holdings, Inc. in May 2021. She currently holds the following positions: Independent Director of Lopez Holdings Corporation and Far Eastern University, Incorporated, both publicly listed corporations, Sun Life Investment Management and Trust Corporation, a non-bank BSP supervised financial institution, and a Director of Murrayhill Realty and Development Corporation. She was formerly an Independent Director of The Philippine

Stock Exchange Inc. and ACEN Corporation. She is also currently an Independent Director and Trustee of ING Foundation Philippines, Inc.; Member of the Board of Trustees of the FINEX Academy and of FINEX Foundation, a Fellow of the Institute of Corporate Directors, and a Member of the Filipina CEO Circle. Ms Garcia worked for ING Bank for 31 years. She was formerly the Country Manager and Head of Clients of ING Bank N.V., Manila Branch for 9 years from September 2008 until November 15, 2017, and a Senior Consultant for ING Bank Asia, Challengers and Growth Markets, with focus on digital banking, for 5 years from Nov 16, 2017 to June 30, 2022. Prior to these roles, she headed Financial Markets for ING which had overall responsibility for FX, Local Fixed Income and Local Interest Rate Derivatives, Debt Capital Markets, High Yield Bond Trading and Credit Derivatives. Ms. Garcia previously worked with SGV in audit and in Bank of Boston, Philippine Branch where she was involved in internal audit, trust, corporate finance and special projects. Ms. Garcia is a Certified Public Accountant and she graduated Magna Cum Laude for Bachelor of Science in Business Administration, majoring in Accounting from the University of the East.

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

Carlos G. Dominguez III, Filipino, 78 years old, was nominated for the first time as Independent Director of GT Capital in August 2023. He is also an Independent Director of House of Investments, Inc. and PetroEnergy Resources Corporation, both listed companies. He was Secretary of the Department of Finance ("DOF"), from July 1, 2016 to June 30, 2022. As Secretary of Finance, he served as a member of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP), the Governor for the Philippines at the Asian Development Bank (ADB), the Governor for the Philippines at the World Bank, and Alternate Governor for the Philippines at the International Monetary Fund (IMF). His post also made him ex-officio Chairman of various government-owned institutions – the LANDBANK, the Philippine Deposit Insurance Corporation (PDIC) and the Social Security System (SSS). He has over 40 years of experience in both the government and the private sector. From 1969 until 1982, Mr. Dominguez managed agriculture-related enterprises ranging from agricultural machinery distribution and 5,000 hectares of farmland producing bananas for export, as well as coconuts, cacao, rice, and cattle. He joined the Bank of the Philippine Islands (BPI) in 1983 as President of the BPI Agricultural Development Bank before being invited by President Corazon Aquino to join her administration to serve as the head of the Ministry of Natural Resources, and then with the Department of Agriculture in 1987. After leaving government service in 1989, Mr. Dominguez entered the tobacco, energy, real estate, retail, hospitality, mining, and copper smelting industries and served as CEO of companies such as the Retail Specialist Inc., Philippine Tobacco Flue-Curing and Redrying Corp., Philippine Associated Smelting and Refining Corp. as well as Halifax Capital Resources Inc. He joined Philippine Airlines in 1993 and served as its Chairman and CEO in the 1990s. Mr. Dominguez served on the boards of RCBC Capital Corp. House of Investments, Shangri-la Plaza Corp., Northern Mindanao Power Corp., Roxas Holdings, and MERALCO. He was conferred by the President of the Philippines with the Order of Lakandula with the Rank of Grand Cross (Bayani) for his exemplary service to the nation and was also conferred by the Emperor of Japan with the Grand Cordon of the Order of the Rising Sun for exercising outstanding leadership in promoting cooperation between Japan and the Philippines. Mr. Dominguez graduated from the Ateneo de Manila University with a bachelor's degree in Economics in 1965, and a master's degree in Business Administration in 1969. He completed the Executive Management Program offered by Stanford University's Graduate School of Business in 1982.

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

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

**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 SEC on January 13, 2012.*

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

Mary Vy Ty, 83 years old, Filipino, was appointed as Board Adviser of GT Capital in June 2014. Prior to this, she served as the Corporation's Treasurer since its incorporation in 2007. Mrs. Ty has more than 50 years of experience in banking and general business. She currently holds the following positions: Board Adviser, Metropolitan Bank & Trust Company (Metrobank); Adviser, Federal Land, Inc. and Manila Medical Services, Inc.; Director, Grand Titan Capital Holdings, Inc.; Member of the Board of Trustees of Metrobank Foundation, Inc.; Member of the Board of Trustees and Honorary Chairman of GT Foundation, 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, 64 years old, Filipino, was appointed as Board Adviser of GT Capital in June 2016. He is currently the Chairman of Maplecrest Group, Inc. and Property Company of Friends, Inc. Mr. Choa earned his Bachelor's Degree in Commerce, Major in Marketing, from De La Salle University and his Master's degree in Business Economics from the University of Asia and the Pacific.

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

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

Nominee Directors

As of the date of this report, the nominees for independent directors are Messrs. Renato C. Valencia, Rene J. Buenaventura, Gil B. Genio, Ms. Consuelo D. Garcia and Mr. Carlos G. Dominguez III. The five (5) 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. Arthur Vy Ty, Alfred Vy Ty, Francisco C. Sebastian, Carmelo Maria Luza Bautista, 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 Annual Stockholders' Meeting.

The Directors of the Corporation are elected at the Annual Stockholders' Meeting 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 Securities Regulation Code (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 Annual Stockholders' Meeting:

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

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
Jesus G. Chua, Jr.	Executive Vice President for Finance	2023-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 Communication	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
Stephen John S. Comia	First Vice President/ Head of Property Management	2021-Present
Susan E. Cornelio	Vice President/Head, Human Resources, Administration and IT	2012-Present
Renee Lynn Miciano-Atienza	Vice President/ Head, Legal and Compliance	2016-Present
Don David C. Asuncion	Vice President of GTCAM	2020-Present
Cheryll B. Sereno	Vice President/ Chief Audit Executive	2023-Present

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

Manila University.

Jesus G. Chua, Jr., 48 years old, Filipino, was appointed Executive Vice President for Finance of GT Capital on November 10, 2023. Before this, Mr. Chua was President of ISOC Holdings, Inc. from 2017 to 2023. He also served as the Chief Strategy Officer for Megawide Construction Corp., and prior to that was Head of Southeast Asia Investment Banking at MUFG Financial Group in Singapore. He also held senior regional roles at ABN AMRO Investment Bank and HSBC in Asia. He holds a Master's degree in Business Administration from Harvard Business School, a Master's degree in Engineering from Stanford University, and a Bachelor's degree in Civil Engineering from De La Salle University.

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

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

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

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

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

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

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

Jocelyn Y. Kho, 69 years old, Filipino, has served as GT Capital's Assistant Corporate Secretary since June 2011. Previously, she was the company's Controller until 2010. Before this, Ms. Kho worked for Metropolitan Bank & Trust Company (Metrobank) as Vice President under the Office of the Assistant to the Group Chairman from 1978 to 2009. She concurrently holds the following positions: Assistant Corporate Secretary, Grand Titan Capital Holdings, Inc.; Director and Treasurer, Global Business Holdings, Inc., and Horizon Royale Holdings, Inc.; Director, Senior Vice President and Corporate Secretary, Federal Homes, Inc.; Director, Treasurer and Corporate Secretary of Crown Central Properties Corporation; Director of Cathay International Resources, Inc. and Magnificat Resources Corporation; Corporate Secretary, Federal Land, Inc.; and Norberto & Tytana Ty Foundation, Inc.; Chairman, Multi Fortune Holdings, Inc.; Chairman and President, MBTC Management Consultancy, Inc., Solid Share Holdings Philippines, Inc., Granview Realty and Development Corporation, Cellini Holdings, Inc., City Tower Realty Corporation, Ocean Park Condominium and Realty, Inc.; Director and President, Harmony Property Holdings, Inc., Splendor Fortune Holdings, Inc., and Splendor Realty Corporation; Independent Director, AP Securities, Inc. She earned her Bachelor of Science degree in Commerce, major in Accounting, from the University of Santo Tomas in 1975, and is a candidate for the Master of Science degree in Taxation from Manuel L. Quezon University.

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

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

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

Joyce B. De Leon, 50 years old, Filipino, serves as Chief Risk Officer, Head of Sustainability, and First Vice

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

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

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

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

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

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

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
First Metro Investment Corporation	Chairman/ 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 Investment Corporation	Vice Chairman/Director
GT Capital Auto and Mobility Holdings, Inc.	Director
Toyota Motor School of Technology, Inc.	Vice Chairman/Director
Federal Land-Orix Corporation	Vice Chairman/Director
Toyota Motor Philippines Foundation	Chairman/ Trustee
Arthur Vy Ty	
Metropolitan Bank & Trust Company	Chairman/Director
Metropolitan Bank (China) Ltd., Inc.	Chairman/ Director
Metrobank Foundation, Inc.	Chairman/ Trustee
Philippine Savings Bank	Vice-Chairman/Director
First Metro Investment Corporation	Vice-Chairman/Director*
AXA Philippines Life and General Insurance Corporation	Vice-Chairman/Director*
Federal Land, Inc.	Director
Carmelo Maria Luza Bautista	
Toyota Motor Philippines Corporation	Director
Federal Land, Inc.	Director
AXA Philippines Life and General 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

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
Toyota Aisin Philippines, Inc.	Director/Treasurer
Toyota San Fernando, Inc.	Chairman/ Director
TMP Logistics, Inc.	Chairman/ Director
Toyota Mobility Solutions Philippines, Inc.	Director
Rene J. Buenaventura	
Lorenzo Shipping Corporation	Independent Director
DDMP REIT, Inc.	Independent Director
Renato C. Valencia	
iPeople, Inc.	Chairman/Director
EEI Corporation	Independent Director
Anglo Philippine Holdings Corporation	Independent Director*
Metropolitan Bank & Trust Company	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
Gil B. Genio	
Puregold Price Club, Inc.	Independent Director
Carlos G. Dominguez III	
House of Investments, Inc.	Independent Director
PetroEnergy Resources Corporation	Independent Director
Atty. Regis V. Puno	
Lepanto Consolidated Mining Co.	Director
LMG Corp. (formerly LMG Chemicals Corporation)	Director
Anjanette Ty Dy Buncio	
Federal Land, Inc.	Director/Treasurer/Executive Vice President
GT Foundation, Inc.	Trustee/ Senior Vice President
Alesandra T. Ty	
AXA Philippines Life and General 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

Toyota Subic, Inc.	Director

**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
Chief Financial Officer	Francisco H. Suarez, Jr.
Chairman of GTCAM	Vicente Jose S. Socco
Executive Vice President for Finance	Jesus G. Chua, Jr.
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
Head, Investor Relations, Strategic Planning & Corporate Communications	Jose B. Crisol, Jr.
Controller and Head, Accounting and Financial Control	Reyna Rose P. Manon-og
Chief Risk Officer and Head of Sustainability	Joyce B. De Leon
Head, Property Management	Stephen John S. Comia
Head, Human Resources, Administration, and IT	Susan E. Cornelio
Head, Legal and Compliance, Data Protection Officer, and Corporate Governance Officer	Renee Lynn Miciano-Atienza
Vice President of GTCAM	Don David C. Asuncion
Chief Audit Executive	Cheryll B. Sereno

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
Adviser	Pascual M. Garcia III

(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	Php10.20 million	Php 7.00 million
Bonuses	Php 0.85 million	Php 4.90 million	Php 4.50 million
Transportation Allowance	-	Php 0.64 million	Php 2.47 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 2022, 2023, and 2024. The amounts (in P millions) set forth in the table below have been prepared based on what the Corporation paid its executive officers in 2022 and 2023., and what the Corporation expects to pay in 2024.

Name and Principal Position	**Year**	**Salary**	**Bonus**	**Other**	**Annual Compensation**
Named Executive Officers*…………..	2022	66.01	17.71	-	-
	2023	72.38	19.05		
	2024**	79.62	20.95		
All Other Officers as a Group…….	2022	52.04	15.37		
	2023	64.30	17.99		
	2024**	70.73	19.79		

**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, Jr. (Head, Investor Relations, Strategic Planning and Corporate Communication).*
*** Figures for the year 2024 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 2023. 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 2023 and 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-ofpocket expenses for each of the years ended December 31, 2022 and 2023 for professional services rendered by SGV & Co. to GT Capital:

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

Audit services rendered include the audit of the financial statements and supplementary schedules for submission to SEC, and review of annual income tax computation. Non-audit services in 2022 pertain to financial, tax and actuarial due diligence and transaction accounting for a potential acquisition; transfer pricing study; assistance in filing of request for DOF opinion; and third party validation of votes for the 2022 Annual Shareholders Meeting, while non-audit services in 2023 pertain to third party validation of votes for the 2023 Annual Shareholders Meeting.

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.

C. ISSUANCE AND EXCHANGE OF SECURITIES

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.

D. OTHER MATTERS

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

The following are to be submitted for approval during the Annual Stockholders' Meeting:

(a) Minutes of the Annual Meeting of Stockholders held on May 10, 2023

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 May 11, 2022 Annual Stockholders' Meeting
- Annual Report for the Year 2022
- 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
- Election of Directors for 2023-2024
- Appointment of External Auditor
- Other Matters
- Adjournment

(b) Annual Report for the Year 2023

(c) General ratification of the acts of the Board of Directors and the management from the date of the last annual stockholders' meeting (May 10, 2023) up to the date of this meeting (May 8, 2024), including acquisition and disposition of shares of another corporation and 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 of the Philippines 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 HOLDINGS, INC. SHALL PROVIDE, FREE OF CHARGE, A COPY OF ITS 2023 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 April 1, 2024.

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, 2023 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, 2023 VERSUS YEAR ENDED DECEMBER 31, 2022

GT Capital Consolidated Statements of Income	**Audited Year Ended December 31**		**Increase (Decrease)**	
(In Million Pesos, Except for Percentage)	**2023**	2022	**Amount**	**Percentage**
REVENUE				
Automotive operations	**261,544**	211,945	49,599	23%
Equity in net income of associates and joint venture	**22,928**	16,455	6,473	39%
Real estate sales and interest income on real estate sales	**12,870**	5,793	7,077	122%
Rent income	**1,509**	1,401	108	8%
Sale of goods and services	**1,137**	957	180	19%
Commission income	**958**	667	291	44%
Interest income	**914**	232	682	294%
Other income	**4,841**	7,857	(3,016)	(38%)
	306,701	245,307	61,394	25%
COSTS AND EXPENSES				
Cost of goods and services sold	**189,348**	157,079	32,269	21%
Cost of goods manufactured and sold	**39,661**	36,366	3,295	9%
General and administrative expenses	**20,257**	17,278	2,979	17%
Interest expense	**7,888**	7,144	744	10%
Cost of real estate sales	**5,400**	3,059	2,341	77%
Cost of rental	**905**	830	75	9%
	263,459	221,756	41,703	19%
INCOME BEFORE INCOME TAXES	**43,242**	23,551	19,691	84%
PROVISION FOR INCOME TAX	**6,937**	1,820	5,117	281%
NET INCOME	**36,305**	21,731	14,574	67%
ATTRIBUTABLE TO:				
Equity holders of the Parent Company	**28,743**	18,360	10,383	57%
Non-controlling interests	**7,562**	3,371	4,191	124%
	36,305	21,731	14,574	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 grew by 57% from Php18.36 billion in 2022 to Php28.74 billion in 2023. The increase was principally due to the 25% growth in consolidated revenues with growth coming from automotive operations (+23%), real estate sales and interest income on real estate sales (+122%), and equity in net income of associates and joint ventures (+39%).

Core net income, likewise, grew by 82% from Php15.89 billion in 2022 to Php28.84 billion in 2023. Core net income attributable to equity holders of the Parent Company in 2023 amounted to Php28.84 billion, after adding back Php0.16 billion amortization of fair value adjustments arising from various business combinations, and deducting the Php0.06 billion various non-recurring gains by Metro Pacific Investments Corporation's ("MPIC"). Core net income attributable to equity holders of the Parent Company in 2022 amounted to Php15.89 billion, after deducting the Php2.64 billion net 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.

The financial statements of Federal Land, Toyota Motor Philippines Corporation ("TMP"), 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"), AXA Philippines Life and General Insurance Corporation ("AXA Philippines"), Toyota Financial Services Philippines Corporation ("TFSPC"), MPIC and Sumisho Motor Finance Corporation ("SMFC") are reported through equity accounting.

Effective December 2023, Toyota Manila Bay Corporation ("TMBC") is consolidated under GTCAM pursuant to the Deed of Assignment of TMBC shares between the Parent Company and GTCAM, with the former as the transferor and the latter as the transferee. The transfer of TMBC shares from the Parent Company to GTCAM has no impact on the consolidated financial statements of the Group.

Of the eight (8) operating companies, TMP, GTCAM, Metrobank, MPIC, TFSPC, and AXA Philippines, posted growth in net income, while Federal Land and SMFC reported decline in their respective net income.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts grew by 23% from Php211.95 billion in 2022 to Php261.54 billion in 2023 due to the 18% increase in wholesale volume from 174,197 to 205,113 units.

Equity in net income of associates and joint ventures increased by 39% from Php16.46 billion in 2022 to Php22.93 billion in 2023 primarily due to significant increases in the net income of the following associates:

1. Metrobank by 29% from Php32.78 billion to Php42.24 billion due to the expansion of its loan portfolio, higher net interest margin, healthy fee income and improved asset quality;
2. MPIC from Php10.49 billion to Php20.03 billion due to higher core income contributions of its operating companies; and
3. TFSPC by 13% from Php1.63 billion to Php1.84 billion arising from the increase in net interest income from its steady annuity income stream, and improving asset quality.

Real estate sales and interest income from real estate sales rose by Php7.08 billion from Php5.79 billion to Php12.87 billion due to lot sales realized by the Parent Company and Federal Land from Federal Land NRE Global, Inc., the joint venture company between Federal Land and Nomura Real Estate in the second quarter, including project completion and percentage of completion from Federal Land's existing projects.

Rent income grew by 8% from Php1.40 billion to Php1.51 billion due to higher occupancy of Federal Land's retail operations.

Sale of goods and services increased by 19% or Php0.18 billion due to higher sales realized from food franchises.

Commission income increased by Php0.29 billion from Php0.67 billion in 2022 to Php0.96 billion in 2023 due to an increase in booked sales of Federal Land's joint venture projects.

Interest income grew by Php0.68 billion due to higher short-term investments and higher rates.

Other income declined by 38% or Php3.02 billion mostly Federal Land's gain on investments in 2022.

Consolidated costs and expenses increased by 19% from Php221.76 billion in 2022 to Php263.46 billion in 2023. TMP contributed Php209.01 billion comprising cost of goods sold for manufacturing and trading activities, general and administrative expenses and interest expenses. GTCAM contributed Php35.08 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. Federal Land contributed Php12.57 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 accounted for the balance of Php6.80 billion consisting of interest expenses and general and administrative expenses.

Cost of goods and services sold grew by 21% from Php157.08 billion to Php189.35 billion relative to the increase in auto sales.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP increased by 9% from Php36.37 billion to Php39.66 billion due to an increase in materials costs of assembled vehicles.

General and administrative expenses increased by 17% or Php2.98 billion mainly due to auto delivery and handling services, and advertising and promotional expenses relative to the increase in auto sales.

Interest expense increased by 10% from Php7.14 billion to Php7.89 billion due to higher lending rates in spite of lower outstanding loan balances.

Cost of real estate sales rose to Php5.40 billion from Php3.06 billion primarily due to the cost of lots sold during the year by the Parent Company and Federal Land and cost of real estate sales incurred by Federal Land on its ongoing projects.

Cost of rental grew by 9% from Php0.83 billion to Php0.91 billion due to an increase in common use service area expenses relative to higher occupancy.

Provision for income tax increased by Php5.12 billion from Php1.82 billion to Php6.94 billion due to the higher taxable income of the Group in 2023.

Net income attributable to non-controlling interest increased by Php4.19 billion from Php3.37 billion to Php7.56 billion due to an increase in net income of subsidiaries which are not wholly-owned.

GT Capital Consolidated Statements of Financial Position	Audited December 31		Increase (Decrease)	
(In Million Pesos, Except for Percentage)	**2023**	2022	**Amount**	**Percentage**
ASSETS				
Current Assets				
Cash and cash equivalents	**16,731**	24,005	(7,274)	(30%)
Financial assets at fair value through profit or loss	**871**	11,160	(10,289)	(92%)
Receivables	**29,203**	14,135	15,068	107%
Contract assets	**4,092**	4,707	(615)	(13%)
Inventories	**76,676**	69,399	7,277	10%
Due from related parties	**134**	356	(222)	(62%)
Prepayments and other current assets	**12,778**	17,109	(4,331)	(25%)
	140,485	140,871	(386)	(0%)
Noncurrent Assets				
Financial assets at fair value through other comprehensive income	**17,696**	13,345	4,351	33%
Receivables – net of current portion	**6,390**	6,250	140	2%
Contract asset – net of current portion	**5,489**	5,636	(147)	(3%)
Investment properties	**22,326**	22,247	79	0%
Investments in associates and joint ventures	**228,713**	200,238	28,475	14%
Property and equipment	**13,589**	13,951	(362)	(3%)
Goodwill and intangible assets	**10,014**	10,025	(11)	(0%)
Deferred tax assets	**1,085**	1,277	(192)	(15%)
Other noncurrent assets	**829**	3,316	(2,487)	(75%)
	306,131	276,285	29,846	11%
TOTAL ASSETS	**446,616**	417,156	29,460	7%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**43,790**	36,948	6,842	19%
Contract liabilities – current portion	**3,293**	3,207	86	3%
Short-term debt	**21,116**	14,582	6,534	45%
Current portion of long-term debt	**16,110**	7,758	8,352	108%
Current portion of bonds payable	**3,997**	6,099	(2,102)	(34%)
Customers' deposits	**1,062**	928	134	14%
Current portion of liabilities on purchased properties	**348**	348	–	0%
Due to related parties	**416**	166	250	151%
Income tax payable	**568**	302	266	88%
Dividends payable	**365**	589	(224)	(38%)
Other current liabilities	**2,149**	1,513	636	42%
	93,214	72,440	20,774	29%
Noncurrent Liabilities				
Long term debt – net of current portion	**95,528**	118,033	(22,505)	(19%)
Pension liabilities	**2,040**	1,657	383	23%
Liabilities on purchased properties - net of current portion	**981**	1,300	(319)	(25%)
Bonds payable – net of current portion	**–**	3,992	(3,992)	(100%)
Deferred tax liabilities	**4,409**	3,414	995	29%
Other noncurrent liabilities	**3,190**	3,306	(116)	(4%)
	106,148	131,702	(25,554)	(19%)
TOTAL LIABILITIES	**199,362**	204,142	(4,780)	(2%)

	Audited December 31		Increase (Decrease)	
(In Million Pesos, Except for Percentage)	**2023**	2022	**Amount**	**Percentage**
Equity attributable to equity holders of Parent Company				
Capital stock	**3,370**	3,370	–	0%
Additional paid-in capital	**94,472**	98,827	(4,355)	(4%)
Treasury shares	**(484)**	–	(484)	(100%)
Retained earnings				
Unappropriated	**133,838**	106,107	27,731	26%
Appropriated	**400**	400	–	0%
Other comprehensive loss	**(2,477)**	(9,284)	6,807	(73%)
Other equity adjustments	**2,322**	2,322	–	0%
	231,441	201,742	29,699	15%
Non-controlling interests	**15,813**	11,272	4,541	40%
TOTAL EQUITY	**247,254**	213,014	34,240	16%
TOTAL LIABILITIES AND EQUITY	**446,616**	417,156	29,460	7%

The major changes in GT Capital's consolidated balance sheet from December 31, 2022 to December 31, 2023 are as follows:

Consolidated assets grew by Php29.46 billion from Php417.16 billion as of December 31, 2022 to Php446.62 billion as of December 31, 2023. Total liabilities dropped by Php4.78 billion from Php204.14 billion to Php199.36 billion while total equity increased by Php34.24 billion from Php213.01 billion to Php247.25 billion.

ASSETS

Cash and cash equivalents amounted to Php16.73 billion as of December 31, 2023 consisting of money market placements with less than 90-day terms.

Financial assets at fair value through profit or loss decreased by Php10.29 billion from Php11.16 billion to Php0.87 billion to fund additional investment in other operating companies.

Current portion of receivables grew by Php15.07 billion mostly trade receivables of TMP resulting from higher auto sales to its dealers and extension of credit terms.

Contract assets decreased by Php0.62 billion attributable to the reclassification from current to long-term portion of receivables during the year. Contract assets are the excess of percentage of completion (POC) over the right to an amount collectible from Federal Land's unit buyers.

Inventories grew by Php7.28 billion from Php69.40 billion to Php76.68 billion primarily due to the higher level of the inventories of TMP.

Due from related parties declined by Php0.22 billion from Php0.36 billion to Php0.13 billion coming from management fees earned by Federal Land from its joint venture entities.

Prepayments and other current assets dropped by 25% from Php17.11 billion to Php12.78 billion mainly ad valorem and excise taxes, input VAT, creditable withholding taxes, advances to contractors and suppliers, prepaid expenses and other current assets.

Financial assets at fair value through other comprehensive income rose by Php4.35 billion from Php13.35 billion to Php17.70 billion due to marked-to-market gains on investments.

Investments in associates and joint ventures grew by 14% or Php28.48 billion mainly Federal Land's additional capital contribution to FNG and equity share in net income of associates and joint ventures.

Deferred tax assets declined by 15% from Php1.28 billion to Php1.09 billion due to a decrease in Federal Land's deferred tax assets.

Other noncurrent assets decreased by Php2.49 billion from Php3.32 billion to Php0.83 billion due to lower rental deposits, utilities, guarantee, and construction bonds.

LIABILITIES

Accounts and other payables increased to Php43.79 billion from Php36.95 billion primarily due to the higher trade payables of TMP and auto dealers.

Short-term debt grew by Php6.53 billion from Php14.58 billion to Php21.11 billion due to Php70.54 billion loan payments, offset by Php77.08 billion loan availments.

Current portion of long-term debt increased from Php7.76 billion to Php16.11 billion partly due to reclassifications from noncurrent portion.

Current portion of bonds payable decreased due to the payment of Php6.10 billion bonds upon its maturity on February 27, 2023, offset by the reclassification of Php4.00 billion bonds due on August 7, 2024.

Customers' deposit grew by 14% from Php0.93 billion to Php1.06 billion with TMP and GTCAM accounting for Php0.58 billion, and Php0.48 billion, respectively.

Due to related parties increased by Php0.25 billion from Php0.17 billion to Php0.42 billion attributable to higher payables by Federal Land to its related parties.

Income tax payable increased by 88% from Php0.30 billion to Php0.57 billion attributable to higher taxable income reported by the Group.

Dividends payable declined by Php0.22 billion from Php0.59 billion to Php0.37 billion mainly due to the redemption of the series A preferred shares of the Parent Company.

Other current liabilities increased by 42% from Php1.51 billion to Php2.15 billion primarily due to higher output VAT payable coming from the increase in revenues.

Non-current portion of long-term debt declined by 19% or Php22.51 billion mainly due to the payments made by Federal Land and long-term debt reclassification to current portion.

Pension liabilities increased by 23% from Php1.66 billion to Php2.04 billion due to the accrual of retirement expenses for the period December 31, 2023.

Non-current liabilities on purchased properties decreased by Php0.32 billion due to a reclassification to current portion and amortization of deferred financing cost.

Non-current portion of bonds payable decreased by Php3.99 billion due to its reclassification to current portion.

Deferred tax liabilities grew by 29% or Php0.99 billion mainly due to GT Capital's deferred tax liabilities on the net unrealized gain on financial assets at fair value through other comprehensive income.

EQUITY

Unappropriated retained earnings increased by Php27.73 billion from Php106.11 billion to Php133.84 billion arising from the Php28.74 billion consolidated net income earned attributable to the Parent Company in 2023, net of Php1.01 billion cash dividends declared.

Treasury shares came from the Parent Company's redemption of all its 4,839,240 perpetual preferred shares series A (GTPPA) on October 27, 2023, at the issue price of Php1,000 per share or a total redemption price of Php4.84 billion.

Other comprehensive loss improved from Php9.28 billion as of December 31, 2022 to Php2.48 billion as of December 31, 2023 due to the marked-to-market gains on financial assets at FVOCI of the Group.

Non-controlling interest increased by Php4.54 billion from Php11.27 billion to Php15.81 billion relative to the increase in net income of subsidiaries which are not wholly-owned.

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, 2021, 2022 and 2023.

	In Million Pesos, except for percentages		
Income Statement	**2021**	**2022**	**2023**
Total Revenues	174,643	245,307	306,701
Net Income attributable to Equity Holders of GT Capital Holdings	10,983	18,360	28,743
Balance Sheet			
Total Assets	397,794	417,156	446,616
Total Liabilities	192,715	204,142	199,362
Equity attributable to GT Capital Holdings, Inc.	194,044	201,742	231,441
Return on Equity *	5.87%	8.21%	13.73%

**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

Metropolitan Bank & Trust Company (Metrobank)

In Billion Pesos, except for percentages and ratios			
	2021	**2022**	**2023**
Net income attributable to equity holders	22.2	32.8	42.2
Net interest margin on average earning assets	3.39%	3.56%	3.90%
Operating efficiency ratio	59.0%	54.3%	52.1%
Return on average assets	0.9%	1.2%	1.4%
Return on average equity	6.9%	10.3%	12.5%

	2021	2022	2023
Total assets	2,502.8	2,843.1	3,104.9
Total liabilities	2,175.1	2,515.0	2,738.2
Equity attributable to equity holders of the parent company	318.5	318.5	356.7
Tier 1 capital adequacy ratio	19.3%	16.8%	17.4%
Total capital adequacy ratio	20.1%	17.7%	18.3%
Non-performing loans ratio	2.2%	1.9%	1.7%
Non-performing loans coverage ratio	174.7%	172.4%	180.3%

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, 2021, 2022 and 2023 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 28.9% from Php32.8 billion in 2022 to Php42.2 billion in 2023. This was primarily due to increases in interest income on loans and receivables and investment securities.

Net interest income grew by 22.7% from Php85.5 billion in 2022 to Php105.0 billion in 2023, comprising 79% of total operating income. CASA deposits decreased by 2.7% from Php1.48 trillion to Php1.44 trillion, which resulted in CASA ratio decline from 66.6% in 2022 to 60.4% of total deposits in 2023.

Non-interest income also increased by 6.4% from Php26.8 billion in 2022 to Php28.5 billion in 2023 on account of the 9% growth in fee-based income and Php1.2 billion increase in profit from asset sold reduced by the negative movement in trading and securities gain from a gain of Php6.4 billion in 2022 to a loss of Php94 million in 2023.

Total assets grew by 9.2% from Php2.84 trillion as of December 31, 2022 to Php3.10 trillion as of December 31, 2023 primarily due to increases in net loans and receivables across all segments, investment securities, due from other banks, deferred tax assets and other assets, partially offset by decrease in due from BSP.

Total liabilities, increased by 8.9% from Php2.52 trillion as of December 31, 2022 to Php2.74 trillion in 2023 due mainly to increases in deposit liabilities, bills payable and securities sold under repurchase agreements, income taxes payable, manager's checks and demand drafts outstanding, other liabilities and accrued interest and other expenses, partially offset by the decrease in bonds payable and subordinated debt

Equity attributable to equity holders of the parent company stood at Php356.7 billion as of December 31, 2023 higher by 12.0% from previous year, considering the net income reported for the year, favorable movement in net unrealized loss recognized in investment securities at FVOCI and reduced by the net effect of cash dividends paid.

<u>Property Development</u>

Federal Land, Inc.

	In Million Pesos, except for percentages and ratios		
	2021	**2022**	**2023**
Real Estate Sales*	7,182.3	5,557.3	8,467.6
Revenues	10,374.9	15,411.9	16,355.3
Net income attributable to equity holders of the parent	981.9	4,548.4	2,089.4
	2021	**2022**	**2023**
Total assets	113,508.4	123,593.4	124,908.7
Total liabilities	76,268.7	81,775.0	67,017.0
Total equity attributable to equity holders of the parent	37,100.4	41,648.8	57,688.6
Current ratio	3.4x	2.1x	1.4x
Debt to equity ratio	1.4x	1.5x	0.8x

** 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 Php23.0 billion in 2023, increasing by 24.4% year-on-year on the back of strong demand from the luxury segment.

Real estate sales and interest income from real estate sales increased by 52.4% to Php8.5 billion (excluding joint venture projects). Revenues posted a 6.1% year-on-year growth due to higher equity in net income from joint venture projects and rental income. Net income attributable to equity holders of the parent declined by 54.1% from Php4.5 billion in 2022 to Php2.1 billion in 2023 as the previous year included a one-time gain from property for share exchange with Federal Land NRE Global, Inc.. Without the net non recurring gain, net income increased by 64.9% year-on-year.

Including joint venture projects, real estate sales increased by 61% to Php17.6 billion in 2023 from Php10.9 billion in 2022, and revenues increased by 54% to Php20.8 billion in 2023 from Php13.4 billion in 2022.

Total assets of Federal Land reached Php124.9 billion as of December 31, 2023 from Php123.6 billion as of December 31, 2022 due to the increase in investments in associates and joint ventures.

Automobile Assembly and Importation and Dealership and Financing

Toyota Motor Philippines (TMP)

	In Million Pesos, except for ratios		
	2021	**2022**	**2023**
Sales	131,275.2	183,810.2	227,101.1
Gross Profit	14,544.5	16,804.6	30,379.5
Operating Profit	6,640.7	7,418.0	17,888.3
Net income attributable to Parent	6,023.7	5,657.3	13,832.1
	2021	**2022**	**2023**
Total Assets	44,936.6	45,342.7	69,263.9
Total Liabilities	32,083.9	32,641.1	48,073.3
Total Equity	12,852.7	12,701.6	21,190.7
Total Liabilities to Equity ratio*	2.5x	2.6x	2.3x

**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 Php183.8 billion in 2022 to Php227.1 billion in 2023 as wholesale volume increased by 17.7% from 174,197 to 205,113 units. Likewise, TMP's retail sales volume increased by 14.9% from 174,106 to 200,031 units, while industry retail sales volume increased by 20.0% from 360,644 to 432,936 units. As a result, TMP's overall market share declined to 46.2% in 2023 from 48.3% in 2022.

The year-on-year growth of bookings was driven by an improved supply situation, increased consumer discretionary spending, availability of auto financing from banks, and greater mobility in comparison with the same period last year. TMP also benefited from the full-year impact of new models introduced in 2022, which include Raize, Veloz, Rav4 HEV, third-generation Avanza, Rush GR, and Lite Ace, as well as new models launched in 2023, which include the Zenix, second-generation Wigo, Yaris Cross, and Hilux GR-S. Both Zenix and Yaris Cross are, likewise, offered in hybrid electric variants, adding to TMP's widest range of electric vehicle offerings.

Gross profit margin improved from 9.1% in 2022 to 13.4% in 2023 due to the favorable foreign exchange impact of a weaker Japanese yen vs. the US dollar, sales price increases and favorable models mix. Operating profit margin improved from 4.0% in 2022 to 7.9% in 2023, while net income margin grew from 3.3% in 2022 to 6.3% in 2023. Consolidated net income attributable to equity holders reached a record high of Php13.8 billion, higher by 144.5% from Php5.7 billion in 2022, primarily due to volume growth and improvement in margins.

As of December 31, 2023, 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 in Tarlac City; and Lexus Manila, situated in Bonifacio Global City, Taguig.

Toyota Manila Bay Corporation (TMBC)

	In Million Pesos, except for ratios		
	2021	**2022**	**2023**
Net Sales	15,348.1	22,269.7	27,374.4
Gross Profit	1,434.9	2,149.8	2,561.5
Net Income*	154.9	406.0	607.1
	2021	**2022**	**2023**
Total Assets	6,056.7	6,534.8	7,851.1
Total Liabilities	3,391.4	3,439.0	4,190.7
Total Equity	2,665.3	3,095.8	3,660.4

**Note: Includes booked commission income from insurance*

Consolidated sales, comprising of vehicle sales, spare parts, and maintenance services, increased by 22.9% from Php22.3 billion in 2022 to Php27.4 billion in 2023, driven by the growth in sales volume and units serviced.

Retail sales volume grew by 18.5% from 17,882 to 21,183 units, outpacing TMP's 14.9% retail sales volume growth. As a result, TMBC's penetration rate grew from 10.3% in 2022 to 10.6% in 2023. Moreover, units serviced increased by 12.9% from 101,618 in 2022 to 114,686 in 2023.

TMBC's consolidated net income grew by 49.5% from Php406.0 million in 2022 to a record-level Php607.1 million in 2023 as a result of higher volume 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.

TMBC comprises a significant portion of GTCAM's nets assets after GTCAM took control of TMBC effective December 2023 (refer Note 31 of GT Capital's Audited Consolidated Financial Statements).

Toyota Financial Services Philippines Corporation (TFSPC)

	In Million Pesos, except for ratios		
	2021	**2022**	**2023**
Gross Interest Income	9,374.9	10,948.3	12,768.4
Net Interest Income	4,832.2	6,003.5	6,434.2
Net Income	732.6	1,630.4	1,836.5
	2021	**2022**	**2023**
Total Assets	122,139.4	133,286.9	147,336.3
Total Equity	14,331.6	15,323.6	17,554.8
Finance Receivable-net	110,266.1	122,687.5	136,518.4

TFSPC recorded a 16.6% growth in gross interest income from Php10.9 billion in 2022 to Php12.8 billion in 2023, as finance receivables increased by 11.3% from P122.7 billion to Php136.5 billion on a year-on-year basis. Booking volume increased by 6.3% from 54,470 units in 2022 to 57,904 units in 2023, attributable to the normalized penetration rate from 31% in 2022 to 29%, as banks became active during the year in providing auto financing.

TFSPC generated a net profit of Php1.8 billion from Php1.6 billion 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 2023.

Sumisho Motor Finance Corporation (SMFC)

	In Million Pesos, except for ratios		
	2021	**2022**	**2023**
Gross Interest Income	1,671.4	1,613.0	1,858.1
Net Interest Income	1,483.7	1,462.3	1,643.8
Net Income	200.4	383.2	216.9
Finance Receivable	6,134.4	6,678.4	7,006.5
	2021	**2022**	**2023**
Total Assets	6,498.4	7,086.3	7,699.0
Total Equity	2,572.0	2,915.2	2,895.2

SMFC recorded a 15% increase in gross interest income from Php1.6 billion in 2022 to Php1.9 billion in 2023. Bookings, however, decreased by 3% from 42,313 units in 2022 to 51,299 units in 2023.

Net income declined by 43% from Php383.2 million in 2022 to Php216.9 in 2023 due primarily to higher provisions for credit losses and losses on repossessions.

Life and Non-Life Insurance

AXA Philippines Life and General Insurance Corporation (AXA Philippines)

The following are the major performance measures used by AXA Philippines for the period ended 2021, 2022 and 2023.

In Million Pesos, except ratios			
	AXA Philippines		
	2021	**2022**	**2023**
Gross Premiums	25,577.7	28,231.6	25,577.7
Net income after tax	2,759.7	2,541.1	2,631.3
Net Profit Margin (%)[1]	9.3%	9.2%	10.3%

	2021	2022	2023
Total Assets	170,117.9	157,262.1	177,843.1
Total Liabilities	156,904.5	144,756.8	162,855.5
Total Equity	13,213.3	12,505.2	14,987.6
Solvency ratio[2]	182%	171%	235%

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 8.5% from Php3.8 billion in 2022 to Php3.5 billion in 2023 arising from Single Premium and Regular Premium unit- linked investments, which declined by 23.5% and 12.5%, respectively. As a result, premium revenue declined to Php22.5 billion in 2023, 10% lower than the previous year. Premium revenue mix of life insurance shifted to 26%/74% (Single Premium vs. Regular Premium) in 2023 from 31%/69% in 2022. By distribution platform, sales agency, bancassurance, and other channels accounted for 50%, 47% and 3% of premium revenues, respectively.

Gross written premiums of the non-life insurance grew from Php3.1 billion in 2022 to Php3.2 billion in 2022 mainly due to motor, reflecting the strong sales growth of the auto sector.

Consolidated net income reached Php2.6 billion in 2023, 3.5% higher than the previous year with life business net income impacted by the net loss incurred by the general insurance business.

<u>Infrastructure and Utilities</u>

Metro Pacific Investments Corporation (MPIC)

In Million Pesos, except for Percentage			
	2021	**2022**	**2023**
Core net income	12,325	14,188	19,528
Net income attributable to equity holders	10,119	10,495	20,029
	2021	**2022**	**2023**
Total assets	584,334	643,796	713,605
Total liabilities	347,469	398,755	424,129
Total equity attributable to owners of Parent Company	193,304	200,088	233,009

MPIC reported share in the consolidated operating core income at Php24.5 billion in 2023, a 27% increase from the same period last year, driven by the following:

- Higher volume sold for power; Core net income contribution of Manila Electric Company (Meralco) to MPIC was Php15.2 billion;
- Improved traffic on toll roads; Core net income contribution of Metro Pacific Tollways Corporation (MPTC) to MPIC was Php5.8 billion; and

- Higher billed volume and tariff for Maynilad and extension of concession period for the water distribution business reducing concession amortization cost; Core net income contribution of Maynilad to MPIC was Php4.8 billion.

Reported net income attributable to equity holders rose by 91% from Php10.5 billion in 2022 to Php20.0 billion in 2023 due to the Php3.7B non-recurring expenses in the 2022. Excluding non-recurring expenses, MPIC reported a core net income of Php19.5 billion in 2023, was 38% higher than the same period last year.

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 note 36 of 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 2024 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]	5.9	Estate development costs, leasing and HO capex	Internal
TMP	5.8	New Model Introduction, Specs upgrade, and special projects	Internal
TMBC	0.1	Dealership expansion and property improvements	Internal
TFS	0.5	Hardware, Software, FFE, Leasehold improvement	Debt
SMFC	0.06	Software, Computer equipment, FFE	Internal and Debt
AXA Philippines	0.5	Refurbishments and sales expansion; IT equipment and software	Internal
GTCap-Parent	14.5	Mainly investments/acquisitions and debt repayment	Internal and Debt
Total	**Php30.4 – 32.4B**		

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, 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	36,948	34,203	2,745	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	589	590	(1)	(0%)
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.

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%)

(In Million Pesos, Except for Percentage)	Audited December 31 2021	2020	Increase (Decrease) 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.

LIQUIDITY AND CAPITAL RESOURCES

In 2021, 2022 and 2023, 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, 2023, GT Capital's cash and cash equivalents reached Php16.73 billion.

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

	In Million Pesos		
	2021	**2022**	**2023**
Net cash provided by operating activities	10,227	2,833	28,196
Net cash used in investing activities	(6,622)	(4,152)	(16,782)
Net cash provided by (used in) financing activities	(3,237)	8,686	(18,486)
Effects of exchange rate changes on cash and cash equivalents	(78)	(766)	(202)
Net increase (decrease) in cash and cash equivalents	290	6,601	(7,274)
Cash and cash equivalents at the beginning of the period	17,114	17,404	24,005
Cash and cash equivalents of continuing operations at end of the period	17,404	24,005	16,731

Cash flows from operating activities

Net cash provided by operating activities in 2021, 2022 and 2023 amounted to Php10.23 billion, Php2.83 billion, and Php28.20 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. In 2023, cash generated from operations, dividend, and interest received amounting to Php39.74 billion, Php6.12 billion, and Php0.60 billion, respectively, were used to pay interest, dividends and income taxes amounting to Php7.11 billion, Php4.24 billion, and Php6.61 billion, respectively.

Cash flows used in investing activities

Net cash used in investing activities amounted to Php6.62 billion, Php4.15 billion and Php16.78 billion in 2021, 2022 and 2023, respectively. 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. In 2023, cash flows used in investing activities went to the additional investments in joint ventures by Php16.39 billion.

Cash flows from financing activities

Net cash used in financing activities amounted to Php3.24 billion and Php18.49 billion in 2021 and 2023, respectively, while the net cash provided by financing activities in 2022 amounted to Php8.69 billion. 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. In 2023, the cash flows from financing activities that came from the proceeds from loan availments amounting to Php77.63 billion were used to refinance other loans amounting to Php84.78 billion, settle bonds payable amounting to Php6.10 billion and redeem Php4.84 billion preferred shares series A.

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. Dela Costa St., Makati City, Metro Manila, Philippines. GT Capital is a listed company, of which 56.26% of common shares is owned by Grand Titan Capital Holdings, Inc. (Grand Titan) and the directors and senior officers of GT Capital, while the balance of 43.74% is publicly owned as of December 31, 2023.

GT Capital is a major Philippine conglomerate with interests in market-leading businesses across banking, automotive assembly, importation, distribution, dealership 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, 2023 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 – Toyota Plaridel, Bulacan and Toyota Hacienda Luisita, Tarlac City; and Lexus Manila, situated in Bonifacio Global City, Taguig.

  Prior to the assignment of TMBC shares by GT Capital to GTCAM, GT Capital conducted 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 genuine 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 40% effective ownership interest in JBA Philippines, Inc. and 46.67% effective ownership interest in Premium Warranty Services Philippines, Inc.

On October 11, 2023, GT Capital and GTCAM signed a Deed of Assignment of Shares of Stocks (DOAS), wherein, GT Capital offered to subscribe to 1,715,408,377 common voting shares of GTCAM with a par value of Php1.00 per share, and to transfer to GTCAM, in payment of such subscription, its investments in the common shares of TMBC totaling 386,353,238 common shares, with a total book value of Php1,715,408,377. The effective date of the DOAS was upon SEC's approval of GTCAM's increase in authorized capital stock, which was approved by the SEC in December 2023. As a result, GTCAM took control of TMBC in December 2023, and accordingly, all assets and liabilities of TMBC were consolidated under GTCAM effective December 2023.

- **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, 2023, the MBT Group had a total of 949 branches in the Philippines, of which 699 were operated by MBT and 250 were operated by Philippine Savings Bank; 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 AXA Philippines Life and General Insurance Corporation (Formerly Philippine AXA Life Insurance Corporation), which offers personal and group insurance products in the country, including investment-linked insurance products. AXA Philippines fully absorbed its subsidiary, Charter Ping An Insurance Corporation (Charter Ping An or CPAIC), with the former being the surviving entity as approved by the Securities and Exchange Commission (SEC) on December 28, 2022. With the merger, AXA Philippines is now a provider of non-life insurance products 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 18.19% stake in Metro Pacific Investments Corporation (MPIC), the Philippines' largest infrastructure conglomerate, has exposure in high-growth businesses such as toll roads, water, power, railways, health, fuel storage, real estate, food, and agriculture. Among MPIC's portfolio is Manila Electric Company (MERALCO), the country's largest power distribution utility; 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 owns a 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 31)	550	438.8
2nd Quarter (Apr 1 to June 30)	519	462
3rd Quarter (July 1 to Sept 30)	599	495
4th Quarter (Oct 1 to Dec 31)	590	528
	2024	
1st Quarter (Jan 1 to Mar 31)	730.50	584

As of March 27, 2024, the closing price of the Company's common shares of stock is Php704.00 per share.

Shareholder and Dividend Information

The top 20 stockholders of the Corporation's Common Shares as of March 27, 2024 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)	52,158,748	24.228%
3.	PCD Nominee Corp. (Non-Filipino)	41,769,384	19.402%
4.	Ty Siao Kian	223,560	0.104%
5.	Ty, Alfred Vy	111,780	0.052%
	Ty, Arthur Vy	111,780	0.052%
6.	Ty, Mary Vy	110,662	0.051%
7.	Enrile, William T. or Nelly R. Enrile or Edwin R. Enrile or William R. Enrile	100,000	0.046%
8.	Catienza, Emily Chua	97,650	0.045%
9.	Bloomingdale Enterprises, Inc.	42,261	0.020%
10.	Catienza, Beniya Antoinette Chua	23,500	0.011%
11.	De Castro, Salud D.	21,603	0.010%
12.	Chua, Josephine Ty	12,871	0.006%
13.	United Life Assurance Corporation	11,178	0.005%
14.	Chan, Asuncion C.	6,707	0.003%
15.	Choi, Anita C.	4,471	0.002%
16.	Mar, Peter or Annabelle C. Mar	3,353	0.002%
17.	Keh, Yvonne Ong-Chua	3,300	0.001%
18.	Carousel Holdings, Inc.	2,836	0.001%
19.	Yadan, Omry	2,540	0.001%
20.	Ty, Alesandra Vy ITF Adam Zachary T. Ty	2,422	0.001%
	Ty, Alesandra T. ITF Alexa Marie T. Ty	2,422	0.001%

* Fully subscribed and paid up

As of March 27, 2024, the Corporation had approximately 92 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 Php6.00 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 2022 and 2023, the Company paid cash dividends to its stockholders as follows:

Year	Common stock	Total	Voting Preferred Stock	Total	Record Date	Payment Date
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
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

On March 13, 2024, 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
2024	Php3.00 per share (regular) Php2.00 per share (special)	Php645.9 million (regular) Php430.6 million (special)	3.77% PDST-R2 3Y rate as of April 13, 2015 (regular)	Php1,076,422,935 (regular)	March 27, 2024	April 12, 2024
2024	Php3.00 per share (regular)	Php645.9 million (regular)	-	Php645.9 million (regular)	TBD	TBD

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 November 10, 2023. 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 and Sustainability Oversight Committee. There have been no deviations from the Corporation's Governance Manual as of this date.

Board Attendance
In 2023, the Board held a total of six (6) meetings. The Board meeting attendance is at 100%, as follows:

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

*Elected on August 11, 2023
**No longer a director as of August 11, 2023

All directors attended the Annual Stockholders' Meeting of the Corporation held on May 10, 2023,, except for Carlos G. Dominguez III, who was elected only on August 11, 2023.

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

Executive Committee

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

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	3/3
Carmelo Maria Luza Bautista	Adviser	3/3

Audit Committee

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

Risk and Sustainability 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	4/4
David T. Go	Member	4/4

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	3/3
Anjanette Ty Dy Buncio	Adviser	3/3

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

In 2023, 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	Advanced Corporate Governance Training: Though Leadership on Climate Adaptation	Institute of Corporate Directors	November 21, 2023
Alfred Vy Ty	Advanced Corporate Governance Training: Though Leadership on Climate Adaptation	Institute of Corporate Directors	November 21, 2023
Carmelo Maria Luza Bautista	Advanced Corporate Governance Training	Institute of Corporate Directors	November 16, 2023
	Advanced Corporate Governance Training: Though Leadership on Climate Adaptation	Institute of Corporate Directors	November 21, 2023
Renato C. Valencia	Advanced Corporate Governance Training: Though Leadership on Climate Adaptation	Institute of Corporate Directors	November 21, 2023
Rene J. Buenaventura	Distinguished Corporate Governance Speaker	Institute of Corporate Directors	September 1, 2023

	Series: ESC & Sustainability: How are the Different and How Companies Can Tackle Both?		
	Distinguished Corporate Governance Speaker Series: Sustainability Standards and Frameworks: How to Navigate the Alphabet Soup	Institute of Corporate Directors	September 15, 2023
	Advanced Corporate Governance Training: Though Leadership on Climate Adaptation	Institute of Corporate Directors	November 21, 2023
Consuelo D. Garcia	Advanced Corporate Governance Training: Though Leadership on Climate Adaptation	Institute of Corporate Directors	November 21, 2023
Gil B. Genio	In-House Seminar on Corporate Governance	Philippine Chamber of Commerce and Industry	June 13, 2023
	M-Trends by the numbers: Today's Top Cyber Developments and Attacks	Mandiant	July 20, 2023
	MAP International CEO Conference	Management Association of the Philippines	September 12, 2023
	International IT-BPM Summit	iBPAP	September 27 & 28, 2023
	Retail Asia Forum	Charlton Media Group	October 5, 2023
	Advanced Corporate Governance Training: Though Leadership on Climate Adaptation	Institute of Corporate Directors	November 21, 2023
David T. Go	Advanced Corporate Governance Training	Institute of Corporate Directors	November 16, 2023
Regis V. Puno	Governance of Data Privacy Management, Executive Briefing on Cybersecurity for Board & Management, Updates on Anti-Money Laundering Laws & Regulations, The Corporate Board's Roadmap to ESG-Driven Sustainability Strategy and Reporting	Center for Global Best Practices	October 20, 2023
	Advanced Corporate Governance Training: Though Leadership on Climate Adaptation	Institute of Corporate Directors	November 21, 2023

Appraisals and Performance Reports

The Board, Committee, and Individual Director's Self-Assessment forms were adopted as a tool for the Corporation to evaluate the performance of its Board, Committees, and individual directors and to assess the efficiency of its processes. These enable the Board of Directors and management to identify areas for improvement and determine the value and contribution of the Board of Directors and each director towards the growth and improvement of the Corporation.

The Self-Assessment forms are distributed to the members of the Board and tabulated by the Board Secretariat so that results may be reported to and acted upon by the Board of Directors, Management, and/or appropriate committee, as necessary.

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

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

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

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.

GT CAPITAL
HOLDINGS, INCORPORATED

DRAFT ONLY
FOR APPROVAL AT THE NEXT
STOCKHOLDERS' MEETING

Annex A

Minutes of the Annual Meeting of the Stockholders
Virtual Meeting
Zoom Video Conferencing Platform
May 10, 2023 at 2:00 p.m.

1. ***Opening Announcements and Call to Order*** – Ms. Shermaine Chavez, the Manager of the Investor Relations, Strategic Planning and Corporate Communication ("IRSPCC"), announced that the 2023 Annual Stockholders' Meeting ("ASM" or the "Meeting") of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation") would begin with an Invocation led by Executive Vice President and Chief Financial Officer ("CFO"), Mr. Francis H. Suarez Jr., followed by the playing of the Philippine National Anthem.

   After the invocation and the Philippine National Anthem, Ms. Chavez stated that to ensure the health and safety of the valued stakeholders of GT Capital, the Corporation's ASM was being conducted virtually, as allowed by the Revised Corporation Code of the Philippines and the regulations of the Securities and Exchange Commission ("SEC").

   Ms. Chavez then announced the rules to ensure the orderly conduct of the virtual Meeting: (1) With the exception of the participants with speaking parts, all microphones would be muted to ensure better sound clarity; (2) In the notice to stockholders posted in the Corporation's website, and manually distributed on April 12, 2023, stockholders were invited to send their questions and comments via e-mail; and (3) the Meeting would be recorded.

   After the announcements, Chairman Francisco C. Sebastian called the meeting to order. Corporate Secretary Antonio V. Viray recorded the minutes.

2. ***Proof of Notice and Quorum*** – Upon query of the Chairman, the Corporate Secretary reported that the required notices and Definitive Information Statement were disclosed through the Philippine Stock Exchange and posted on GT Capital's website.

   The Corporate Secretary reported that of the Three Hundred Eighty Nine Million Five Hundred Eighty Four Thousand Five Hundred Eight Seven (389,584,587) total number of shares outstanding and entitled to vote in the Meeting, 326,927,299 shares or 83.92% comprising more than a majority of the outstanding capital stock of GT Capital were present or duly represented at the meeting of stockholders. There was therefore a quorum for the purpose of transaction of the business in the Agenda.

3. ***Voting Procedures*** – Before proceeding to the other items on the agenda, the Chairman requested the Corporate Secretary to discuss the rules for registration, participation, and voting in the Meeting.

   The Corporate Secretary explained that the rules for registration, participation in the Meeting and voting were set forth in GT Capital's Notice of Meeting, which was made available to the stockholders through manual distribution and posting on GT Capital's website.

   Stockholders who wished to join the Meeting notified the Corporation via e-mail of their intention to do so, and provided the appropriate documentation required for verification.

43RD FLOOR, GT TOWER INTERNATIONAL 6813 AYALA AVENUE CORNER H.V. DELA COSTA STREET,
MAKATI CITY, PHILIPPINES TEL.: 836-4500

After verification, the Corporation provided the stockholders further details to allow registration for the Meeting.

The Corporation had earlier received proxies from stockholders of record, detailing their voting instructions on each agenda item, through which a preliminary tally of votes was conducted prior to the Meeting. Stockholders who attended the Meeting were allowed to cast their votes via poll, which was then opened and remained open until the end of the Meeting.[1]

The Corporate Secretary further stated that there were four (4) agenda items to be voted on by stockholders, to be decided by a majority vote of stockholders. For the election of directors, a stockholder was allowed to cast all his stockholdings for each director or cumulate his shares as allowed by the Revised Corporation Code. Other remaining matters must be approved by majority vote of the outstanding capital stock. As each agenda item was to be discussed, the resolution for the adoption of the stockholders would be presented on the screen, and the preliminary tally of votes would be reported by the Corporate Secretary. Final voting results, including votes sent by proxy and results of the polls held during the Meeting, would be tallied and form part of the minutes of the Meeting.

Finally, in keeping with the best governance practices recommended by the ASEAN Corporate Governance Scorecard, the minutes of the Meeting would be posted on GT Capital's website on the following working day.

4. ***Approval of Minutes of Annual Meeting of Stockholders held on May 11, 2022*** **–** The Chairman announced the next item, which was the approval of the Minutes of the ASM held last May 11, 2022.

   As the proposed resolution was flashed on the screen, the Corporate Secretary reported the preliminary tally of votes. The final tally showed that out of a total of 326,927,299 shares of the Corporation entitled to vote which were present or duly represented at the meeting, 326,468,969 shares or 99.86% were cast in favor of the resolution for the approval of the Minutes of the previous ASM, none voted against the resolution, and 458,330 shares or 0.14% abstained. The following resolution for the approval of the Minutes of the ASM held last May 11, 2022 was therefore approved by the required majority vote:

   > "**RESOLVED,** that the Minutes of the Annual Stockholders' Meeting of GT Capital Holdings, Inc. held on May 11, 2022 are hereby approved."

5. ***President's Report*** – The Chairman requested President Carmelo Maria Luza Bautista to render his Annual Report for the year 2022. The President then proceeded to render his Report through a pre-recorded audio-visual presentation, which was flashed on the screen.

[1] The voting was by poll and the votes of stockholders who attended virtually or by proxy were received and tabulated by the Corporation's Stock Transfer Agent, MBTC-Trust Banking Group, and validated by the external auditor, SyCip Gorres Velayo & Company ("SGV").

6. ***Ratification of Corporate Acts*** **–** The Chairman announced the next item which was the approval of all corporate acts during the preceding year.

As the proposed resolution was flashed on the screen, the Corporate Secretary reported the preliminary tally of votes. The final tally showed that out of a total of 326,927,299 shares of the Corporation entitled to vote which were present or duly represented at the Meeting, 326,298,323 shares or 99.81% of shares were cast in favor of the resolution for the ratification of corporate acts, 1,832 shares voted against the resolution, and 627,144 shares or 0.19% abstained. The following resolution for the ratification of corporate acts was therefore approved by the required majority vote:

> "**RESOLVED**, that all acts, transactions and resolutions, including related party transactions, approved by the Board of Directors, the Executive Committee, and Management from the date of the 2022 Annual Stockholders' Meeting on May 11, 2022 until the date of this meeting be hereby ratified and confirmed."

7. ***Election of Directors*** – The Chairman announced the next item, which was the Election of the Members of the Board of Directors to serve for the year 2023-2024. He then requested Lead Independent Director and Chairman of the Nominations Committee, Mr. Renato C. Valencia to explain the nomination procedure in behalf of the Nominations Committee.

Mr. Valencia explained that in compliance with the regulatory requirements of the SEC and as required under the Corporation's Manual on Corporate Governance, the Nominations Committee, with Mr. Valencia as Chairman and Independent Directors Mr. Rene J. Buenaventura and Mr. Gil B. Genio as members, reviewed and evaluated the qualifications of all persons nominated for election to the Board of Directors and certified that, based on the Corporation's records and relevant information made available to the Nominations Committee, the nominees possessed all of the qualifications and none of the disqualifications under existing laws, rules, and regulations. Mr. Valencia presented the Final List of Candidates as follows:

1. Atty. Regis V. Puno
2. Dr. David T. Go
3. Mr. Pascual M. Garcia III
4. Mr. Gil B. Genio
5. Ms. Consuelo D. Garcia
6. Mr. Rene J. Buenaventura
7. Mr. Renato C. Valencia
8. Mr. Carmelo Maria Luza Bautista
9. Mr. Arthur V. Ty
10. Mr. Alfred V. Ty
11. Mr. Francisco C. Sebastian

Mr. Valencia further informed the stockholders that four (4) of the eleven (11) nominees for directors were nominated as independent directors, namely: Mr. Gil B. Genio, Ms. Consuelo D. Garcia, Mr. Rene J. Buenaventura, and Mr. Renato C. Valencia.

The Corporate Secretary then reported that each of the eleven (11) nominees received at least 94.67% of the votes cast, more than the required number of votes to be elected as Member of the Board of Directors. The final tally of votes is as follows:

DIRECTOR	FOR	AGAINST	ABSTAIN
Francisco C. Sebastian	326,033,047	361,630	532,622
Alfred Vy Ty	323,131,750	477,390	3,318,159
Arthur Vy Ty	323,687,741	361,630	2,877,928
Carmelo Maria Luza Bautista	323,786,475	337,080	2,803,744
Renato C. Valencia	310,792,094	2,656,424	13,478,781
Rene J. Buenaventura	311,148,599	2,396,622	13,382,078
Consuelo D. Garcia	324,090,335	57,080	2,779,884
Gil B. Genio	310,546,409	2,529,664	13,851,226
Pascual M. Garcia III	326,007,463	361,630	558,206
David T. Go	324,531,924	361,630	2,033,745
Regis V. Puno	309,491,027	3,726,686	13,709,586

The above-named candidates were duly elected Members of the Board of Directors for 2023-2024.

The Chairman thanked the stockholders for their continued trust and confidence to the Board, and stated that the Board looks forward to the valuable insights and active participation of each director this ensuing year.

8. ***Re-Appointment of External Auditor*** – The Chairman stated that the next agenda item was the appointment of the External Auditor, and requested Lead Independent Director Mr. Genio, to explain the procedure for the appointment of the External Auditor. Mr. Genio stated that the appointment of the Corporation's External Auditor is made pursuant to the recommendation of the Controller and with the conformity of the Audit Committee. For the year 2023, SyCip Gorres Velayo & Co. has been recommended for re-appointment, subject to the approval of majority of the Corporation's outstanding capital stock.

As the proposed resolution was flashed on the screen, the Corporate Secretary reported the preliminary tally of votes. The final tally showed that out of a total of 326,927,299 shares of the Corporation entitled to vote which were present or duly represented at the Meeting, 303,396,132 shares or 92.80% voted in favor of the re-appointment of SyCip Gorres Velayo & Co. as GT Capital's external auditor for the year 2023; 23,072,837 or 7.06% voted against the same; while 485,330 shares or 0.14% abstained. The following resolution for the ratification of corporate acts was therefore approved by the required majority vote:

> "**RESOLVED**, that SyCip Gorres Velayo & Co. be appointed as External Auditor of GT Capital Holdings, Inc. for the year 2023."

9. ***Adjournment*** – There being no further matters to discuss, the Chairman opened the floor for any questions from shareholders.

Ms. Chavez stated that a question from Mr. Anthony Gilbert Antiquiera was sent via email. The question asked was: "What would be exciting about GT Capital's joint venture with SM Prime Holdings, Inc. on a land development project in General Trias, Cavite?"

Before answering the question, the President clarified that it is not a joint venture but a joint development agreement with SM Prime Holdings, Inc. He said that the land development project would have various components such as: (a) a regional mall which has its own transportation hub; (b) the National University which will be set up as part of a complex; and (c) residential and commercial developments.

He added that within the area of the project, Federal Land NRE Global Inc. will also be developing estate to be launched as Riverpark North and Riverpark South.

There being no further questions, the Chairman sincerely thanked GT Capital's shareholders and stakeholders for their loyal support and patronage. He expressed confidence that the Corporation's ability to adjust to changing conditions and challenges, with the support of its global strategic partners, would enable the Corporation to succeed moving forward. The Corporation shall continue to pursue its mission to be a key contributor to nation building and a world class conglomerate.

Thereafter, the meeting was adjourned.

ANTONIO V. VIRAY
Corporate Secretary

ATTESTED BY:

FRANCISCO C. SEBASTIAN
Chairman of the Board

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/Status
1	Anglo Phil. Holdings Corporation	ID	Dec. 2006 to July 2021
2	EEI Corporation	ID	Sept. 8, 2015 to date
3	GT Capital Holding, Inc.	ID	May 10, 2017 to date
4	I-People Inc.	Chairman/ ID	Sept. 2, 2005 to date/ 2003 to Sept. 2, 2005
5	Malayan Insurance Co. Inc.	RD	March 19, 2007 to date
6	Vulcan Industrial & Mining Corporation	ID	November 2009 to date
7	United Paragon Mining Corporation	ID	July 2019 to date
8	Omnipay Inc.	Vice Chairman Director	January 2014 to date 2009 to date

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 20 MAR 2024 day of March 2024, at Makati City.

[redacted]

RENATO C. VALENCIA
Affiant

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

SUBSCRIBED AND SWORN to before me this 2 0 MAR 2024, affiant exhibiting to me his Passport [redacted]

Doc No. 41;
Page No. 9;
Book No. 58;
Series of 2024.

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
Appointment No. M-231 until December 2024
3/F GT Tower Int'l Ayala Ave. cor. H.V. dela Costa St, Makati City
Roll No. 38610/05.13.1993/MCLE Comp. No. VII-0018672
PTR No. 10080896; 01.10.2024, Makati City
IBP No. 292932, 01.09.2023, Pasig City

Annex B-1

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 Services 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	2006 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
Maxicare Life Insurance Corporation	Adviser	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").

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 14 MAR 2024 day of March 2024, at Makati City.

[redacted]
RENE J. BUENAVENTURA
Affiant

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

SUBSCRIBED AND SWORN to before me this 14 MAR 2024, affiant exhibiting to me his Passport [redacted]

Doc No. 33;
Page No. 7;
Book No. 12;
Series of 2024.

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
Appointment No. M-231 until December 2024
33/F GT Tower Int'l Ayala Ave. cor. H.V. dela Costa St, Makati City
Roll No. 38610/05.13.1993/MCLE Comp. No. VII-0018672
PTR No. 10080896; 01.10.2024, Makati City
IBP No. 292932, 01.09.2023, Pasig City

Annex B-2

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
Lopez Holdings Corporation	Independent Director	June 2023 to Present
Sun Life Investment Management and Trust Corporation	Independent Director	September 2020 to Present
Far Eastern University, Incorporated	Independent Director	November 2020 to Present
FINEX Academy, Inc.	Member, Board of Trustees	January 2020 to Present
FINEX Foundation	Member, Board of Trustees	January 2024 to Present
ING Foundation Philippines, Inc.	Independent Director and Member, Board of Trustee	February 2020 to Present
Institute of Corporate Directors (ICD)	Fellow	April 2020 to Present
Filipina CEO Circle (FCC)	Member	2017 to Present
Murrayhill Realty and Development Corporation	Director	October 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") 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 19 MAR 2024 day of March 2024, at Makati City.

[redacted]

CONSUELO D. GARCIA
Affiant

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

SUBSCRIBED AND SWORN to before me this 1 9 MAR 2024, affiant exhibiting to me her [redacted]

Doc No. 39;
Page No. 8;
Book No. 17;
Series of 2024.

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
Appointment No. M-231 until December 2024
43/F GT Tower Int'l Ayala Ave. cor. H.V. dela Costa St, Makati City
Roll No. 38610/05.13.1993/MCLE Comp. No. VII-0018672
PTR No. 10080896; 01.10.2024, Makati City
IBP No. 292932, 01.09.2023, Pasig City

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
Puregold Price Club, Inc.	Independent Director	May 2023 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 14 MAR 2024 day of March 2024, at Makati City.

[redacted]

GIL B. GENIO
Affiant

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

SUBSCRIBED AND SWORN to before me this 14 MAR 2024, affiant exhibiting to me his Driver's [redacted]

Doc No. 29;
Page No. 4;
Book No. 58;
Series of 2024.

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
Appointment No. M-231 until December 2024
43/F GT Tower Int'l Ayala Ave. cor. H.V. dela Costa St, Makati City
Roll No. 38610/05.13.1993/MCLE Comp. No. VII-0018672
PTR No. 10080896; 01.10.2024, Makati City
IBP No. 292932, 01.09.2023, Pasig City

Annex B-4

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **CARLOS G. DOMINGUEZ III**, Filipino, of legal age and a resident of 151 Sarangani Street, 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 August 11, 2023;

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

Company/Organization	Position/Relationship	Period of Service
House of Investments, Inc.	Independent Director	July 21, 2023 to Present
PetroEnergy Resources Corporation	Independent Director	July 27, 2023 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 20 MAR 2024 day of March 2024, at Makati City.

[redacted]

CARLOS G. DOMINGUEZ III
Affiant

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

SUBSCRIBED AND SWORN to before me this 20 MAR 2024, affiant exhibiting to me his [redacted]

Doc No. 42;
Page No. 9;
Book No. 58;
Series of 2024.

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
Appointment No. M-231 until December 2024
43/F GT Tower Int'l Ayala Ave. cor. H.V. dela Costa St, Makati City
Roll No. 38610/05.13.1993/MCLE Comp. No. VII-0018672
PTR No. 10080896; 01.10.2024, Makati City
IBP No. 292932, 01.09.2023, Pasig City

Annex C

21 March 2024

Securities and Exchange Commission
7907 Makati Avenue, Salcedo Village
Bel-Air Makati City, 1209

Attention: **Oliver O. Leonardo**
Director, Markets and Securities Regulation Department

Gentlemen:

This is to certify that to 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 8, 2024 holds any position or is connected with any Philippine government agency or instrumentality.

Very truly yours,

[redacted]

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

GT CAPITAL
HOLDINGS, INCORPORATED

Annex D

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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

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

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

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

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

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 13, 2024

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

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

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

[redacted]

Doc. No. 30
Page No. 6
Book No. 58
Series of 2024

ATTY. MARIA SOFIA A. LOPEZ
Notary Public for Makati City
Appointment No. M-231 until December 2024
43/F GT Tower Int'l Ayala Ave. cor. H.V. dela Costa St, Makati City
Roll No. 38610/05.13.1993/MCLE Comp. No. VII-001867?
PTR No. 10080896; 01.10.2024, Makati City
IBP No. 292932, 01.09.2023, Pasig City

Annex E

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	7	1	1	7	9	2

COMPANY NAME

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		

COMPANY INFORMATION

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)
95	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.*

SGV
Building a better working world

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

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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, 2023 and 2022, and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2023, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements as at December 31, 2023 and 2022, and for each of the three years in the period ended December 31, 2023 are prepared in all material respects, in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the financial reporting reliefs issued and approved by the Securities and Exchange Commission (SEC) as described in Note 2 to the consolidated financial statements.

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2 to the consolidated financial statements which indicates that the consolidated financial statements have been prepared in accordance with PFRSs, as modified by the application of the financial reporting reliefs as issued and approved by the SEC in response to the COVID-19 pandemic. The impact of the application of the financial reporting reliefs, which are applicable to the Group's Real Estate Segment, specifically under Federal Land Group, on the 2023 and 2022 consolidated financial statements are discussed in detail in Note 2. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

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

Impairment Testing of Goodwill and Customer Relationship

Under PFRSs, the Group is required to annually test the amount of goodwill and intangible assets with indefinite useful life for impairment. As of December 31, 2023, the Group has goodwill attributable to the acquisition of various businesses and an intangible asset with indefinite useful life relating to customer relationship with total carrying values of ₱5.93 billion and ₱3.88 billion, respectively, which are considered significant to the consolidated financial statements. In addition, management's assessment process requires significant judgment and is based on assumptions which are subject to higher level of estimation uncertainty, specifically the forecasts of future cash flows, expected gross margins, discount rates, long-term growth rates, attrition rates, and earnings before interest and taxes (EBIT) margin on key customers.

The Group's disclosures about goodwill and customer relationship are included in Notes 12 and 13 to the consolidated financial statements.

Audit Response

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

Real Estate Revenue Recognition

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

In evaluating whether collectability of the total amount of consideration is probable, the Group considers the significance of the buyer's initial payments in relation to the total contract price (buyer's equity). Collectability is also assessed by considering factors such as history with the buyer, and age and pricing of the property. Management regularly evaluates the historical sales cancellations and back-outs, if it would still support its current threshold of buyers' equity before commencing revenue recognition.

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

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

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

The assessment of the stage of completion and level of buyer's equity involves significant management judgment. The disclosure related to real estate revenue are included in Note 3 to the consolidated financial statements.

Audit Response

We obtained an understanding of the Group's real estate revenue recognition process, policies, and procedures. For the buyer's equity, we evaluated management's basis of the buyer's equity by comparing this to the historical analysis of sales cancellations from buyers with accumulated payments above the collection threshold. We traced the analysis to supporting documents such as sales and cancellation reports.

For the application of the output method in determining real estate revenue, we obtained an understanding of the Group's processes for determining the POC. We inspected the certified POC reports prepared by the project engineers and assessed their competence, capabilities, and objectivity by reference to their qualifications, experience, and reporting responsibilities. For selected projects, we conducted ocular inspections, made relevant inquiries and obtained the supporting details of POC reports showing the completion of the major activities of the project construction.

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

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

Accounting for Investments in Significant Associates

The Group has investments in Metropolitan Bank & Trust Company (MBTC) and Metro Pacific Investments Corporation (MPIC) that are both accounted for under the equity method. The application of the equity method of accounting over these investments, particularly the determination of the Group's share in the net income of these associates and the assessment for impairment of these investments, is a key audit matter because the Group's equity in the net earnings of these associates contributed ₱19.20 billion, or 52.88% of the Group's consolidated net income in 2023, and the Group's investments in these associates accounted for 60.73% and 41.63% of the consolidated total noncurrent assets and consolidated total assets, respectively, of the Group as of December 31, 2023.

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

MBTC's application of the ECL model is significant to our audit as it involves the exercise of significant management judgment. Key areas of judgment include: segmenting MBTC's credit risk exposures; determining the method to estimate ECL; defining default; identifying exposures with significant deterioration in credit quality, taking into account extension of payment terms; determining assumptions to be used in the ECL model such as the counterparty credit risk rating, the expected life of the financial asset, expected recoveries from defaulted accounts and the impact of any financial support and credit enhancements extended by any party; and incorporating forward-looking information in calculating ECL. Meanwhile, the recognition of deferred tax assets is significant to our audit because it requires significant judgment and is based on assumptions such as availability of future taxable income and the timing of the reversal of the temporary differences that are affected by expected future market or economic conditions and the expected performance of MBTC. For the recoverability of goodwill, MBTC performed the impairment testing using the CGU's fair value less costs to sell (FVLCTS). The annual impairment test is significant to our audit because the determination of the CGU's FVLCTS requires significant judgment and is based on assumptions which are subject to a higher level of estimation uncertainty.

The CGU's assets include significant investments in unquoted equity shares and their fair values were determined using price-to-earnings (P/E) ratios of comparable companies and adjusted net asset value (NAV) method.

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

MPIC has SCAs not yet available for use, which are required to be tested for impairment at least annually and an investment in KM Infrastructure Holdings, Inc. ("KM Infra") which are tested for impairment due to its underperformance in meeting revenue targets for the past years. These are important to our audit because the impairment assessment of SCAs not available for use and investment in KM Infra involves significant management judgment and estimates. Moreover, the SCAs related to the toll roads, water and rail concession agreements of MPIC are being amortized using the UOP method. The UOP amortization method involves significant management judgment and estimates, particularly in determining the total expected traffic volume, the total estimated volume of billable water, and the total estimated rail ridership over the remaining periods of the concession agreements. In addition, water and sewerage service revenue recognition is significant to our audit because it is affected by the completeness of data captured during meter readings, which involves processing large volumes of data from multiple locations and different billing cut-off dates for different customers; propriety of the application of the relevant rates to the billable consumption of different customers classified as residential, semi-business, commercial or industrial; and reliability of the systems involved in processing bills and recording revenues.

Moreover, the Group assesses the impairment of its investments in associates and joint ventures whenever events or changes in circumstances indicate that the carrying amounts of the investments may not be recoverable. As of December 31, 2023, the fair value of the Group's investment in MBTC based on the current market capitalization has declined compared to the carrying value of the investment, which is an impairment indicator. The assessment of the recoverable amount of the investment in MBTC requires significant judgment and involves estimation and assumptions about the revenue growth rate, terminal growth rate, and discount rate.

The relevant disclosures related to the Group's investments in associates are provided in Note 8 to the consolidated financial statements.

Audit Response

For MBTC's application of the ECL model, we obtained an understanding of the Board-approved methodologies and models used for the different credit exposures and assessed whether these considered the requirements of PFRS 9, *Financial Instruments*, to reflect an unbiased and probability-weighted outcome, and to consider the time value of money and the best available forward-looking information.

We (a) assessed MBTC's segmentation of its credit risk exposures based on homogeneity of credit risk characteristics; (b) tested the definition of default and significant increase in credit risk criteria against historical analysis of accounts, credit risk management policies and practices in place; (c) tested MBTC's application of its internal credit risk rating system its by reviewing the ratings of sample credit exposures; (d) assessed whether expected life is different from the contractual life by testing the maturity dates reflected in MBTC's records and considering management's assumptions regarding future collections, advances, extensions, renewals and modifications; (e) tested loss given default by inspecting historical recoveries and related costs, write-offs and collateral valuations, and the effects of any financial support and credit enhancements provided by any party; (f) tested exposure at default considering outstanding commitments and repayment scheme; (g) evaluated the forward-looking information used for overlay through statistical tests and corroboration using publicly available information and our understanding of MBTC's lending portfolios and broader industry knowledge, and (h) tested the effective interest rate used in discounting the expected loss.

Further, we checked the data used in the ECL models from source system reports to the data warehouse and from the data warehouse to the loss allowance analysis/models and financial reporting systems. To the extent that the loss allowance analysis is based on credit exposures that have been disaggregated into subsets of debt financial assets with similar risk characteristics, we traced or re-performed the disaggregation from source systems to the loss allowance analysis.

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

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

For MBTC's assessment of the recoverability of goodwill, we involved our internal specialist in obtaining an understanding of MBTC's impairment assessment process including methodology and assumptions used in the assessment and in evaluating the assumptions and methodology used by MBTC in determining the FVLCTS of the CGU, in particular those relating to the use of P/E ratios of comparable companies and adjusted NAV method in the valuation of the unquoted equity shares. We tested the fair value of the other assets and liabilities by referring to the quoted prices of listed equity and debt instruments, agreeing the appraised values of real estate properties to the appraisal reports, comparing the future cash flows of unquoted debt instruments to the related contracts, and comparing the discount rates used against prevailing interest rates for similar instruments. We also reperformed the calculation of the FVLCTS.

For MPIC's impairment testing of SCAs not yet available for use and investment in KM Infra, we involved our internal specialist in evaluating the methodologies and the assumptions used in the determination of the recoverable amounts of the CGUs. These assumptions include the expected volume of traffic for the toll roads, ridership for the rail, billed water volume for the water concession, storage revenues for KM Infra, growth rates, discount rates and the assigned probabilities to various scenarios. We also compared the key assumptions such as traffic volume, rail ridership, billed water volume, and storage revenue against historical data and against available studies by independent parties that were commissioned by the respective subsidiaries. In cases where volume was determined by management specialists, we obtained the reports of the management specialists and gained an understanding of the methodology and the basis of computing the forecasted volume. We tested the weighted average cost of capital (WACC) used in the impairment test by comparing it with WACC of other comparable companies in the region. We obtained an understanding and evaluated the bases of probabilities assigned to each scenario.

For MPIC's amortization of SCAs using the UOP method, we obtained the report of management's specialists and gained an understanding of the methodology and the basis of computing the forecasted traffic volume, billable water and rail ridership. We evaluated the competence, capabilities, and objectivity of management's specialists who estimated the forecasted volumes by considering their qualifications, experience and reporting responsibilities. Furthermore, we compared the traffic volume, billable water volume, and rail ridership during the year against the historical data generated from the toll collection system for tollways, from the billing system for water and from the automated fair collection system for rail. We recalculated the amortization expense for the year and the SCAs as of year-end based on the established traffic volume, billable water volume and rail ridership.

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

For the Group's recoverability of investment in associates, we involved our internal specialist in evaluating the methodology and assumptions used. For the investment in MBTC, we compared the revenue and terminal growth rates to available industry, economic and financial data. We also tested whether the discount rate used represents current market assessment of risks associated with the investment.

Other Information

Management is responsible for the other information. The other information comprises the information included in the SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditor's report thereon. The SEC Form 20-IS (Definitive Information Statement), SEC Form 17-A and the Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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
BIR Accreditation No. 08-001998-114-2022, January 20, 2022, valid until January 19, 2025
PTR No. 10079903, January 5, 2024, Makati City

March 13, 2024

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In Millions)

	December 31	
	2023	2022
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱16,731**	₱24,005
Financial assets at fair value through profit or loss (Note 10)	**871**	11,160
Receivables (Note 5)	**29,203**	14,135
Contract assets (Note 21)	**4,092**	4,707
Inventories (Note 6)	**76,676**	69,399
Due from related parties (Note 27)	**134**	356
Prepayments and other current assets (Note 7)	**12,778**	17,109
Total Current Assets	**140,485**	140,871
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (Note 10)	**17,696**	13,345
Receivables - net of current portion (Note 5)	**6,390**	6,250
Contract assets - net of current portion (Note 21)	**5,489**	5,636
Investment properties (Note 9)	**22,326**	22,247
Investments in associates and joint ventures (Note 8)	**228,713**	200,238
Property and equipment (Note 11)	**13,589**	13,951
Goodwill (Note 12)	**5,926**	5,926
Intangible assets (Note 13)	**4,088**	4,099
Deferred tax assets - net (Note 29)	**1,085**	1,277
Other noncurrent assets (Note 14)	**829**	3,316
Total Noncurrent Assets	**306,131**	276,285
	₱446,616	₱417,156

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 15)	**₱43,790**	₱36,948
Contract liabilities (Note 21)	**3,293**	3,207
Short-term debt (Note 16)	**21,116**	14,582
Current portion of long-term debt (Note 16)	**16,110**	7,758
Current portion of liabilities on purchased properties (Notes 20 and 27)	**348**	348
Current portion of bonds payable (Note 17)	**3,997**	6,099
Customers' deposits (Note 18)	**1,062**	928
Dividends payable (Note 22)	**365**	589
Due to related parties (Note 27)	**416**	166
Income tax payable	**568**	302
Other current liabilities (Note 19)	**2,149**	1,513
Total Current Liabilities	**93,214**	72,440

(*Forward*)

	December 31	
	2023	2022
Noncurrent Liabilities		
Long-term debt - net of current portion (Note 16)	**₱95,528**	₱118,033
Bonds payable (Note 17)	**–**	3,992
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	**981**	1,300
Retirement liability (Note 28)	**2,040**	1,657
Deferred tax liabilities - net (Note 29)	**4,409**	3,414
Other noncurrent liabilities (Note 20)	**3,190**	3,306
Total Noncurrent Liabilities	**106,148**	131,702
Total Liabilities	**199,362**	204,142
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 22)	**3,370**	3,370
Additional paid-in capital (Note 22)	**94,472**	98,827
Treasury shares (Note 22)	**(484)**	–
Retained earnings - unappropriated (Note 22)	**133,838**	106,107
Retained earnings - appropriated (Note 22)	**400**	400
Other comprehensive loss (Note 22)	**(2,477)**	(9,284)
Other equity adjustments (Note 22)	**2,322**	2,322
	231,441	201,742
Non-controlling interests (Note 22)	**15,813**	11,272
Total Equity	**247,254**	213,014
	₱446,616	₱417,156

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

(In Millions, Except Earnings Per Share)

	Years Ended December 31		
	2023	2022	2021
REVENUE			
Automotive operations (Note 35)	**₱261,544**	₱211,945	₱150,964
Equity in net income of associates and joint ventures (Note 8)	**22,928**	16,455	11,065
Real estate sales (Note 35)	**12,673**	5,362	5,617
Rent income (Notes 9 and 30)	**1,509**	1,401	1,046
Sale of goods and services	**1,137**	957	589
Interest income (Note 23)	**1,111**	663	1,899
Commission income	**958**	667	288
Other income (Note 23)	**4,841**	7,857	3,175
	306,701	245,307	174,643
COSTS AND EXPENSES			
Cost of goods and services sold (Notes 6 and 24)	**189,348**	157,079	102,959
Cost of goods manufactured and sold (Notes 6 and 25)	**39,661**	36,366	32,111
General and administrative expenses (Note 26)	**20,257**	17,278	13,455
Interest expense (Notes 16, 17 and 30)	**7,888**	7,144	6,270
Cost of real estate sales (Note 6)	**5,400**	3,059	3,123
Cost of rental (Note 30)	**905**	830	655
	263,459	221,756	158,573
INCOME BEFORE INCOME TAX	**43,242**	23,551	16,070
PROVISION FOR INCOME TAX (Note 29)	**6,937**	1,820	1,821
NET INCOME	**₱36,305**	₱21,731	₱14,249
NET INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱28,743**	₱18,360	₱10,983
Non-controlling interests	**7,562**	3,371	3,266
	₱36,305	₱21,731	₱14,249
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 34)	**₱131.81**	₱82.55	₱48.28

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Millions)

	Years Ended December 31		
	2023	2022	2021
NET INCOME	**₱36,305**	₱21,731	₱14,249
OTHER COMPREHENSIVE INCOME (LOSS)			
Items that may be reclassified to profit or loss in subsequent periods:			
Changes in cumulative translation adjustments	**(25)**	30	26
Changes in cash flow hedge reserves (Note 16)	**(103)**	121	19
Equity in other comprehensive income (loss) of associates and joint ventures (Note 8):			
Cash flow hedge reserve	**159**	(182)	149
Remeasurement on life insurance reserves	**(16)**	362	236
Translation adjustments	**(342)**	92	720
Other equity adjustments	**–**	–	(21)
	(327)	423	1,129
Items that may not be reclassified to profit or loss in subsequent periods:			
Changes in fair value of financial assets at FVOCI (Note 10)	**3,742**	(3,068)	3,661
Equity in changes in fair value of financial assets at FVOCI of associates and joint ventures (Note 8)	**5,132**	(7,489)	(4,486)
Remeasurement of defined benefit plans (Note 28)	**(284)**	235	538
Equity in remeasurement of defined benefit plans of associates and joint ventures (Note 8)	**(2,055)**	714	750
Income tax effect	**584**	(237)	(322)
	7,119	(9,845)	141
OTHER COMPREHENSIVE INCOME (LOSS)	**6,792**	(9,422)	1,270
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**₱43,097**	₱12,309	₱15,519
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Equity holders of the Parent Company	**₱35,550**	₱8,933	₱11,979
Non-controlling interests	**7,547**	3,376	3,540
	₱43,097	₱12,309	₱15,519

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Millions)

	Attributable to Equity Holders of the Parent Company									
	Capital Stock (Note 22)	**Additional Paid-in Capital** (Note 22)	**Treasury Shares** (Note22)	**Retained Earnings - Unappropriated** (Note 22)	**Retained Earnings - Appropriated** (Note 22)	**Other Comprehensive Income (Loss)** (Note 22)	**Other Equity Adjustments** (Note 22)	**Total**	**Attributable to Non-controlling Interests** (Note 22)	**Total Equity**
Balance at January 1, 2023	**₱3,370**	**₱98,827**	**₱–**	**₱106,107**	**₱400**	**(₱9,284)**	**₱2,322**	**₱201,742**	**₱11,272**	**₱213,014**
Cash dividends declared (Note 22)	**–**	**–**	**–**	**(1,012)**	**–**	**–**	**–**	**(1,012)**	**(3,006)**	**(4,018)**
Total comprehensive income	**–**	**–**	**–**	**28,743**	**–**	**6,807**	**–**	**35,550**	**7,547**	**43,097**
Redemption of shares	**–**	**(4,355)**	**(484)**	**–**	**–**	**–**	**–**	**(4,839)**	**–**	**(4,839)**
Balance at December 31, 2023	**₱3,370**	**₱94,472**	**(₱484)**	**₱133,838**	**₱400**	**(₱2,477)**	**₱2,322**	**₱231,441**	**₱15,813**	**₱247,254**
Balance at January 1, 2022	₱3,370	₱98,827	₱–	₱88,982	₱400	₱143	₱2,322	₱194,044	₱11,035	₱205,079
Cash dividends declared (Note 22)	–	–	–	(1,235)	–	–	–	(1,235)	(3,139)	(4,374)
Total comprehensive income (loss)	–	–	–	18,360	–	(9,427)	–	8,933	3,376	12,309
Balance at December 31, 2022	₱3,370	₱98,827	₱–	₱106,107	₱400	(₱9,284)	₱2,322	₱201,742	₱11,272	₱213,014
Balance at January 1, 2021	₱3,370	₱98,827	₱–	₱79,234	₱400	(₱853)	₱2,322	₱183,300	₱8,885	₱192,185
Cash dividends declared (Note 22)	–	–	–	(1,235)	–	–	–	(1,235)	(1,755)	(2,990)
NCI share on stock issuance of a subsidiary	–	–	–	–	–	–	–	–	365	365
Total comprehensive income	–	–	–	10,983	–	996	–	11,979	3,540	15,519
Balance at December 31, 2021	₱3,370	₱98,827	₱–	₱88,982	₱400	₱143	₱2,322	₱194,044	₱11,035	₱205,079

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax	**₱43,242**	₱23,551	₱16,070
Adjustments for:			
Equity in net income of associates and joint ventures (Note 8)	**(22,928)**	(16,455)	(11,065)
Interest expense (Notes 16,17 and 30)	**7,888**	7,144	6,270
Depreciation and amortization (Note 11)	**2,196**	2,117	2,188
Pension expense (Note 28)	**367**	364	408
Provisions (reversal of provisions) (Note 26)	**(10)**	166	367
Interest income (Note 23)	**(1,111)**	(663)	(1,899)
Dividend income (Note 23)	**(450)**	(388)	(356)
Unrealized foreign exchange losses (Notes 23 and 26)	**202**	761	78
Realized and unrealized gain on financial assets at FVTPL (Note 23)	**(366)**	(137)	(89)
Gain on disposal of property and equipment (Notes 11 and 23)	**(18)**	(58)	(34)
Operating income before changes in working capital	**29,012**	16,402	11,938
Decreases (increases) in:			
Financial assets at FVTPL	**10,655**	(2,310)	(4,908)
Receivables	**(14,432)**	(550)	6,148
Contract assets	**762**	2,929	(237)
Inventories	**1,830**	(6,217)	(3,876)
Due from related parties	**221**	(201)	47
Prepayments and other current assets	**4,436**	(3,054)	(1,689)
Increases (decreases) in:			
Accounts and other payables	**6,152**	3,470	4,464
Contract liabilities	**86**	(177)	(622)
Customers' deposits	**134**	18	404
Due to related parties	**250**	(28)	(322)
Other current liabilities	**628**	308	420
Cash generated from operations	**39,734**	10,590	11,767
Dividends paid (Note 22)	**(4,242)**	(4,375)	(2,990)
Interest paid	**(7,108)**	(7,567)	(5,996)
Income tax paid	**(6,610)**	(2,315)	(2,315)
Interest received	**598**	280	1,650
Dividends received (Notes 8,10 and 23)	**6,117**	6,350	8,214
Contributions to pension plan assets and benefits paid (Note 28)	**(294)**	(130)	(103)
Net cash provided by operating activities	**28,195**	2,833	10,227

(*Forward*)

	Years Ended December 31		
	2023	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment (Note 11)	**₱49**	₱150	₱240
Additions to:			
Investments in associates and joint ventures (Note 8)	**(16,390)**	(577)	(1,009)
Property and equipment (Note 11)	**(1,756)**	(653)	(5,158)
Investment properties (Note 9)	**(1,016)**	(1,230)	(101)
Intangible assets (Note 13)	**(56)**	(154)	(76)
Financial assets at FVOCI	**–**	–	(388)
Impact of business combination (Note 8)	**–**	53	–
Decrease (increase) in other noncurrent assets	**2,387**	(1,741)	(130)
Net cash used in investing activities	**(16,782)**	(4,152)	(6,622)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from loan availments (Notes 16 and 38)	**77,629**	52,132	57,647
Payments of:			
Loans payable (Note 38)	**(84,783)**	(42,681)	(54,377)
Bonds payable (Note 38)	**(6,099)**	–	(5,000)
Principal portion of lease liabilities (Note 30)	**(7)**	(6)	(37)
Redemption of perpetual preferred shares	**(4,839)**	–	–
DST on loan availments	**(5)**	–	–
Increases (decreases) in:			
Liabilities on purchased properties	**(319)**	(313)	(1,293)
Other noncurrent liabilities	**(62)**	(446)	(542)
Acquisition of noncontrolling interests	**–**	–	365
Net cash provided by (used in) financing activities	**(18,485)**	8,686	(3,237)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(202)**	(766)	(78)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(7,274)**	6,601	290
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**24,005**	17,404	17,114
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 4)	**₱16,731**	₱24,005	₱17,404

See accompanying Notes to Consolidated Financial Statements.

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).

Group Activities

The Parent Company, Federal Land, Inc. (Federal Land) and Subsidiaries (Federal Land Group), Toyota Motor Philippines Corporation (Toyota or TMPC) and Subsidiaries (Toyota Group), and GT Capital Auto and Mobility Holdings, Inc. (GTCAM) and Subsidiaries (GTCAM Group) are collectively referred herein as the “Group”. The Parent Company, which is the ultimate parent of the Group, is the holding company of the Federal Land Group (real estate business), Toyota Group (automotive business), and GTCAM Group (automotive and mobility business), and is engaged in investing, purchasing and holding shares of stock, notes and other securities and obligations, as well as buying, selling, and leasing of real estate properties.

The principal business interests of the Federal Land Group are real estate development and leasing and selling properties and acting as a marketing agent for and in behalf of any real estate development company or companies. The Federal Land Group is also engaged in the business of trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintaining a petroleum service station and food and restaurant service.

Toyota Group is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of motor vehicles including vehicle parts, accessories and instruments.

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

The Parent Company also has significant shareholdings in Metropolitan Bank & Trust Company (MBTC or Metrobank), Metro Pacific Investments Corporation (MPIC), AXA Philippines Life and General Insurance Corporation (AXA Philippines or Phil AXA), Toyota Financial Services Philippines Corporation (TFSPC) and Sumisho Motor Finance Corporation (SMFC).

The registered office address of the Parent Company is at the 43rd Floor, GT Tower International, Ayala Avenue corner H.V. Dela Costa Street, 1227 Makati City.

2. Summary of Material Accounting Policies

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 2023	2022
Federal Land Group	Philippines	**100.00**	100.00
Toyota Group	-do-	**51.00**	51.00
GTCAM Group	-do-	**100.00**	100.00
TMBC Group*	-do-	–	58.10

** Refer to footnote on GTCAM's Subsidiaries below.*

Federal Land's Subsidiaries

	Percentages of Ownership 2023	2022
Horizon Land Property and Development Corp. (HLPDC)	**100.00**	100.00
Federal Property Management Corp. (FPMC)	**100.00**	100.00
Federal Land Orix Corporation (FLOC)	**100.00**	100.00
Topsphere Realty Development Company Inc. (TRDCI)	**100.00**	100.00
Bonifacio Landmark Hotel Management Corporation (BLHMC)	**100.00**	100.00
Fed South Dragon Corporation (FSDC)	**100.00**	100.00
Federal Retail Holdings, Inc. (FRHI)	**100.00**	100.00
Magnificat Resources Corp. (MRC)	**100.00**	100.00
Mirai Properties, Inc. (MPI)	**100.00**	100.00
Pasay Hongkong Realty Development Corp. (PHRDC)**	**100.00**	100.00
Central Realty and Development Corp. (CRDC)	**75.80**	75.80
Federal Brent Retail, Inc. (FBRI)	**51.66**	51.66

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

Toyota's Subsidiaries

	Percentages of Ownership 2023	2022
Toyota Makati, Inc. (TMI)	**100.00**	100.00
Toyota Motor Philippines Logistics, Inc. (TLI)	**100.00**	100.00
Toyota Mobility Solutions Philippines, Inc. (TMSPH)***	**100.00**	–
Lexus Manila, Inc. (LMI)	**75.00**	75.00
Toyota San Fernando Pampanga, Inc. (TSFI)	**55.00**	55.00

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

GTCAM's Subsidiaries

	Percentages of Ownership 2023	2022
GT Mobility Ventures, Inc. (GTMV)	**66.67**	66.67
Toyota Sta. Rosa Laguna, Inc. (TSRLI)	**60.00**	60.00
Toyota Subic, Inc. (TSB)	**55.00**	55.00
Toyota Manila Bay Corporation (TMBC)****	**58.10**	–

***** On October 11, 2023, the Parent Company and GTCAM, signed a Deed of Assignment of Shares of Stock (DOAS), wherein, the Parent Company offered to subscribe to 1,715,408,377 common voting shares of GTCAM with a par value of ₱1.00 per share, and to transfer to GTCAM, in payment of such subscription, its shares of capital stock of TMBC totaling 386,353,238 common shares, with a total book value of ₱1,715,408,377. The effective date of the DOAS was upon SEC's approval of GTCAM's increase in authorized capital stock, which occurred in December 2023. As a result, GTCAM took control of TMBC in December 2023*

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of subsidiaries ceases when control is transferred out of the Parent Company.

Specifically, the Parent Company controls an investee if, and only if, the Parent Company has:

- power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

i. the contractual arrangement with the other vote holders of the investee
ii. rights arising from other contractual arrangements
iii. the Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intragroup transactions, balances, income and expenses resulting from intragroup transactions and dividends are eliminated in full on consolidation.

Non-controlling Interests
Non-controlling interests (NCI) represent the portion of profit or loss and net assets in a subsidiary not attributed, directly or indirectly, to the Parent Company. The interest of non-controlling shareholders may be initially measured at fair value or share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, NCI consists of the amount attributed to such interests at initial recognition and the NCI's share of changes in equity since the date of combination.

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

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

If the Group loses control over a subsidiary, it:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Goodwill is not amortized but is reviewed for impairment at least annually.

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

Change in Ownership without Loss of Control
Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and NCI are adjusted by the Group to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Parent Company.

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 12, *International Tax Reform-Pillar Two Model Rules*

  The amendments to PAS 12 have been introduced in response to the Organization for Economic Cooperation and Development's Base Erosion and Profit Shifting Pillar Two rules and include:

  - A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
  - Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

  In periods in which Pillar Two legislation is substantively enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes, including both qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes.

  The Group has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules and has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15% in all the jurisdictions in which it operates.

- Amendments to PAS 12, *Deferred tax related to Assets and Liabilities arising from a Single Transaction*

  The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

  The amendments also clarify that judgement should be applied in assessing whether the tax deductions on the lease payments are related to the lease asset (and interest expense) or lease liability (and interest expense) after considering the applicable tax law.

- Amendments to PAS 8, *Definition of accounting estimates*

  The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

- Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

  The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

  - Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and
  - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

  The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition and presentation of any items in the Group's financial statements.

Material Accounting Policies

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

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

All other assets are classified as noncurrent.

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

The Group classifies all other liabilities as noncurrent.

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

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

Fair Value Measurement

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

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

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

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

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

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

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

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

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

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

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

Financial Instruments – Initial Recognition and Subsequent Measurement

Date of recognition

The Group recognizes a financial asset or a financial liability in the consolidated statements of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date, which is the date when the Group commits to purchase or sell assets.

a. Financial assets

Initial recognition of financial instruments

At initial recognition, financial assets are classified as, and subsequently measured at amortized cost, FVOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables, except for installment contract receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

As of December 31, 2023 and 2022, the Group does not have debt instruments classified at FVOCI.

Financial assets at amortized cost

This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost includes cash and cash equivalents, receivables, and due from related parties.

Financial assets designated at FVOCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets can no longer be recycled to profit or loss. Foreign exchange revaluations are recognized in OCI. Dividends are recognized as other income in the consolidated statements of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group's financial assets at FVOCI includes investments in quoted and unquoted equity instruments.

Financial assets at FVTPL
Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the consolidated statements of financial position at fair value with net changes in fair value recognized in the consolidated statements of income.

This category includes investment in UITF which are held for trading.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statements of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets
The Group recognizes an allowance for Expected Credit Losses (ECL) for all debt instruments not held at FVTPL.

ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of a financial instrument.

For trade receivables, installment contracts receivable and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such as nontrade receivable, loans receivable, due from related parties and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk (SICR) since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from reputable credit rating agencies to determine whether the debt instrument has SICR and to estimate ECLs.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables and contract assets in default when contractual payment is 90 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to

90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a SICR for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis. The Group considers that there has been a SICR when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed SICR since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

b. Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include "Accounts and other payables", "Short-term and long-term debts", "Bonds payable", "Liabilities on purchased properties", "Dividends payable", and "Due from related parties", and "Other current liabilities".

As of December 31, 2023 and 2022, the Group does not have financial liabilities at FVTPL.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statements of income.

This category generally applies to short-term debt, long-term debt, bonds payable and liabilities on purchased properties.

Financial liabilities at FVTPL
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statements of income.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVTPL.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statements of income.

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

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

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

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

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

- There is an economic relationship between the hedged item and the hedging instrument.

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

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

Fair value hedge
The change in the fair value of a hedge instrument is recognized in the consolidated statements of income. The change in the fair value attributable to the risk hedged is recorded as part of the carrying value of the hedge instrument and is also recognized in the consolidated statements of income as other expense.

For fair value hedges carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization is initiated when an adjustment exists and no later than when the hedged instrument ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

In case of derecognition, the unamortized fair value of the hedged instrument is recognized immediately in profit or loss.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI, while any ineffective portion is recognized immediately in the consolidated statements of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged instrument.

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

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which hedged cash flows affect profit or loss.

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

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

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

Cost includes:

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

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

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

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

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

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

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

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

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

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

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

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

The Group has no joint arrangement accounted as joint operation.

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

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

Under the equity method, the investments in and advances to associates and joint ventures are carried in the consolidated statements of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investees, less any impairment in value.

The consolidated statements of comprehensive income reflects the Group's share in the results of operations of the investee companies and the Group's share on movements in the investee's other comprehensive income (OCI) are recognized directly in OCI in the consolidated financial statements. The Group's share on total comprehensive income of an associate is shown in the consolidated statements of income and consolidated statements of comprehensive income. The aggregate of the Group's equity in net income of associates and joint ventures is shown on the face of the consolidated statements of income as part of operating profit and represents profit or loss after tax and NCI in the subsidiaries of the associate and joint venture.

Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies, and for unrealized losses, to the extent that there is no evidence of impairment of the assets transferred. Dividends received from investee companies are treated as a reduction of the accumulated earnings included under 'Investments and advances' account in the consolidated statement of financial position.

The Group discontinues applying the equity method when its investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the associates or joint venture. When the investees subsequently report net income, the Group will resume applying the equity method but only after its equity in the net income equals the equity in net losses of associates and joint ventures not recognized during the period the equity method was suspended.

Upon loss of significant influence over the associates or joint control over the joint venture, the Group measures and recognizes any retained investments at its fair value. Any difference between the carrying amount of the associate or JV upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

The Group records provisional amounts when the fair value for an acquired investment is not readily available at the date of acquisition. The Group shall adjust the provisional amounts recognised at the acquisition date to reflect any information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised as of that date. This measurement period shall not exceed one year from the acquisition date.

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

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

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

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

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

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the property and

equipment to its working condition and location for its intended use, including capitalized borrowing costs.

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

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

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

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

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

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

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

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

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

Intangible Assets

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

The useful lives of intangible assets with finite life are assessed at the individual asset level. Intangible assets with finite life are amortized over their useful life. Periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier when an indicator of impairment exists. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The Group's intangible assets consist of customer relationship, software costs and franchise. A gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the consolidated statements of income when the intangible asset is derecognized.

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

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

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

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

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

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

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

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

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

Goodwill is presented separately in the consolidated statements of financial position.

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

An assessment is made at each financial reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statements of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

This accounting policy applies primarily to the Group's property and equipment and investment properties. Additional considerations for other non-financial assets are discussed below.

Investments in associates and joint ventures
After application of the equity method, the Group determines whether it is necessary to recognize goodwill or any additional impairment loss with respect to the Group's net investment in its associates and joint venture. The Group determines at each financial reporting date whether there is any objective evidence that the investments in associates and joint ventures are impaired.

If this is the case, the Group calculates the amount of impairment as being the difference between the fair value of the associate and joint ventures and the carrying cost and recognizes the amount in the consolidated statements of income.

Intangible assets
Customer relationship is reviewed for impairment annually, similar with goodwill, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. For intangible assets with finite useful lives, the carrying amount is assessed and written down to its recoverable amount when an indication of impairment occurs.

Goodwill
Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statements of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill at reporting date.

<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 statements of financial position.

<u>Equity</u>
The Group records common stock and preferred stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are deducted from the proceeds.

Capital stock
The Parent Company has issued common stock and preferred stock that are classified as equity. Incremental costs directly attributable to the issue of new common stock are shown in equity as a deduction, net of tax, from the proceeds. All other equity issuance costs are recognized as expense as incurred.

Where the Parent Company purchases its own common stock or preferred shares (i.e., treasury shares), the consideration paid, including any directly attributable incremental costs (net of applicable taxes) is deducted from equity attributable to the Parent Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, is included in equity attributable to the Parent Company's equity holders.

Additional paid-in capital
Amount of contribution in excess of par value is accounted for as an additional paid-in capital. Additional paid-in capital also arises from additional capital contribution from the shareholders.

Retained earnings
The amount included in retained earnings includes profit or loss attributable to the Group's equity holders and reduced by dividend on capital stock. Dividends on capital stock are recognized as a liability and deducted from equity when they are declared. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date. Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Unappropriated retained earnings represent that portion which can be declared as dividends to stockholders after adjustments for any unrealized items which are considered not available for dividend declaration. Appropriated retained earnings represent that portion which has been restricted and therefore is not available for any dividend declaration.

<u>Other Comprehensive Income</u>
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.

<u>Acquisition of Non-controlling Interest in a Subsidiary</u>
Acquisition of non-controlling interest is accounted for as an equity transaction, whereby the difference between the fair value of consideration given and the share in the net book value of the net assets acquired is recognized in equity. In an acquisition without consideration involved, the difference between the share of the non-controlling interests in the net assets at book value before and after the acquisition is treated as transaction between equity owners under the 'Non-controlling interests' account in the consolidated statements of financial position.

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

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

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

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

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

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

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

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

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

Any excess of collections over the total of recognized trade receivables and contract assets is included in the "contract liabilities" account in the liabilities section of the consolidated statements of financial position.

Sale of goods
Sale of goods is recognized from retail customers at the point of sale in the stores. This is measured at the fair value of the consideration received, excluding (or 'net of,' or 'reduced for') discounts, returns, rebates and sales taxes.

Rendering of services
Marketing fees, management fees from administration and property management are recognized when services are rendered.

Commission income
Commission income is recognized by reference to the percentage of collection of the agreed sales price or depending on the term of the sale as provided under the marketing agreement.

Management fees
Management fees from administrative, property management and other fees are recognized when services are rendered.

Other income
Other income also includes sale of scrap and sludge oil which is recognized when there is delivery of goods to the buyer, and recovery from insurance which is recognized when the right to receive payment is established.

Revenues outside the scope of PFRS 15
Interest income
Interest income is recognized as it accrues using the effective interest method.

Rent income
Rental income under noncancelable and cancelable leases on investment properties is recognized in the consolidated statements of income on a straight-line basis over the lease term and the terms of the lease, respectively, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

Dividend income
Dividend income is recognized when the Group's right to receive the payment is established.

Other income
Other customer-related fees such as penalties and surcharges are recognized at an amount that reflects the consideration to which the Group expects to receive taking into account the provisions of the related contract.

Expense Recognition
Cost of goods and services sold
Cost of goods sold for vehicles and spare parts includes the purchase price of the products sold, as well as costs that are directly attributable in bringing the merchandise to its intended condition and location. These costs include the costs of storing and transporting the products. Vendor returns and allowances are generally deducted from cost of goods and services sold.

Other cost of goods sold includes Federal Land's gasoline and food products, and are recognized when goods are delivered which is usually at the point of sale in stores. Cost of services are recognized when services are rendered.

Cost of goods manufactured and sold
Cost of goods manufactured and sold includes the purchase price of the products manufactured, as well as costs that are directly attributable in bringing the merchandise to its intended condition and location.

Commissions
Commissions paid to sales or marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Accordingly, when the POC method is used, commissions

are likewise charged to expense in the period the related revenue is recognized. These are recorded as 'Prepaid expenses' under 'Prepayments and other current assets' account.

General and administrative expenses
General and administrative expenses constitute costs of administering the business and are expensed as incurred.

Cost of real estate sales
The Group recognizes costs relating to satisfied performance obligations as these are incurred taking into consideration the contract fulfillment assets. These include costs of land, land development costs, building costs, professional fees, depreciation, permits and licenses and capitalized borrowing costs. These costs are allocated to the saleable area, with the portion allocable to the sold area being recognized as costs of sales while the portion allocable to the unsold area being recognized as part of real estate inventories.

Contract costs include all direct materials and labor costs and those indirect costs related to contract performance. Expected losses on contracts are recognized immediately when it is probable that the total contract costs will exceed total contract revenue. Changes in contract performance, contract conditions and estimated profitability, including those arising from contract penalty provisions, and final contract settlements which may result in revisions to estimated costs and gross margins are recognized in the year in which the changes are determined.

Cost of rental
Cost of rental services includes maintenance fee, depreciation, repairs and maintenance, and taxes and licenses in relation to rendering of services. Except for depreciation which is recognized on a straight-line basis, these are recognized when a decrease in future economic benefits related to a decrease in an asset or an increase of a liability has arisen than can be measured reliably. These are recognized when incurred and measured at the amount paid or payable.

<u>Contract Balances</u>
Receivables
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognized for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognized when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Group performs under the contract.

The contract liabilities also include payments received by the Group from the customers for which revenue recognition has not yet commenced.

Costs to obtain a contract
The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense is included in the “Real estate costs and expenses” account in the consolidated statements of income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, derecognition and impairment of capitalized costs to obtain a contract
The Group amortizes capitalized costs to obtain a contract to cost of sales over the expected construction period using percentage of completion following the pattern of real estate revenue recognition. The amortization is included within cost of sales.

A capitalized cost to obtain a contract is derecognized either when it is disposed of or when no further economic benefits are expected to flow from its use or disposal.

At each reporting date, the Group determines whether there is an indication that cost to obtain a contract maybe impaired. If such indication exists, the Group makes an estimate by comparing the carrying amount of the assets to the remaining amount of consideration that the Group expects to receive less the costs that relate to providing services under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test.

Where the relevant costs or specific performance obligations are demonstrating marginal profitability or other indicators of impairment, judgement is required in ascertaining whether or not the future economic benefits from these contracts are sufficient to recover these assets. In performing this impairment assessment, management is required to make an assessment of the costs to complete the contract. The ability to accurately forecast such costs involves estimates around cost savings to be achieved over time, anticipated profitability of the contract, as well as future performance against any contract-specific performance indicators that could trigger variable consideration, or service credits. Where a contract is anticipated to make a loss, these judgments are also relevant in determining whether or not an onerous contract provision is required and how this is to be measured.

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 statement of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries. Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on Philippine government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statement of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value only when reimbursement is virtually certain.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve (12) months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

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 statements of financial position). Capitalization ceases when pre-selling of real estate inventories under construction commences. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalized is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amounts capitalized is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The capitalization of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalized on the purchase cost of a site of property acquired specifically for redevelopment but only where activities necessary to prepare the asset for redevelopment are in progress.

Provisions

Provisions are recognized when the Group has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. The expense relating to any provision is presented in the consolidated statements of comprehensive income, net of any reimbursement.

Provision for product warranties

Provision for product warranties are recognized when sale of the related products are consummated. The best estimate of the provision is recorded based on three (3) year warranty coverage provided by the Group as part of the sold product. Reversals are made against provision for the expired portion.

Leases

Group as lessee

The Group assesses at contract inception whether a contract is, or contains a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and Right-of-use (ROU) assets representing the right to use the underlying assets.

ROU assets

The Group recognizes ROU assets (included in 'Property and Equipment') at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received.

ROU assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	Years
Office space	2 to 3

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term (included in 'Other current liabilities' and 'Other noncurrent liabilities'). In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest (included in 'Interest expense') and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments (Note 30).

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of other equipment that are considered to be of low value (i.e., those with value of less than ₱250,000). Lease payments on short-term leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Residual value of leased assets and deposits on lease contracts
The residual value of leased assets, which approximates the amount of guaranty deposit paid by the lessee at the inception of the lease, is the estimated proceeds from the sale of the leased asset at the end of the lease term. At the end of the lease term, the residual value of the leased asset is generally applied against the guaranty deposit of the lessee when the lessee decides to buy the leased asset.

Group as lessor
Leases where the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income on operating leases is recognized on a straight line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income.

Lease modification
Lease modification is defined as a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease e.g., addition or termination of the right to use one or more underlying assets, or the extension or shortening of the contractual lease term. In case of a lease modification, the lessor shall account for any such modification by recognizing a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

In case of change in lease payments for an operating lease that does not meet the definition of a lease modification, the lessor shall account for any such change as a negative variable lease payment and recognize lower lease income. No rental income is recognized when the Group waives its right to collect rent and other charges.

Earnings Per Share
Basic earnings per share is calculated by dividing the net income for the year attributable to the owners of the Parent Company by the weighted average number of common shares outstanding during the year, after considering the retroactive effect of stock dividend declaration, if any.

Diluted earnings per share attributable to owners of the Parent Company is calculated in the same manner assuming that the weighted average number of common shares outstanding is adjusted for potential common shares from the assumed exercise of dilutive instruments.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events After Financial Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

Standards Issued But Not Yet Effective
The list below consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have significant impact on its consolidated financial statements.

Effective beginning on or after January 1, 2024

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

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

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

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

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (that is, life, non-life, direct insurance and re-insurance), regardless of the

type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach); and
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

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

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

- Amendments to PAS 21*, Lack of exchangeability*
  The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

  The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

Deferred effectivity

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

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

- Deferral of Certain Provisions of PIC Q&A 2018-12, *PFRS 15 Implementation Issues Affecting the Real Estate Industry* (as amended by PIC Q&As 2020-02 and 2020-04)
  On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 8, 2019, the Philippine SEC issued SEC MC No. 14-2018 and SEC MC No. 3-2019,

respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of three years until December 31, 2020.

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

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

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

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

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

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

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

As of December 31, 2023, the Group is refining its calculation of the SFC and in the process of quantifying the impact of the adoption of PIC Q&A No. 2018-12-D on the consolidated financial statements.

3. Management's Judgments and Use of Estimates

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

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

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, 2023 and 2022, the Group determined that it exercises significant influence over MPIC in which it holds 18.19% and 17.08% ownership interests, respectively. Although the Group holds less than 20.0% of the ownership interest and voting rights in MPIC, the Group considers that it exercises significant influence through its entitlement to nominate at least two (2) out of fifteen (15) directors of MPIC. The Parent Company's nominees also participate as member in the Audit Committee (AC), Risk Management Committee (RMC), Nomination Committee (NC), Governance and Sustainability Committee (GSC), Finance Committee (FC), and Data Privacy and Information Security Committee of MPIC.

The combination of the Parent Company's 18.19% ownership interest in MPIC and the representation in the BOD, AC, RMC and FC of MPIC provides the Parent Company with the ability to exercise significant influence over the operating and financial policies of MPIC. Accordingly, the Parent Company accounted for its investment in MPIC as an associate using the equity method of accounting.

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

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

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

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

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

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

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

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

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

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

The criteria above have been applied to the financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD) throughout the Group's expected loss calculation.

Incorporation of forward-looking information
The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL.

To do this, the Group considers a range of relevant forward-looking macro-economic assumptions for the determination of unbiased general industry adjustments and any related specific industry adjustments that support the calculation of ECLs. Based on the Group's evaluation and assessment and after taking into consideration external actual and forecast information, the Group formulates a 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies, monetary authorities and selected private-sector and academic institutions.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other representative scenarios.

The Group has identified and documented key drivers of credit risk and credit losses of each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Operating lease commitments - Group as lessor
The Group entered into commercial property leases on its retail mall, investment properties and certain units of its real estate projects to different parties for a specific amount depending on the lease contracts. The Group has determined that based on the evaluation of the terms and conditions of the arrangements (i.e., the lease does not transfer the ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable, and the lease term is not for the major part of the asset's economic life), that it retains all significant risks and rewards of ownership of these properties and so accounts for the contracts as operating leases.

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately as of financial reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Contingencies
In the normal course of business, the Group is currently involved in various legal proceedings and assessments. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Allocation of costs and expenses
Costs and expenses are classified as exclusive and common. Exclusive costs such as raw materials and direct labor are charged directly to the product line. Common costs and expenses are allocated using sales value.

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 2023, 2022 and 2021 amounting to ₱12.67 billion, ₱5.36 billion and ₱5.62 billion, respectively.

Evaluating net realizable value of inventories
Inventories are valued at the lower of cost and NRV. The Group reviews its inventory to assess NRV at least annually. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized. The net realizable value of inventories are disclosed in Note 6.

Real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether those inventories are damaged or if their selling prices have declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expense for any period would differ if different judgments were made or different estimates were utilized.

Estimating the useful life of non-financial assets
The Group determines the EUL of its intangibles assets based on the period over which the assets are expected to be available for use. The Group reviews annually the EUL of property and equipment, investment properties and intangible assets based on factors that include asset utilization, internal technical evaluation, and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the EUL of intangible assets would increase the recorded amortization expense.

Customer relationship pertains to Toyota's contractual arrangements with its top dealer customers which lay out the principal terms upon which its dealers agree to do business. Management assessed the useful life of the customer relationship to be indefinite since management is of the view that there is no foreseeable limit to the period over which the customer relationship is expected to generate net cash inflows to Toyota.

The said assessment is based on the track record of stability for the auto industry and the Toyota brand. Added to this is the commitment of management to continue to invest for the long term, to extend the period over which the intangible asset is expected to continue to provide economic benefits.

The carrying values of investment properties, property and equipment and customer relationship are disclosed in Notes 9, 11 and 13, respectively.

Evaluating impairment of non-financial assets
The Group reviews investments in associates and joint ventures, investment properties, creditable withholding tax, property and equipment, customer relationship, and other noncurrent assets for impairment. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, plans in the real estate projects, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

As described in the accounting policy, the Group estimates the recoverable amount as the higher of the FVLCTS and VIU. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect investments in associates and joint ventures, and property and equipment.

The Group considers the significant or prolonged decline in the quoted market price of MBTC as an indicator of impairment. Accordingly, the Group conducted an impairment assessment of its investments in MBTC. The Group uses the higher of FVLCTS and VIU in determining the recoverable amount. The recoverable amount of the investment in MBTC has been determined based on the discounted cash flow methodology. Based on the Group's impairment testing, the investment in MBTC is determined to be not impaired.

The carrying values of input VAT and creditable withholding taxes, investments in associates and joint ventures, investment properties, property and equipment, customer relationship, and other noncurrent assets are disclosed in Notes 7, 8, 9, 11, 13 and 14, respectively.

Impairment of goodwill and intangible assets with indefinite useful life
The Group conducts an annual review for any impairment in the value of goodwill and intangible assets with indefinite useful life (i.e., customer relationship). Goodwill is written down for impairment when the net present value of the forecasted future cash flows from the business is insufficient to support its carrying value. The Group estimates key inputs such as discounted future cash flows forecasts, expected gross margins, discount rates and long-term growth rates. The Group uses the weighted average cost of capital in discounting the expected cash flows from specific CGUs.

Refer to Notes 12 and 13 for the details regarding the carrying values of the Group's goodwill and intangible assets as well as details regarding the impairment review and assessment.

Recognition of deferred tax assets
The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of deferred income tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.

The recognized and unrecognized deferred tax assets on temporary differences of the Group are disclosed in Note 29.

Estimating pension and other retirement benefits
The determination of the obligation and cost of pension and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 28 and include among others, discount rates, turnover rates and rates of salary increase. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement obligations. The carrying values of pension asset, liability and expense are disclosed in Note 28.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation. The carrying values of financial instruments are disclosed in Note 32.

Provision for product warranties
Estimated warranty costs are provided at the time of sale. The provision is based on the estimated costs of future servicing the products sold, the costs of which are not recoverable from customers. A provision is recognized for expected warranty claims on products sold during the last two (2) years, based on past experience of the level of returns and repairs. It is expected that most of these costs will be incurred in the next financial year and all will be incurred within three (3) years as of the reporting date. Provision for product warranty is disclosed in Note 20.

Purchase price allocation of investment in MPIC
The Parent Company is required to perform a purchase price allocation for its investment in MPIC. A significant portion of MPIC's net assets pertain to equity investments and service concession assets and the valuation of these assets require estimates from management. These estimates include revenue growth, gross margins, expected traffic volume and billed water volume, toll or tariff rates and discount rates.

4. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand	**₱21**	₱212
Cash in banks and other financial institutions (Note 27)	**6,242**	5,349
Cash equivalents (Note 27)	**10,468**	18,444
	₱16,731	₱24,005

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the prevailing interest rates ranging from 0.125 % to 6.50% in 2023, 0.025% to 5.75% in 2022 and from 0.05% to 1.25% in 2021 (Notes 23 and 27). The Group has foreign currency-denominated cash and cash equivalents (Note 33).

5. Receivables

This account consists of:

	2023	2022
Trade receivables	**₱24,459**	₱10,688
Loans receivable (Note 27)	**5,989**	6,084
Accrued rent and commission income (Note 27)	**2,042**	1,644
Nontrade receivables (Note 27)	**1,600**	1,360
Accrued interest receivable (Note 27)	**1,330**	817
Management fee receivables (Note 27)	**329**	282
Installment contracts receivables	**195**	249
Others (Note 27)	**517**	204
	36,461	21,328
Less: Allowance for credit losses	**868**	943
	₱35,593	₱20,385

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

	2023	2022
Current	**₱29,203**	₱14,135
Noncurrent	**6,390**	6,250
	₱35,593	₱20,385

Noncurrent receivables consist of:

	2023	2022
Trade receivables	**₱586**	₱1,156
Loans receivable	**5,804**	5,094
	₱6,390	₱6,250

Trade Receivables
Trade receivables pertain to receivables from sale of vehicles and/or parts and services. These are noninterest-bearing and generally have 30 days to one-year term. These also include sale of lots with terms of 60 days to five years. Interest rates used in discounting the receivables on sale of lots range from 2.85% to 3.67% in 2023 and 2022. The Group has foreign currency-denominated receivables (Note 33).

Loans Receivable
Loans receivable from various counterparties in real estate segment are as follows:

					Outstanding balance	
Counterparties	**Principal**	**Interest rates**	**Availment**	**Maturity**	**2023**	**2022**
Bonifacio Landmark Corp.	₱3,311	6.75%	2020	2029	**₱3,311**	₱3,311
-do-	550	5.25%	2021	2028	**550**	550
-do-	150	6.75%	2022	2028	**150**	150
Cathay International Resources Corp.	705	3.15%	2012	2032	**705**	705
-do-	150	4.15%	2022	2032	**100**	150
-do-	50	6.00%	2021	2024	**50**	50
Multi Fortune Holdings, Inc.	40	7.90%	2023	2033	**40**	–
-do-	290	6.60%	2017	2032	**205**	290
-do-	154	4.40%	2022	2032	**154**	154
-do-	299	4.33% - 5.54%	2021	2031	**299**	299
-do-	290	5.25% - 5.95%	2020	2025	**290**	290
-do-	135	6.06% - 6.60%	2019	2024	**135**	135
					₱5,989	₱6,084

Interest income earned from these loans receivable follows:

	2023	2022	2021
Bonifacio Landmark Corp.	**₱240**	₱215	₱170
Cathay International Resources Corp.	**63**	38	36
Multi Fortune Holdings, Inc.	**61**	59	46
	₱364	₱312	₱252

Accrued Rent and Commission Income
Accrued rent pertains to tenants' rentals and their share in utilities (electricity, water and liquefied petroleum gas) and other charges to customers (Note 27). Commission income pertains to commission earned from sale of real estate properties (Note 27).

Nontrade Receivables
Nontrade receivables mainly consist of vehicle acquisition plan loans extended to employees which are collectible within one year and expenses of the affiliates which were advanced by the Group (Note 27).

Management Fee Receivables
Management fee receivables pertain to management fee being charged by the real estate businesses for the conduct of relevant studies for the maintenance, upkeep and improvement of real estate properties and equipment of associates and affiliated companies (Note 27).

Installment Contracts Receivables
Installment contracts receivables pertain to receivables from the sale of residential and condominium units. Titles to the sold residential and condominium units are transferred to the buyers only upon full payment of the contract price.

The details of installment contracts receivables and contract assets follow:

	2023	2022
Installment contracts receivables	**₱197**	₱251
Less: Unearned interest income	**2**	2
	₱195	₱249

Installment contracts receivables are collected over a period of one to 10 years. The fair value upon initial recognition for Federal Land is derived using the discounted cash flow methodology using discount rate of 8.00% in 2023 and 2022.

Movements in the unearned interest income in 2023 and 2022 follow:

	2023	2022
Balance at beginning of year	**₱2**	₱3
Additions	**1**	1
Accretion (Note 23)	**(1)**	(2)
Balance at end of year	**₱2**	₱2

Other Receivables
Other receivables include receivable from employees and retention, bond and guarantee fee receivables (Note 27).

Allowance for Credit Losses
Changes in the allowance for credit losses on receivables are as follows:

	December 31, 2023		
	Trade Receivables	**Other Receivables**	**Total**
Balance at beginning of year	**₱230**	**₱713**	**₱943**
Provision for credit losses (Note 26)	**19**	**106**	**125**
Reversals (Note 26)	**(75)**	**(125)**	**(200)**
Balance at end of year	**₱174**	**₱694**	**₱868**

	December 31, 2022		
	Trade Receivables	Other Receivables	Total
Balance at beginning of year	₱228	₱551	₱779
Provision for credit losses (Note 26)	2	162	164
Balance at end of year	₱230	₱713	₱943

6. Inventories

This account consists of:

	2023	2022
At cost		
Real estate		
Land and improvements	**₱28,312**	₱34,947
Condominium units held for sale	**19,191**	15,016
Construction in progress	**2,591**	3,951
Gasoline retail and petroleum products (Note 24)	**10**	7
Food (Note 24)	**6**	5
Automotive		
Finished goods	**7,859**	3,277
Work-in-process	**46**	30
Raw materials	**12,628**	7,717
Raw materials in transit	**4,231**	3,098
Spare parts	**142**	104
	75,016	68,152
At NRV		
Automotive		
Spare parts	**1,660**	1,247
	₱76,676	₱69,399

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

	2023			
	Land and improvements	**Condominium units held for sale**	**Construction in progress**	**Total**
Balance at beginning of year	**₱34,947**	**₱15,016**	**₱3,951**	**₱53,914**
Construction and development costs incurred	**160**	**95**	**543**	**798**
Borrowing costs capitalized	**98**	**47**	**372**	**517**
Cost of sales during the year	**(5,049)**	**(1,307)**	**–**	**(6,356)**
Reclassifications to condominium units held for sale	**(2,303)**	**5,340**	**(3,037)**	**–**
Transfers from (to) investment properties (Note 9)	**(154)**	**–**	**762**	**608**
Others	**613**	**–**	**–**	**613**
Balance at end of year	**₱28,312**	**₱19,191**	**₱2,591**	**₱50,094**

	2022			
	Land and improvements	Condominium units held for sale	Construction in progress	Total
Balance at beginning of year	₱44,142	₱13,738	₱6,926	₱64,806
Construction and development costs incurred	217	4,050	–	4,267
Land acquired during the year	92	–	–	92
Borrowing costs capitalized	105	9	286	400
Cost of sales during the year	(268)	(2,781)	(130)	(3,179)
Assets contributed in a joint venture (Note 8)	(6,297)	–	–	(6,297)
Transfers to investment properties (Note 9)	(2,773)	–	(3,131)	(5,904)
Others	(271)	–	–	(271)
Balance at end of year	₱34,947	₱15,016	₱3,951	₱53,914

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

	2023	2022
General borrowings	**₱144**	₱111
Specific borrowings	**373**	289
	₱517	₱400

The average capitalization rate used to determine the amount of borrowing costs eligible for capitalization ranged from 3.10% to 5.57% in 2023, 2022 and 2021.

The Federal Land Group has existing purchase commitments pertaining to its inventories of ongoing projects as of December 31, 2023 and 2022.

Inventories charged to operations follow:

	2023	2022	2021
Cost of goods and services sold (Note 24)	**₱189,348**	₱157,079	₱102,959
Cost of goods manufactured and sold (Note 25)	**39,661**	36,366	32,111
Cost of real estate sales	**5,400**	3,059	3,123
	₱234,409	₱196,504	₱138,193

The cost of real estate sales is net of ₱0.12 billion cost of land sold by the Parent Company to FNG in 2022 (Note 27).

The cost of the inventories carried at NRV amounted to ₱1.85 billion and ₱1.43 billion as of December 31, 2023 and 2022, respectively.

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

	2023	2022
Balance at beginning of year	**₱186**	₱143
Provision for inventory write-down (Note 26)	**16**	51
Write-off of scrap inventories	**(8)**	(8)
Balance at end of year	**₱194**	₱186

7. Prepayments and Other Current Assets

This account consists of:

	2023	2022
Ad-valorem tax for refund	**₱2,979**	₱2,704
Creditable withholding taxes (CWT)	**2,917**	3,653
Prepaid Ad-valorem tax	**1,777**	961
Advances to contractors and suppliers	**1,640**	1,443
Input VAT	**1,392**	4,920
Prepaid expenses (Note 21)	**1,677**	842
Advances to officers, employees and agents (Note 27)	**58**	90
Safeguard bonds	**35**	35
Assets held for sale (Note 19)	**–**	2,145
Others	**303**	316
	₱12,778	₱17,109

Ad-valorem tax pertains to the incremental Ad-valorem tax paid by Toyota in 2023 and 2022 which is subject for refund. In 2022, Bureau of Internal Revenue (BIR) issued memorandum circular which resulted to increased Ad-valorem tax payments on manufactured and imported vehicles. The said circular was repealed in February 2023.

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

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

Advances to contractors and suppliers pertain to the Group's advances and initial payments for the purchase of construction materials and supplies and contractor services. These are liquidated every progress billing payment and will be due and demandable upon breach of contract.

Input VAT arises from the Group's purchases of goods and services and will be applied against output VAT on sales in the succeeding periods.

Prepaid expenses mainly include prepayments for supplies, commission, taxes and licenses, rentals, and insurance.

Advances to officers and employees amounting to ₱47.42 million and ₱80.81 million as of December 31, 2023 and 2022, respectively, pertain mainly to cash advances for business-related expenses. Advances to officers and employees are liquidated within 30 days after incurrence of expense.

Cash advances to agents amounting to ₱10.39 million and ₱9.60 million as of December 31, 2023 and 2022, respectively, pertain to mobilization funds granted to agents to finance their sales-related needs. These advances are subject to liquidation within 30 days after the release of cash advance.

Safeguard bonds represent payments made by Toyota to the Bureau of Customs for the provisional safeguard duties on imported vehicles in line with Department Administrative Order No. 20-11 of the Department of Trade and Industry. The imposition of the said provisional duties was subsequently revoked in August 2021. The ₱2.5 billion was refunded to Toyota in April and July 2022, while the remaining ₱35 million is still unclaimed as of reporting date.

On February 24, 2020, Federal Land's BOD approved the plans to transfer the "The Grand Midori - Ortigas (TGMO)" project to FLOC, a subsidiary of Federal Land. In the last quarter of 2020, Federal Land provided notice to its customers that there will be a change in the developer of TGMO. Accordingly, subject to the approval of relevant government regulatory agencies, the project owner and developer of TGMO will be changed to FLOC. In 2022, Federal Land management approved the change from FLOC to MPI, which is also a subsidiary of Federal Land, to which Federal Land will transfer TGMO. Currently, the process of transferring ownership of the property and the issuance of license to sell to MPI is not yet completed as of December 31, 2022. As a result, all assets and liabilities consisting of installment contracts receivables, real estate inventories, contract liabilities and other payables associated to TGMO were reclassified as assets held for sale and liabilities held for sale of Federal Land. In 2023, the top management of Federal Land and FLOC agreed that the latter will no longer participate in TGMO, thus Federal Land reclassified back the assets and liabilities held for sale as the transfer and sale to MPI will no longer push through (Note 19).

Others include deferred import charges, marginal deposits set aside for payment to the contractors and suppliers, security deposit for operating leases, ancillary services, and deposit for purchase of external services and materials.

8. Investments in Associates and Joint Ventures

This account consists of:

	2023	2022
Investments in associates	**₱189,766**	₱168,246
Investments in joint ventures	**38,947**	31,992
	₱228,713	₱200,238

There were no impairment losses for these investments in 2023 and 2022.

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

	2023	2022
Cost		
Balance at beginning of year	**₱112,319**	₱112,319
Additional investments during the year	**4,391**	–
Balance at end of year	**116,710**	112,319
Accumulated equity in net income		
Balance at beginning of year	**93,774**	79,241
Equity in net income for the year	**19,930**	14,594
Amortization of FV increment on net assets	**(161)**	(165)
Elimination during the year	**–**	(3)
Recognition of previously deferred gain*	**123**	107
Balance at end of year	**113,666**	93,774
Dividends received		
Balance at beginning of year	**(28,152)**	(22,209)
Dividends received during the year	**(5,883)**	(5,943)
Balance at end of year	**(34,035)**	(28,152)
Accumulated equity in other comprehensive income (loss)		
Balance at beginning of year	**(10,854)**	(4,416)
Equity in fair value changes on financial assets at FVOCI for the year	**5,132**	(7,489)
Equity in translation adjustments	**(342)**	92
Equity in remeasurement of life insurance reserves	**(16)**	362
Equity in net unrealized gain on remeasurement of defined benefit plans	**(1,536)**	536
Equity in cash flow hedge reserve	**5**	61
Balance at end of year	**(7,611)**	(10,854)
Effect of elimination of intragroup profits		
Balance at beginning of year	**1,159**	1,685
Elimination during the year	**–**	3
Reclassification during the year*	**–**	(422)
Recognition of previously deferred profits*	**(123)**	(107)
Balance at end of year	**1,036**	1,159
	₱189,766	₱168,246

**Pertains to intercompany sale of lots in 2014 and 2015, which were sold to third parties in 2023 and 2022.*

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

	2023	2022
Cost		
Balance at beginning of year	**₱28,250**	₱17,614
Additional investments during the year	**11,999**	577
Asset contribution in the form of real estate inventories (Notes 6 and 27)	**–**	10,159
Effect of business combination	**–**	(100)
Balance at end of year	**40,249**	28,250
Accumulated equity in net income		
Balance at beginning of year	**4,744**	2,801
Equity in net income for the year	**3,036**	1,922
Effect of business combination	**–**	21
Balance at end of year	**7,780**	4,744
Dividends received		
Balance at beginning of year	**(90)**	(70)
Dividends received during the year	**(38)**	(20)
Balance at end of year	**(128)**	(90)
Accumulated equity in other comprehensive income (loss)		
Balance at beginning of year	**(413)**	(170)
Equity in net unrealized loss on remeasurement of defined benefit plans	**(5)**	(1)
Equity in cash flow hedge reserve	**154**	(242)
Balance at end of year	**(264)**	(413)
Effect of elimination of intragroup profits (losses)		
Balance at beginning of year	**(499)**	(608)
Elimination of deferred profit on sale	**(8,640)**	(207)
Recognition of previously deferred profit	**449**	316
Balance at end of year	**(8,690)**	(499)
	₱38,947	₱31,992

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

	Nature of Business	Country of Incorporation	2023	2022
Associates:				
MBTC	Banking	Philippines	**37.15**	37.15
MPIC	Infrastructure	-do-	**18.19**	17.08
Phil AXA	Insurance	-do-	**25.33**	25.33
Crown Central Properties Corporation (CCPC)	Real estate	-do-	**48.00**	48.00
Joint ventures:				
BLRDC*	Real estate	-do-	**70.00**	70.00
North Bonifacio Landmark Realty and Development Inc. (NBLRDI)*	-do-	-do-	**70.00**	70.00
Federal Land NRE Global, Inc. (FNG)*	-do-	-do-	**66.00**	66.00
Sunshine Fort North Bonifacio Realty and Development Corporation (Sunshine Fort)*	-do-	-do-	**60.00**	60.00
HSL South Food Inc. (HSL)*	-do-	-do-	**60.00**	60.00
Sunshine Fort North Bonifacio Commercial Management Corporation (SFNBCMC)*	-do-	-do-	**51.00**	51.00
Alveo Federal Land Communities, Inc. (AFLCI)	-do-	-do-	**50.00**	50.00
ST 6747 Resources Corporation (STRC)	-do-	-do-	**50.00**	50.00
Mitsukoshi Federal Retail, Inc. (MFRI)	-do-	-do-	**40.00**	40.00
TFSPC	Financing	-do-	**40.00**	40.00
SMFC	-do-	-do-	**20.00**	20.00

** Federal Land does not exercise control at more than 51% ownership over these joint ventures (JV) entities, but instead exercises joint control as Federal Land and the JV partners have contractually agreed to share control over the relevant economic activities of the JV entities.*

The following table summarizes cash dividends declared and paid by the Group's associates and joint ventures (amount in millions, except for dividend per share):

	Declaration Date	Per Share	Total	Record Date	Payment Date
2023					
MBTC	**February 22, 2023**	**₱0.80**	**₱3,598**	**March 17, 2023**	**March 31, 2023**
MBTC	**February 22, 2023**	**0.80**	**3,598**	**September 8, 2023**	**September 22, 2023**
MBTC*	**February 22, 2023**	**1.40**	**6,296**	**March 17, 2023**	**March 31, 2023**
MPIC	**March 8, 2023**	**0.076**	**2,181**	**March 27, 2023**	**April 13, 2023**
SMFC	**June 23, 2023**	**9.60**	**192**	**July 10, 2023**	**July 19, 2023**
MPIC	**August 14, 2023**	**0.05**	**1,435**	**September 1, 2023**	**September 15, 2023**
Phil AXA	**December 11, 2023**	**100.00**	**1,000**	**November 30, 2023**	**January 17, 2024**

**Special cash dividends*

	Declaration Date	Per Share	Total	Record Date	Payment Date
2022					
MBTC	February 23, 2022	₱0.80	₱3,598	March 17, 2022	March 31, 2022
MBTC*	February 23, 2022	1.40	6,296	March 17, 2022	March 31, 2022
MBTC	February 23, 2022	0.80	3,598	September 9, 2022	September 23, 2022
MPIC	March 9, 2022	0.0678	2,031	March 25, 2022	April 6, 2022
MPIC*	March 9, 2022	0.0082	246	March 25, 2022	April 6, 2022
SMFC	June 24, 2022	5.01	100	July 11, 2022	July 20, 2022
MPIC	August 3, 2022	0.0345	1,011	August 22, 2022	September 8, 2022
Phil AXA	December 20, 2022	142.00	1,420	November 28, 2022	December 22, 2022

**Special cash dividends*

Investment in MPIC

On May 27, 2016, the Parent Company subscribed to 3.60 billion common shares of MPIC for a total subscription price of ₱21.96 billion. On the same day, the Parent Company entered into a Sale and Purchase Agreement with Metro Pacific Holdings, Inc. (MPHI), with the Parent Company as the buyer and MPHI as the seller of 1.30 billion common shares of MPIC for a total consideration of ₱7.94 billion. On August 5, 2016, the SEC approved the increase in the authorized capital stock of MPIC. As a result, the Parent Company's ownership interest is 15.55% of the issued and outstanding capital stock of MPIC.

In relation to the acquisition, the Parent Company capitalized advisory fees and other professional fees amounting to ₱0.24 billion and ₱0.04 billion, respectively, as part of the cost of the investment.

Based on the final purchase price allocation relating to the Parent Company's investment in MPIC, the difference of ₱7.41 billion between the Parent Company's share in the carrying values of MPIC's specific identifiable assets and liabilities and total cost of the Parent Company's investment was allocated to the Parent Company's share in the difference between the fair values and carrying values of MPIC's specific and identifiable assets and liabilities amounting to ₱4.68 billion and the remaining balance of ₱2.73 billion as goodwill.

As a result of MPIC's buy-back program in 2022 and 2021, the issued and outstanding shares of MPIC declined to 28,695,934,752 and 30,070,247,752 as of December 31, 2022 and 2021, respectively. This resulted to an increase in the Parent Company's ownership in MPIC to 17.08% and 16.30% as of December 31, 2022 and 2021, respectively.

On April 26, 2023, the Parent Company, together with other entities, formed a consortium to undertake a tender offer for the outstanding common shares of MPIC, with the aim of taking MPIC private through a voluntary delisting process. Pursuant to this, on various dates in September 2023, the Parent Company acquired an aggregate of 840 million common shares of MPIC for a total consideration of ₱4.37 billion which, increased the Parent Company's ownership interest in MPIC from 17.08% to 20.00%. In relation to the acquisition, the Parent Company capitalized advisory fees and other professional fees totaling ₱0.24 billion as part of the cost of the investment.

Subsequently, on November 8, 2023, MPIC issued an aggregate of 2.87 billion new common shares to its shareholders, of which the Parent Company did not participate, and this decreased the Parent Company's ownership interest in MPIC to 18.18%. Further, in December 2023, MPIC continued to buy back shares held by its minority shareholders who missed the opportunity to participate in the delisting tender offer. A total of 16.5 million shares were bought back from minority shareholders in December 2023, which increased the Parent Company's ownership interest in MPIC to 18.19% as of December 31, 2023.

As a result of these events, the Parent Company has recorded a provisional gain of ₱1.70 billion in 2023, representing the difference between the Parent Company's share in the net fair values of MPIC's identifiable assets and liabilities that were preliminarily determined at the acquisition date and the cost of the additional investment. The provisional purchase price allocation is subject to revision to reflect the final determination of fair values and will be completed within 12 months from acquisition date.

Further, the Parent Company recorded the effect of the dilution in ownership interest as a loss amounting to ₱1.70 billion also in 2023, representing the difference between the carrying value of the investment in MPIC before and after the deemed partial disposal of ownership interest.

Investment in BLRDC
On June 8, 2012, Federal Land and Orix Risingsun Properties II, Inc. (ORPI) entered into a joint venture agreement for the creation of BLRDC, with Federal Land owning 70% and ORPI owning 30% to develop three (3) main projects, namely (1) residential condominium project, (2) hotel/office building, and (3) hotel operation.

Investment in NBLRDI
On June 14, 2018, Federal Land entered into a Joint Venture Agreement with ORPI to incorporate a joint venture company, NBLRDI, in which Federal Land held 70% equity interest. The agreement was entered to develop Grand Hyatt Residences Tower II.

Investment in FNG
In January 2022, Federal Land signed a joint venture agreement with Nomura Real Estate Development Co., Ltd. (NRE) to incorporate Federal Land NRE Global, Inc. (FNG), in which Federal Land holds a 66% stake. FNG was incorporated on March 25, 2022. FNG will develop a new urban lifestyle, creating value, and sustainable growth. As its initial project, it will incorporate four areas of land development with a total area of about 250 hectares in Metro Manila, Cavite and Cebu. These include an initial pipeline of residential, office, commercial and industrial facilities.

In 2022, FLI and HLPDC entered into a deed of exchange agreements with NRE where FLI and HLPDC will contribute real estate inventories with a total fair value of ₱17.66 billion in exchange for common and preferred shares in FNG. The total cost of the said real estate inventories amounted to ₱6.30 billion (Note 6). The Group recognized gain on the asset-for-share swap amounted to ₱3.86 billion, net of intercompany elimination. As a result of the asset-for-share swap, the cost of investment in FNG included the cost of inventories and the gain amounting to ₱6.30 billion and ₱3.86 billion, respectively.

In May 2023, the Parent Company and FNG entered into a deed of absolute sale, wherein, the Parent Company agreed to sell to FNG certain real estate inventories located in Cavite with a gross aggregate area of eight hundred eighty-five thousand sixty-seven square meters (885,067 sqm). The total selling price and total cost of the said real estate inventories amounted to ₱9.28 billion and ₱2.74 billion, respectively. The gain on sale recognized from this transaction, recognized in the consolidated statements of income, amounted to ₱2.16 billion, net of intercompany elimination and applicable taxes.

In May 2023, Federal Land and FNG also entered into a deed of absolute sale, wherein, Federal Land agreed to sell to FNG certain real estate inventories located in Cavite with a gross aggregate area of one million two hundred thirty-four thousand five hundred sixty-six square meters (1,234,566 sqm). The total selling price and total cost of the said real estate inventories amounted to ₱11.41 billion and ₱4.86 billion, respectively. The gain on sale recognized from this transaction at the Federal Land level and recognized in the consolidated statements of income amounted to ₱588.96 million and ₱490.14 million, respectively, net of intercompany elimination and applicable taxes.

Investment in Sunshine Fort
On July 3, 2017, Federal Land entered into a Joint Venture Agreement with NREMI Development Company (NRE) to incorporate a joint venture company in which Federal Land held 60% equity interest. In 2017, Federal Land made an initial investment amounting to ₱288.75 million. In 2018, Federal Land made additional investments amounting to ₱4.33 billion.

Investment in AFLCI
On April 29, 2015, Federal Land and Alveo Land Corp. executed a joint venture agreement for the organization of a joint venture, AFLCI, to manage the development of a 45-hectare property along Laguna Boulevard in Biñan, Laguna. AFLCI was incorporated on June 16, 2015. An initial investment amounting to ₱574.13 million was reflected as additions to the investments in associates and joint ventures in 2015. In 2016, an additional investment amounting to ₱17.00 million was made.

Investment in STRC
In June 2016, SM Development Corporation (SMDC) entered into an agreement with Federal Land to incorporate a joint venture company, STRC, in which Federal Land holds a 50% stake. STRC will develop a three thousand two hundred square meter (3,200 sqm) property located along Ayala Avenue as a high-end luxury residential tower. An initial investment amounting to ₱250.00 million was reflected as additions to the investments in associates and joint ventures in 2016.

On December 12, 2016, the BOD of Federal Land approved the additional investment in STRC amounting to ₱750.00 million divided into preferred shares in the amount of ₱712.50 million and common shares in the amount of ₱37.50 million. On January 10, 2017, Federal Land has fully paid its subscription to STRC. The percentage of ownership is retained as SMDC also invested an equivalent amount.

In 2018 and 2017, Federal Land made additional investments in STRC amounting to ₱0.47 billion and ₱0.03 billion, respectively.

Investment in TFSPC
On August 29, 2014, the Parent Company signed a Sale and Purchase Agreement with MBTC and Philippine Savings Bank (PSBank), a majority owned subsidiary of MBTC, to purchase their respective shares in TFSPC representing 15.00% and 25.00%, respectively, of ownership interest for an aggregate consideration of ₱2.10 billion.

In 2021, 2020 and 2018, the Parent Company remitted ₱800.00 million, ₱800.00 million and ₱720.00 million, respectively, to TFSPC in response to the latter's equity call upon its stockholders.

Investment in SMFC
On August 11, 2017, the Parent Company acquired 4.0 million common shares, representing 20% ownership in SMFC for a total consideration of ₱379.92 million, from PSBank and PSBank Retirement Fund. In relation to the acquisition, the Parent Company capitalized documentary stamp taxes amounting to ₱1.50 million as part of the cost of the investment.

Fair Value of Investments in Associates and Joint ventures
Phil AXA and CCPC as well as BLRDC, NBLRDI, Sunshine Fort, SFNBCMC, AFLCI, STRC, PHRDC, HSL, MFRI, FNG, TFSPC and SMFC are private companies and there are no quoted market prices available for their shares.

As of December 31, 2023 and 2022, the fair values of the Group's investments in PSE-listed entities follow, which are below their respective carrying values (Note 32):

	2023	2022
MBTC	**₱85,702**	₱90,213
MPIC	**–**	16,709
	₱85,702	₱106,922

Management considers significant or prolonged decline in the quoted market price of MBTC and MPIC as an indicator of impairment. However, effective on October 9, 2023, the PSE approved MPIC's Petition for Voluntary Delisting and accordingly ordered the delisting of the MPIC's shares from its Official Registry. For 2023, there is no indication of impairment for the investment in MPIC. As such, there was no impairment assessment done.

The Group conducted an impairment assessment of its investment in MBTC in 2023 and its investments in MBTC and MPIC in 2022, respectively. The Group uses the higher of FVLCTS and VIU in determining the recoverable amount. Based on the Group's impairment testing, the investments in MBTC and MPIC are determined to be not impaired.

The recoverable amount of the investment in MBTC was based on the VIU of MBTC. The discount rate applied to MBTC cash flow projections is 9.40%. Cash flows beyond the five-year period are extrapolated using a steady growth rate of 2.00%. The calculation of VIU for the MBTC CGU is most sensitive to the assumptions on revenue and terminal growth rates, and discount rate.

For 2022, the recoverable amount of the investment in MPIC, which is the calculated VIU, was based on the sum-of-the-parts of the VIU and FVLCTS of the MPIC Group. The VIU and FVLCTS calculations for the MPIC CGU are most sensitive to the FVLCTS of its listed associate based on its market price, and the VIU of MPIC's component businesses based on net asset values, cash flow forecasts and applicable discount. Regarding the assessment of the VIU of investments in MBTC and MPIC, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

The following tables present the carrying values of the Group's material associates:

Investment in MBTC

	2023	2022
Consolidated Statements of Comprehensive Income		
Net interest income, other income and share in net income of associates and joint ventures	**₱134,349**	₱113,026
Expenses and provision for income tax	**91,390**	79,728
Net income	**42,959**	33,298
Other comprehensive income (loss)	**9,328**	(19,297)
Total comprehensive income	**52,287**	14,001
*Consolidated Statements of Financial Position**		
Total assets	**3,104,902**	2,843,090
Total liabilities	**(2,738,164)**	(2,515,000)
Net assets	**366,738**	328,090
Equity attributable to NCI	**(10,073)**	(9,582)
Net assets attributable to common shareholders of MBTC	**356,665**	318,505
GT Capital's ownership interest	**37.15%**	37.15%
GT Capital's share in net assets	**132,501**	118,326
Notional goodwill	**4,162**	4,162
Fair value and other adjustments	**2,451**	2,485
	₱139,114	₱124,793

**MBTC does not present classified consolidated statements of financial position.*

Investment in MPIC

	2023	2022
Consolidated Statements of Comprehensive Income		
Revenues	**₱114,124**	₱101,253
Expenses and provision for income tax	**87,601**	87,315
Net income	**26,523**	13,938
Other comprehensive income (loss)	**(2,549)**	4,417
Total comprehensive income	**23,974**	18,355
Consolidated Statements of Financial Position		
Current assets	**79,778**	68,903
Noncurrent assets	**633,827**	575,733
Current liabilities	**(94,016)**	(76,683)
Noncurrent liabilities	**(330,113)**	(322,283)
Net assets	**289,476**	245,670
Equity attributable to NCI	**(56,467)**	(45,757)
Net assets attributable to common shareholders of MPIC	**233,009**	199,913
GT Capital's ownership interest	**18.19%**	17.08%
GT Capital's share in net assets	**42,384**	34,145
Capitalized transaction cost	**301**	277
Notional goodwill	**2,573**	2,573
Fair value and other adjustments	**1,535**	3,060
	₱46,793	₱40,055

The following table presents the carrying value of the Group's material joint venture:

Investment in FNG

	2023	2022
Statements of Comprehensive Income		
Revenues	**₱301**	₱50
Expenses and provision for income tax	**294**	162
Net income (loss)	**8**	(112)
Total comprehensive income (loss)	**8**	(112)
Statements of Financial Position		
Current assets	**44,828**	27,169
Noncurrent assets	**651**	8
Current liabilities	**(280)**	(64)
Noncurrent liabilities	**(61)**	33
Net assets	**45,138**	27,146
GT Capital's ownership interest	**66.00%**	66.00%
GT Capital's share in net assets	**29,791**	17,916
Intercompany eliminations and other adjustments	**(15,966)**	(7,455)
	₱13,825	₱10,461

The following table presents the aggregate financial information of the Group's other associates and joint ventures as of and for the years ended December 31, 2023 and 2022:

	2023		2022	
	Associates	**Joint ventures**	Associates	Joint ventures
Statements of Financial Position				
Current assets	**₱267**	**₱29,605**	₱195	₱41,408
Non-current assets	**3**	**32,376**	44	20,642
Total assets*	**177,843**	**147,336**	157,262	133,287
Current liabilities	**70**	**23,217**	64	23,695
Non-current liabilities	**10**	**11,146**	9	12,117
Total liabilities*	**162,855**	**129,782**	144,762	117,963
Statements of Comprehensive Income				
Revenues	**₱19,014**	**₱34,657**	₱16,323	₱25,624
Expenses	**15,568**	**26,567**	12,876	20,014
Net income	**2,653**	**5,682**	2,571	4,112
Other comprehensive income (loss)	**798**	**350**	(190)	(577)
Total comprehensive income	**3,451**	**6,032**	2,381	3,535

**Phil AXA and TFSPC do not present classified statements of financial position.*

The aggregate carrying values of the other associates and joint ventures, which includes Phil AXA, TFSPC, SMFC, CCPC, BLRDC, NBLRDI, Sunshine Fort, SFNBCMC, AFLCI, STRC, HSL and MFRI, amounted to ₱28.98 billion and ₱24.93 billion as of December 31, 2023 and 2022, respectively.

Limitation on dividend declaration of associates and joint venture

Phil AXA

Section 195 of the Insurance Code provides that a domestic insurance company shall declare or distribute dividends on its outstanding stock only from profits remaining on hand after retaining unimpaired:

- the entire paid-up capital stock;
- the margin of solvency required;

- the legal reserve fund required; and
- a sum sufficient to pay all net losses reported or in the course of settlement and all liabilities for expenses and taxes.

MBTC and TFSPC
The Bangko Sentral ng Pilipinas (BSP) requires banks to keep certain levels of regulatory capital and liquid assets, limit their exposures to other parts of the Group and comply with other regulatory ratios.

As of December 31, 2023 and 2022, there were no agreements entered into by the associates and joint ventures of the Group that may restrict dividends and other capital distributions to be paid, or loans and advances to be made or repaid to or from other entities within the Group.

As of December 31, 2023 and 2022, accumulated equity in net earnings amounting to ₱87.23 billion and ₱70.28 billion, respectively, are not available for dividend declaration. The accumulated equity in net earnings become available for dividends upon declaration and receipt of cash dividends from the investees.

As of December 31, 2023 and 2022, the Group has no share in the commitments and contingencies of its associates and joint ventures.

9. Investment Properties

The composition and rollforward analysis of this account follow:

	December 31, 2023			
	Land and Improvements	**Building and Improvements**	**Construction-in-Progress**	**Total**
Cost				
At January 1	**₱7,656**	**₱11,659**	**₱6,048**	**₱25,363**
Additions	**–**	**–**	**1,016**	**1,016**
Reclassifications	**220**	**–**	**–**	**220**
Transfers (Note 6)	**154**	**–**	**(762)**	**(608)**
At December 31	**8,030**	**11,659**	**6,302**	**25,991**
Accumulated Depreciation				
At January 1	**32**	**3,084**	**–**	**3,116**
Depreciation (Note 11)	**–**	**549**	**–**	**549**
At December 31	**32**	**3,633**	**–**	**3,665**
Net Book Value at December 31	**₱7,998**	**₱8,026**	**₱6,302**	**₱22,326**

	December 31, 2022			
	Land and Improvements	Building and Improvements	Construction-in-Progress	Total
Cost				
At January 1	₱4,883	₱10,430	₱2,917	₱18,230
Additions	–	1,229	–	1,229
Transfers (Note 6)	2,773	–	3,131	5,904
At December 31	7,656	11,659	6,048	25,363
Accumulated Depreciation				
At January 1	28	2,556	–	2,584
Depreciation (Note 11)	4	528	–	532
At December 31	32	3,084	–	3,116
Net Book Value at December 31	₱7,624	₱8,575	₱6,048	₱22,247

Various parcels of land are leased to several individuals and corporations including related parties. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove any and all improvements built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit. Rent income recognized from these properties amounted to ₱1.51 billion, ₱1.40 billion and ₱1.05 billion in 2023, 2022 and 2021, respectively (Note 30).

Construction-in-progress pertains to the accumulated cost incurred for the development and redevelopment of Federal Land's malls. The mall redevelopment is expected to be completed in 2024.

The aggregate fair values of the Group’s investment properties amounted to ₱66.05 billion and ₱46.86 billion as of December 31, 2023 and 2022, respectively (Note 32). The fair values of the Group’s investment properties have been determined based on valuations performed by third party independent appraisers which are accredited by the SEC. The value of the land was estimated by using the Market Data Approach, a valuation approach that considers the sales, listings and other related market data within the vicinity of the subject properties and establishes a value estimate by processes involving comparison. Valuation of the Group’s investment properties are done every three years with the latest valuation report issued in 2022.

The Group has contractual commitments and obligations for the construction and development costs to be incurred for investment properties amounting to ₱329.89 million and ₱884.39 million as of December 31, 2023 and 2022, respectively. These will be recognized as liabilities in the Group's consolidated financial statements when the related services are received.

10. **Investment Securities**

Investment securities consist of:

	2023	2022
Current:		
Financial assets at FVTPL (Note 27)		
Quoted	**₱871**	₱11,160
Noncurrent:		
Financial assets at FVOCI		
Quoted	**17,420**	13,154
Unquoted	**276**	191
	17,696	13,345
	₱18,567	₱24,505

Financial assets at FVTPL

These pertain to the Parent Company and GTCAM’s investments in unit investment trust fund (UITF) (Note 32).

Financial assets at FVOCI

Quoted equity securities

This includes foreign currency-denominated equity investments in Toyota Motor Corporation (TMC), a listed company in the Tokyo Stock Exchange, and investments in Vivant Corporation (VVT), a listed company in the PSE. The total of investments in TMC and VVT amounted to ₱17.07 billion and ₱12.89 billion as of December 31, 2023 and 2022, respectively. The Group has irrevocably elected to classify these investments under this category as it intends to hold these investments for the foreseeable future.

Unquoted equity securities

This account comprises shares of stocks of various unlisted private corporations. The Group has designated these equity securities at FVOCI because they will not be sold in the foreseeable future.

Unquoted equity securities include Toyota Aisin Philippines, Inc. (TAPI), representing 5.00% ownership interest, with carrying values of ₱265.22 million and ₱179.70 million as of December 31, 2023 and 2022, respectively. Also included in the balance are unquoted equity securities held by Federal Land amounting to ₱9.94 million as of December 31, 2023 and 2022.

Unquoted equity securities of Federal Land pertain to preferred shares of a utility company issued to the Group in connection with its subscription to the electricity services of the said utility company needed for Federal Land's real estate projects. The Group does not intend to dispose these investments since these are directly related to the continuity of its business.

Movements in the fair value reserves on financial assets at FVOCI follow:

	2023		
	Attributable to Parent Company	**Non-controlling Interest**	**Total**
Balance at beginning of year	**₱1,928**	**₱220**	**₱2,148**
Changes in fair values of financial assets at FVOCI	**3,660**	**82**	**3,742**
Balance at end of year	**₱5,588**	**₱302**	**₱5,890**

	2022		
	Attributable to Parent Company	Non-controlling Interest	Total
Balance at beginning of year	₱4,927	₱289	₱5,216
Changes in fair values of financial assets at FVOCI	(2,999)	(69)	(3,068)
Balance at end of year	₱1,928	₱220	₱2,148

11. Property and Equipment

The composition and rollforward analysis of this account follow:

	2023									
	Building and Land Improvements	**Land and Building**	**Machinery, Tools and Equipment**	**Furniture, Fixtures and Equipment**	**Transportation Equipment**	**Leasehold Improvements**	**Other Property and Equipment**	**Right-of-use assets**	**Construction-in-Progress**	**Total**
Cost										
At January 1	**₱9,105**	**₱3,254**	**₱2,731**	**₱1,387**	**₱615**	**₱356**	**₱6,522**	**₱129**	**₱927**	**₱25,026**
Additions	**253**	**306**	**196**	**99**	**215**	**31**	**–**	**274**	**382**	**1,756**
Disposals and reclassifications	**30**	**(220)**	**(71)**	**(7)**	**(107)**	**–**	**–**	**(276)**	**(17)**	**(668)**
At December 31	**9,388**	**3,340**	**2,856**	**1,479**	**723**	**387**	**6,522**	**127**	**1,292**	**26,114**
Accumulated Depreciation and Amortization										
At January 1	**1,707**	**174**	**1,422**	**949**	**381**	**309**	**6,103**	**30**	**–**	**11,075**
Depreciation and amortization	**453**	**18**	**730**	**213**	**113**	**43**	**1**	**7**	**–**	**1,578**
Disposals and reclassifications	**20**	**–**	**(71)**	**(5)**	**(81)**	**–**	**–**	**10**	**–**	**(127)**
At December 31	**2,180**	**192**	**2,081**	**1,157**	**413**	**352**	**6,104**	**47**	**–**	**12,526**
Net Book Value at December 31	**₱7,208**	**₱3,148**	**₱775**	**₱322**	**₱310**	**₱35**	**₱418**	**₱81**	**₱1,292**	**₱13,589**

	2022									
	Building and Land Improvements	Land and Building	Machinery, Tools and Equipment	Furniture, Fixtures and Equipment	Transportation Equipment	Leasehold Improvements	Other Property and Equipment	Right-of-use assets	Construction-in-Progress	Total
Cost										
At January 1	₱9,098	₱3,225	₱2,703	₱1,216	₱667	₱297	₱6,493	₱194	₱945	₱24,838
Additions	12	29	36	170	130	56	17	–	203	653
Disposals and reclassifications	(5)	–	(8)	1	(182)	3	12	(65)	(221)	(465)
At December 31	9,105	3,254	2,731	1,387	615	356	6,522	129	927	25,026
Accumulated Depreciation and Amortization										
At January 1	1,454	142	1,186	842	458	295	5,490	53	–	9,920
Depreciation and amortization	319	32	259	152	106	14	613	22	–	1,517
Disposals and reclassifications	(66)	–	(23)	(45)	(183)	–	–	(45)	–	(362)
At December 31	1,707	174	1,422	949	381	309	6,103	30	–	11,075
Net Book Value at December 31	₱7,398	₱3,080	₱1,309	₱438	₱234	₱47	₱419	₱99	₱927	₱13,951

Construction-in-progress as of December 31, 2023 pertains to Federal Land's and Toyota's building construction and improvements, and Toyota Group's machineries and building improvements.

The Group has no significant capital commitments pertaining to its property and equipment as of December 31, 2023 and 2022.

Gain on disposal of property and equipment amounted to ₱18.42 million, ₱58.43 million and ₱33.50 million in 2023, 2022 and 2021, respectively (Note 23).

Details of depreciation and amortization follow:

	2023	2022	2021
Property and equipment	**₱1,578**	₱1,517	₱1,646
Investment properties (Note 9)	**549**	532	438
Intangible assets (Note 13)	**69**	68	104
	₱2,196	₱2,117	₱2,188

Breakdown of depreciation and amortization in the consolidated statements of income follows:

	2023	2022	2021
Consolidated Statements of Income			
Cost of goods manufactured	**₱981**	₱896	₱990
Cost of rental (Note 30)	**550**	529	434
General and administrative expenses (Note 26)	**665**	692	764
	₱2,196	₱2,117	₱2,188

12. **Goodwill**

Goodwill in relation to acquisitions has been attributed to the following CGUs:

	2023	2022
Toyota	**₱5,597**	₱5,597
TMBC	**241**	241
TRDCI	**88**	88
	₱5,926	₱5,926

Goodwill
Goodwill comprises the excess of the acquisition cost over the fair value of the identifiable assets and liabilities of companies acquired by the Group.

Toyota
The recoverable amount of Toyota CGU was based on VIU calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 10.41% in 2023 and 11.51% in 2022. Cash flows beyond the five-year period are extrapolated using a steady growth rate of 2.81% in 2023 and 2.82% in 2022. The carrying value of goodwill amounted to ₱5.60 billion as of December 31, 2023 and 2022. No impairment loss was recognized for goodwill arising from the acquisition of Toyota.

The calculations of VIU for the Toyota CGU are most sensitive to the following assumptions:

- Budgeted gross margins - Gross margins are based on vehicle models mix per dealer and the foreign exchange movements between the Philippine Peso versus the United States (US) Dollar and the Japanese Yen versus the US Dollar.
- Growth rate - The projected growth rate is based on a conservative steady growth rate that does not exceed the compounded annual growth rate for the global automotive industry; and
- Pre-tax discount rate - Discount rates reflect management's best estimate of the risks associated with the specific CGU. This is the benchmark rate used by management to measure operating performance.

Regarding the assessment of the VIU of Toyota, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

TMBC
The recoverable amount of TMBC CGU was based on VIU calculations using cash flow projections from financial budgets approved by management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 10.81% in 2023 and 12.05% in 2022. Cash flows beyond the forecast period are extrapolated using a long-term growth rate of 2.81% in 2023 and 2.82% in 2022. The carrying value of goodwill amounted to ₱241.06 million as of December 31, 2023 and 2022. No impairment loss was recognized on the goodwill arising from the acquisition of TMBC.

The calculations of VIU for TMBC CGU are most sensitive to the following assumptions:

- Expected future cash inflows from automobile sales
- Growth rate; and
- Pre-tax discount rate **-** Discount rate reflects management's best estimate of the risks associated with the specific CGU.

Regarding the assessment of the VIU of TMBC, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

13. Intangible Assets

Intangible assets consist of:

	2023	2022
Customer relationship	**₱3,883**	₱3,883
Software costs - net	**202**	214
Franchise - net	**3**	2
	₱4,088	₱4,099

Customer Relationship
Customer relationship pertains to Toyota's contractual arrangements with its top dealer customers which lay out the principal terms upon which its dealers agree to do business. Toyota's relationship with its top dealers adds value to the operations of Toyota and enhances the latter's earnings potential. Management assessed the useful life of the customer relationship to be indefinite since

management is of the view that there is no foreseeable limit to the period over which the customer relationship is expected to generate net cash inflows to Toyota.

The recoverable amount of the customer relationship of the Group was based on VIU calculations using earnings projections from financial budgets approved by management covering a three-year period. The pre-tax discount rate applied to earnings projections is 12.55% and 14.08% in 2023 and 2022, respectively. Cash flows beyond the forecast period are extrapolated using a steady growth rate of 2.81% and 2.82% in 2023 and 2022, respectively. The carrying value of the customer relationship amounted to ₱3.88 billion as of December 31, 2023 and 2022. No impairment loss was recognized for the customer relationship arising from the acquisition of Toyota.

The calculations of VIU for the customer relationship are most sensitive to the following assumptions:

- Attrition rate - Sales to key customers for the four-year period are computed by taking into account a 5.00% attrition rate or 95.00% retention rate;
- Earnings before interest and taxes (EBIT) margin on key customers - A 6.75% EBIT margin was used in projecting the net operating profit on sales to key customers for the three-year period; and
- Pre-tax discount rate - Discount rates reflect management's best estimate of the risks associated with the specific CGU. This is the benchmark rate used by management to measure operating performance.

Regarding the assessment of the VIU of Toyota's customer relationship, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

Software Cost

The Group's software costs pertain to software cost and licenses. The rollforward analysis of the Group's software cost is as follows:

	2023	2022
Cost		
Balance at beginning of year	**₱827**	₱675
Additions	**56**	154
Disposals/reclassification	**–**	(2)
Balance at end of year	**883**	827
Accumulated Amortization		
Balance at beginning of year	**613**	548
Amortization (Note 11)	**68**	67
Disposals/reclassification	**–**	(2)
Balance at end of year	**681**	613
Net Book Value	**₱202**	₱214

Franchise

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

The amortization of the franchise fee amounting to ₱0.72 million, ₱1.18 million and ₱0.56 million in 2023, 2022 and 2021, respectively, is included in the 'General and administrative expenses' account in the consolidated statements of income (Note 26).

Details of amortization of intangible assets are as follows (Note 11):

	2023	2022	2021
Software cost	**₱68**	₱67	₱103
Franchise	**1**	1	1
	₱69	₱68	₱104

14. **Other Noncurrent Assets**

This account consists of:

	2023	2022
Rental and other deposits (Note 30)	**₱753**	₱3,173
Retirement asset (Note 28)	**57**	29
Deferred input VAT	**1**	9
Derivative asset (Note 16)	**–**	88
Others	**18**	17
	₱829	₱3,316

Rental and other deposits include rental deposits for the leased offices of the Group and deposits for the initial set-up of the services rendered by public utility companies. Rental deposits are to be applied on the last month's rent of the lease contract.

15. **Accounts and Other Payables**

This account consists of:

	2023	2022
Trade payables	**₱21,903**	₱19,049
Accrued expenses	**8,979**	7,084
Telegraphic transfers, drafts and acceptances payable	**4,546**	3,373
Deferred output tax	**1,885**	3,311
Accrued commissions	**1,227**	1,055
Deferred income	**1,092**	978
Accrued interest payable	**977**	324
Nontrade payables	**391**	327
Customer advances	**343**	518
Royalty payable	**326**	302
Insurance payable	**253**	214
Retentions payable	**95**	95
Others	**1,773**	318
	₱43,790	₱36,948

The details of trade payables are as follows:

	2023	2022
Automotive	**₱18,504**	₱14,155
Real estate	**3,216**	4,857
Others	**183**	37
	₱21,903	₱19,049

Trade payables for automotive pertain to the purchase of raw materials, spare parts and vehicles which are noninterest-bearing and are normally settled on one to 30-day term.

Trade payables for real estate pertain to billings received from contractors for construction costs incurred on a per project basis and commissaries for food products ordered.

The Group has foreign currency-denominated accounts and other payables (Note 33).

The details of accrued expenses are as follows:

	2023	2022
Dealers’ incentives, supports and promotions	**₱4,965**	₱3,333
Employee benefits	**858**	995
Taxes	**807**	758
Freight, handling and transportation	**426**	574
Office supplies	**241**	170
Utilities and services	**192**	164
Outsourced services	**166**	238
Professional fees	**150**	21
Insurance	**118**	76
Payable to contractors	**117**	7
Repairs and maintenance	**69**	105
Regulatory fees and charges	**7**	7
Rent	**6**	19
Others	**857**	617
	₱8,979	₱7,084

Accrued expenses are noninterest-bearing and are normally settled within a 15-to-60-day term.

Telegraphic transfers and drafts and acceptance payable pertain to the liabilities of Toyota Group arising from importations of materials, spare parts and/or vehicles. These payables are normally settled after a 30-day term.

Deferred output tax pertains to VAT on the uncollected portion of the contract price of sold units.

Accrued commissions are settled within one (1) year.

Accrued interest payables are normally settled within a 15-to-60-day term.

Customer advances pertain to payments received from buyers for the processing of transfer of units upon turnover.

Royalty payable represent cost of license for the use of technical know-how and information on data. The fees are calculated at 6.00% of the local value-added (LVA) of vehicles under production. The LVA represents the selling price less all costs for the knock-down parts, related taxes such as excise and sales tax and a certain percentage of administrative and selling costs. The fees also include charges from related affiliates and third-party suppliers representing initial costs of testing materials and trial parts and tools, sample molds and jigs that were utilized to test TMPC's present technical feasibility for the commercial production of newer car models.

Retentions payable represent a portion of construction cost withheld by the Federal Land Group and paid to the contractors after an agreed period commencing the completion of the project. Retentions payable due beyond one year are presented as noncurrent payable (Note 20).

Others include refunds from cancelled sales from Federal Land and other government-related payables which are non-interest bearing and are normally settled within one year. These also include other non-interest bearing payables which are all due within one year.

16. Short-term Debt, Corporate Notes, and Long-term Debt

Short-term Debt

	Interest rate range		Outstanding balance	
	2023	2022	**2023**	2022
Affiliated (Note 27)				
Federal Land Group	**4.50% - 6.50%**	4.50% - 5.50%	**₱1,850**	₱1,490
Toyota Group	**5.90% - 6.35%**	5.35%	**7,150**	800
TMBC Group	**–**	5.00% - 5.80%	**–**	1,280
GTCAM Group	**6.35%**	4.95% - 5.60%	**290**	90
Non-affiliated				
Federal Land Group	**4.25% - 6.38%**	4.00% - 6.50%	**5,750**	7,108
Toyota Group	**5.25% - 6.38%**	4.00% - 6.88%	**5,126**	3,814
GTCAM Group	**5.75% - 6.35%**	–	**950**	–
			₱21,116	₱14,582

Corporate Notes and Long-term Debt

	Interest rate range	Face amount		Outstanding balance		Terms
		2023	2022	**2023**	2022	
Corporate Notes						
Federal Land Group	5.57% - 6.27%	**₱–**	₱955	**₱–**	₱955	5-year unsecured notes; Due from 2022 to 2023; Fixed interest
Long-term Debt - Affiliated (Note 27)						
Federal Land Group	8.16%	**7,325**	10,500	**7,261**	10,417	5-year unsecured loans; Due from 2022 to 2027; Fixed interest
Long-term Debt - Non-affiliated						
Parent Company Peso loans	5.00% - 7.25%	**61,975**	61,975	**61,452**	61,691	10 to 13 years unsecured loans; Due from 2025 to 2032; Fixed interest

(Forward)

	Interest rate range	Face amount 2023	Face amount 2022	Outstanding balance 2023	Outstanding balance 2022	Terms
Parent Company JPY loans	3-month JPY TONA plus 0.65%	**₱10,287**	₱10,287	**₱9,106**	₱9,660	JPY23.31 billion loan; Due March 2027; Floating interest
Federal Land Group	3.95% - 8.20%	**33,248**	42,385	**33,180**	42,272	5 to 10 years unsecured loans; Due from 2022 to 2029; Fixed interest
Toyota Group	2.70% - 4.20%	**246**	246	**246**	246	5 to 10 years unsecured loans; Automatically renewed upon maturity; Fixed interest
TMBC Group	4.85% - 5.94%	–	1,500	–	550	10-year secured loans; Due 2026; Fixed interest
GTCAM Group	4.85% - 5.94%	**1,500**	–	**393**	–	10-year secured loans; Due 2026; Fixed interest
Total				**111,638**	125,791	
Less: Current portion				**16,110**	7,758	
				₱95,528	₱118,033	

In July 2018, the Parent Company obtained an unsecured long-term loan from three (3) non-affiliated foreign banks for an aggregate principal amount of ¥23.31 billion. Beginning January 1, 2022, JPY Libor settings across all tenors have ceased publication. The new benchmark reference rate for the Parent Company's JPY-denominated loans and interest rate swap is the JPY Tokyo Overnight Average (TONA). This was refinanced in July 2022 with a long-term loan with the same foreign banks which will mature in March 2027.

In July 2018, the Parent Company entered into an interest rate swap agreement with a non-affiliated foreign bank. Under the agreement, the Parent Company, on a quarterly basis, pays fixed interest rate of 0.852% and receives floating interest rate of 3-month JPY Libor plus 0.65% spread from July 2018 to July 2024. On the same date, the Parent Company designated the swap as an effective hedging instrument under a cash flow hedge arrangement.

In July 2022, upon refinancing, the Parent Company derecognized the derivative liability under the 2018 interest rate swap agreement and entered into an interest rate swap agreement with a non-affiliated foreign bank with the following terms:

Pay	Receive	Terms
0.852%	JPY TONA + 0.65%	¥11.655 billion up to July 2024
0.865%	JPY TONA + 0.65%	¥11.655 billion up to July 2024
1.255%	JPY TONA + 0.80%	¥23.31 billion from July 2024 to March 2027

In July 2022, the Parent Company entered into an interest rate swap agreement with a non-affiliated foreign bank. Under the agreement, the Parent Company, on a quarterly basis, pays fixed interest rate of 0.852% - 1.255% and receives a floating interest rate of JPY TONA plus 0.65% - 0.80% spread from July 2022 to March 2027. On the same date, the Parent Company designated the swap as an effective hedging instrument under a cash flow hedge arrangement (Note 33). As such, the effective portion of the changes in fair value of the swaps was recognized under other comprehensive loss amounting to ₱14.23 million in 2023 and other comprehensive income amounting to ₱87.70 million in 2022. The derivative liability amounted to ₱14.23 million as of December 31, 2023 (Note 20), and the derivative asset amounted to ₱87.70 million as of December 31, 2022 (Note 14).

As of December 31, 2023 and 2022, the movements in the deferred financing cost follow:

	2023	2022
Parent Company		
Balance at beginning of year	**₱304**	₱296
Additions	**–**	77
Amortization	**(51)**	(69)
Balance at end of year	**₱253**	₱304
Federal Land		
Balance at beginning of year	**₱198**	₱203
Additions	**5**	105
Amortization	**(71)**	(110)
Balance at end of year	**₱132**	₱198
GTCAM Group		
Balance at beginning of year	**₱–**	₱1
Amortization	**–**	(1)
Balance at end of year	**₱–**	₱–

Total interest expense incurred on the above-mentioned debts in 2023, 2022 and 2021 follows:

	Interest expense charged to operations			Interest expense capitalized		
	2023	2022	2021	**2023**	2022	2021
Short-term debt	**₱1,121**	₱573	₱482	**₱50**	₱39	₱71
Corporate notes	**104**	81	60	**33**	26	47
Long-term debt	**6,054**	5,609	4,770	**434**	336	621

Required Financial Ratios

The table below presents a summary of the financial ratios required to be maintained by each entity within the Group under existing loan agreements.

Entity	**Financial Ratio**	**Required Ratio**
Corporate notes		
Federal Land	Debt-to-equity ratio	2:1
Long-term loans		
Parent Company	Debt-to-equity ratio	2.3:1
Federal Land (Affiliated)	Debt-to-equity ratio	3:1
Federal Land (Non-affiliated)	Debt-to-equity ratio	2:1
TMBC	Current ratio	1:1
TMBC	Debt-to-equity ratio	2.5:1
TMBC	Debt service ratio	1.2x

As of December 31, 2023 and 2022, the Group has complied with the foregoing required financial ratios.

17. **Bonds Payable**

Maturity Dates	Interest rate	Par Value 2023	Par Value 2022	Amount 2023	Amount 2022
₱10.0 billion Bonds					
February 27, 2023	5.0937%	**₱–**	₱6,100	**₱–**	₱6,099
₱12.0 billion Bonds					
August 7, 2024	5.6250%	**4,000**	4,000	**3,997**	3,992
		₱4,000	₱10,100	**₱3,997**	₱10,091

Unamortized debt issuance costs on these bonds amounted to ₱3.24 million and ₱9.73 million as of December 31, 2023 and 2022, respectively.

<u>₱10.00 billion GT Capital bonds due 2020 and 2023</u>
On February 13, 2013, the Parent Company issued ₱10.00 billion 7-year and 10-year unsecured bonds due on February 27, 2020 and February 27, 2023, respectively, with annual interest rate of 4.84% and 5.09%, respectively. Gross and net proceeds amounted to ₱10.00 billion and ₱9.90 billion, respectively, net of deferred financing cost of ₱0.10 billion. The bonds were listed on the Philippine Dealing and Exchange Corporation on February 27, 2013.

The ₱3.90 billion bonds with maturity date of February 27, 2020 were paid upon maturity. This was refinanced in February 2020 with a long-term loan from a non-affiliated local bank.

The ₱6.10 billion bonds with maturity date of February 27, 2023 were paid.

<u>₱12.00 billion GT Capital bonds due 2019, 2021 and 2024</u>
On July 24, 2014, the Parent Company issued ₱12.00 billion unsecured bonds with tenors of five years, seven years and ten years due November 7, 2019 (Series A Bonds), August 7, 2021 (Series B Bonds) and August 7, 2024 (Series C Bonds), respectively, with annual interest rates of 4.71%, 5.20% and 5.63% respectively. Gross and net proceeds amounted to ₱12.00 billion and ₱11.88 billion, respectively, net of deferred financing cost incurred of ₱0.12 billion. The bonds were listed on August 7, 2014.

The ₱3.00 billion and ₱5.00 billion bonds with maturity dates of November 7, 2019 and August 7, 2021 were paid upon maturity. These were refinanced in November 2019 and July 2019 with long-term loans from non-affiliated local banks.

As of December 31, 2023 and 2022, the movement in the deferred financing cost is as follows:

	2023	2022
Balance at beginning of year	**₱10**	₱23
Amortization	**(7)**	(14)
Balance at end of year	**₱3**	₱9

Both bonds contain negative covenants, which among others, include provision that the Parent Company should maintain a debt-to-equity ratio of 2.3:1.0. As of December 31, 2023 and 2022, the Parent Company has complied with its bond covenants.

Total interest expense incurred on bonds payable in 2023, 2022 and 2021, amounted to ₱0.27 billion (including amortization of deferred financing cost of ₱6.49 million), ₱0.55 billion (including amortization of deferred financing cost of ₱12.80 million) and ₱0.71 billion (including amortization of deferred financing cost of ₱17.40 million), respectively.

18. **Customers' Deposits**

As of December 31, 2023 and 2022, customers' deposits represent refundable reservation fees and advance payments received from customers which can be applied as payment to the respective automotive sale transaction with the Group.

As of December 31, 2023 and 2022, the balance of this account amounted to ₱1.06 billion and ₱0.93 billion, respectively (Note 27).

19. **Other Current Liabilities**

This account consists of:

	2023	2022
VAT payable	**₱1,509**	₱386
Withholding taxes payable	**492**	693
Unearned management fee income	**42**	29
Lease liabilities (Note 30)	**13**	6
Unearned warranty revenue	**8**	–
Liabilities held for sale (Note 7)	**–**	346
Others	**85**	53
	₱2,149	₱1,513

Others pertain to payables on utilities, contracted maintenance and security agencies and regulatory premium or contribution payable of the Group. These are normally payable within one year.

20. **Liabilities on Purchased Properties and Other Noncurrent Liabilities**

Liabilities on Purchased Properties

Liabilities on purchased properties are payables to various real estate property sellers. Under the terms of the agreements executed by Federal Land covering the purchase of certain real estate properties, the titles of the subject properties shall be transferred to Federal Land only upon full payment of the real estate loans.

In 2012, Federal Land acquired certain land and investment properties aggregating ₱3.72 billion, with 20.00% downpayment amounting to ₱0.74 billion. The outstanding balance amounting to ₱2.98 billion is payable in 13 years with 3.00% interest per annum. The outstanding balance was discounted at the prevailing market rate of 5.40% and the discounted liability as of December 31, 2023 and 2022 amounted to ₱1.15 billion and ₱1.29 billion, respectively.

On November 2019, Federal Land acquired a land located in Makati City. Of the total purchase amount of ₱1.20 billion, ₱0.29 billion was paid in 2019 as downpayment and ₱0.91 billion is payable in five equal annual installments commencing February 1, 2020 to 2024. The loan bears 3.50% interest per annum and is unsecured. The outstanding balance was discounted at the prevailing market rate of 6.87% and the discounted liability as of December 31, 2023 and 2022 amounted to ₱0.18 billion and ₱0.36 billion, respectively.

Current portion of liabilities on purchased properties amounted to ₱0.35 billion as of December 31, 2023 and 2022, respectively. Noncurrent portion of liabilities on purchased properties amounted to ₱0.98 billion and ₱1.30 billion as of December 31, 2023 and 2022, respectively (Note 27). Accretion of interest in 2023, 2022 and 2021 amounted to ₱28.18 million, ₱35.4 million and ₱55.47 million, respectively.

Other Noncurrent Liabilities

This account consists of:

	2023	2022
Retentions payable - noncurrent portion	**₱1,212**	₱1,502
Refundable and other deposits	**894**	849
Provisions (Note 36)	**671**	648
Finance lease obligation - net	**178**	110
Lease liabilities (Note 30)	**155**	15
Deferred output VAT	**65**	130
Derivative liabilities (Note 16)	**14**	47
Unearned rent income	**1**	5
	₱3,190	₱3,306

Retentions payable represent a portion of construction cost withheld by the Group and paid to the contractors after an agreed period commencing the completion of the project.

Refundable and other deposits consist mainly of tenants' rental deposit from operating lease contracts with terms ranging from five to ten years. Rental deposits are obtained to secure faithful compliance of tenants' obligation under the lease contract and to answer for unpaid bills of lessees affecting the leased premises, any damage to the leased premises, and other similar costs. Rental deposits may also be applied to the unpaid rentals upon termination of the lease contract.

Provisions consist of:

	2023	2022
Claims and assessments	**₱92**	₱173
Product warranties	**579**	475
	₱671	₱648

Provisions for other expenses pertains to liabilities with uncertain amount or timing of actual disbursement. These include regulatory fees, management incentives and other charges which payment is probable and the amount is estimable as of reporting date. The management reassesses their estimates on an annual basis to determine the reasonableness of provision. Disclosure of information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* are not provided because of reasons permitted under paragraph 92 of PAS 37. Accordingly, only general descriptions are provided.

Deferred output VAT pertains to the VAT on installment sale of lots with terms of 60 days to five years.

21. Contract Balances and Cost to Obtain a Contract

The contract balances of the Group consist of the following:

	2023	2022
Contract Assets		
Current	**₱4,092**	₱4,707
Noncurrent	**5,489**	5,636
	₱9,581	₱10,343
Contract Liabilities		
Current	**₱3,293**	₱3,207

Contract assets are initially recognized for revenue earned from real estate sales as receipt of consideration is conditional on successful completion of installation. Upon completion of performance obligation and acceptance by the customer, the amounts recognized as contract assets are reclassified to trade residential and office development receivables.

Contract liabilities consist of collections from real estate customers which have not reached the 10.00% threshold to qualify for revenue recognition and excess of collections over the recognized receivables and contract assets based on percentage of completion.

The amount of revenue recognized in 2023 and 2022 from amounts included in contract liabilities at the beginning of the year amounted to ₱0.89 billion and ₱1.38 billion, respectively.

Cost to Obtain a Contract
The balances below pertain to the cost to obtain contracts included in 'Prepaid expenses' (Note 7):

	2023	2022
Balance at beginning of year	**₱45**	₱42
Additions during the year	**601**	475
Amortization	**(503)**	(472)
Balance at end of year	**₱143**	₱45

Performance Obligations
Information about Federal Land Group's performance obligations are summarized below:

Real estate sales
The Federal Land Group entered into contracts to sell with one identified performance obligation which is the sale of the real estate unit together with the services to transfer the title to the buyer upon full payment of contract price. The amount of consideration indicated in the contract to sell is fixed and has no variable consideration.

The sale of real estate unit covers condominium units, and Federal Land Group concluded that there is one performance obligation in each of these contracts. Federal Land Group recognizes revenue from the sale of these real estate projects under pre-completed contract over time during the course of the construction.

Payment commences upon signing of the contract to sell and the consideration is payable in cash or under various financing schemes entered with the customer. The financing scheme would include payment of 10%-100% of the contract price to be paid over a maximum of 60 months at a monthly payment based on amortization schedule with remaining balance payable (a) in full at the end of the period either through cash or external financing; or (b) through in-house financing which ranges from five (5) to ten (10) years with fixed monthly payment. The amount due for collection under the amortization schedule for each of the customer does not necessarily coincide with the progress of construction, which results in either a contract asset or contract liability.

After the delivery of the completed real estate unit, Federal Land Group provides one-year warranty to repair minor defects on the delivered condominium unit. This is assessed by the Parent Company as a quality assurance warranty and not treated as a separate performance obligation.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially satisfied) as at December 31 as follows:

	2023	2022
Within one year	**₱2,511**	₱3,311
More than one year	**1,226**	515
	₱3,737	₱3,826

22. **Equity**

Capital Stock and Additional Paid-in Capital

As of December 31, 2023 and 2022, the paid-up capital consists of the following (amounts in millions, except for number of shares):

	Shares		**Amount**	
	2023	2022	**2023**	2022
Voting Preferred stock - ₱0.10 par value				
Authorized	**174,300,000**	174,300,000		
Issued and outstanding	**174,300,000**	174,300,000	**₱17**	₱17
Perpetual Preferred stock - ₱100.00 par value				
Authorized	**20,000,000**	20,000,000		
Issued and outstanding	**12,000,000**	12,000,000	**1,200**	1,200
Common stock - ₱10.00 par value				
Authorized	**298,257,000**	298,257,000		
Issued and outstanding	**215,284,587**	215,284,587	**2,153**	2,153
Subtotal			**3,370**	3,370
Treasury shares	**(4,839,240)**	–	**(484)**	–
Additional paid-in capital			**94,472**	98,827
			₱97,358	₱102,197

The Parent Company's common shares with par value of ₱10.00 were listed on the Philippine Stock Exchange on April 20, 2012.

Voting Preferred Shares of Stock

The voting preferred shares has the following features, rights and privileges:

a. The voting preferred shares have a par value of ₱0.10 per share.
b. The Dividend Rate of 3.77% was fixed based on the 3-year PDST-R2 on April 13, 2015, subject to re-pricing every ten (10) years and payable annually;
c. These are non-cumulative and the holders thereof are entitled to the payment of current but not past dividends;
d. These are non-participating in any other further dividends beyond that specifically payable on the shares;
e. These are redeemable at par value, at the sole option of the Parent Company, under terms and conditions approved by the Board of Directors;

f. The holders of Voting Preferred Shares shall be entitled to one vote for each share in his name on the books of the Parent Company;
g. The holders of Voting Preferred Shares shall have no pre-emptive rights to any issue of shares, Common or Preferred;
h. These are not listed and not tradable in the Philippine Stock Exchange.

Perpetual Preferred Shares of Stock
The perpetual preferred shares shall have the following features, rights and privileges:
a. The perpetual preferred shares have a par value of ₱100.00 per share and issued on October 27, 2016 with an issue value of ₱1,000.00 per share. Series A issued amount to ₱4.80 billion with a dividend rate per annum of 4.6299% while Series B issued amount to ₱7.20 billion with a dividend rate per annum of 5.0949%;
b. The perpetual preferred shares are cumulative and the holders thereof are entitled to the payment of current as well as any accrued or unpaid dividends before any dividends can be paid to the holders of common shares. No dividend shall be declared or paid on the common shares unless the full accumulated dividends on all the perpetual preferred shares for all past dividend periods and for the current dividend period shall have been declared and paid by the Corporation;
c. The holders of perpetual preferred shares have preference over holders of common shares in the distribution of corporate assets in the event of dissolution, liquidation or winding up of the corporation, whether voluntary or involuntary;
d. The perpetual preferred shares are not entitled to vote, except in those cases specifically provided by law;
e. The perpetual preferred shares are non-participating in any other further dividends beyond that specifically payable thereon;
f. The perpetual preferred shares are non-convertible to common shares or voting preferred shares;
g. The perpetual preferred shares have no pre-emptive rights to any issue of shares, common or preferred;
h. Both Series A and B of said perpetual preferred shares were listed on the Philippine Stock Exchange on October 27, 2016;
i. The Parent Company has the option, but not the obligation, to redeem in whole (but not a part of) the Shares of Series A on 5th anniversary of the Issue Date, or any dividend payment date and for Series B on the 7th anniversary of the Issue Date, or any dividend payment date;
j. If not redeemed on the optional redemption date, the dividend rate will be adjusted on the 7th anniversary of the Issue Date for Series A while the 10th anniversary of the Issue Date for Series B;
k. The dividend rate for Series A will be adjusted on the relevant Rate Adjustment Date to the higher of (1) Prevailing dividend rate of 4.6299%; or (2) the sum of: (a) simple average of closing 7-year PDST-R2 benchmark rate for each of the 3 consecutive business days immediately preceding and inclusive of the Rate Adjustment date; and (b) Series A adjustment Spread of 1.5% per annum while for Series B will be adjusted to the higher of (1) Prevailing dividend rate of 5.0949%; or (2) the sum of: (a) simple average of closing 10yr PDST-R2 benchmark rate for each of the 3 consecutive business days immediately preceding and inclusive of the Rate Adjustment date; and (b) Series B adjustment Spread of 1.875% per annum.

On October 27, 2023, the Parent Company redeemed all of its 4,839,240 perpetual preferred shares series A (GTPPA) at the issue price of ₱1,000 per share or a total redemption price of ₱4.84 billion including APIC amounting to ₱4.36 billion.

Common Shares
As of December 31, 2023 and 2022, the total number of shareholders of common stock of the Parent Company are 95 and 91, respectively.

Stock Dividends
The BOD and Shareholders of the Parent Company approved on March 26, 2019 and May 8, 2019, respectively, the declaration of an 8.00% stock dividend in favor of the Parent Company's common shareholders. The record and payment dates were set on July 8, 2019 and August 1, 2019, respectively. On August 1, 2019, the 8.00% stock dividend equivalent to 15,947,003 common shares were issued and listed in the Philippine Stock Exchange.

Retained Earnings
On December 6, 2018, the BOD of the Parent Company approved the appropriation of retained earnings amounting to ₱17.00 billion to be earmarked for strategic investment in property development starting in 2019. In March 2019, ₱16.60 billion out of ₱17.00 billion was reversed. The remaining ₱400.00 million was earmarked for strategic investment in property development expected to be completed until 2025.

Details of the Parent Company's dividend distributions to preferred shareholders out of the Parent Company's retained earnings as approved by the Parent Company's BOD follow:

Date of declaration	Per share	Total amount (in millions)	Record date	Payment date
Voting Preferred Shares				
March 20, 2023	₱0.00377	₱0.66	April 3, 2023	April 19, 2023
March 25, 2022	0.00377	0.66	April 8, 2022	April 22, 2022
March 22, 2021	0.00377	0.66	April 5, 2021	April 27, 2021
Perpetual Preferred Shares				
Series A				
December 16, 2022	11.57475	56.01	January 5, 2023	January 27, 2023
December 16, 2022	11.57475	56.01	April 5, 2023	April 27, 2023
December 16, 2022	11.57475	56.01	July 5, 2023	July 27, 2023
December 16, 2022	11.57475	56.01	October 5, 2023	October 27, 2023
December 17, 2021	11.57475	56.01	January 5, 2022	January 27, 2022
December 17, 2021	11.57475	56.01	April 5, 2022	April 27, 2022
December 17, 2021	11.57475	56.01	July 5, 2022	July 27, 2022
December 17, 2021	11.57475	56.01	October 5, 2022	October 27, 2022
Series B				
December 15, 2023	12.73725	91.21	January 5, 2024	January 29, 2024
December 15, 2023	12.73725	91.21	April 5, 2024	April 29, 2024
December 15, 2023	12.73725	91.21	July 5, 2024	July 29, 2024
December 15, 2023	12.73725	91.21	October 7, 2024	October 28, 2024
December 16, 2022	12.73725	91.21	January 5, 2023	January 27, 2023
December 16, 2022	12.73725	91.21	April 5, 2023	April 27, 2023
December 16, 2022	12.73725	91.21	July 5, 2023	July 27, 2023
December 16, 2022	12.73725	91.21	October 5, 2023	October 27, 2023
December 17, 2021	12.73725	91.21	January 5, 2022	January 27, 2022
December 17, 2021	12.73725	91.21	April 5, 2022	April 27, 2022
December 17, 2021	12.73725	91.21	July 5, 2022	July 27, 2022
December 17, 2021	12.73725	91.21	October 5, 2022	October 27, 2022

Details of the Parent Company's dividend distributions to common shareholders out of the Parent Company's retained earnings as approved by the Parent Company's BOD follow:

Date of declaration	Per share	Total amount (in millions)	Record date	Payment date
March 20, 2023	₱3.00	₱645.85	April 3, 2023	April 19, 2023
March 25, 2022	3.00	645.85	April 8, 2022	April 22, 2022
March 22, 2021	3.00	645.85	April 7, 2021	April 21, 2021

The computation of retained earnings available for dividend declaration in accordance with the SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the Parent Company's stated retained earnings as of December 31, 2023 and 2022.

In addition, certain amount of retained earnings is required to be maintained to enable the Group to meet certain financial ratios as stipulated in the loan covenants.

Details of dividend declarations of the Group's subsidiaries follow:

	Date of declaration	Class of stock	Total amount (in millions)	Record date	Payment date
Federal Land	February 27, 2023	Preferred Shares-A	₱320.00	February 28, 2023	February 28, 2023
	February 27, 2023	Preferred Shares-B	332.58	February 28, 2023	February 28, 2023
	December 20, 2021	Preferred Shares-A	320.00	December 31, 2021	February 28, 2022
	December 20, 2021	Preferred Shares-B	332.58	December 31, 2021	February 28, 2022
	December 20, 2021	Common	100.00	December 31, 2021	February 28, 2022
	December 14, 2020	Preferred Shares-A	320.00	December 31, 2020	February 28, 2021
	December 14, 2020	Preferred Shares-B	332.58	December 31, 2020	February 28, 2021
	December 14, 2020	Common	100.00	December 31, 2020	February 28, 2021
	February 24, 2020	Common	100.00	December 31, 2019	February 28, 2020
Toyota	June 8, 2023	Common	5,398.90	December 31, 2022	October 27, 2023
	June 13, 2022	Common	5,913.11	December 31, 2021	October 28, 2022
	June 29, 2021	Common	3,253.38	December 31, 2020	October 8, 2021

Other comprehensive income (loss)
Other comprehensive income (loss) consists of the following, net of applicable income taxes:

	2023	2022
Fair value reserves on financial assets at FVOCI (Note 10)	**₱5,588**	₱1,928
Cash flow hedge reserve (Notes 14 and 16)	**(14)**	88
Cumulative translation adjustments	**6**	18
Net unrealized loss on remeasurement of retirement plan	**(228)**	(97)
Equity in other comprehensive income (loss) of associates and joint ventures:		
Equity in remeasurement of life insurance reserves	**236**	252
Equity in cash flow hedge reserves	**(189)**	(348)
Equity in net unrealized loss on remeasurement of retirement plan	**(2,188)**	(647)
Equity in cumulative translation adjustments	**(2,996)**	(2,654)
Equity in fair value reserves on financial assets at FVOCI	**(2,697)**	(7,829)
Equity in other equity adjustments of associates	**5**	5
	(₱2,477)	(₱9,284)

The movements and analysis of the other comprehensive income are presented in the consolidated statements of comprehensive income.

Non-controlling interests
The following table presents the rollforward of non-controlling interests:

	2023	2022	2021
Balance at beginning of year	**₱11,272**	₱11,035	₱8,885
Share of non-controlling interest in:			
Net income	**7,562**	3,371	3,266
Other comprehensive income (loss)	**(14)**	5	274
Cash dividends paid to non-controlling interest shareholders	**(3,007)**	(3,139)	(1,755)
Acquisition of additional interest in a subsidiary	**–**	–	344
NCI on the acquisition of a new subsidiary	**–**	–	21
Balance at end of year	**₱15,813**	₱11,272	₱11,035

Financial Information of Subsidiaries
The financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interests held by non-controlling interests

	Direct and Effective Ownership	
	2023	2022
TMPC	**49.00%**	49.00%

Carrying value of material non-controlling interests

	2023	2022
TMPC	**₱13,059**	₱8,877

Net income for the period allocated to material non-controlling interests

	2023	2022	2021
TMPC	**₱7,184**	₱2,994	₱3,062

The following table presents the financial information of subsidiaries with material NCI as of and for the years ended December 31, 2023 and 2022:

	2023	2022
	TMPC	TMPC
Statement of Financial Position		
Current assets	**₱58,348**	₱34,511
Non-current assets	**10,915**	10,832
Current liabilities	**45,118**	30,038
Non-current liabilities	**2,955**	2,603
Dividends paid to non-controlling interests	**2,977**	3,109
Statement of Comprehensive Income		
Revenues	**228,822**	185,180
Expenses and provision for income tax	**214,546**	179,189
Net income	**14,276**	5,991
Total comprehensive income	**14,219**	5,991

	2023 TMPC	2022 TMPC
Statement of Cash Flows		
Net cash provided by (used in) operating activities	**(₱1,723)**	₱5,464
Net cash used in investing activities	**(605)**	(377)
Net cash provided by (used in) financing activities	**1,541**	(7,121)

Capital Management
The primary objective of the Group's capital management is to ensure that it maintains a strong and healthy consolidated statement of financial position to support its current business operations and drive its expansion and growth in the future.

The Group maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Parent Company excluding effect of uniting of interest. The Group's sources of capital are capital stock and retained earnings. No changes were made in the objectives, policies or processes in 2023 and 2022. The Parent Company considers total equity as its capital amounting to ₱142.82 billion and ₱132.49 billion as of December 31, 2023 and 2022, respectively.

The Parent Company maintains equity at a level that is compliant with its loan covenants.

23. Interest and Other Income

Interest Income
This account consists of:

	2023	2022	2021
Interest income on:			
Installment contracts receivable (Note 5)	**₱196**	₱431	₱1,652
Cash and cash equivalents (Note 4)	**886**	121	23
Receivables	**29**	26	196
Others	–	85	28
	₱1,111	₱663	₱1,899

Interest income on installment contracts receivable consist of accretion of unamortized discount of and interest income from collections of the Group.

Other Income
This account consists of:

	2023	2022	2021
Ancillary income	**₱1,271**	₱1,078	₱715
Real estate forfeitures, charges and penalties	**909**	775	540
Management fee (Note 27)	**625**	409	241
Dividend income	**450**	388	356
CARS incentives (Note 29)	**433**	475	494

(Forward)

	2023	2022	2021
Realized and unrealized gain on financial assets at FVTPL	**₱366**	₱137	₱89
Subscription income	**70**	56	110
Gain on disposal of property and equipment (Note 11)	**18**	58	34
Others (Notes 5 and 8)	**699**	4,481	596
	₱4,841	₱7,857	₱3,175

Ancillary income represents incentives received by Toyota dealers from financing institutions for vehicles sold to financing customers and from insurance companies for policies written for buyers.

Real estate forfeitures, charges and penalties are earned when a buyer is delinquent on his payment or cancels his purchase of condominium units, after deducting any cash surrender value.

In 2021, Toyota availed of the tax incentives under Executive Order No. 182 Series of 2015 or the Comprehensive Automotive Resurgence Strategy (CARS) Program. Tax credits utilized by Toyota to pay tax dues amounted to ₱433.47 million, ₱464.68 million, and ₱493.69 million in 2023, 2022, and 2021 respectively (Note 29).

Management fee includes services rendered by Federal Land in the administration of different projects related to the joint venture (Note 27).

In 2022, other income includes the ₱3.86 billion gain on property exchange of Federal Land for its transfer of properties to FNG in exchange for common shares.

24. Cost of Goods and Services Sold

Cost of goods and services sold consists of:

	2023	2022	2021
Beginning inventory			
Automotive	**₱10,085**	₱7,191	₱11,023
Gasoline, retail, and petroleum products	**7**	10	7
Food	**5**	5	5
	10,097	7,206	11,035
Add: Net purchases	**200,176**	158,824	98,176
Total inventories available for sale	**210,273**	166,030	109,211
Less: Ending inventory (Note 6)			
Automotive	**20,291**	10,085	7,191
Gasoline, retail, and petroleum products	**10**	7	10
Food	**6**	5	5
Subtotal	**189,966**	155,933	102,005
Cost adjustments and intercompany elimination	**(623)**	(219)	283
Internal and other transfers	**(1,419)**	180	(109)
Direct labor	**1,135**	973	643
Overhead	**289**	212	137
	₱189,348	₱157,079	₱102,959

Overhead includes rent expense and common usage and service area charges.

25. Cost of Goods Manufactured and Sold

Cost of goods manufactured and sold consists of:

	2023	2022	2021
Raw materials used	**₱36,199**	₱32,452	₱28,122
Employee welfare & benefits	**897**	–	1,207
Royalty and technical assistance fees	**802**	728	761
Depreciation and amortization	**518**	636	328
Direct labor	**391**	347	660
Indirect labor	**346**	1,197	93
Manufacturing supplies	**222**	181	164
Repairs and maintenance	**205**	98	190
Utilities and services	**166**	221	38
Taxes and licenses	**61**	47	46
Stockyard operational cost	**50**	45	69
Miscellaneous	**151**	116	31,680
	40,008	36,067	31,680
Decrease (increase) in finished goods and work-in-process inventories	**(231)**	221	520
Effect of intragroup eliminations	**(116)**	78	(89)
	39,661	36,366	32,111

26. General and Administrative Expenses

This account consists of:

	2023	2022	2021
Advertising and promotions	**₱4,958**	₱3,296	₱2,888
Salaries, wages, and employee benefits (Notes 27 and 28)	**3,621**	3,441	2,973
Delivery and handling	**3,336**	2,403	1,571
Taxes and licenses	**2,128**	1,993	1,515
Commissions	**1,616**	1,489	1,180
Depreciation and amortization (Note 11)	**665**	692	724
Repairs and maintenance	**614**	346	377
Light, water and other utilities	**502**	430	389
Professional fees	**365**	284	237
Outside services	**285**	211	203
Administrative and management fees	**236**	248	98
Warranty	**234**	312	100
Unrealized foreign exchange loss	**202**	761	78
Office supplies	**194**	227	168
Rent (Note 30)	**135**	65	33
Transportation and travel	**130**	98	58
Communications	**97**	95	81
Insurance	**71**	64	64
Donation	**41**	4	10

(Forward)

	2023	2022	2021
Entertainment, amusement and recreation	**₱39**	₱27	₱20
Royalty and service fees	**24**	19	12
Provision for inventory write-down (Note 6)	**16**	51	9
Unallocated overhead costs	**−**	−	110
Provision for (recoveries from) credit losses - net (Note 5)	**(75)**	164	358
Others	**823**	558	199
	₱20,257	₱17,278	₱13,455

Unallocated overhead costs pertain to the fixed labor and overhead costs incurred during the COVID-19 pandemic when the automotive segment had no production operation. These include depreciation and amortization amounting to ₱39.72 million in 2021.

Other expenses include membership and subscription fees, dealer development, corporate events, and contractual services.

27. Related Party Transactions

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities. These related parties include subsidiaries, associates, joint venture, key management personnel, stockholders and other related parties which include affiliates.

An entity is considered an affiliate if such entity and the Parent Company have common shareholders. In effect, such entity is a sister company of the Parent Company by virtue of ownership and common control. It is neither a subsidiary nor associate of the Group.

The Group, in its regular conduct of its business, has entered into transactions with its associates, joint ventures and other related parties principally consisting of cash advances for reimbursement of expenses, merger and acquisitions and capital infusion, leasing agreements, management agreements and dividends received from associates.

Transactions with related parties are made at normal market prices. Except as otherwise indicated, outstanding balances at year end are unsecured and settlement occurs generally in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties.

This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

The following tables show the significant related party transactions included in the consolidated financial statements. Transactions with subsidiaries have been eliminated in the consolidated financial statements.

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2023		
Subsidiaries			
Accounts receivable	**(₱111)**	**₱181**	Receivable from sale of lots; Vehicle swapping; Current - accordingly, no provision for losses is required.
Rent receivable	–	**3**	Unsecured; Due and demandable
Prepayments	**1**	**1**	Advance rental payments
Security deposit	–	**21**	Rental deposits
Right-of-use asset	**43**	**101**	Lease of office and parking spaces
Investment in shares of stock	**16,308**	**57,652**	Additional subscription to common shares; share swap
Accounts payable	**14,742**	**1,834**	Represent payables arising from sales adjustments, warranty, sales promotions, and reimbursable expenses
Lease payable	**32**	**82**	Lease of office and parking spaces
Dividend income	**3,406**	–	Dividend income from subsidiaries
Rent income	**25**	–	Rent income from lease of office space
Amortization expense - ROU	**32**	–	Amortization of office and parking space leases
Cost of rental	**3**	–	Janitorial and security services
Dealer operation assistance fees	**86**	–	
Interest expense	**5**	–	
Service fees	**56**	–	Property management fees for properties in Cavite
Outside services	**12**	–	Security services for properties in Cavite
Rent expense	**36**	–	Office space rent and maintenance; Subject to 5% escalation annually
Repairs and maintenance	**5**	–	Repairs and maintenance of properties
Subscription fees	**2**	–	
Utilities expense	**1**	–	
Associates			
Cash and cash equivalents	**1,018,420**	**8,661**	Unsecured; Interest bearing at prevailing market rate; due and demandable
Accounts receivable	–	**109**	Unsecured; Non-interest bearing; due and demandable
Commission receivable	–	**13**	Unsecured; Non-interest bearing; due and demandable
Dividend receivable	–	**253**	Unsecured; Due and demandable
Rent receivable	–	**52**	Unsecured; Due and demandable
Interest receivable	–	**6**	
Receivable from sharing of expenses	**6**	**4**	Unsecured; Non-interest bearing; due and demandable
Due from related parties	–	**57**	Unsecured; Non-interest bearing; due and demandable
Prepaid insurance	**14**	**3**	
Other receivables	–	**15**	Unsecured; Non-interest bearing; due and demandable
FVTPL investments	**(5)**	**22**	Investment in UITF
Investment in shares of stock	**4,391**	**118,227**	
Short-term debt	**46,750**	**8,540**	Interest bearing; Payable within 90 days from the date of the availment
Due to related parties	–	**139**	Unsecured; Non-interest bearing; due and demandable
Loans payable	–	**7,325**	Unsecured; With interest ranging from 2.75% to 4.25%; Payable on 2024-2029
Insurance payable	–	**20**	
Other payables	**30**	–	Unsecured; Non-interest bearing; due and demandable
Commission income	**1**	–	
Dividend income	**5,883**	–	Dividend income from associates
Rent income	**374**	–	Rent income from associates
Interest income	**442**	–	Prevailing interest rate on regular peso savings deposit account and time deposit placements
Gain on FVTPL investments	**1**	–	
Insurance expense	**2**	–	
Interest expense	**259**	–	Interest expense on loans payable
Bank charges	**3**	–	

(Forward)

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2023		
Joint ventures			
Accounts receivable	**₱–**	**₱477**	Unsecured; Non-interest bearing; due and demandable
Rent receivables	**–**	**99**	Unsecured; Non-interest bearing; due and demandable
Interest receivables	**–**	**686**	Unsecured; Interest bearing at prevailing market rate; due and demandable
Loans receivables	**–**	**4,011**	Unsecured; Interest bearing at prevailing market rate; due and demandable
Commission receivable	**–**	**905**	Unsecured; Non-interest bearing; due and demandable
Due from related parties	**–**	**257**	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	**–**	**164**	Unsecured; Non-interest bearing; due and demandable
Nontrade receivables	**7**	**2**	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	**–**	**1**	Unsecured; Non-interest bearing; due and demandable
Investments in shares of stocks	**–**	**5,561**	
Security deposit	**–**	**1**	
Real estate sales	**9,283**	**–**	Sale of lots in various locations
Management fee income	**333**	**–**	Management service income
Rent income	**109**	**–**	
Commission income	**958**	**–**	
Interest income	**262**	**–**	Dividend income from joint ventures
Dividend income	**38**	**–**	Rent income from joint ventures
Others			
Cash and cash equivalents	**226,315**	**2,519**	Unsecured; Interest bearing at prevailing market rate; due and demandable
Accounts receivable	**–**	**221**	Unsecured; Non-interest bearing; due and demandable
FVTPL investments	**(10,285)**	**849**	
Trade receivables	**–**		Unsecured; Non-interest bearing; due and demandable
Management fee receivables	**–**	**90**	Unsecured; Non-interest bearing; due and demandable
Commission receivable	**–**	**7**	Unsecured; Non-interest bearing; due and demandable
Interest receivable	**–**	**1**	Interest on time deposit placements
Loan receivable	**–**	**1,978**	Unsecured; With interest of 4.5%; Payable in 2032
Receivable from sharing of expenses	**5**	**4**	Unsecured; Non-interest bearing; due and demandable
Other receivables	**–**	**48**	Unsecured; Non-interest bearing; due and demandable
Due from related parties	**–**	**67**	Unsecured; Non-interest bearing; due and demandable
Retirement asset	**5**	**–**	
Accounts payable	**17**	**2**	Unsecured; Non-interest bearing; due and demandable
Due to related parties	**–**	**277**	Unsecured; Non-interest bearing; due and demandable
Loans payable	**(22)**	**1,147**	With 3% interest; payable annually until 2025
Commission income	**7**	**–**	
Interest income	**47**	**–**	Interest on time deposit placements
Rent income	**2**	**–**	Rent income from affiliates
Advisory fees	**6**	**–**	Retainer's fee
Agency fees	**5**	**–**	Safekeeping and trust agreement
Interest expense	**22**		
Management fees	**65**	**–**	Management service fees for the year 2023
Administration expense	**2**	**–**	

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2022		
Subsidiaries			
Accounts receivable - trade	₱16,381	₱67	Receivable from sale of lots; Vehicle swapping; Current - accordingly, no provision for losses is required.
Rent receivable	−	17	Unsecured; Non-interest bearing; due and demandable
Dividends receivable	653	−	Dividends declared in 2022
Prepayments	4	2	Advance rental payments
Security deposit	5	25	Rental deposits
Right-of-use asset	5	265	Lease of office and parking spaces
Transportation equipment	2	−	Car assigned to employee
Accounts payable	384	43	Represent payables arising from sales adjustments, warranty, sales promotions, and reimbursable expenses
Lease payable	17	245	Lease of office and parking spaces
Real estate sales	68	−	Sale of lots in Cavite
Dividend income	3,016	−	
Rent income	42	−	Office space rent and maintenance for the year 2022; subject to 5% escalation annually
Amortization expense - ROU	37	−	Amortization of office and parking space leases
Cost of rental	2	−	Janitorial and security services
Service fees	80	−	Property management fees for properties in Cavite
Outside services	14	−	Security services for properties in Cavite
Rent expense	3	−	Office space rent and maintenance; Subject to 5% escalation annually
Repairs and maintenance	5	−	Repairs and maintenance of properties
Associates			
Cash and cash equivalents	940,735	17,315	Unsecured; Interest bearing at prevailing market rate; due and demandable
Rent receivables	−	16	Unsecured; Non-interest bearing; due and demandable
Commission receivable	−	1	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	6	4	Unsecured; Non-interest bearing; due and demandable
Due from related parties	−	53	Unsecured; Non-interest bearing; due and demandable
Nontrade receivables	26	3	Unsecured; Non-interest bearing; due and demandable
Other receivables	−	15	Unsecured; Non-interest bearing; due and demandable
FVTPL investments	10	25	Investment in UITF
Other current assets	51	51	Unsecured; Non-interest bearing; due and demandable
Accounts payable	1	−	Insurance payable
Short-term debt	8,300	2,380	Interest bearing; Payable within 90 days from the date of the availment
Due to related parties	−	21	Unsecured; Non-interest bearing; due and demandable
Loans payable	−	10,418	Unsecured; With interest ranging from 2.75% to 4.25%; Payable from 2024-2029
Other payables	9	−	Unsecured; Non-interest bearing; due and demandable
Commission income	3	−	Unsecured; Non-interest bearing; due and demandable
Rent income	104	−	Rent income from associates
Interest income	15	−	Prevailing interest rate on regular peso savings deposit account and time deposit placements
Interest expense	416	−	Interest expense on loans payable
Joint ventures			
Rent receivables	−	32	Unsecured; Non-interest bearing; due and demandable
Interest receivables	−	285	Unsecured; Interest bearing at prevailing market rate; due and demandable
Loans receivables	−	4,011	Unsecured; Interest bearing at prevailing market rate; due and demandable
Commission receivable	−	377	Unsecured; Non-interest bearing; due and demandable

(Forward)

Category	December 31, 2022 Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Due from related parties	₱–	₱70	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	–	139	Unsecured; Non-interest bearing; due and demandable
Nontrade receivables	12	3	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	–	1	Unsecured; Non-interest bearing; due and demandable
Inventories	(6,297)	–	Cost of real estate inventories contributed in a joint venture
Investments in joint venture	10,736	10,736	Investments in a joint venture (Note 8)
Accounts payable	1	–	Unsecured; Non-interest bearing; due and demandable
Real estate sales	328	–	Sale of lots in Cavite
Management fee income	196	–	Management service income
Rent income	108	–	Unsecured; Non-interest bearing; due and demandable
Commission income	661	–	Unsecured; Non-interest bearing; due and demandable
Interest income	402	–	Unsecured; Interest bearing at prevailing market rate; due and demandable
Other income	3,862	–	Gain on transfer of properties to a joint venture
Cost of real estate sales	121	–	Sale of lots in Cavite
Travel and transportation expense	1	–	Employee shuttle cost
Others			
Cash and cash equivalents	117,702	1,701	Unsecured; Interest bearing at prevailing market rate; due and demandable
FVTPL investments	137	11,135	Interest bearing
Trade receivables	–	13	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	–	143	Unsecured; Non-interest bearing; due and demandable
Commission receivable	–	1	Unsecured; Non-interest bearing; due and demandable
Interest receivable	2	–	Interest on time deposit placements
Rent receivables	1	–	Square 2 rent
Loan receivable	–	905	Unsecured; With interest of 4.5%; Payable in 2032
Nontrade receivables	215	20	Within one (1) year, non-interest bearing, unsecured, no impairment
Receivable from sharing of expenses	5	4	Unsecured; Non-interest bearing; due and demandable
Other receivables	–	48	Unsecured; Non-interest bearing; due and demandable
Due from related parties	–	232	Unsecured; Non-interest bearing; due and demandable
Trade payables	304,624	13,706	Unsecured; Non-interest bearing; due and demandable
Due to related parties	–	145	Unsecured; Non-interest bearing; due and demandable
Loans payable	–	1,291	Unsecured; With 3% interest; payable annually until 2025
Insurance payable	98	98	Unsecured; Non-interest bearing; due and demandable
Other payables	42	–	Unsecured; Non-interest bearing; due and demandable
Commission income	3	–	Unsecured; Non-interest bearing; due and demandable
Interest income	75	–	Interest on time deposit placements
Rent income	166	–	Rent income from affiliates
Advisory fees	9	–	Retainer's fee
Agency fees	2	–	Safekeeping and trust agreement
Insurance expense	3	–	General comprehensive liability insurance; car insurance; D&O liability insurance
Management fees	213	–	Management service fees fty 2022
Royalty and technical assistance fees	652	174	Unsecured; Non-interest bearing; payable on the 25th day of the second month after quarter-end

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	–	
Rent income	55	–	Office space rent and maintenance for the year 2021; Subject to 5% escalation annually
Miscellaneous income	1	–	Management service income
Amortization expense - ROU	12	–	Amortization of office space lease
Cost of rental	7	–	Janitorial and security services
Service fees	167	–	Property management fees for properties in Cavite
Outside services	12	–	Security services for properties in Cavite
Rent expense	60	–	Office space rent and maintenance; Subject to 5% escalation annually
Repairs and maintenance	3	–	Repairs and maintenance of properties
Associates			
Cash and cash equivalents	6	5,834	Unsecured; Interest bearing at prevailing market rate; due and demandable
Rent receivables	51	9	Unsecured; Non-interest bearing; due and demandable
Commission receivable	1	7	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	2	43	Unsecured; Non-interest bearing; due and demandable
Due from related parties	21	45	Unsecured; Non-interest bearing; due and demandable
Other receivables	7	15	Unsecured; Non-interest bearing; due and demandable
Short-term notes payable	1,750	1,750	Unsecured; With interest 3%-6% due in 2022
Short-term debt	4,690	1,460	Interest bearing; Payable within 90 days from the date of the availment
Due to related parties	31	20	Unsecured; Non-interest bearing; due and demandable
Loans payable	1,051	10,000	Unsecured; With interest ranging from 2.75% to 4.25%; Payable on 2021-2022
Other payables	19	–	Insurance payable
Dividend income	7,850	–	Dividend income from associates
Rent income	132	–	Rent income from associates
Interest income	11	–	Prevailing interest rate on regular peso savings deposit account
Interest expense	380	–	Interest expense on loans payable
Joint ventures			
Dividend receivable	8	–	Dividend receivable from joint venture
Rent receivables	21	4	Unsecured; Non-interest bearing; due and demandable
Interest receivables	152	187	Unsecured; Interest bearing at prevailing market rate; due and demandable
Loans receivables	550	3,861	Unsecured; Interest bearing at prevailing market rate; due and demandable
Commission receivable	96	173	Unsecured; Non-interest bearing; due and demandable

(Forward)

Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
	December 31, 2021		
Due from related parties	₱16	₱83	Unsecured; Non-interest bearing; due and demandable
Management fee receivables	1	27	Unsecured; Non-interest bearing; due and demandable
Receivable from sharing of expenses	1	1	Unsecured; Non-interest bearing; due and demandable
Other receivables	5	–	Unsecured; Non-interest bearing; due and demandable
Investment in shares of stocks	800	5,180	Additional investments to a joint venture
Other payables	7	4	Unsecured; Non-interest bearing; due and demandable
Dividend income	8	–	Dividend income from joint ventures
Management fee income	23	–	Management service income
Rent income	33	–	Unsecured; Non-interest bearing; due and demandable
Commission income	293	–	Unsecured; Non-interest bearing; due and demandable
Interest income	165	–	Unsecured; Interest bearing at prevailing market rate; due and demandable
Others			
Cash and cash equivalents	1,721	5,690	Unsecured; Interest bearing at prevailing market rate; due and demandable
FVTPL investments	7,852	8,712	Interest bearing
Commission receivable	1	1	Unsecured; Non-interest bearing; due and demandable
Loan receivable	743	743	Unsecured; With interest of 3.15%; Payable in 2022
Nontrade receivables	12	11	Within one (1) year, non-interest bearing, unsecured, no impairment
Receivable from sharing of expenses	355	355	Unsecured; Non-interest bearing; due and demandable
Other receivables	7	49	Unsecured; Non-interest bearing; due and demandable
Prepaid insurance	3	–	Unsecured; Non-interest bearing; due and demandable
Due from related parties	28	27	Unsecured; Non-interest bearing; due and demandable
Accounts payable	58	14	Insurance expense and agency fees
Due to related parties	224	173	Unsecured; Non-interest bearing; due and demandable
Insurance payable	93	93	Unsecured; Non-interest bearing; due and demandable
Other payables	32	1	Pertains to various credit card transactions
Loans payable	1,433	1,433	Unsecured; With 3% interest; payable annually until 2025
Commission income	1	–	Unsecured; Non-interest bearing; due and demandable
Interest income	58	–	Interest on time deposit placements
Rent income	1	–	Rent income from affiliates
Gain or loss on disposal of investments	52	–	Realized gain on investments in FVTPL
Unrealized gain from investment in UITF	37	–	MTM gain on investments in FVTPL
Advisory fees	59	–	Retainer's fee
Agency fees	3	–	Safekeeping and trust agreement
Insurance expense	3	–	General comprehensive liability insurance; car insurance; D&O liability insurance

Details of the transactions with affiliates are as follows:

Cash and cash equivalents and short-term investments
The Group maintains cash and short-term deposits accounts with MBTC, an associate. The Group also has cash and short-term deposits with other related party such as PSBank, which is a subsidiary of MBTC. Cash and cash equivalents earn interest at the prevailing investment rates (Note 4).

Financial assets at FVTPL
As of December 31, 2023 and 2022, the Group's investment in UITF amounted to ₱0.87 billion and ₱11.16 billion, respectively (Note 10).

Operating advances
Due from and to related parties consist mostly of operating advances which are non-interest bearing and due and demandable.

Loans receivable
In 2012 and 2021, Federal Land entered into loan agreements with CIRC. Federal Land agreed to lend to CIRC a total amount of ₱855.00 million with a nominal and effective interest rates ranging from 3.15% to 6.00%. The outstanding balance of loans receivable as of December 31, 2023 and 2022 amounted to ₱905.00 million (Note 5).

Affiliated bank loans
The Group's loans payable to an affiliated commercial bank bears interest rates ranging from 4.50% to 6.50 %, 4.50% to 5.80% and 2.00% to 5.50% per annum in 2023, 2022 and 2021, respectively (Note 16).

Management fee
Management fee amounting to ₱332.59 million and ₱195.66 million in 2023 and 2022, respectively, pertains to the income received from a joint venture of Federal Land with FNG, SFNBRDC, NBLRDI, BLRDC and STRC (Note 23).

Lease agreements
Federal Land entered into operating lease agreements for the use of office spaces in GT Tower International Building. The terms of lease range from 5 to 10 years and are generally renewable for 5 years. The rent is payable monthly with annual rent escalation rates ranging from 5% to 8%. The rental income on these leases amounted to ₱518.40 million, ₱420.49 million and ₱220.16 million in 2023, 2022 and 2021, respectively (Note 30).

Compensation of key management personnel for the years ended December 31, 2023, 2022 and 2021 follow:

	2023	2022	2021
Short-term employee benefits	**₱1,035**	₱918	₱903
Post-employment benefits	**173**	275	122
	₱1,187	₱1,193	₱1,025

Transactions with the Group Retirement Funds
The retirement funds of the Group's employees are being managed and maintained by MBTC as trustee bank. The total carrying amount and fair value of the retirement funds as of December 31, 2023 and 2022 amounted to ₱1.93 billion and ₱2.00 billion, respectively. The assets and investments of the fund include cash and cash equivalents, investments in government securities and equity securities, among others.

The following tables show the amounts of related party transactions of the Group with the retirement funds of the subsidiaries' employees as of December 31, 2023, 2022 and 2021 (in absolute amounts):

	December 31, 2023		
Category	**Amount/ Volume**	**Outstanding Balances**	**Terms and Conditions/Nature**
Parent Company			
Investment in equity securities	**₱3,191,560**	**₱7,859,980**	No impairment
Dividend income	**23,226**	–	Cash dividends
Loss on sale of investments	**(1,441,289)**	–	Loss from sale of equity securities
Associate			
Savings deposit	**(410,563)**	**34,655,198**	Savings account earning regular annual interest; unsecured and no impairment;
Time deposit	**(31,600,000)**	**4,500,000**	Interest-bearing; unsecured and no impairment
Investment in equity securities	**(498,798)**	**9,733,662**	No impairment
Investment in UITF	**164,180,380**	**184,286,617**	No impairment
Investment in other security and debt instruments	**154,201,883**	–	No impairment
Interest income	**826,532**	–	Income earned from savings and time deposit
Dividend income	**606,126**	–	Cash dividends
Trust fees	**976,769**	–	
Unrealized/realized gain on investment	**732,119**	–	Income from sale of UITF

	December 31, 2022		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Parent Company			
Investment in equity securities	(₱1,110,660)	₱4,668,420	No impairment
Dividend income	32,106	–	Cash dividends
Loss on sale of investments	(832,955)	–	Loss from sale of equity securities
Associate			
Savings deposit	33,986,421	35,065,761	Savings account earning regular annual interest; unsecured and no impairment;
Time deposit	40,600,000	40,600,000	With annual interest of 3.88%, 1 - 3 months maturity; unsecured and no impairment
Investment in equity securities	(12,652,999)	10,232,460	No impairment
Investment in UITF	(31,195,532)	20,106,237	No impairment
Investment in other security and debt instruments	113,866,128	154,201,883	No impairment
Interest income	197,778	–	Income earned from savings and time deposit
Dividend income	955,432	–	Cash dividends
Loss on sale of investments	(2,331,316)	–	Income from sale of UITF

	December 31, 2021		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Parent Company			
Investment in equity securities	(₱393,840)	₱5,779,080	No impairment
Dividend income	1,165,240	–	Cash dividends
Loss on sale of investments	(590,210)	–	Loss from sale of equity securities
Associate			
Savings deposit	(3,116,567)	1,079,343	Savings account earning regular annual interest; unsecured and no impairment;
Time deposit	(6,000,000)	–	With annual interest of 3.88%, 1 - 3 months maturity; unsecured and no impairment
Investment in equity securities	9,328,039	22,885,459	No impairment
Investment in UITF	30,970,333	51,301,769	No impairment
Investment in other security and debt instruments	(1,479,519)	40,335,755	No impairment
Interest income	32,393	–	Income earned from savings and time deposit
Dividend income	500,177	–	Cash dividends
Gain on sale of investments	80,917	–	Income from sale of UITF

Transactions relating to the retirement plans are approved by the subsidiaries' respective Retirement Committees. The voting rights over the investments in the shares of entities within the Group are exercised by the Retirement Committee, who are either officers or directors of the subsidiaries.

28. **Pension Plan**

The Group provides defined benefit pension plans for substantially all of its employees. Provisions for pension obligations are established for benefits payable in the form of retirement pensions. Benefits are dependent on years of service and the respective employee's final compensation. Actuarial valuations are made annually.

Principal actuarial assumptions used to determine pension obligations follow:

		2023		
		Actuarial Assumptions		
	Date of Actuarial Valuation	**Expected Return on Plan Assets**	**Salary Rate Increase**	**Discount Rate**
Real estate	**December 31, 2023**	**3.69% to 5.34%**	**3.00% to 8.00%**	**6.07% to 6.18%**
Automotive	**-do-**	**6.35% to 6.50%**	**2.00% to 8.00%**	**5.51% to 6.12%**
Financial	**-do-**	**5.04%**	**8.00%**	**6.09%**

		2022		
		Actuarial Assumptions		
	Date of Actuarial Valuation	Expected Return on Plan Assets	Salary Rate Increase	Discount Rate
Real estate	December 31, 2022	3.69% to 5.34%	3.00% to 6.00%	7.22% to 7.38%
Automotive	-do-	6.01% to 7.16%	5.00% to 8.00%	5.50% to 7.22%
Financial	-do-	5.04%	8.00%	7.26%

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

Net retirement liability (asset) included in the consolidated statements of financial position follow:

	2023	2022
Retirement asset (Note 14)	**(₱57)**	(₱29)
Retirement liability	**2,040**	1,657
Net retirement liability	**₱1,983**	₱1,628

The net pension liability and asset recognized in the Group's consolidated statements of financial position are as follows:

		Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2023	Current service cost	Net interest	Past service cost	Subtotal	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Subtotal	Contributions paid	December 31, 2023
Present value of defined benefit obligation	**₱3,631**	**₱270**	**₱240**	**₱–**	**₱510**	**(₱473)**	**₱–**	**₱213**	**(₱1)**	**₱30**	**₱242**	**₱–**	**₱3,910**
Less: Fair value of plan assets	**2,003**	**–**	**143**	**–**	**143**	**(385)**	**(40)**	**–**	**–**	**–**	**(40)**	**206**	**1,927**
Net defined benefit liability	**₱1,628**	**₱270**	**₱97**	**₱–**	**₱367**	**(₱88)**	**₱40**	**₱213**	**(₱1)**	**₱30**	**₱282**	**(₱206)**	**₱1,983**

		Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2022	Current service cost	Net interest	Past service cost	Subtotal	Benefits paid	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from demographic assumptions	Actuarial changes arising from changes in financial assumptions	Subtotal	Contributions paid	December 31, 2022
Present value of defined benefit obligation	₱4,055	₱294	₱186	₱2	₱482	(₱542)	₱–	(₱421)	₱–	₱57	(₱364)	₱–	₱3,631
Less: Fair value of plan assets	2,434	–	118	–	118	(504)	(137)	–	–	–	(137)	92	2,003
Net defined benefit liability	₱1,621	₱294	₱68	₱2	₱364	(₱38)	₱137	(₱421)	₱–	₱57	(₱227)	(₱92)	₱1,628

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The fair values of plan assets by each class as at the end of the reporting periods are as follows:

	2023	2022
Cash and cash equivalents	**₱39**	₱76
Investment in government securities	**1,326**	1,305
Investment in equity securities	**228**	310
Investment in debt and other securities	**149**	278
Investment in mutual funds	**187**	22
Receivables	**4**	18
Liabilities	**(6)**	(6)
	₱1,927	₱2,003

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

		2023	2022
	Possible Fluctuations	**Increase (Decrease)**	Increase (Decrease)
Discount rates	**+1%**	**(₱127)**	(₱376)
	-1%	**11**	429
Future salary increase rate	**+1%**	**436**	445
	-1%	**(540)**	(392)

The Group expects to contribute ₱225.62 million to its defined benefit pension plan in 2024.

The average duration of the defined benefit retirement liability at the end of the reporting period is 12.56 years for the Group.

Shown below is the maturity analysis of the undiscounted benefit payments as of December 31, 2023:

	2023	2022
Less than 1 year	**₱440**	₱356
More than 1 year to 5 years	**1,910**	1,784
More than 5 years to 10 years	**1,859**	2,088
More than 10 years to 15 years	**1,823**	1,661
More than 15 years to 20 years	**2,824**	2,600
More than 20 years	**7,496**	6,921

The Group does not currently have any asset-liability matching study.

29. Income Taxes

On March 26, 2021, RA No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate from 30.00% to 25.00% depending on the criteria set by the law effective July 1, 2020. With the implementation of this Act, interest expense allowed as a deductible expense shall be reduced by 20.00% of the interest income subjected to final tax, compared to the 33.00% reduction prior to the Act.

The regulations also provide for MCIT of 2.00% (prior to CREATE) and 1.00% from (July 1, 2020 to June 30, 2023 before reverting to 2.00%) on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Group's income tax liability and taxable income, respectively, over a three-year period from the year of inception. For the taxable years 2020 and 2021, the NOLCO incurred can be carried over as a deduction for the next five (5) consecutive taxable years, pursuant to Revenue Regulation (RR) No. 25-2020.

Based on the provisions of RR No. 5-2021 dated April 8, 2021 issued by the BIR, the transitory RCIT and MCIT rates of the Group for the taxable year 2020 are 27.50% and 1.50%, respectively. The reduced amounts were reflected in the Group's 2020 annual income tax returns filed in 2021. However, for financial reporting purposes, the changes were only recognized in the 2021 consolidated financial statements. The deferred tax assets and liabilities as of December 31, 2020 were also remeasured using the lower RCIT rate of 25.00%. These reductions were recognized in the 2021 consolidated financial statements.

Provision for income tax account consists of:

	2023	2022	2021
Current	**₱6,584**	₱2,416	₱1,935
Deferred	**61**	(637)	(183)
Final	**292**	41	69
	₱6,937	₱1,820	₱1,821

The components of the Group's deferred taxes as of December 31, 2023 and 2022 are as follows:

Net deferred tax assets:

	2023	2022
Deferred tax assets on:		
Retirement benefit obligation	**₱539**	₱478
Allowance for impairment losses	**231**	249
Deferred gross profit	**191**	309
Warranties payable and other provisions	**141**	115
Accrued expenses	**90**	78
Unrealized foreign exchange gain	**88**	–
Allowance for inventory obsolescence	**48**	46
Deferred intercompany gain	**36**	149
Unamortized past service cost from pension obligation	**13**	14
Others	**52**	27
	1,429	1,465
Deferred tax liabilities on:		
Unearned gross profit in ending inventories	**211**	116
Capitalized customs duties	**104**	25
Unrealized foreign exchange loss	**2**	20
Others	**27**	27
	344	188
Net deferred tax assets	**₱1,085**	₱1,277

Net deferred tax liabilities:

	2023	2022
Deferred tax assets on:		
NOLCO	**₱344**	₱405
Unrealized gain on sale of land	**350**	381
Excess of cost over fair value of investment property	**69**	81
Unearned income	**38**	45
Prepaid commission	**34**	40
Retirement benefit obligation	**31**	37
Provision for impairment losses on receivables	**20**	23
Unearned gross profit in ending inventories	**55**	22
Interest expense on Day 1 loss	**9**	10
Allowance for impairment loss on inventories	**3**	4
Others	**6**	6
	959	1,054
Deferred tax liabilities on:		
Fair value adjustment on acquisition by Parent Company	**1,895**	1,959
Mark-to-market gain on FVOCI investments	**1,777**	629
Capitalized borrowing cost and guarantee fees	**755**	885
Unrealized gross profit on sale of land	**344**	405
Excess of book basis over tax basis of deferred gross profit	**303**	356
Fair value adjustment on acquisition by subsidiaries	**109**	117
Unamortized discount on long-term payable	**40**	47
Lease differential	**24**	21
Deferred financing costs	**–**	1
Retirement asset	**17**	5
Others	**104**	43
	5,368	4,468
Net deferred tax liabilities	**₱4,409**	₱3,414

NOLCO
As of December 31, 2023, the Group has incurred NOLCO before taxable year 2023 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The Group has incurred NOLCO in taxable years 2020 and 2021 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act.

Summary of the Group's NOLCO as follows:

Year Incurred	Availment Period	Amount	NOLCO Applied Previous Years	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2023	2024-2026	₱36	₱–	₱–	₱–	₱36
2022	2023-2025	3,168	–	–	–	3,168
2021	2022-2026	4,030	–	–	–	4,030
2020	2021-2025	4,256	–	–	2,983	1,273
		₱11,490	₱–	₱–	₱2,983	₱8,507

MCIT
Details of the Group's MCIT follow:

Year Incurred	Amount	Expired/Applied	Balance	Expiry Date
2023	₱115	₱–	₱115	2026
2022	22	–	22	2025
2021	10	–	10	2024
2020	9	9	–	2023
	₱156	₱9	₱147	

The Group has NOLCO and excess MCIT over RCIT for which deferred tax assets have not been recognized since management believes that it is not probable that sufficient taxable income will be available against which the carryforward benefit of NOLCO and excess MCIT over RCIT can be utilized prior to their expiration. These NOLCO and excess MCIT over RCIT are as follows:

	2023	2022
NOLCO	**₱7,131**	₱9,716
Excess MCIT over RCIT	**147**	42

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in the consolidated statements of income follows:

	2023	2022	2021
Provision for income tax computed at statutory rates	**25.00%**	25.00%	25.00%
Tax effects of:			
Nontaxable income	**(9.72)**	(19.97)	(19.73)
Changes in unrecognized deferred tax assets	**(1.39)**	2.18	6.24
Nondeductible interest and other expenses	**1.43**	0.53	2.09
Income subjected to final tax	**(0.19)**	(0.06)	(0.25)
Income subjected to lower tax rate	**0.26**	0.08	0.05
Changes in tax rates	**–**	–	(1.28)
Others	**0.65**	(0.04)	(0.79)
Effective income tax rates	**16.04%**	7.72%	11.33%

TMPC is registered with the BOI as a:

- Participant in the Car Development Program and Commercial Vehicle Development Program.
- Pioneer status for the production of Vios. Under its terms and conditions, TMPC shall be entitled to ITH from July 2, 2013 to July 1, 2019 for revenues generated from this vehicle model subject to achievement of certain percentage of local value added.
- Non-pioneer status for the production of Innova. Under its terms and conditions, TMPC shall be entitled to ITH from April 2016 to March 2020 for portion (as determined by its Logistic Efficiency Index) of revenues generated from this vehicle model.
- Participant in Comprehensive Automotive Resurgence Strategy (CARS) Program. BOI approved TMPC's enrollment of its locally-produced vehicle model to the CARS Program on June 27, 2016. Under the terms of registration, TMPC shall be entitled to Fixed Investment Support and Production Volume Incentives (as determined by its Logistic Efficiency Index) subject to achievement of production volume and localization of body shells and large plastic parts (See Note 23).

30. Lease Commitments

Group as a lessee

The Group is a party under various lease agreements including the lease of premises occupied by the Parent Company, office space leased for the Group's branches, land leased for Federal Land Group's mall and gasoline station and lease of parking spaces with terms ranging from one (1) to 10 years.

As of December 31, 2023 and 2022, the Group recognized interest expense on lease liabilities (included in 'Interest expense' in the consolidated statements of income) amounting to ₱22.09 million and ₱23.29 million in 2023 and 2022, respectively. Rent expense from short-term leases and leases of low-value assets amounting to ₱135.38 million and ₱65.22 million in 2023 and 2022, respectively.

As of December 31, 2023 and 2022, the carrying amounts of lease liabilities are as follows (Notes 19 and 20):

	2023	2022
Beginning balance	**₱21**	₱45
Additions	**144**	–
Accretion of interest	**22**	23
Disposals	**–**	(24)
Payments	**(79)**	(106)
Adjustments	**60**	83
	₱168	₱21

As of December 31, 2023 and 2022, the future minimum rental payments are as follows:

	2023	2022
Within one year	**₱77**	₱35
After one year but not more than five years	**170**	21
	₱247	₱56

Group as a lessor
The Group has entered into commercial property leases on its investment properties consisting of office spaces, land, mall and parking spaces with lease terms ranging from five (5) to ten (10) years. The Group's rental income on these leases amounted to ₱1.51 billion, ₱1.40 billion and ₱1.05 billion in 2023, 2022 and 2021, respectively (Note 9). The cost of rental services amounting to ₱905.15 million, ₱829.91 million and ₱655.26 million in 2023, 2022 and 2021, respectively, includes maintenance fee, depreciation, repairs and maintenance, and taxes and licenses (Note 11).

As of December 31, 2023 and 2022, the future minimum rental receipts from these lease commitments are as follows:

	2023	2022
Within one year	**₱2,168**	₱1,685
After one year but not more than five years	**3,040**	3,084
More than five years	**11,285**	5,353
	₱16,493	₱10,122

31. Transfer of TMBC ownership from the Parent Company to GTCAM

On October 11, 2023, the Parent Company and its wholly-owned subsidiary, GTCAM, signed a Deed of Assignment of Shares of Stock (DOAS), wherein, the Parent Company offered to subscribe to 1,715,408,377 common voting shares of GTCAM with a par value of ₱1.00 per share, and to transfer to GTCAM, in payment of such subscription, its investments in the common shares of TMBC totaling 386,353,238 common shares, with a total book value of ₱1,715,408,377. The effective date of the DOAS was upon SEC's approval of GTCAM's increase in authorized capital stock, which occurred in December 2023. As a result, GTCAM took control of TMBC in December 2023, and accordingly, all assets and liabilities of TMBC were consolidated under GTCAM effective December 2023.

The transfer of TMBC shares from the Parent Company to GTCAM has no impact on the consolidated financial statements of the Group.

32. Fair Value Measurement

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents and short-term cash investments
The fair value of cash and cash equivalents approximate the carrying amounts at initial recognition due to the short-term maturities of these instruments.

Receivables
The fair value of receivables due within one year approximates its carrying amounts. The fair values of installment contracts receivable are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used were 8.00% as of December 31, 2023 and 2022. For the long-term loan receivable, the Group used discounted cash flow analyses to measure the fair value of the loan. The interest rate used was the average bank lending rate for December 31, 2023 and 2022.

Due from and to related parties
The carrying amounts approximate fair values due to short-term in nature. Related party receivables and payables are due and demandable.

Financial assets at FVTPL
These pertain to the Group's investment in UITFs. UITFs are ready-made investments that allow pooling of funds from different investors with similar investments objectives. These UITFs are managed by professional fund managers and may be invested in various financial instruments such as money market securities, bonds and equities, which are normally available to large investors only. A UITF uses the mark-to-market method in valuing the fund's securities.

Financial assets at FVOCI - quoted
The fair value of quoted equity securities is based on the quoted market prices or binding dealer price quotations, without any deduction for transaction cost.

Financial assets at FVOCI - unquoted
The fair value of unquoted equity securities is estimated based on the market data approach that makes use of market multiples derived from a set of comparables. Multiples were determined that is most relevant to assessing the value of unquoted securities (e.g., earnings, book value). The selection of the appropriate multiple within the range is based on qualitative and quantitative factors specific to the measurement.

Derivative financial instruments
The fair values of interest rate swap transactions are derived using acceptable valuation method. The valuation assumptions are based on market conditions existing at the reporting dates.

Accounts and other payables
The fair values of accounts and other payables approximate the carrying amounts due to the short-term nature of these transactions.

Loans payable and bonds payable
Current portion of loans payable approximates its fair value due to its short-term maturity. Long-term portion of loans payable subjected to quarterly repricing is not discounted. Estimated fair value of long-term portion of loans payable with fixed interest and not subjected to quarterly repricing is based on the discounted value of future cash flows using applicable interest rates for similar types of loans as of reporting date. The interest rates used ranged from 2.22% to 6.03% and 1.70% to 6.94% for the years ended December 31, 2023 and 2022, respectively.

Liabilities on purchased properties
Estimated fair value was based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date. Long-term payables were incurred in 2019, 2017 and 2012 with interest rates ranging from 3.00% to 3.25% per annum.

The following tables summarize the carrying amount and fair values of financial assets and liabilities, as well as nonfinancial assets, analyzed based on the fair value hierarchy (see accounting policy on Fair Value Measurement), except for assets and liabilities where the carrying values as reflected in the consolidated statements of financial position and related notes approximate their respective fair values.

	2023				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total Fair Value**
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	**₱871**	**₱–**	**₱871**	**₱–**	**₱871**
Financial assets at FVOCI					
Quoted equity securities	**17,420**	**17,420**	**–**	**–**	**17,420**
Unquoted equity securities	**276**	**–**	**276**	**–**	**276**
	₱18,567	**₱17,420**	**₱1,147**	**₱–**	**₱18,567**
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Loans receivables	**5,804**	**–**	**–**	**5,437**	**5,437**
Non-financial Assets					
Investment in listed associates	**139,115**	**85,702**	**–**	**–**	**85,702**
Investment properties	**22,326**	**–**	**–**	**66,052**	**66,052**
	₱167,440	**₱85,702**	**₱–**	**₱71,489**	**₱157,191**
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liabilities	**₱14**	**₱–**	**₱14**	**₱–**	**₱14**
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	**₱981**	**₱–**	**₱–**	**₱ 1,329**	**₱1,329**
Loans payable	**95,528**	**–**	**–**	**104,363**	**104,363**
	₱96,509	**₱–**	**₱–**	**₱105,692**	**₱105,692**

	2022				
	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	₱11,160	₱–	₱11,160	₱–	₱11,160
Financial assets at FVOCI					
Quoted equity securities	13,154	13,154	–	–	13,154
Unquoted equity securities	191	–	191	–	191
Other noncurrent assets					
Derivative assets	88	–	88	–	88
	₱24,593	₱13,154	₱11,439	₱–	₱24,593
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Loans receivables	5,094	–	–	4,772	4,772
Non-financial Assets					
Investment in listed associates	164,998	106,922	–	–	106,922
Investment properties	22,247	–	–	46,861	46,861
	₱192,588	₱106,922	₱–	₱51,633	₱158,555
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liabilities	₱46	₱–	₱46	₱–	₱46
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	₱1,300	₱–	₱–	₱1,649	₱1,649
Loans payable	118,033	–	–	139,606	139,606
Bonds payable	3,992	4,048	–	–	4,048
	₱123,325	₱4,048	₱–	₱141,255	₱145,303

As of December 31, 2023 and 2022, no transfers were made among the three levels in the fair value hierarchy.

Inputs used in estimating fair values of financial instruments carried at cost and categorized under Level 3 include risk-free rates and applicable risk premium.
The fair value of the Group’s investment properties has been determined based on valuations performed by third-party valuers. The value of the land was estimated by using the Market Data

Approach, a valuation approach that considers the sales, listings and other related market data within the vicinity of the subject properties and establishes a value estimate by processes involving comparison.

The table below summarizes the valuation techniques used and the significant unobservable inputs valuation for each type of investment properties held by the Group:

	Valuation Techniques	Significant Unobservable Inputs
Land	Market Data Approach	Price per square meter, size, location, shape, time element and corner influence
Building and Land Improvements	Cost Approach or Market Data Approach	Lineal and square meter, current cost of materials, labor and equipment, contractor's profits, overhead, taxes and fees

Description of the valuation techniques and significant unobservable inputs used in the valuation of the Group's investment properties are as follows:

Valuation Techniques

Market Data Approach	A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.
Cost Approach	A process of determining the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation on physical wear and tear, and obsolescence.

Significant Unobservable Inputs

Reproduction Cost New	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a Main Road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a Main Road are superior to properties located along a secondary road.
Time Element	"An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time". In which case, the current data is superior to historic data.

Significant Unobservable Inputs

Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

33. **Financial Risk Management and Objectives**

The Group's principal financial instruments are composed of cash and cash equivalents, financial assets at FVTPL and FVOCI, receivables, due from related parties, accounts and other payables, dividends payable, due to related parties, loans payable, bonds payable, liabilities on purchased properties and derivative financial instruments.

Exposures to credit, liquidity, foreign currency, interest rate, and equity price risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

- to identify and monitor such risks on an ongoing basis;
- to minimize and mitigate such risks; and
- to provide a degree of certainty about costs.

The use of financial derivative instruments (if any) is solely for the management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

The Group's respective financing and treasury functions focus on managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

Credit Risk

The Group's credit risks are primarily attributable to its financial assets. To manage credit risks, the Group maintains defined credit policies and monitors on a continuous basis its exposure to credit risks. Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

Financial assets comprise cash and cash equivalents, short-term investments, receivables, due from related parties and investment securities. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

In respect of installment receivables from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant and the requirement for remedial procedures is minimal given the profile of buyers.

Maximum exposure to credit risk after taking into account collateral held or other credit enhancements

As of December 31, 2023 and 2022, the maximum exposure to credit risk of the Group's financial assets is equal to its carrying value except for installment contracts receivable with nil exposure to credit risk since the fair value of the related condominium and residential units collateral is greater than the carrying value of the installment contracts receivable.

a. *Credit quality per class of financial assets*

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and long-term cash investment - based on the nature of the counterparty and the Group's internal rating system.

Receivables - high grade pertains to receivables that had no default in payment; medium grade pertains to receivables with a history of being 30 to 90 days past due; and low grade pertains to receivables with a history of being over 90 days past due.

The table below shows the credit quality per class of financial assets based on the Group's rating system:

	December 31, 2023						
	Neither Past Due Nor Individually Impaired				Past Due but not Individually Impaired	Individually Impaired	Total
	High Grade	Medium Grade	Low Grade	Total			
Cash and cash equivalents* (Note 4)	**₱16,710**	**₱–**	**₱–**	**₱16,710**	**₱–**	**₱–**	**₱16,710**
Receivables (Note 5)							
Trade receivables	**20,177**	**384**	**–**	**20,561**	**3,872**	**26**	**24,459**
Loans receivable	**5,989**	**–**	**–**	**5,989**	**–**	**–**	**5,989**
Accrued rent and commission income	**1,633**	**–**	**–**	**1,633**	**4**	**405**	**2,042**
Nontrade receivables	**1,328**	**42**	**73**	**1,443**	**153**	**4**	**1,600**
Accrued interest receivable	**1,231**	**–**	**–**	**1,231**	**–**	**99**	**1,330**
Management fee receivables	**329**	**–**	**–**	**329**	**–**	**–**	**329**
Installment contracts receivable	**61**	**–**	**–**	**61**	**134**	**–**	**195**
Others	**23**	**–**	**45**	**68**	**3**	**192**	**263**
Due from related parties (Note 27)	**134**	**–**	**–**	**134**	**–**	**–**	**134**
	₱47,615	**₱426**	**₱118**	**₱48,159**	**₱4,166**	**₱726**	**₱53,051**

**Excludes cash on hand amounting to ₱21.15 million*

	December 31, 2022						
	Neither Past Due Nor Individually Impaired						
	High Grade	Medium Grade	Low Grade	Total	Past Due but not Individually Impaired	Individually Impaired	Total
Cash and cash equivalents* (Note 4)	₱23,794	₱–	₱–	₱23,794	₱–	₱–	₱23,793
Receivables (Note 5)							
Trade receivables	7,198	165	–	7,363	3,309	16	10,688
Loans receivable	6,084	–	–	6,084	–	–	6,084
Accrued rent and commission income	1,138	–	–	1,138	4	502	1,644
Nontrade receivables	839	65	98	1,002	176	182	1,360
Accrued interest receivable	782	–	–	782	–	35	817
Installment contracts receivable	77	–	–	77	172	–	249
Management fee receivables	282	–	–	282	–	–	282
Others	120	–	83	203	1	–	204
Due from related parties (Note 27)	356	–	–	356	–	–	356
	₱40,670	₱230	₱181	₱41,081	₱3,662	₱735	₱45,478

**Excludes cash on hand amounting to ₱211.87 million*

As of December 31, 2023 and 2022, the aging analysis of past due but not individually impaired financial assets presented per class, is as follows:

	December 31, 2023								
	Neither Past Due nor Individually Impaired	Past Due but not Individually Impaired						Individually Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
Cash and cash equivalents* (Note 4)	**₱16,710**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱16,710**
Receivables (Note 5)									
Trade receivable	**20,561**	**1,240**	**1,061**	**716**	**324**	**531**	**3,872**	**26**	**24,459**
Loans receivable	**5,989**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**5,989**
Accrued rent and commission income	**1,633**	**1**	**1**	**1**	**1**	**–**	**4**	**405**	**2,042**
Non-trade receivable	**1,443**	**86**	**18**	**17**	**7**	**25**	**153**	**4**	**1,600**
Accrued interest receivable	**1,231**	**–**	**–**	**–**	**–**	**–**	**–**	**99**	**1,330**
Installment contracts receivable	**61**	**43**	**26**	**45**	**–**	**20**	**134**	**–**	**195**
Management fee receivables	**329**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**329**
Others	**68**	**1**	**–**	**–**	**–**	**2**	**3**	**192**	**263**
Due from related parties (Note 27)	**134**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**134**
	₱48,159	**₱1,371**	**₱1,106**	**₱779**	**₱332**	**₱578**	**₱4,166**	**₱726**	**₱53,051**

**Excludes cash on hand amounting to ₱21.15 million*

	December 31, 2022								
	Neither Past Due nor Individually Impaired	Past Due but not Individually Impaired							
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total	Individually Impaired	Total
Cash and cash equivalents* (Note 4)	₱23,794	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱23,794
Receivables (Note 5)									
Trade receivable	7,363	1,014	1,029	416	177	673	3,309	16	10,688
Loans receivable	6,084	–	–	–	–	–	–	–	6,084
Accrued rent and commission income	1,138	1	1	1	1	–	4	502	1,644
Non-trade receivable	1,002	39	35	15	5	82	176	182	1,360
Accrued interest receivable	782	–	–	–	–	–	–	35	817
Installment contracts receivable	77	55	34	57	–	26	172	–	249
Management fee receivables	282	–	–	–	–	–	–	–	282
Others	203	1	–	–	–	–	1	–	204
Due from related parties (Note 27)	356	–	–	–	–	–	–	–	356
	₱41,081	₱1,110	₱1,099	₱489	₱183	₱781	₱3,662	₱735	₱45,478

**Excludes cash on hand amounting to ₱211.87 million*

Liquidity risk

The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions. Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Group's businesses. To serve as back-up liquidity, management develops variable funding alternatives either by issuing debt or raising capital.

The tables below summarize the maturity profile of the Group's financial assets and liabilities based on undiscounted contractual payments:

	December 31, 2023			
	Up to 1 year	**> 1 to 5 years**	**> 5 years**	**Total**
Financial assets				
Cash and cash equivalents* (Note 4)	**₱16,717**	**₱–**	**₱–**	**₱16,717**
Receivables (Note 5)				
Trade receivables	**23,934**	**586**	**–**	**24,520**
Loans receivable	**990**	**7,487**	**–**	**8,477**
Accrued rent and commission income	**2,042**	**–**	**–**	**2,042**
Nontrade receivable	**1,600**	**–**	**–**	**1,600**
Installment contracts receivables	**195**	**–**	**–**	**195**
Accrued interest receivable	**1,330**	**–**	**–**	**1,330**
Dividend receivable	**253**	**–**	**–**	**253**
Management fee receivable	**329**	**–**	**–**	**329**
Others	**281**	**–**	**–**	**281**
Due from related parties (Note 27)	**134**	**–**	**–**	**134**
Financial assets at FVTPL (Note 10)				
Investments in UITF	**871**	**–**	**–**	**871**
Financial assets at FVOCI (Note 10)				
Equity securities				
Quoted	**–**	**–**	**17,420**	**17,420**
Unquoted	**–**	**–**	**276**	**276**
Total undiscounted financial assets	**₱48,678**	**₱8,073**	**₱17,696**	**₱74,447**
Other financial liabilities				
Accounts and other payables (Note 15)				
Trade payables	**₱21,903**	**₱–**	**₱–**	**₱21,903**
Accrued expenses	**8,857**	**–**	**–**	**8,857**
Telegraphic transfers and drafts and acceptances payable	**4,546**	**–**	**–**	**4,546**
Retentions payable	**95**	**1,213**	**–**	**1,308**
Accrued commissions	**1,227**	**–**	**–**	**1,227**
Accrued interest payable	**977**	**–**	**–**	**977**
Royalty payable	**326**	**–**	**–**	**326**
Nontrade payables	**391**	**–**	**–**	**391**
Others	**3,118**	**–**	**–**	**3,118**
Dividends payable	**365**	**–**	**–**	**365**
Loans payable (Note 16)	**40,940**	**73,629**	**42,758**	**157,327**
Bonds payable (Note 17)	**4,136**	**–**	**–**	**4,136**
Due to related parties (Note 27)	**416**	**–**	**–**	**416**
Liabilities on purchased properties (Note 20)	**348**	**770**	**528**	**1,646**
Other noncurrent liabilities				
Derivative liabilities (Note 20)	**14**	**–**	**–**	**14**
Total undiscounted financial liabilities	**₱87,659**	**₱75,612**	**₱43,286**	**₱206,557**
Liquidity Gap	**(₱38,981)**	**(₱67,539)**	**(₱25,590)**	**(₱132,110)**

**Excludes cash on hand amounting to ₱21.15 million.*

	December 31, 2022			
	Up to 1 year	> 1 to 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents* (Note 4)	₱23,825	₱–	₱–	₱23,825
Receivables (Note 5)				
Trade receivables	9,593	1,156	–	10,749
Loans receivable	990	6,571	–	7,561
Accrued rent and commission income	1,644	–	–	1,644
Nontrade receivable	1,360	–	–	1,360
Installment contracts receivables	249	–	–	249
Accrued interest receivable	817	–	–	817
Management fee receivable	282	–	–	282
Others	203	–	–	203
Due from related parties (Note 27)	356	–	–	356
Financial assets at FVTPL (Note 10)				
Investments in UITF	11,160	–	–	11,160
Financial assets at FVOCI (Note 10)				
Equity securities				
Quoted	–	–	13,154	13,154
Unquoted	–	–	191	191
Other noncurrent assets				
Derivatives assets	–	88	–	88
Total undiscounted financial assets	₱50,479	₱7,815	₱13,345	₱71,639
Other financial liabilities				
Accounts and other payables (Note 15)				
Trade payables	₱17,049	₱–	₱–	₱17,049
Accrued expenses	6,995	–	–	6,995
Telegraphic transfers and drafts and acceptances payable	3,373	–	–	3,373
Retentions payable	95	1,501	–	1,596
Accrued commissions	1,055	–	–	1,055
Accrued interest payable	324	–	–	324
Royalty payable	302	–	–	302
Nontrade payables	327	–	–	327
Others	3,509	–	–	3,509
Dividends payable	589	–	–	589
Loans payable (Note 16)	28,248	88,936	58,445	175,629
Bonds payable (Note 17)	6,374	4,136	–	10,510
Due to related parties (Note 27)	166	–	–	166
Liabilities on purchased properties (Note 20)	348	1,021	700	2,069
Other noncurrent liabilities				
Derivative liabilities (Note 20)	46	–	–	46
Total undiscounted financial liabilities	₱68,800	₱95,594	₱59,145	₱223,539
Liquidity Gap	(₱18,321)	(₱87,779)	(₱45,800)	(₱151,900)

**Excludes cash on hand amounting to ₱211.87 million.*

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. The Parent Group’s primary risk management objective is to reduce the Group’s exposure to changes in foreign exchange rates. To manage the currency risk, the Group enters into hedging activities.

The Group’s foreign currency-denominated financial instruments are included in cash and cash equivalents, receivables, accounts and other payables and loans payable. Cash and cash equivalents denominated in foreign currency amounted to US$73.52 million and JP¥1.82 billion as of December 31, 2023, US$63.13 million and JP¥1.17 billion as of December 31, 2022 and US$55.13 million and JP¥1.76 billion as of December 31, 2021.

Receivables denominated in foreign currency amounted to US$15.97 million as of December 31, 2023, US$1.16 million and JP¥0.62 million as of December 31, 2022 and US$0.82 million and US$1.09 million as of December 31, 2021, respectively. Accounts and other payables denominated in foreign currency amounted to US$238.26 million and JP¥1.18 billion as of December 31, 2023, US$213.84 million as of December 31, 2022 and US$152.76 million and JP¥23.49 million as of December 31, 2021. Loans payables denominated in foreign currency amounted to JP¥23.31 billion as of December 31, 2023, 2022 and 2021. In translating the foreign currency-denominated monetary assets and liabilities into peso amounts, the exchange rates used were ₱55.57 to US$1.00 and ₱0.39 to JP¥1.00 as at December 31, 2023, ₱56.12 to US$1.00 and ₱0.42 to JP¥1.00 as at December 31, 2022, ₱50.99 to US$1.00 and ₱0.44 to JP¥1.00 as at December 31, 2021.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso-US dollar and Philippine peso-JP¥ exchange rates, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) on December 31, 2023, 2022 and 2021. There is no other impact on the Group's equity other than those already affecting the consolidated statements of comprehensive income.

	Currency	Change in Variable	Increase (Decrease) in Income Before Tax
2023	**US$**	**(₱2.51)**	**₱311**
		2.51	**(311)**
	JP¥	**(0.0233)**	**396**
		0.0233	**(396)**
2022	US$	(1.79)	201
		1.79	(201)
	JP¥	(0.0152)	252
		0.0152	(252)
2021	US$	(0.53)	22
		0.53	(22)
	JP¥	(0.0113)	182
		0.0113	(182)

The Group determined the reasonably possible change in foreign exchange rate by using the absolute average change in Philippine peso-US dollar and Philippine peso-JP¥ exchange rates for the past three (3) years.

Fair Value Hedge
The Parent Company's primary risk management strategy is to reduce the Parent Company's exposure to changes in foreign exchange rates. In this regard, the Parent Company designated a layer of its JPY-denominated long-term loan (the "Hedging Instrument") to hedge the variability in the fair value arising from the translation of its investment in Toyota Motor Corporation (TMC) (the "Hedged Item") amounting to ¥22.05 billion due to fluctuations in JPY/PHP foreign exchange (FX) rates. The hedged risk is the variability in the fair value arising from the translation of the investments (the Hedged Items) due to fluctuations in JPY/PHP FX rates (foreign currency risk). The hedged item is the variability in the fair value arising from the translation of the investments (the Hedged Items) due to foreign currency risk. The hedging instrument is the of ¥22.05 billion layer of the principal amount of its long-term loan with various lenders. The terms of the hedging relationships will end in July 2024. The effectiveness of hedging relationship is tested prospectively. All designated hedging relationships were sufficiently effective as of December 31, 2023 and 2022.

Economic relation between the hedged item and the hedging instrument was qualitatively tested by matching their critical terms. The hedged items create a foreign currency risk on the translation of investments amounting to ¥22.05 billion while the hedging instruments create the exact offset of this risk. Since the critical terms of the hedged item and hedging instrument matched, a clear economic relationship was established. The Parent Company's and the counterparty's credit risk were monitored for adverse changes. The Parent Company assessed that the risk associated with them and the counterparty is considered minimal, at inception, and during the year and did not dominate the value changes that result from the economic relationship. The hedge ratio for hedge accounting purposes is 1:1 or 100% since only a layer of the long-term loan which exactly matches the notional amount of the hedged item was designated as hedging instrument.

Cash Flow Hedge
Non-deliverable forward
In 2022, Toyota entered into non-deliverable forward (NDF) contracts with various banks to purchase U.S. Dollars at a specified rate in return for a specified amount of Philippine Peso. Delivery is on a specified future date. NDF contracts are designated as hedging instruments in cash flow hedges of forecast purchases in U.S. Dollars. These forecast transactions are highly probable, and they comprise about 50% of its total expected purchases in U.S. Dollars. The NDF contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates. These contracts have various maturity dates from January to April 2023 and were all settled in 2023.

The objective of the use of derivative financial instruments is to reduce the risk to earnings and cash flows associated with changes in foreign currency exchange rates. Toyota does not use these instruments for speculative or trading purposes. Derivative instruments are recognized as either assets or liabilities in the accompanying consolidated financial statements and are measured at fair value. Gains and losses resulting from changes in the fair values of those derivative instruments are recorded to earnings or other comprehensive income (loss).

The Group is holding the following hedging instruments designated as cash flow hedges as of December 31, 2022:

	Maturity		
	Up to 3 months	> 3 to 6 months	Total
Non-deliverable forward contracts			
Notional amount (in millions)	US$300	US$129	US$429
Average forward rate	56.10	55.58	55.94

The tables set out the outcome of the Group's hedging strategy, the carrying amounts of the derivatives and the changes in fair values used for measuring hedge ineffectiveness separately showing the effective and ineffective portions as of December 31, 2022:

	Carrying value	Change in fair value of hedged item used for measuring ineffectiveness	Effective portion recognized in OCI	Hedge ineffectiveness recognized in the consolidated statement of income
Non-deliverable forward contracts				
Derivative asset	₱–	₱–	₱–	₱–
Derivative liability	46	(26)	45	–

The Group follows a prudent policy in managing its assets and liabilities so as to ensure that exposure to fluctuation in foreign exchange rates are kept within acceptable limits. There is no ineffectiveness recognized in the profit or loss as the changes in the fair value of the hedged items used as basis for recognizing hedge ineffectiveness equals to the carrying amount of the hedging instruments.

Set out below is the reconciliation of each component of equity and the analysis of other comprehensive income:

	2023		
	Cash Flow Hedge Reserve	**Cost of Hedging Reserve**	**Total**
Balance at beginning of year	**₱–**	**₱1**	**₱1**
Effective Portion of changes in fair value	**–**	**–**	**–**
Amount transferred to inventories	**–**	**–**	**–**
Amount reclassified to profit or loss	**–**	**(1)**	**(1)**
Balance at end of year (net of tax)	**₱–**	**₱–**	**₱–**

	2022		
	Cash Flow Hedge Reserve	Cost of Hedging Reserve	Total
Balance at beginning of year	₱–	₱–	₱–
Effective Portion of changes in fair value	(46)	–	(46)
Amount transferred to inventories	20	1	21
Amount reclassified to profit or loss	26	–	26
Balance at end of year (net of tax)	₱–	₱1	₱1

Interest rate risk

The Group's interest rate exposure management policy centers on reducing the Group's overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and maintaining a debt portfolio mix of both fixed and floating interest rates. The portfolio mix is a function of historical, current trend and outlook of interest rates, volatility of short-term interest rates, the steepness of the yield curve and degree of variability of cash flows.

As of December 31, 2023 and 2022, except for the Parent Company's JPY loans, the Group has no financial instruments subject to floating interest rates. There is no sensitivity to the changes in interest rates on the Group's income before tax through the impact of floating rate borrowings because the risk is effectively hedged by an interest rate swap.

Cash Flow Hedge

Interest rate swap

The Parent Company entered into an interest rate swap ("IRS") agreement to hedge the variability in the interest cash flows arising from its floating rate loan with various lenders (the "Loan"), attributable to changes in the three-month JPY TONA ("3m JPY TONA") (Note 16). The hedged risk is variability in interest cash flows of the Loan attributable to changes in the 3m JPY TONA (interest rate risk). The hedged item is the interest cash flows on the Loan which is based on 3m JPY TONA + margin, floored at 0%. The hedging instrument is an IRS under which the Parent Company will pay fixed interest at a rate of 0.852% to 1.255% per annum and receive variable interest based on 3m JPY TONA. The terms of the hedging relationships will end in March 2027. The effectiveness of hedging relationship is tested prospectively. The designated hedging relationship was sufficiently effective as of December 31, 2023 and 2022.

An economic relation between the hedged item and the hedging instrument was qualitatively tested by matching their critical terms. The hedged item creates an exposure to pay 3m JPY TONA (floored at 0%) + 0.65% to 0.80%, settled quarterly. The hedging instrument creates an exact offset of this exposure with a consequence of paying a fixed interest payment of 0.852% to 1.255% per annum. Since most of the critical terms of the hedged item and hedging instrument matched, a clear economic relationship was established. The Parent Company's and the counterparty's credit risk was monitored for adverse changes. The Parent Company assessed that the risk associated with them and the counterparty is considered minimal, at inception, and during the year and did not dominate the value changes that result from the economic relationship. The hedge ratio for hedge accounting purposes is 1:1 or 100% since the notional amount of the IRS exactly matches the notional amount of the Loan. The hedge ineffectiveness can arise from the counterparties' credit risk differently impacting the fair value movements of the hedging instrument and the hedged item.

The Group is holding the following hedging instruments designated as cash flow hedges as of December 31, 2023 and 2022:

	Maturity				
	Up to 3 months	> 3 to 6 months	> 6 to 12 months	> 1 to 2 years	More than 2 years
2023					
Interest rate swap					
Fixed interest rate (%)					
¥11.655 billion up to July 2024	**0.852%**	**0.852%**	**0.852%**	**–**	**–**
¥11.655 billion up to July 2024	**0.865%**	**0.865%**	**0.865%**	**–**	**–**
¥23.31 billion from July 2024 to March 2027	**–**	**–**	**1.255%**	**1.255%**	**1.255%**
2022					
Interest rate swap					
Fixed interest rate (%)					
¥11.655 billion up to July 2024	0.852%	0.852%	0.852%	0.852%	–
¥11.655 billion up to July 2024	0.865%	0.865%	0.865%	0.865%	–
¥23.31 billion from July 2024 to March 2027	–	–	–	1.255%	1.255%

The tables set out the outcome of the Group's hedging strategy, the carrying amounts of the derivatives the Group uses as hedging instruments and the changes in fair values used for measuring hedge ineffectiveness separately showing the effective and ineffective portions as of December 31, 2023 and 2022:

	December 31, 2023			
	Carrying value	**Change in fair value of hedged item used for measuring ineffectiveness**	**Effective portion recognized in OCI**	**Hedge ineffectiveness recognized in the consolidated statement of income**
Floating rate loans				
Interest rate swap				
Derivative liability	**₱14**	**₱14**	**₱14**	**₱–**

	December 31, 2022			
	Carrying value	Change in fair value of hedged item used for measuring ineffectiveness	Effective portion recognized in OCI	Hedge ineffectiveness recognized in the consolidated statement of income
Floating rate loans				
Interest rate swap				
Derivative assets	₱88	₱88	₱88	₱–

The Group follows a prudent policy in managing its assets and liabilities so as to ensure that exposure to fluctuation in interest rates are kept within acceptable limits. There is no ineffectiveness recognized in the profit or loss as the changes in the fair value of the hedged items used as basis for recognizing hedge ineffectiveness equals to the carrying amount of the hedging instruments.

The movement in cash flow hedge reserve follows:

	2023	2022
Balance at beginning of year	**₱88**	(₱32)
Net unrealized gain (loss) on cash flow hedge	**(102)**	120
Balance at end of year (net of tax)	**(₱14)**	₱88

Equity price risk

Equity price risk is the risk that the fair values of investments in quoted equity securities could decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Group is exposed to equity securities price risk because of financial assets at FVOCI held by the Group.

The table below shows the sensitivity to a reasonably possible change in the Philippine Stock Exchange index (PSEi), with all other variables held constant, of the Group's equity (through other comprehensive income) due to changes in the carrying value of the Group's financial assets at FVOCI. The analysis links PSEi changes, which proxies for general market movements, to individual stock prices through their betas. Betas are coefficients depicting the sensitivity of individual prices to market movements.

The sensitivity range is based on the historical volatility of the PSEi for the past year. The analysis is based on the assumption that last year's PSEi volatility will be more or less the same in the following year.

	Percentage change in PSEi	Increase (decrease) in total comprehensive income
2023	**Increase by 20.56%**	**₱267**
	Decrease by 20.56%	**(267)**
2022	Increase by 32.51%	₱380
	Decrease by 32.51%	(380)

The table below shows the sensitivity to a reasonably possible change in the Tokyo Stock Exchange index (TSEi), with all other variables held constant, of the Group's equity (through other comprehensive income) due to changes in the carrying value of the Group's financial assets at FVOCI. The analysis links TSEi changes, which proxies for general market movements, to individual stock prices through their betas. Betas are coefficients depicting the sensitivity of individual prices to market movements.

The sensitivity range is based on the historical volatility of the TSEi for the past year. The analysis is based on the assumption that last year's TSEi volatility will be more or less the same in the following year.

	Percentage change in TSEi	Increase (decrease) in total comprehensive income
2023	**Increase by 25.09%**	**₱3,958**
	Decrease by 25.09%	**(3,958)**
2022	Increase by 5.05%	₱592
	Decrease by 5.05%	(592)

34. **Basic/Diluted Earnings Per Share**

The basic/diluted earnings per share attributable to equity holders of the Parent Company for the years ended December 31, 2023, 2022 and 2021 were computed as follows (amounts in millions, except earnings per share):

	2023	2022	2021
a. Net income attributable to equity holders of the Parent Company	**₱28,743**	₱18,360	₱10,983
b. Effect of dividends declared to voting and perpetual preferred shareholders of the Parent Company	**(365)**	(589)	(589)
c. Net income attributable to common shareholders of the Parent Company	**28,378**	17,771	10,394
d. Weighted average number of outstanding common shares of the Parent Company (Note 22)	**215**	215	215
e. Basic/diluted earnings per share (c / d)	**₱131.81**	₱82.55	₱48.28

Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

35. **Operating Segments**

Segment Information

For management purposes, the Group is organized into business units based on their products and activities and has the following reportable segments:

- Real estate is engaged in real estate and leasing, development and selling of properties of every kind and description, as well as ancillary trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintenance of a petroleum service station, engaging in food and restaurant service and acting as a marketing agent for and in behalf of any real estate development company or companies;
- Financial institutions are engaged in the banking and insurance industry and financing institution;
- Automotive operations are engaged in the assembly, manufacture, importation, sale and distribution of all kinds of automobiles including automobile parts, accessories, and instruments;
- Infrastructure is engaged in the water distribution, toll operation, power sector, hospitals and rail; and
- Others pertain to other corporate activities of the Group (i.e., capital-raising activities, acquisitions and investments).

The Chief Operating Decision Maker (CODM), which is the Executive Committee, monitors the operating results of the Group for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, earnings before interest, taxes and depreciation/amortization (EBITDA) and pretax income which are measured similarly under PFRS, except for EBITDA. EBITDA is computed by reconciling net interest income (expense) and provision for income taxes to the net income and adding back depreciation and amortization expenses for the period.

For the years ended December 31, 2023, 2022 and 2021, there were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers. Intragroup transactions were eliminated during consolidation.

Segment Assets

Segment assets are resources owned by each of the operating segments that are employed in its operating activities.

Segment Liabilities

Segment liabilities are obligations incurred by each of the operating segments from its operating activities.

The following tables present the financial information of the operating segments of the Group as of and for the years ended December 31, 2023, 2022 and 2021:

	December 31, 2023					
	Real Estate	Financial Institution	Automotive Operations	Infrastructure	Others	Total
Revenue	₱14,181	₱–	₱261,544	₱–	₱1	₱275,726
Other income	4,020	–	2,118	–	798	6,936
Equity in net income of associates and joint venture	2,269	17,207	–	3,452	–	22,928
	20,470	17,207	263,662	3,452	799	305,590
Cost of goods and services sold	1,063	–	188,285	–	–	189,348
Cost of goods manufactured and sold	–	–	39,661	–	–	39,661
Cost of rental	904	–	–	–	1	905
Cost of real estate sales	5,400	–	–	–	–	5,400
General and administrative expenses	3,965	–	15,641	–	651	20,257
	11,332	–	243,587	–	652	255,571
Earnings before interest and taxes	9,138	17,207	20,075	3,452	147	50,019
Depreciation and amortization	653	–	1,532	–	11	2,196
EBITDA	9,791	17,207	21,607	3,452	158	52,215
Interest income	160	–	428	–	523	1,111
Interest expense	(3,062)	–	(570)	–	(4,256)	(7,888)
Depreciation and amortization	(653)	–	(1,532)	–	(11)	(2,196)
Pretax income	6,236	17,207	19,933	3,452	(3,586)	43,242
Provision for income tax	(1,752)	–	(4,933)	–	(252)	(6,937)
Net income	₱4,484	₱17,207	₱15,000	₱3,452	(₱3,838)	₱36,305
Segment assets	₱116,961	₱151,328	₱92,339	₱46,794	₱39,194	₱446,616
Segment liabilities	₱66,435	₱–	₱55,489	₱–	₱77,438	₱199,362

	December 31, 2022					
	Real Estate	Financial Institution	Automotive Operations	Infrastructure	Others	Total
Revenue	₱5,193	₱–	₱211,945	₱–	₱169	₱217,307
Other income	8,500	–	1,914	–	468	10,882
Equity in net income of associates and joint venture	1,238	13,587	–	1,630	–	16,455
	14,931	13,587	213,859	1,630	637	244,644
Cost of goods and services sold	859	–	156,220	–	–	157,079
Cost of goods manufactured and sold	–	–	36,366	–	–	36,366
Cost of rental	817	–	–	–	13	830
Cost of real estate sales	2,996	–	–	–	63	3,059
General and administrative expenses	4,033	–	12,576	–	669	17,278
	8,705	–	205,162	–	745	214,612
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

Geographical Information
The following table shows the distribution of the Group's consolidated revenues to external customers by geographical market, regardless of where the goods were produced:

	2023	2022	2021
Domestic	**₱295,865**	₱235,574	₱165,662
Foreign	**10,836**	9,733	8,981
	₱306,701	₱245,307	₱174,643

36. Contingencies

In the normal course of the Group's operations, certain entities within the Group have pending tax assessments/claims which are in various stages of protest/appeal with the tax authorities, the amounts of which cannot be reasonably estimated. The information usually required by PAS 37 is not disclosed on the ground that it can be expected to prejudice the outcome of pending litigations.

In order to partially guarantee the completion of Federal Land's ongoing projects and in the ordinary course of the Group's business, the Parent Company issued Letters of Guarantee (LG) in favor of the Department of Human Settlements and Urban Development (formerly Housing and Land Use Regulatory Board) for a total guarantee amount of ₱1.53 billion, ₱2.40 billion and ₱2.81 billion as of December 31, 2023, 2022 and 2021, respectively.

37. Events After the Reporting Date

On January 29, 2024, the Parent Company paid the quarterly cash dividends amounting to ₱91.21 million, or ₱12.74 per share in favor of GT Capital's perpetual preferred series B stockholders of record date January 5, 2024.

On March 13, 2024, the BOD of the Parent Company approved the declaration of regular cash dividends amounting to ₱645.85 million, or ₱3.00 per share in favor of GT Capital's common stockholders of record as of March 27, 2024, payable on April 12, 2024. On the same date, the BOD of the Parent Company also approved the declaration of an additional regular cash dividends amounting to ₱645.85 million, or ₱3.00 per share in favor of GT Capital's common stockholders. The exact dates will be disclosed after the regular meeting of the Board of Directors in August 2024.

On March 13, 2024, the BOD of the Parent Company approved the declaration of special cash dividends amounting to ₱430.57 million, or ₱2.00 per share in favor of GT Capital's common stockholders of record as of March 27, 2024, payable on April 12, 2024.

On March 13, 2023, the BOD of the Parent Company approved the declaration of regular cash dividends in favor of its voting preferred stockholders at a dividend rate of 3.77%, with record date on March 27, 2024 and payment date on April 12, 2024.

38. **Notes to Consolidated Statements of Cash Flows**

Below are the noncash operating, investing and financing transactions of the Group:

	2023	2022	2021
Transfers between investment property and inventories (Note 6)	**₱608**	₱5,904	₱270
Borrowing costs capitalized to inventories (Note 6)	**517**	400	712
Impact of business combination (Note 8)	**–**	–	50

The following are the changes in liabilities in 2023 and 2022 arising from financing activities including both cash and non-cash changes:

	January 1, 2023	**Availment***	**Payment**	**Forex movement**	**Amortization of day 1 loss**	**Amortization of deferred financing cost**	**Others****	**December 31, 2023**
Short-term debt (Note 16)	**₱14,582**	**₱77,086**	**(₱70,538)**	**(₱14)**	**₱–**	**₱–**	**₱–**	**₱21,116**
Current portion of long-term debt (Note 16)	**7,758**	**–**	**(3,604)**	**–**	**–**	**–**	**11,956**	**16,110**
Long-term debt - net of current portion (Note 16)	**118,033**	**538**	**(10,641)**	**(569)**	**–**	**123**	**(11,956)**	**95,528**
Current portion of bonds payable	**6,099**	**–**	**(6,099)**	**–**	**–**	**(3)**	**4,000**	**3,997**
Bonds payable (Note 17)	**3,992**	**–**	**–**	**–**	**–**	**8**	**(4,000)**	**–**
Current portion of liabilities on purchased properties (Notes 20 and 27)	**348**	**–**	**(348)**	**–**	**29**	**–**	**319**	**348**
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	**1,300**	**–**	**–**	**–**	**–**	**–**	**(319)**	**981**
	₱152,112	**₱77,624**	**(₱91,230)**	**(₱583)**	**₱29**	**₱128**	**₱–**	**₱138,080**

**Availments net of documentary stamp taxes amounting to ₱5.0 million.*

***Others include reclassification from noncurrent to current portion.*

	January 1, 2022	Availment	Payment	Forex movement	Amortization of day 1 loss	Amortization of deferred financing cost	Others*	December 31, 2022
Short-term debt (Note 16)	₱9,127	₱38,314	(₱32,854)	₱–	₱–	₱–	(₱5)	₱14,582
Current portion of long-term debt (Note 16)	9,423	–	(125)	–	–	–	(1,540)	7,758
Long-term debt - net of current portion (Note 16)	112,755	13,818	(9,702)	(557)	–	179	1,540	118,033
Current portion of bonds payable	–	–	–	–	–	–	6,099	6,099
Bonds payable (Note 17)	10,077	–	–	–	–	14	(6,099)	3,992
Current portion of liabilities on purchased properties (Notes 20 and 27)	304	–	(306)	–	350	–	–	348
Liabilities on purchased properties - net of current portion (Notes 20 and 27)	1,658	–	(261)	–	(97)	–	–	1,300
	₱143,344	₱52,132	(₱43,248)	(₱557)	₱253	₱193	(₱5)	₱152,112

** Others include reclassification from noncurrent to current portion.*

39. Approval for the Issuance of the Consolidated Financial Statements

The accompanying consolidated financial statements of the Group were approved and authorized for issue by the Parent Company's BOD on March 13, 2024.

SGV
Building a better working world

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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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 included in this Form 17-A and have issued our report thereon dated March 13, 2024. 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
BIR Accreditation No. 08-001998-114-2022, January 20, 2022, valid until January 19, 2025
PTR No. 10079903, January 5, 2024, Makati City

March 13, 2024

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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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, and have issued our report thereon dated March 13, 2024. 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, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

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
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PTR No. 10079903, January 5, 2024, Makati City

March 13, 2024

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES

DECEMBER 31, 2023

GT CAPITAL HOLDINGS, INC.

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE YEAR ENDED DECEMBER 31, 2023

(In Millions)

Unappropriated Retained Earnings, beginning			₱24,752
Add:	**Net income actually earned during the period**		
	Net income during the period, closed to Retained Earnings	12,712	
Less:	**Non-actual/unrealized income**		
	Other adjustments to the Retained Earnings	(776)	
	PFRS interest accretion	(51)	
Add:	**Non-actual/unrealized loss**		
	Unrealized market valuation loss on financial assets at FVTPL	207	
Net income actually earned during the period			12,090
Less:	Dividend declarations during the period		(1,011)
TOTAL RETAINED EARNINGS, END OF THE YEAR AVAILABLE FOR DIVIDEND			**₱35,831**

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E

FOR THE YEAR ENDED DECEMBER 31, 2023

(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	₱871	₱871	₱366
Financial assets at FVOCI				
Quoted	Various	17,420	17,420	513
Unquoted	Various	276	276	87

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)

Name of debtor	Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
E. R. Balanag	Rank & File / Supervisor	₱–	₱1	₱–	₱–	₱–	₱1	₱1
D. A. Lagman	Rank & File / Supervisor	–	1	–	–	–	1	1
M. N. Arevalo	Officer	–	1	–	–	–	1	1
A. A. Nazareth	Rank & File / Supervisor	–	1	–	–	–	1	1
R. L. O Coner	Rank & File / Supervisor	–	1	–	–	–	1	1
I. D. Ducay	Rank & File / Supervisor	–	1	–	–	–	1	1
D. M. Cabantog	Rank & File / Supervisor	–	1	–	–	–	1	1
R. T. Namo	Rank & File / Supervisor	–	1	–	–	–	1	1
A. G. Tepora	Rank & File / Supervisor	–	1	–	–	–	1	1
R. B. Dugang	Officer	–	1	–	–	–	1	1
C. M. Aberin Jr.	Rank & File / Supervisor	–	2	(1)	–	–	1	1
D. C. Cruz	Officer	–	1	–	–	–	1	1
R. P. Malaiba	Officer	–	1	(1)	–	–	–	–
E. M. Caisip	Rank & File / Supervisor	–	1	(1)	–	–	–	–
C. J. Completo	Officer	–	1	–	–	–	1	1
J. P. Mazo	Rank & File / Supervisor	–	1	–	–	–	1	1
A. S. Paguio Jr.	Rank & File / Supervisor	–	1	–	–	–	1	1
M. P. Garcia	Rank & File / Supervisor	–	1	–	–	–	1	1
J. M. Mañalac	Rank & File / Supervisor	–	1	–	–	–	1	1
B. Z. Villaroman Iii	Rank & File / Supervisor	–	1	–	–	–	1	1
R. M. Maunahan	Rank & File / Supervisor	–	1	–	–	–	1	1
T. T. Lopez Jr.	Officer	–	2	–	–	–	2	2

Name of debtor	Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
I. C. Sincioco	Officer	₱–	₱1	₱–	₱–	₱–	₱1	₱1
E. P. Magpantay	Rank & File / Supervisor	–	1	–	–	–	1	1
E. C. Anido	Rank & File / Supervisor	–	1	–	–	–	1	1
A. Q. Bantuan	Rank & File / Supervisor	1	–	(1)	–	–	–	–
R. M. Mercado	Rank & File / Supervisor	–	1	–	–	–	1	1
M. J. Rosario	Officer	–	3	(1)	–	1	1	2
B. P. Oclarino	Rank & File / Supervisor	–	2	(1)	–	–	1	1
L. B. Aguilera	Rank & File / Supervisor	1	–	–	–	1	–	1
M. L. Gopez I	Officer	–	1	–	–	–	1	1
A. C. Hayag	Rank & File / Supervisor	–	1	–	–	–	1	1
R. C. Castillo	Rank & File / Supervisor	–	1	–	–	–	1	1
M. C. Masamayor	Rank & File / Supervisor	–	1	–	–	–	1	1
L. F. Ternate	Rank & File / Supervisor	–	2	(1)	–	–	1	1
L. D. Tejano	Officer	–	2	–	–	–	2	2
A. A. Agtay	Rank & File / Supervisor	–	1	–	–	–	1	1
C. B. Ofilada	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. B. Bautista	Officer	1	–	(1)	–	–	–	–
N. O. Bravante	Officer	1	–	(1)	–	–	–	–
R. S. Aquino	Rank & File / Supervisor	–	1	–	–	–	1	1
R. M. Gayorgor	Rank & File / Supervisor	–	1	–	–	–	1	1
E. P. Ramos	Rank & File / Supervisor	–	1	–	–	–	1	1
E. O. Garcia	Rank & File / Supervisor	1	–	–	–	–	1	1
D. R. Escuro	Officer	1	–	–	–	–	1	1
R. P. Ugates	Rank & File / Supervisor	–	1	–	–	–	1	1
L. C. Capidos	Rank & File / Supervisor	–	1	–	–	–	1	1
F. C. Cristobal	Rank & File / Supervisor	1	–	(1)	–	–	–	–
J. A. Maraña	Rank & File / Supervisor	–	1	–	–	–	1	1
M. B. Antonio	Officer	1	–	–	–	–	1	1
J. G. Jimenez	Rank & File / Supervisor	1	–	–	–	–	1	1
R. R. Gutierrez	Officer	1	–	–	–	–	1	1
J. L. Orteza	Officer	1	–	–	–	–	1	1
O. N. Muya	Rank & File / Supervisor	–	1	–	–	–	1	1
A. A. Marcellana	Rank & File / Supervisor	1	–	(1)	–	–	–	–
D. F. Mendiola	Officer	1	–	–	–	–	1	1
R. S. Maaño	Rank & File / Supervisor	1	–	(1)	–	–	–	–

Name of debtor	Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
R. G. Waje	Rank & File / Supervisor	₱1	₱–	₱–	₱–	₱–	₱1	₱1
A. L. Aya–Ay	Rank & File / Supervisor	1	–	(1)	–	–	–	–
B. E. Dionela	Officer	1	–	–	–	–	1	1
J. C. Villanueva	Officer	1	–	–	–	–	1	1
R. N. Gaspar	Officer	1	–	(1)	–	–	–	–
J. M. Atienza	Officer	2	–	(1)	–	–	1	1
R. B. De Grano	Officer	1	–	–	–	–	1	1
A. V. Pesigan	Rank & File / Supervisor	1	–	–	–	–	1	1
H. P. Hernandez	Rank & File / Supervisor	1	–	–	–	–	1	1
S. T. Chua–Lim	Officer	1	–	–	–	–	1	1
E. M. Claro	Rank & File / Supervisor	1	–	–	–	–	1	1
F. C. Escrimadora	Rank & File / Supervisor	1	–	–	–	–	1	1
V. B. Delos Santos	Officer	1	–	–	–	–	1	1
E. D. Felix	Officer	1	–	(1)	–	–	–	–
R. B. Valdez	Officer	3	–	(1)	–	–	2	2
J. S. Matsuo	Officer	1	–	–	–	–	1	1
M. M. Legaspi	Rank & File / Supervisor	1	–	–	–	–	1	1
A. D. Bautista	Rank & File / Supervisor	1	–	–	–	–	1	1
P. C. Castro	Officer	–	1	–	–	–	1	1
C. G. Sevilla	Rank & File / Supervisor	–	2	(1)	–	–	1	1
M. L. Gardiner	Officer	–	1	–	–	–	1	1
R. A. Santos	Rank & File / Supervisor	–	1	–	–	–	1	1
M. P. De Leon	Rank & File / Supervisor	1	–	–	–	–	1	1
R. A. Kalambacal	Rank & File / Supervisor	–	1	–	–	–	1	1
M. C. Buena	Officer	2	–	(1)	–	–	1	1
A. G. Lopez	Officer	2	–	(1)	–	–	1	1
L. A. Sy	Officer	1	–	–	–	–	1	1
M. J. Vicente	Rank & File / Supervisor	1	–	–	–	–	1	1
M. E. Arvesu	Rank & File / Supervisor	1	–	–	–	–	1	1
D. M. Miranda	Rank & File / Supervisor	1	–	(1)	–	–	–	–
D. C. Dy	Rank & File / Supervisor	1	–	–	–	–	1	1
A. S. Dayrit	Officer	1	–	–	–	–	1	1
R. N. Metica	Rank & File / Supervisor	–	1	–	–	–	1	1
A. M. Abante	Rank & File / Supervisor	1	–	–	–	–	1	1
C. S. Ablaza	Officer	1	–	–	–	–	1	1

Name of debtor	Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
R. B. Magdaong	Rank & File / Supervisor	₱1	₱–	₱–	₱–	₱–	₱1	₱1
F. C. Hermosa	Rank & File / Supervisor	1	–	–	–	–	1	1
J. V. Morada	Rank & File / Supervisor	–	1	–	–	–	1	1
J. D. Cabrera	Rank & File / Supervisor	–	1	–	–	–	1	1
R. R. De Guzman	Rank & File / Supervisor	1	–	–	–	–	1	1
F. M. Mercado Jr.	Rank & File / Supervisor	1	–	(1)	–	–	–	–
M. G. Canlobo	Rank & File / Supervisor	1	–	–	–	–	1	1
F. B. De Guzman Jr.	Rank & File / Supervisor	1	–	–	–	–	1	1
W. F. Guerrero	Rank & File / Supervisor	1	–	–	–	–	1	1
R. P. Salapare	Rank & File / Supervisor	–	1	(1)	–	–	–	–
T. V. Pinca	Rank & File / Supervisor	1	–	(1)	–	–	–	–
B. O. Añonuevo	Rank & File / Supervisor	1	–	–	–	–	1	1
A. P. Peralta	Rank & File / Supervisor	1	–	–	–	–	1	1
R. M. Lanip	Rank & File / Supervisor	1	–	–	–	–	1	1
C. T. Bolaños	Officer	2	–	(1)	–	–	1	1
L. N. Sombilon	Rank & File / Supervisor	1	–	–	–	–	1	1
R. V. Cortez	Rank & File / Supervisor	–	2	(1)	–	–	1	1
A. D. Bargo	Rank & File / Supervisor	1	–	–	–	–	1	1
J. V. Maghirang	Rank & File / Supervisor	–	1	–	–	–	1	1
A. A. Palomares	Rank & File / Supervisor	–	1	–	–	–	1	1
R. S. Macasieb	Rank & File / Supervisor	1	–	–	–	–	1	1
N. A. Hare	Rank & File / Supervisor	1	–	(1)	–	–	–	–
R. R. Rafer	Rank & File / Supervisor	1	–	(1)	–	–	–	–
R. D. Viadoy	Rank & File / Supervisor	1	–	(1)	–	–	–	–
H. L. Buendia	Officer	1	–	–	–	–	1	1
N. O. Manglo	Officer	1	–	(1)	–	–	–	–
D. B. Gregorio	Rank & File / Supervisor	–	2	(1)	–	–	1	1
I. E. Claudio	Officer	1	–	–	–	–	1	1
R. B. Villanueva	Rank & File / Supervisor	–	1	–	–	–	1	1
A. V. Peralta	Rank & File / Supervisor	–	1	–	–	–	1	1
G. T. Laural	Rank & File / Supervisor	1	–	–	–	–	1	1
B. C. Arevalo	Officer	1	–	(1)	–	–	–	–
J. P. Magbojos	Rank & File / Supervisor	1	–	(1)	–	–	–	–
R. T. Ramos	Rank & File / Supervisor	1	–	(1)	–	–	–	–
V. E. Dionela Jr.	Rank & File / Supervisor	1	–	(1)	–	–	–	–

Name of debtor	Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
M. D. Nuque	Rank & File / Supervisor	₱–	₱1	₱–	₱–	₱–	₱1	₱1
R. M. Rosales	Rank & File / Supervisor	1	–	(1)	–	–	–	–
B. L. Abraham	Rank & File / Supervisor	1	–	–	–	–	1	1
E. B. Legion	Rank & File / Supervisor	1	–	(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)	–	–	–	–
J. M. Roqueza	Officer	1	–	–	–	–	1	1
A. S. Zaide	Rank & File / Supervisor	1	–	(1)	–	–	–	–
M. G. Marcelo	Rank & File / Supervisor	1	–	(1)	–	–	–	–
L. N. Magnaye	Rank & File / Supervisor	1	–	(1)	–	–	–	–
D. L. Pilapil	Rank & File / Supervisor	1	–	(1)	–	–	–	–
R. A. Lopez	Rank & File / Supervisor	1	–	(1)	–	–	–	–
E. B. Gozo	Rank & File / Supervisor	1	–	(1)	–	–	–	–
N. C. Briones	Rank & File / Supervisor	1	–	(1)	–	–	–	–
G. F. Gonzales	Rank & File / Supervisor	1	–	(1)	–	–	–	–
L. U. Lejano	Rank & File / Supervisor	1	–	(1)	–	–	–	–
E. N. Alcantara Jr.	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. T. Claudio	Rank & File / Supervisor	1	–	(1)	–	–	–	–
D. F. Dizon	Rank & File / Supervisor	1	–	(1)	–	–	–	–
M. G. Masamayor	Officer	1	–	(1)	–	–	–	–
R. A. Hechanova	Rank & File / Supervisor	1	–	(1)	–	–	–	–
P. B. Robosa	Officer	1	–	(1)	–	–	–	–
A. E. Santos	Rank & File / Supervisor	1	–	(1)	–	–	–	–
E. C. Esplana	Officer	1	–	(1)	–	–	–	–
R. C. Eje	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. T. Aldave Jr.	Rank & File / Supervisor	1	–	(1)	–	–	–	–
G. S. Espinosa	Officer	1	–	(1)	–	–	–	–
C. V. Esmile	Officer	1	–	(1)	–	–	–	–
R. G. Sacil	Rank & File / Supervisor	1	–	(1)	–	–	–	–
O. G. Peregrina	Rank & File / Supervisor	1	–	(1)	–	–	–	–
D. Y. Capuno	Rank & File / Supervisor	1	–	(1)	–	–	–	–
E. M. Lacibal	Rank & File / Supervisor	1	–	(1)	–	–	–	–
O. M. Fernandez	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. M. Sabido	Rank & File / Supervisor	1	–	–	–	–	1	1

Name of debtor	Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
E. L. Molino	Rank & File / Supervisor	₱1	₱–	(₱1)	₱–	₱–	₱–	₱–
J. T. Sendon	Rank & File / Supervisor	1	–	(1)	–	–	–	–
N. S. Molar	Rank & File / Supervisor	–	1	–	–	–	1	1
D. T. Roma	Rank & File / Supervisor	1	1	(1)	–	–	1	1
A. A. Neala Jr.	Rank & File / Supervisor	1	–	(1)	–	–	–	–
E. C. Cruz	Rank & File / Supervisor	1	–	(1)	–	–	–	–
H. B. Feliciano	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. C. Bermil	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. L. Ferrer Jr.	Rank & File / Supervisor	1	–	(1)	–	–	–	–
P. C. Vibar	Rank & File / Supervisor	1	–	(1)	–	–	–	–
V. P. Gozo	Rank & File / Supervisor	1	–	(1)	–	–	–	–
J. A. Saguan	Rank & File / Supervisor	1	–	(1)	–	–	–	–
V. Q. Oclarino	Officer	1	–	–	–	–	1	1
R. P. Habaña	Rank & File / Supervisor	1	–	(1)	–	–	–	–
C. R. Ramos	Rank & File / Supervisor	1	–	(1)	–	–	–	–
M. B. Lanto	Rank & File / Supervisor	1	–	–	–	–	1	1
E. M. Alfuerto	Rank & File / Supervisor	1	–	(1)	–	–	–	–
R. M. Inanoria	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. E. Cayabyab	Rank & File / Supervisor	1	1	(1)	–	–	1	1
J. C. Mandras	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. M. Alunan	Rank & File / Supervisor	1	–	(1)	–	–	–	–
D. M. Gatchalian	Rank & File / Supervisor	1	–	(1)	–	–	–	–
A. T. France Jr.	Rank & File / Supervisor	1	–	(1)	–	–	–	–
F. C. Benitez	Rank & File / Supervisor	1	–	(1)	–	–	–	–
E. A. Olayta	Rank & File / Supervisor	1	–	(1)	–	–	–	–
M. T. Obligado	Officer	1	–	–	–	–	1	1
M. V. Abad Jr.	Rank & File / Supervisor	1	–	(1)	–	–	–	–
N. C. Laserna	Rank & File / Supervisor	1	–	–	–	–	1	1
J. C. Alicabo	Rank & File / Supervisor	1	–	(1)	–	–	–	–
R. S. Bautista	Rank & File / Supervisor	1	–	–	–	–	1	1
A. A. Bawar	Rank & File / Supervisor	1	–	(1)	–	–	–	–
C. M. Alcantara	Rank & File / Supervisor	1	–	(1)	–	–	–	–
E. E. Aguila	Rank & File / Supervisor	1	–	(1)	–	–	–	–
N. D. Galon Jr.	Rank & File / Supervisor	1	–	–	–	–	1	1
J. A. Padojinog	Rank & File / Supervisor	1	–	–	–	–	1	1

Name of debtor	Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
N. M. De Chavez	Rank & File / Supervisor	₱1	₱–	(₱1)	₱–	₱–	₱–	₱ –
J. G. Mercado	Rank & File / Supervisor	1	–	–	–	–	1	1
J. Y. Amanca	Rank & File / Supervisor	1	–	(1)	–	–	–	–
C. B. Benitez	Officer	2	–	(1)	–	–	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	1	–	–	–	–	1	1
E. I. Alvarez	Rank & File / Supervisor	1	–	–	–	–	1	1
R. B. Fabula	Rank & File / Supervisor	1	1	(1)	–	–	1	1
J. R. Santos	Rank & File / Supervisor	1	–	(1)	–	–	–	–
B. S. Canaoay	Rank & File / Supervisor	1	–	(1)	–	–	–	–
J. S. Candelaria	Rank & File / Supervisor	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)	–	–	–	–
G. G. Diwas Jr.	Rank & File / Supervisor	1	–	(1)	–	–	–	–
L. M. Garcia	Officer	2	–	(1)	–	–	1	1
A. C. Dacoco	Rank & File / Supervisor	1	–	–	–	–	1	1
J. A. Mamonong	Officer	2	–	(1)	–	–	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	–	(1)	–	–	1	1
E. O. Natividad	Rank & File / Supervisor	1	–	–	–	–	1	1
B. S. Lanuza	Rank & File / Supervisor	2	–	(1)	–	1	–	1
R. D. Miranda	Rank & File / Supervisor	1	–	(1)	–	–	–	–
D. M. Abrematea	Rank & File / Supervisor	–	1	–	–	–	1	1
L. M. Abuzo	Rank & File / Supervisor	–	5	(4)	–	1	–	1
V. D. Arceo	Rank & File / Supervisor	–	1	–	–	–	1	1
C. R. Belen	Rank & File / Supervisor	–	1	–	–	–	1	1

Name of debtor	Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Not Current	Balance at end of period
J. S. Bernal	Officer	₱–	₱1	₱–	₱–	₱–	₱1	₱1
M. B. Bicongco	Rank & File / Supervisor	–	1	–	–	–	1	1
D. T. Calma	Rank & File / Supervisor	–	1	–	–	–	1	1
J. C. Cayman	Rank & File / Supervisor	–	1	–	–	–	1	1
S. D. Dela Rosa	Rank & File / Supervisor	–	1	–	–	–	1	1
A. F. Furio	Rank & File / Supervisor	–	1	–	–	–	1	1
A. L. Garces	Rank & File / Supervisor	–	1	–	–	–	1	1
R. B. Gaza	Officer	–	1	–	–	–	1	1
J. I. Leonardo	Rank & File / Supervisor	–	1	–	–	–	1	1
A. C. Llarena	Officer	–	1	–	–	–	1	1
E. T. Ochoa Jr.	Officer	–	1	–	–	–	1	1
C. T. Pastrana	Rank & File / Supervisor	–	1	–	–	–	1	1
J. K. Pineda	Officer	–	1	–	–	–	1	1
K. A. Portus	Rank & File / Supervisor	–	1	–	–	–	1	1
M. E. Rios	Rank & File / Supervisor	–	1	–	–	–	1	1
E. D. Salazar	Rank & File / Supervisor	–	1	–	–	–	1	1
M. V. Sy	Rank & File / Supervisor	–	1	(1)	–	–	–	–
G. E. Vicencio	Rank & File / Supervisor	–	1	–	–	–	1	1
S. L. Yap	Rank & File / Supervisor	–	1	–	–	–	1	1
R. A. Ymson	Rank & File / Supervisor	–	1	–	–	–	1	1
	Total	₱181	₱100	(₱112)	₱–	₱4	₱165	₱169

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
Toyota San Fernando Pampanga, Inc.	Subsidiary of Toyota Motor Philippines Corp.	₱38	₱697	₱735	₱–	₱735
Toyota Makati, Inc.	–do–	165	685	850	–	850
Lexus Manila, Inc.	–do–	2	347	349	–	349
TMP Logistics, Inc.	–do–	23	(9)	14	–	14
Toyota Mobility Solutions Philippines, Inc.	–do–	–	4	4	–	4
Toyota Sta. Rosa Laguna Inc.	Affiliate of Toyota Motor Philippines Corp.	1	–	1	–	1
Topsphere Realty Development Co. Inc.	Subsidiary of Federal Land, Inc.	798	240	1,038	–	1,038
Federal Property Management Corp.*	–do–	4	–	4	–	4
Central Realty & Dev't Corp.	–do–	228	–	228	–	228
Horizon Land Property Development Corp.	–do–	820	–	820	–	820
TMBC Insurance Agency Corporation	Affiliate of GT Capital Auto and Mobility Holdings, Inc.	114	(113)	1	–	1
Oxfordshire Holdings, Inc.	–do–	30	(18)	12	–	12
Toyota Santa Rosa Laguna, Insurance Agency, Inc.	–do–	–	5	5	–	5
		₱2,223	1,838	₱4,061	₱–	₱4,061

** Formerly Omni Orient Management Corp.*

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	₱ 3,997	₱−	Interest rate of 5.6250% and will mature on August 7, 2024
Loans payable	7,000	7	6,961	Interest rate of 5.7895% and will mature on March 26, 2025
Loans payable	6,000	6	5,967	Interest rate of 5.5400% and will mature on March 26, 2025
Loans payable	2,000	2	1,987	Interest rate of 6.0526% and will mature on December 4, 2027
Loans payable	4,000	4	3,972	Interest rate of 6.0375% and will mature on December 3, 2027
Loans payable	2,000	2	1,985	Interest rate of 6.1842% and will mature on December 22, 2028
Loans payable	4,000	4	3,973	Interest rate of 5.7895% and will mature on December 22, 2026
Loans payable	10,000	100	9,754	Interest rate of 7.3232% and will mature on March 27, 2030
Loans payable	15,000	150	14,644	Interest rate of 6.8453% and will mature on March 27, 2028
Loans payable	3,000	30	2,956	Interest rate of 5.4482% and will mature on November 4, 2029
Loans payable	4,000	−	3,978	Interest rate of 5.5843% and will mature on February 24, 2032
Loans payable	5,000	−	4,970	Interest rate of 4.9002% and will mature on July 13, 2032
Loans payable	9,161	−	9,106	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 July 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	235	Interest rates ranging from 4.85% to 5.94% and will mature on May 29, 2026
Loans payable	5,473	5,473	−	₱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	1,496	176	1,313	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	797	−	793	Interest rate of 6.07% with a term of 20 years and will be paid in full on maturity date
Loans payable	199	−	198	Interest rate of 5.8633% subject to equal annual principal amortization of P0.2 million starting on May 29, 2021 and fully payable on May 29, 2026
Loans payable	1,280	1,280	−	Interest rate of 5.30% and will be payable on November 23, 2024
Loans payable	300	300	−	Interest rate of 5.29% and will be payable on November 26, 2024
Loans payable	1,100	1,100	−	Interest rate of 5.99% and will be payable on December 20, 2024
Loans payable	1,200	1,200	−	Interest rate of 5.93% and will be payable on December 20, 2024
Loans payable	400	400	−	Interest rate of 4.75% and will be payable on December 29, 2024
Loans payable	1,565	−	1,557	Interest rate of 5.00% and will be payable on July 2, 2025
Loans payable	825	825	−	Interest rate of 4.75% per annum and payable in 2024
Loans payable	413	−	410	Interest rate of 4.50% per annum and payable in 2026
Loans payable	850	−	846	Interest rate of 5% per annum and payable in 2026
Loans payable	4,467	267	4,178	Interest rate of 5.00% per annum and payable in 2024
Loans payable	1,960	1,960	−	Interest rate of 5.00% per annum and payable in 2024
Loans payable	2,817	7	2,795	Interest rate of 5.00% per annum and payable in 2028
Loans payable	500	−	497	Interest rate of 4.75% per annum and payable in lump sum upon maturity on September 23, 2026
Loans payable	1,000	1,000	−	Interest rate of 4.75% per annum and payable in lump sum upon maturity on October 1, 2024
Loans payable	500	500	−	Interest rate of 4.75% per annum and payable in lump sum upon maturity on October 29, 2024
Loans payable	2,400	−	2,387	₱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	₱1,600	₱−	₱1,592	Interest rate of 3.68% per annum and will mature on September 8, 2026
Loans payable	474	−	471	Interest rate of 5.00% per annum and payable in 2029
Loans payable	948	−	943	Interest rate of 5.00% per annum and payable in 2029
Loans payable	985	985	−	Interest rate of 5.63% per annum and payable in 2024
Loans payable	1,520	80	1,433	Interest rate of 3.95% per annum and payable in 2027
Loans payable	855	45	806	Interest rate of 3.95% per annum and payable in 2027

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	950	50	895	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
Loans payable	700	−	696	Interest rate of 6.43% per annum and payable in 2028
	113,081	16,110	95,528	
	₱117,081	₱20,107	₱95,528	

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.	₱10,500	₱7,261	Due to payments during the year
Toyota Aisin Philippines, Inc.	79	79	

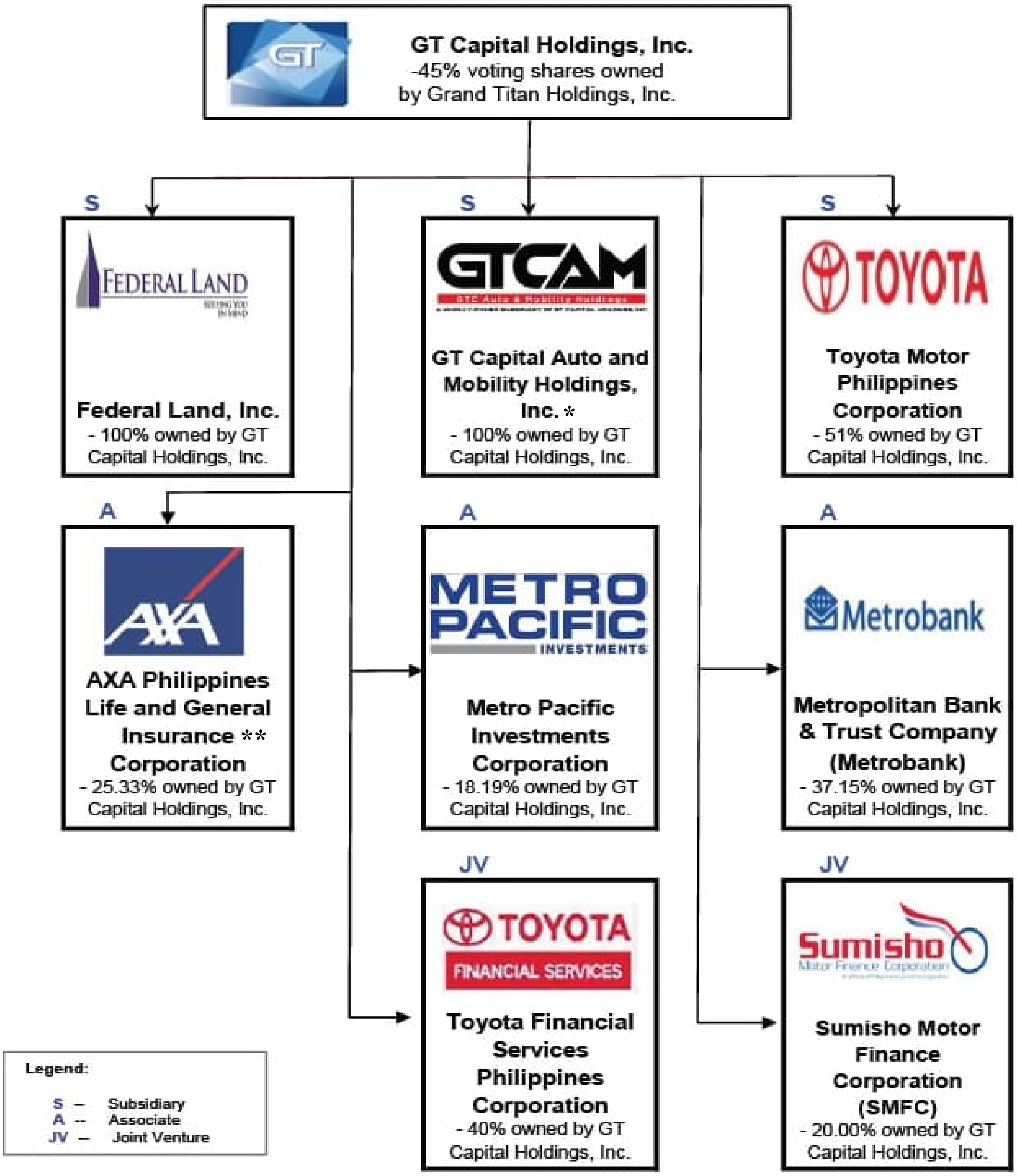
Schedule F. Guarantees of Securities of Other Issuers

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	698,479	94,172,450
Voting preferred stock	174,300,000	174,300,000	−	55,847,403	2,676,619	115,775,978
Perpetual preferred stock	20,000,000	7,160,760	−	−	1,200	7,159,560

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, 2023

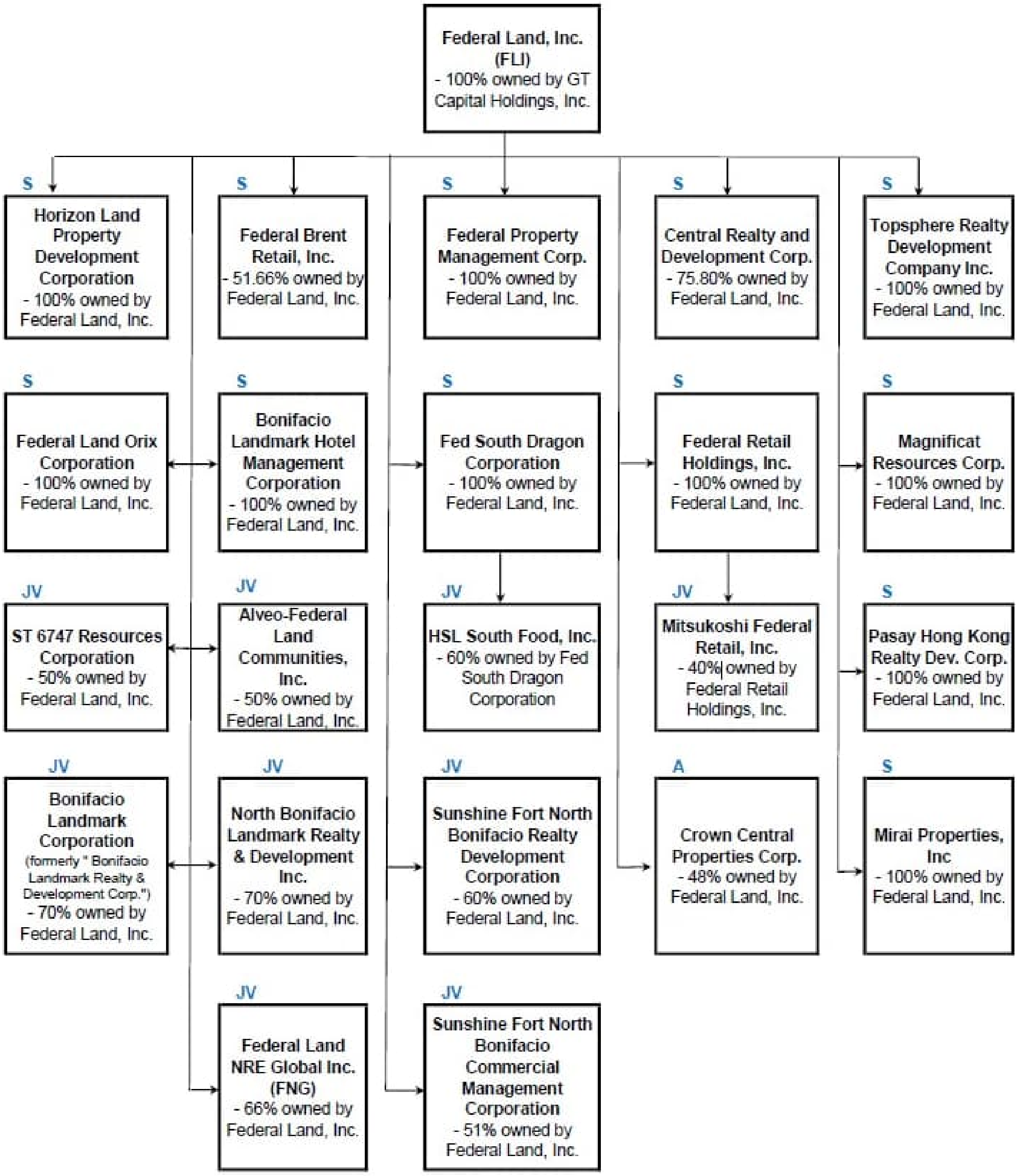


** Formerly GT Capital Auto Dealership Holdings, Inc.*
*** Formerly Philippine AXA Life Insurance Corporation*

FEDERAL LAND, INC.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE

AS OF DECEMBER 31, 2023



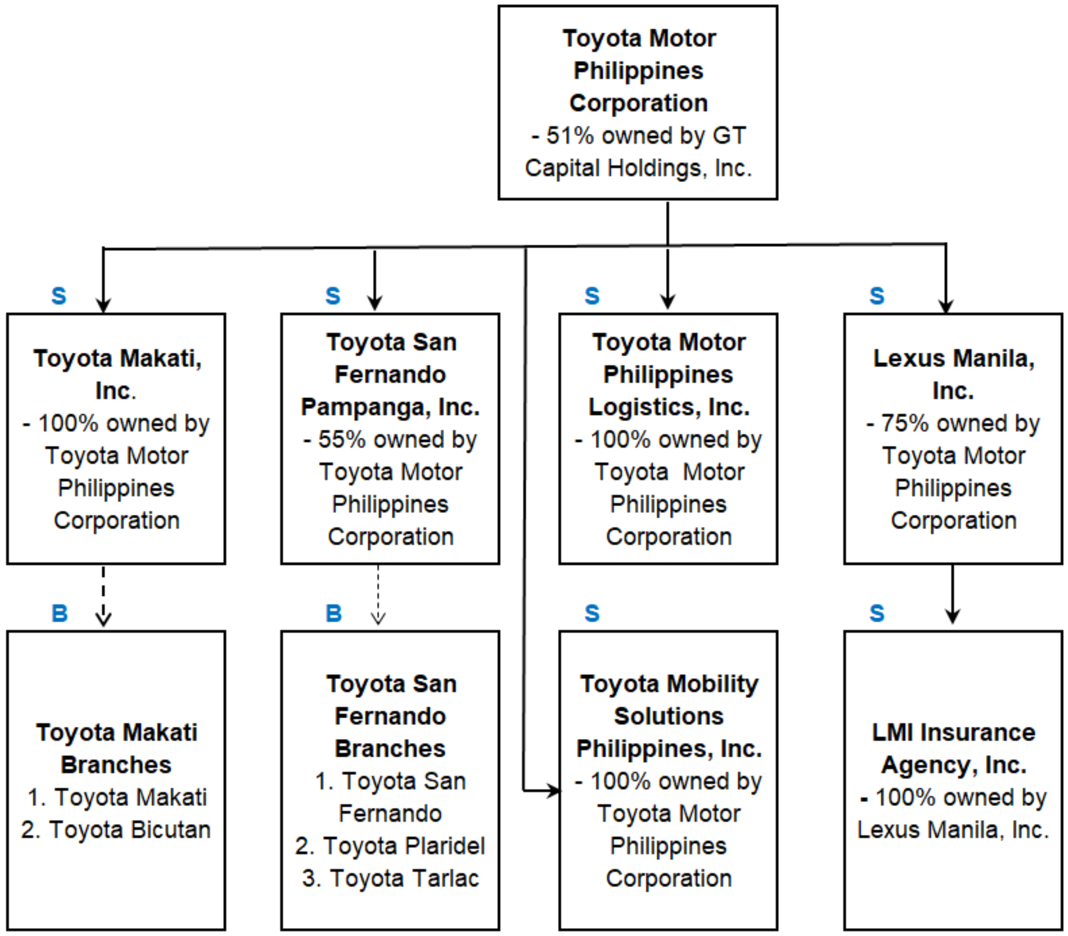
LEGEND:

Subsidiary (S)
Associate (A)
Joint Venture (JV)

TOYOTA MOTOR PHILIPPINES CORPORATION

SUBSIDIARIES

AS OF DECEMBER 31, 2023



LEGEND:

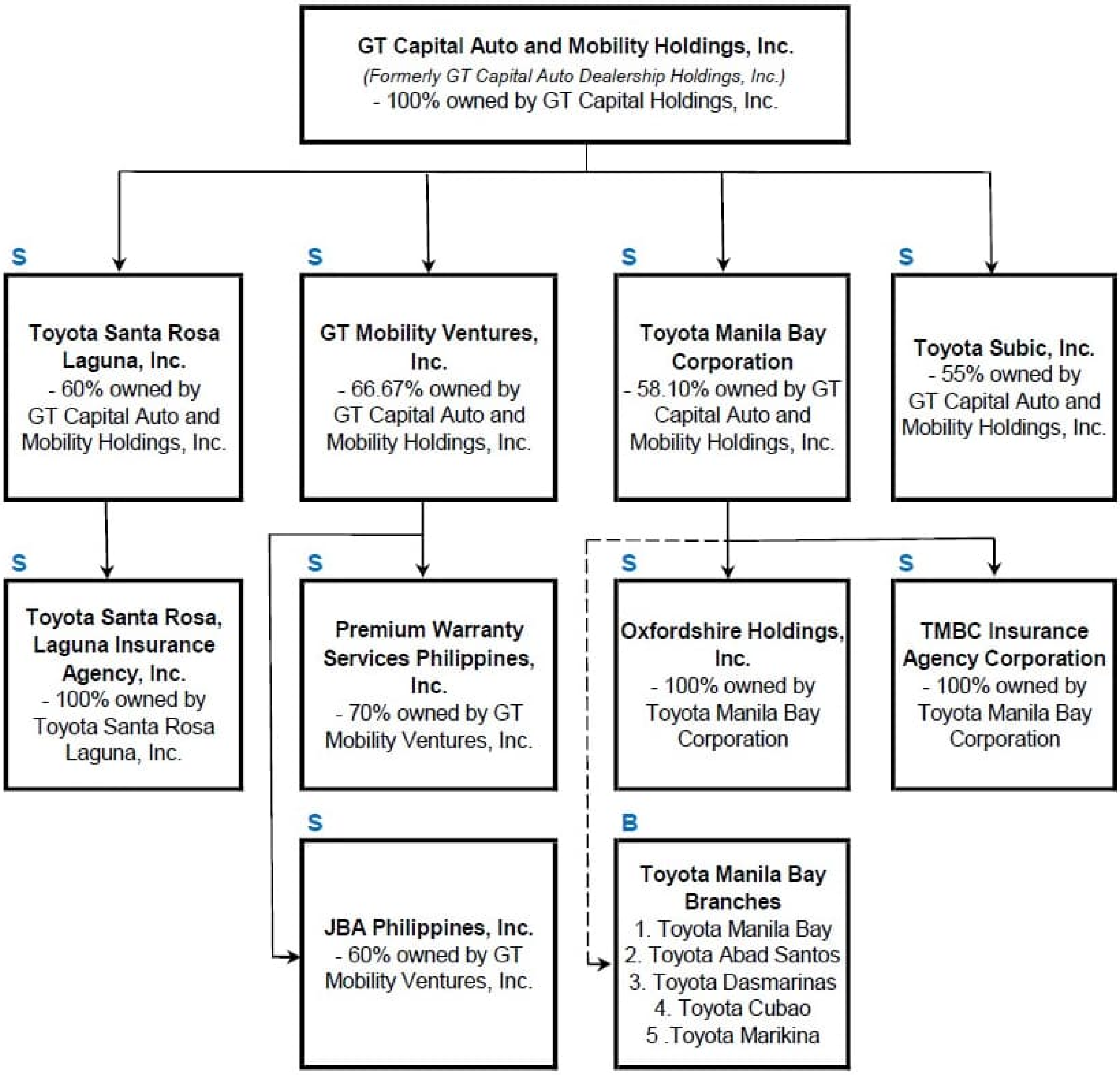
Subsidiary (S)

Branch (B)

GT CAPITAL AUTO AND MOBILITY HOLDINGS, INC.

SUBSIDIARIES

AS OF DECEMBER 31, 2023



LEGEND:

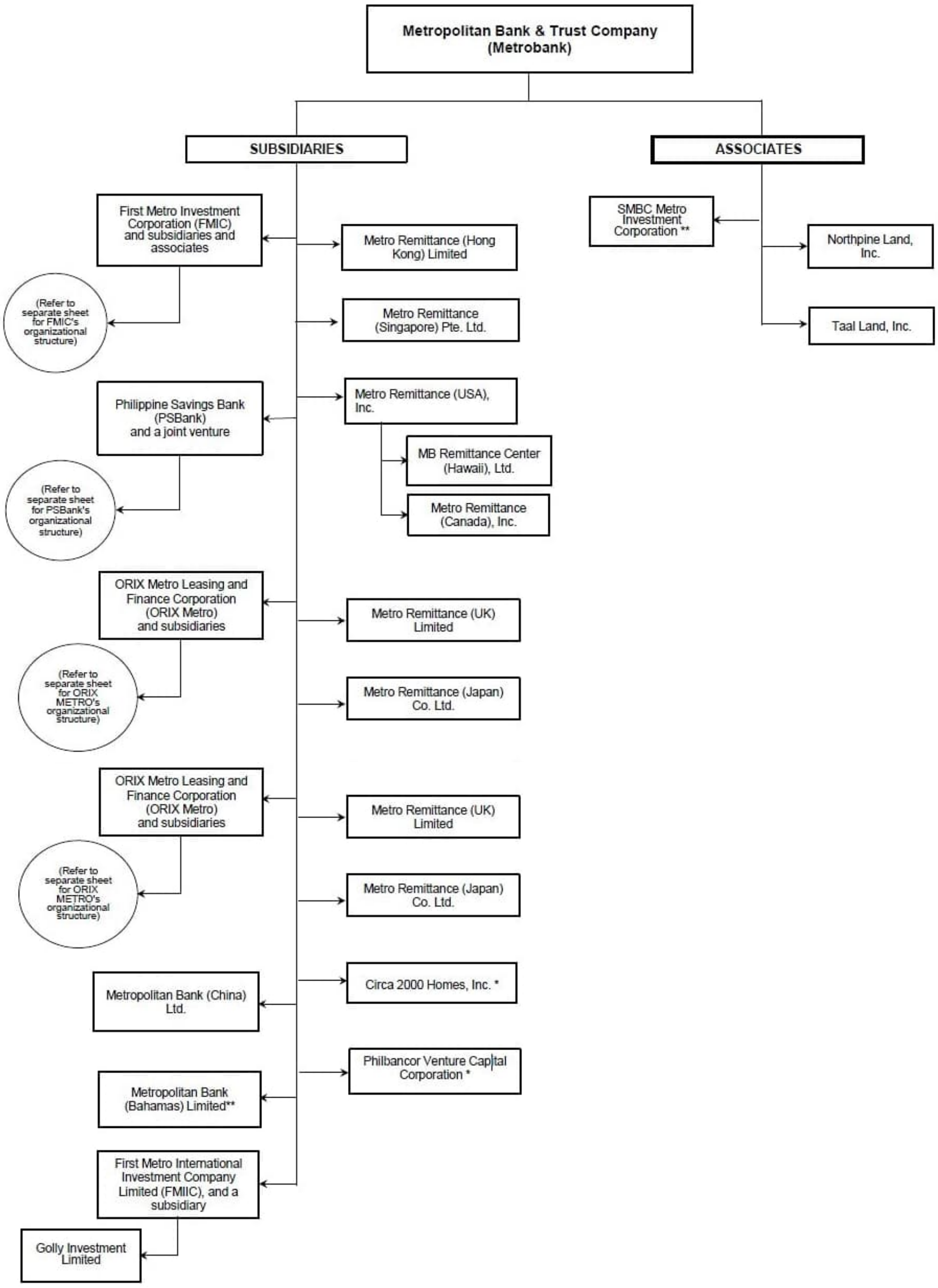
Subsidiary (S)

Branches (B)

METROPOLITAN BANK & TRUST COMPANY

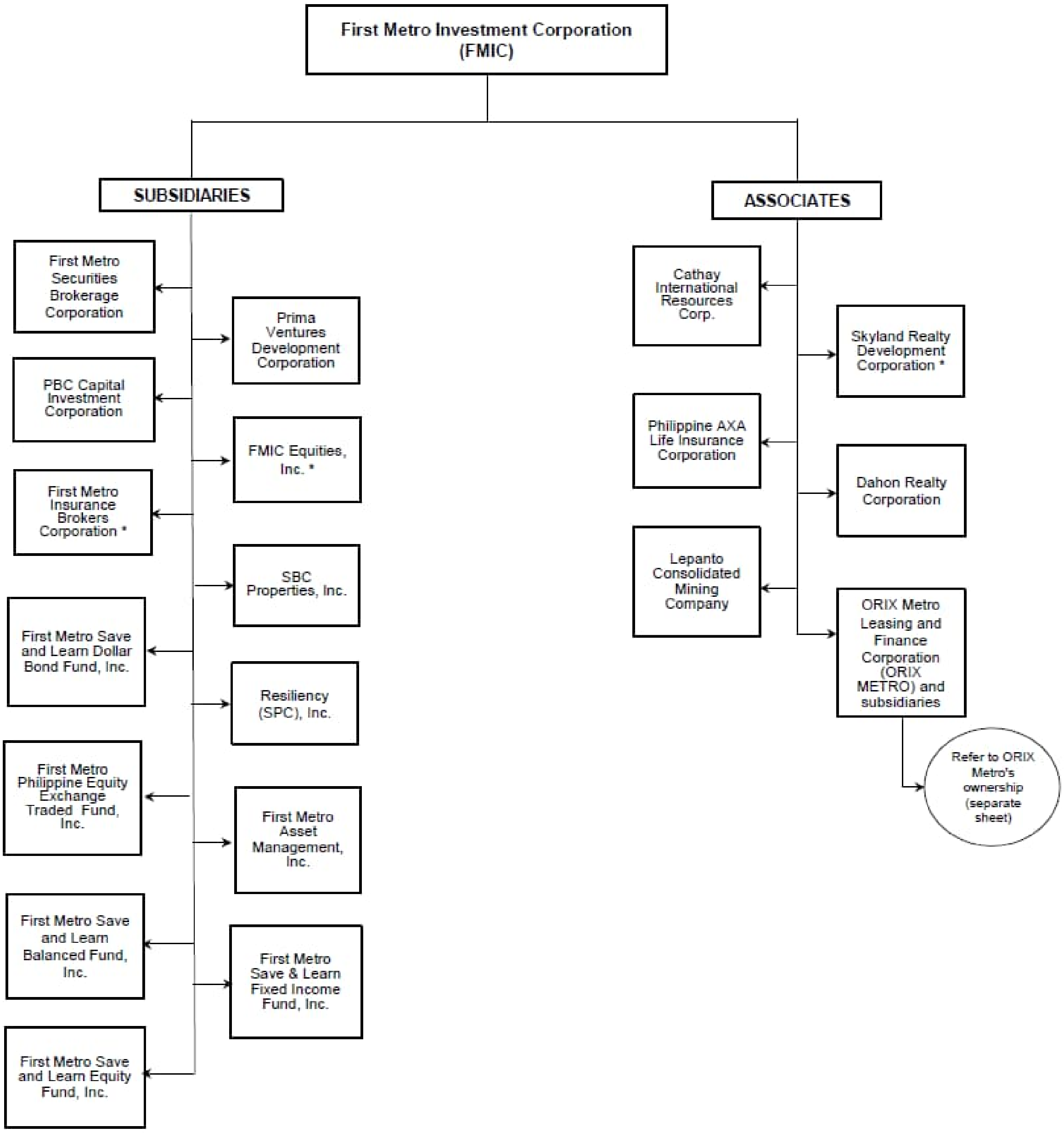
SUBSIDIARIES AND ASSOCIATES

AS OF DECEMBER 31, 2023

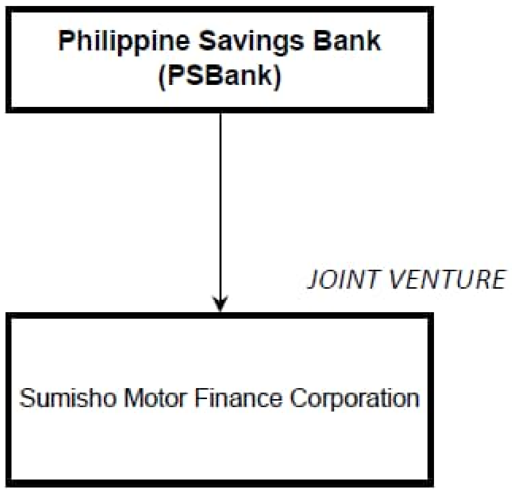


** In process of dissolution*
*** In process of liquidation*

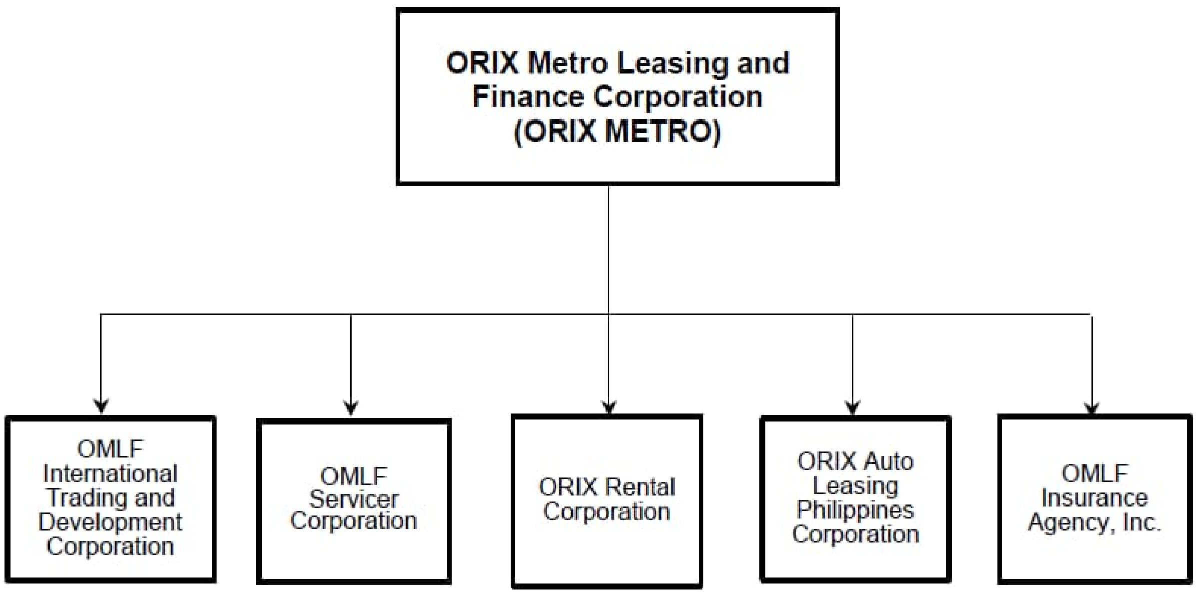
First Metro Investment Corporation
Subsidiaries, Joint Venture and Associates
As of December 31, 2023



Philippine Savings Bank
Joint Venture
As of December 31, 2023



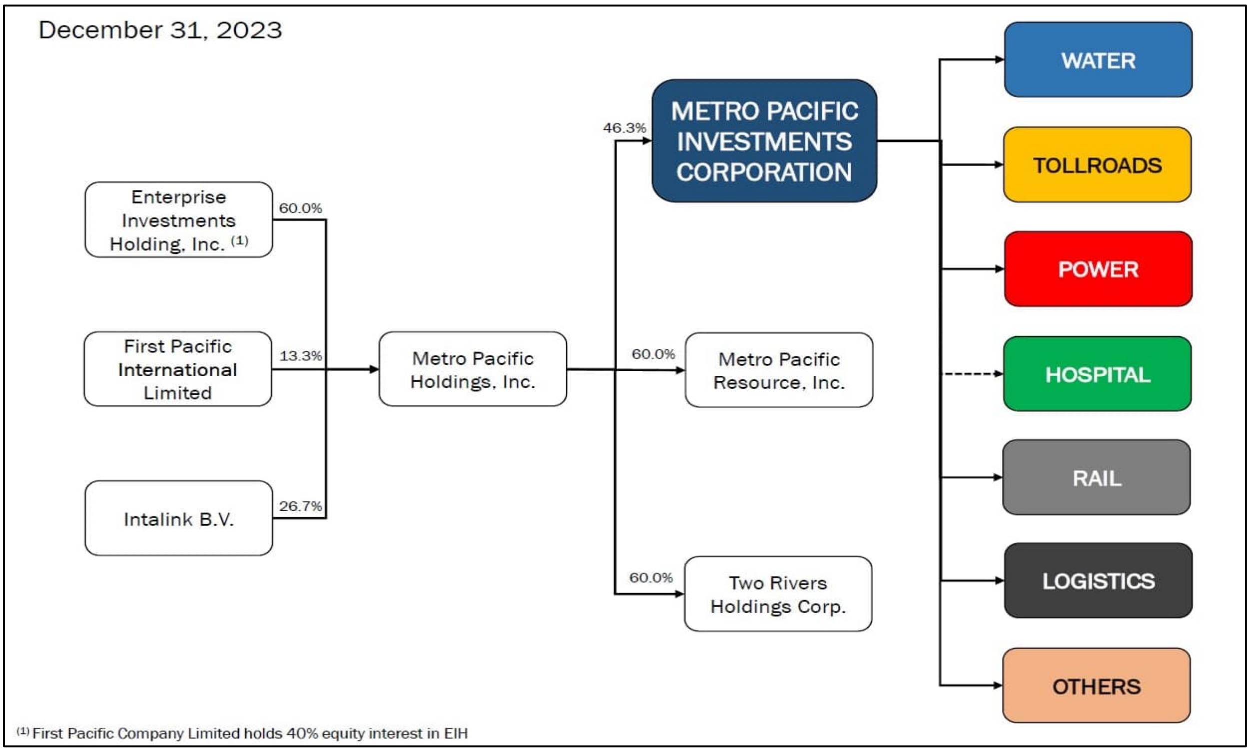
ORIX Metro Leasing and Finance Corporation (ORIX METRO)
Subsidiaries
As of December 31, 2023

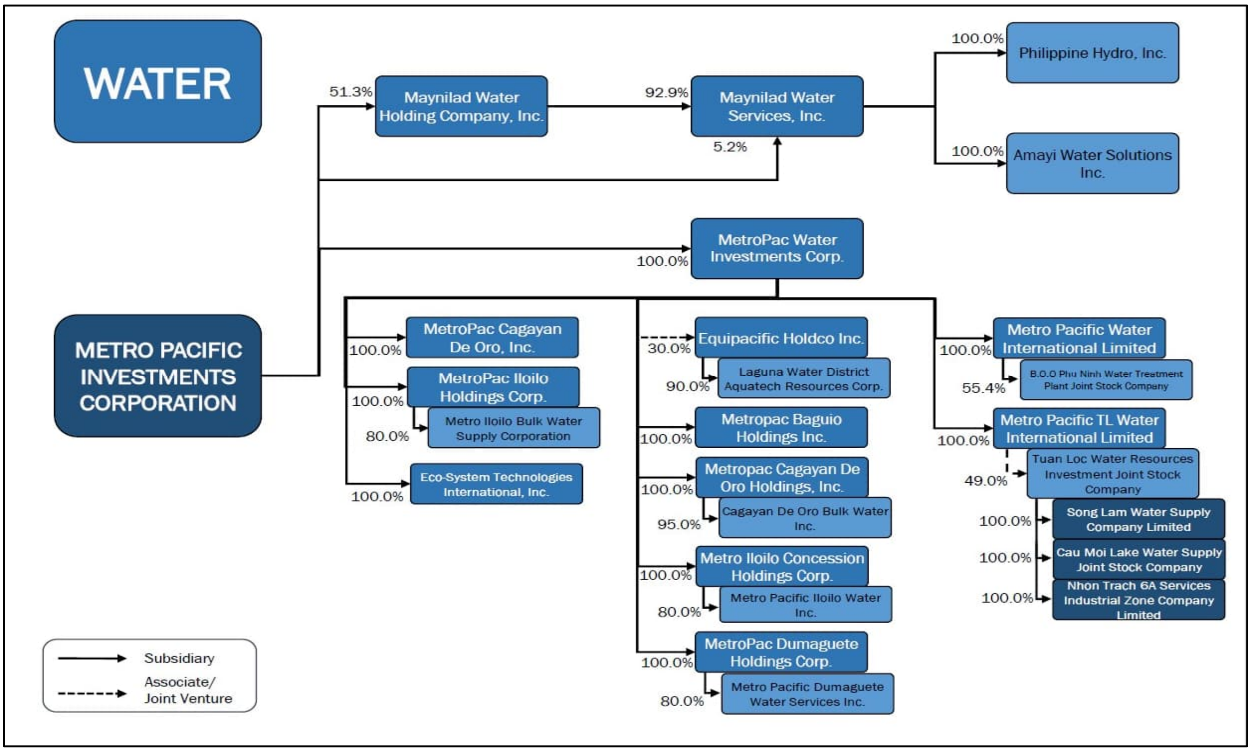


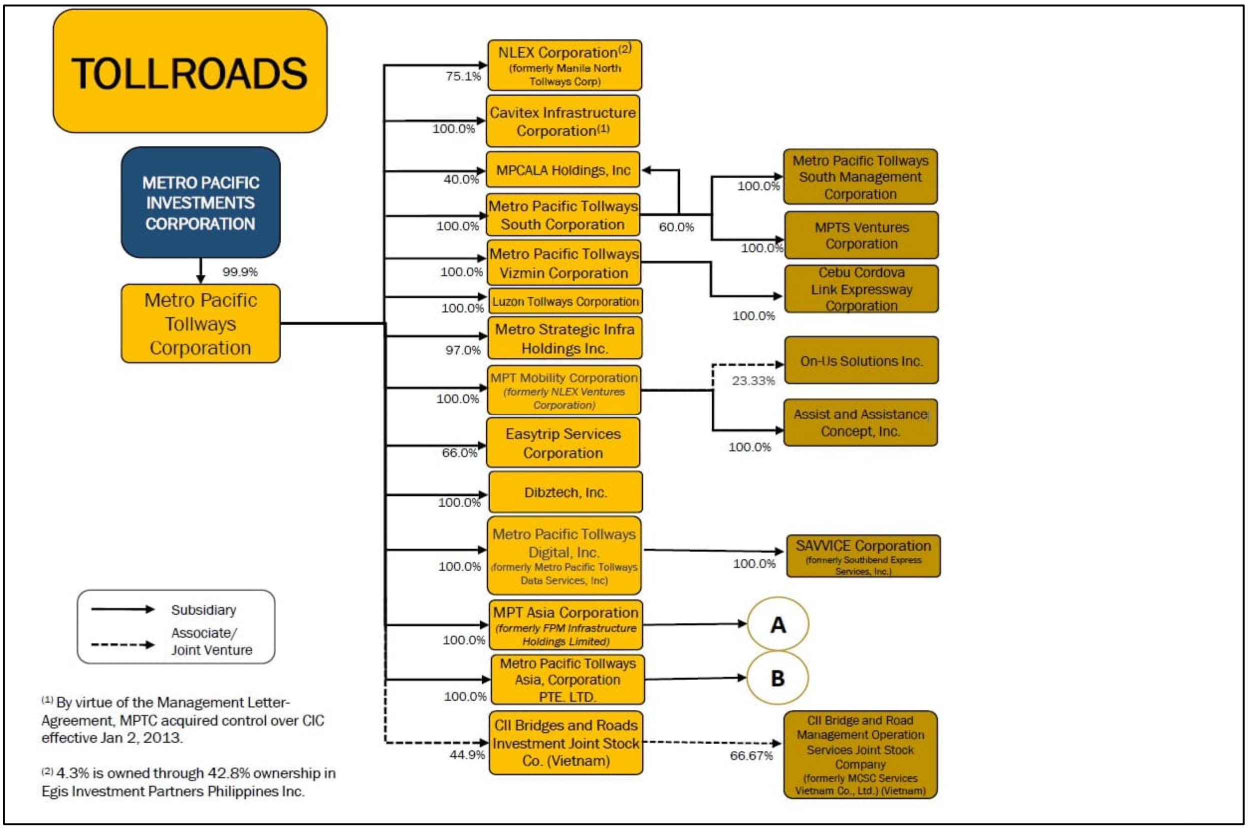
METRO PACIFIC INVESTMENTS CORPORATION

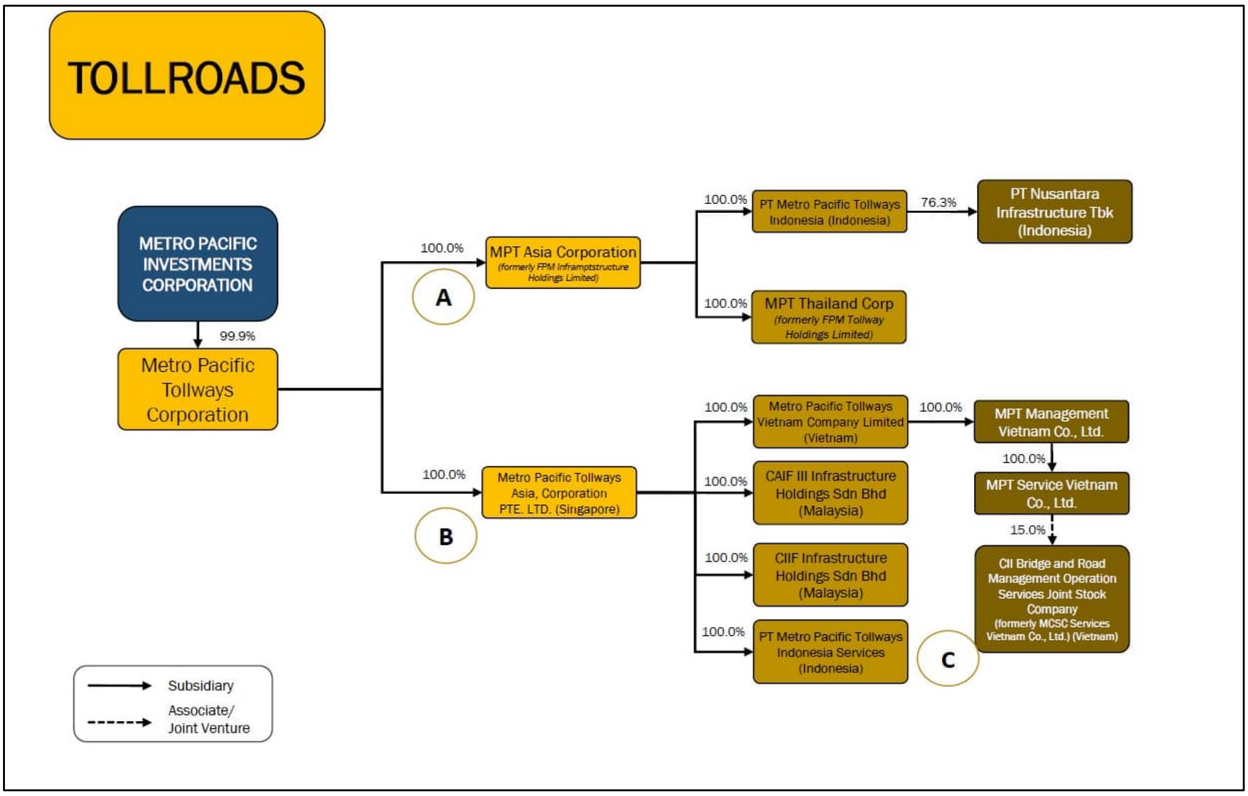
SUBSIDIARIES

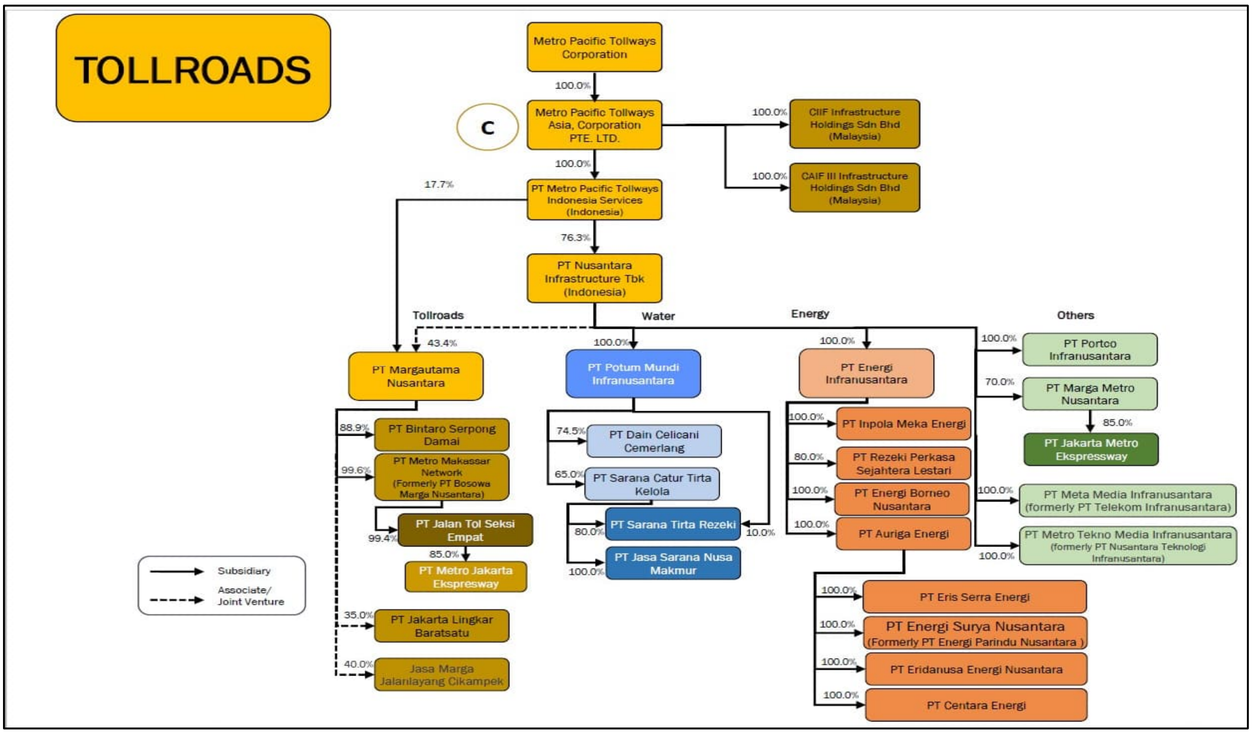
AS OF DECEMBER 31, 2023



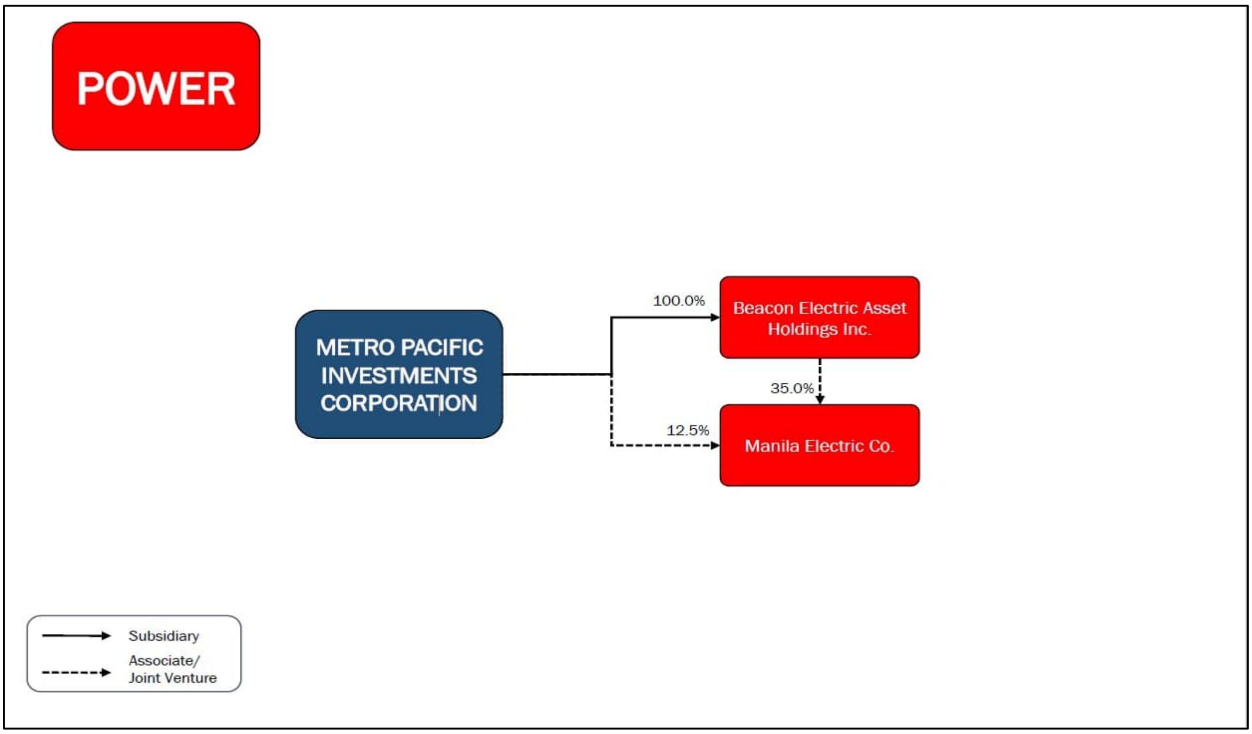



TOLLROADS
METRO PACIFIC INVESTMENTS CORPORATION
99.9%
Metro Pacific Tollways Corporation
75.1%
NLEX Corporation(2) (formerly Manila North Tollways Corp)
100.0%
Cavitex Infrastructure Corporation(1)
40.0%
MPCALA Holdings, Inc
100.0%
Metro Pacific Tollways South Corporation
60.0%
100.0%
Metro Pacific Tollways 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
97.0%
Metro Strategic Infra Holdings Inc.
100.0%
MPT Mobility Corporation (formerly NLEX Ventures Corporation)
23.33%
On-Us Solutions Inc.
100.0%
Assist and Assistance Concept, Inc.
66.0%
Easytrip Services Corporation
100.0%
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)
A
100.0%
Metro Pacific Tollways Asia, Corporation PTE. LTD.
B
44.9%
CII Bridges and Roads Investment Joint Stock Co. (Vietnam)
66.67%
CII Bridge and Road Management Operation Services Joint Stock Company (formerly MCSC Services Vietnam Co., Ltd.) (Vietnam)
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.

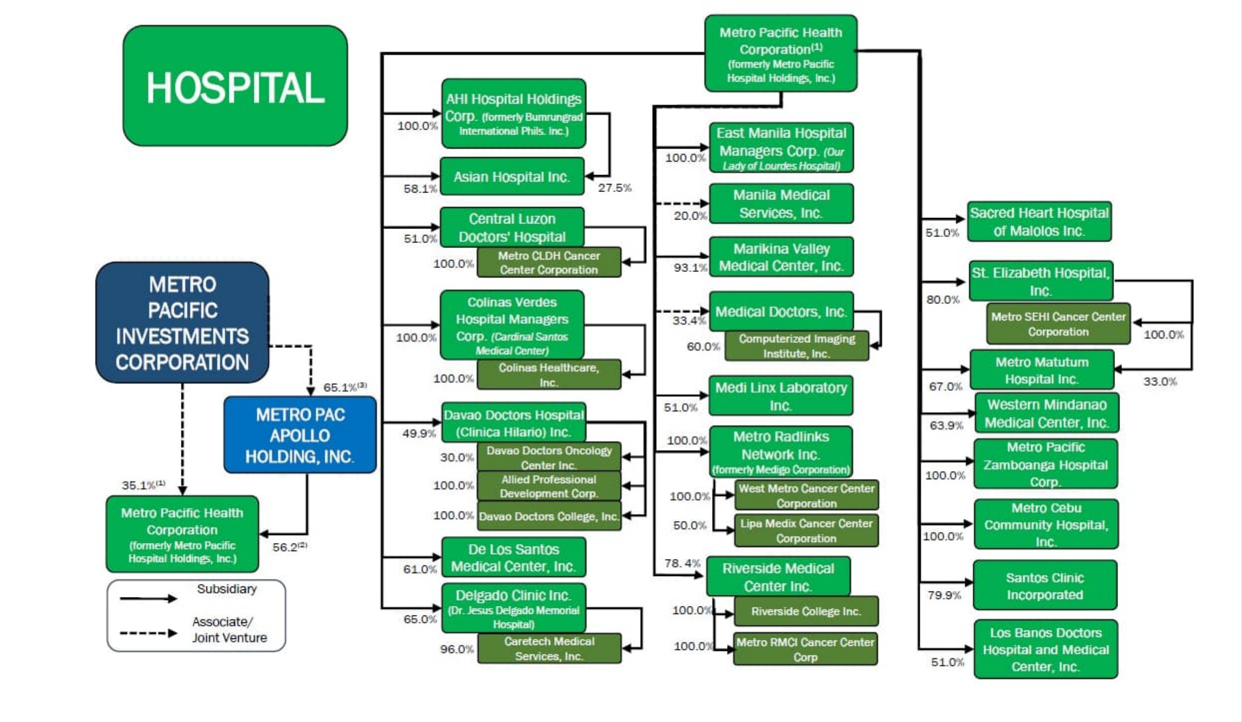

TOLLROADS
METRO PACIFIC INVESTMENTS CORPORATION
99.9%
Metro Pacific Tollways Corporation
100.0%
A
MPT Asia Corporation (formerly FPM Inframptstructure Holdings Limited)
100.0%
PT Metro Pacific Tollways Indonesia (Indonesia)
76.3%
PT Nusantara Infrastructure Tbk (Indonesia)
100.0%
MPT Thailand Corp (formerly FPM Tollway Holdings Limited)
100.0%
B
Metro Pacific Tollways Asia, Corporation PTE. LTD. (Singapore)
100.0%
Metro Pacific Tollways Vietnam Company Limited (Vietnam)
100.0%
MPT Management Vietnam Co., Ltd.
100.0%
MPT Service Vietnam Co., Ltd.
15.0%
CII Bridge and Road Management Operation Services Joint Stock Company (formerly MCSC Services Vietnam Co., Ltd.) (Vietnam)
C
100.0%
CAIF III Infrastructure Holdings Sdn Bhd (Malaysia)
100.0%
CIIF Infrastructure Holdings Sdn Bhd (Malaysia)
100.0%
PT Metro Pacific Tollways Indonesia Services (Indonesia)
Subsidiary
Associate/ Joint Venture



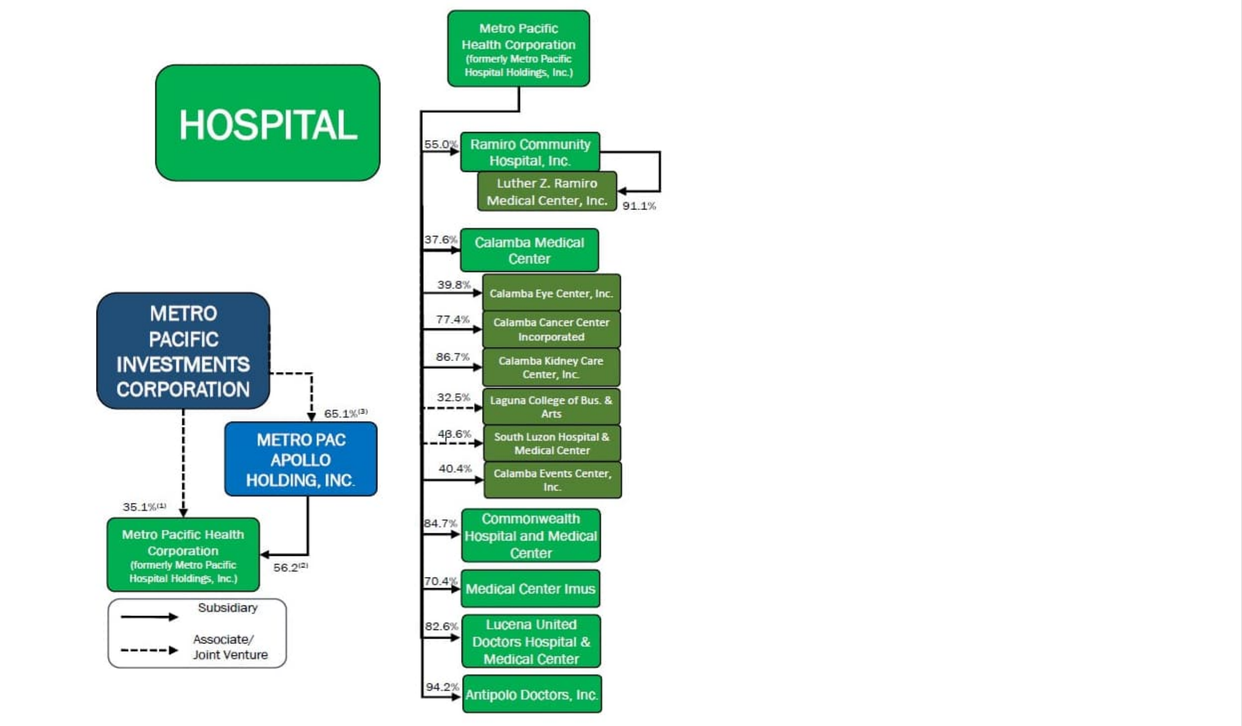
TOLLROADS
Metro Pacific Tollways Corporation
100.0%
C
Metro Pacific Tollways Asia, Corporation PTE. LTD.
100.0%
CIIF Infrastructure Holdings Sdn Bhd (Malaysia)
100.0%
CAIF III Infrastructure Holdings Sdn Bhd (Malaysia)
100.0%
PT Metro Pacific Tollways Indonesia Services (Indonesia)
17.7%
76.3%
PT Nusantara Infrastructure Tbk (Indonesia)
Tollroads
Water
Energy
Others
43.4%
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
100.0%
PT Potum Mundi Infranusantara
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
100.0%
PT Energi Infranusantara
100.0%
PT Inpola Meka Energi
80.0%
PT Rezeki Perkasa Sejahtera Lestari
100.0%
PT Energi Borneo Nusantara
100.0%
PT Auriga Energi
100.0%
PT Eris Serra Energi
100.0%
PT Energi Surya Nusantara (Formerly PT Energi Parindu Nusantara)
100.0%
PT Eridanusa Energi Nusantara
100.0%
PT Centara Energi
100.0%
PT Portco Infranusantara
70.0%
PT Marga Metro Nusantara
85.0%
PT Jakarta Metro Ekspressway
100.0%
PT Meta Media Infranusantara (formerly PT Telekom Infranusantara)
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 MPHHI. Subject of an Exchangeable Bond covering 398,070,552 MPHHI common shares (refer to Audited Consolidated Financial Statements).
(2) Represents voting rights of preferred shares issued by MPHHI (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 MPHHI. Subject of an Exchangeable Bond covering 398,070,552 MPHHI common shares (refer to Audited Consolidated Financial Statements).
(2) Represents voting rights of preferred shares issued by MPHHI (refer to Audited Consolidated Financial Statements).
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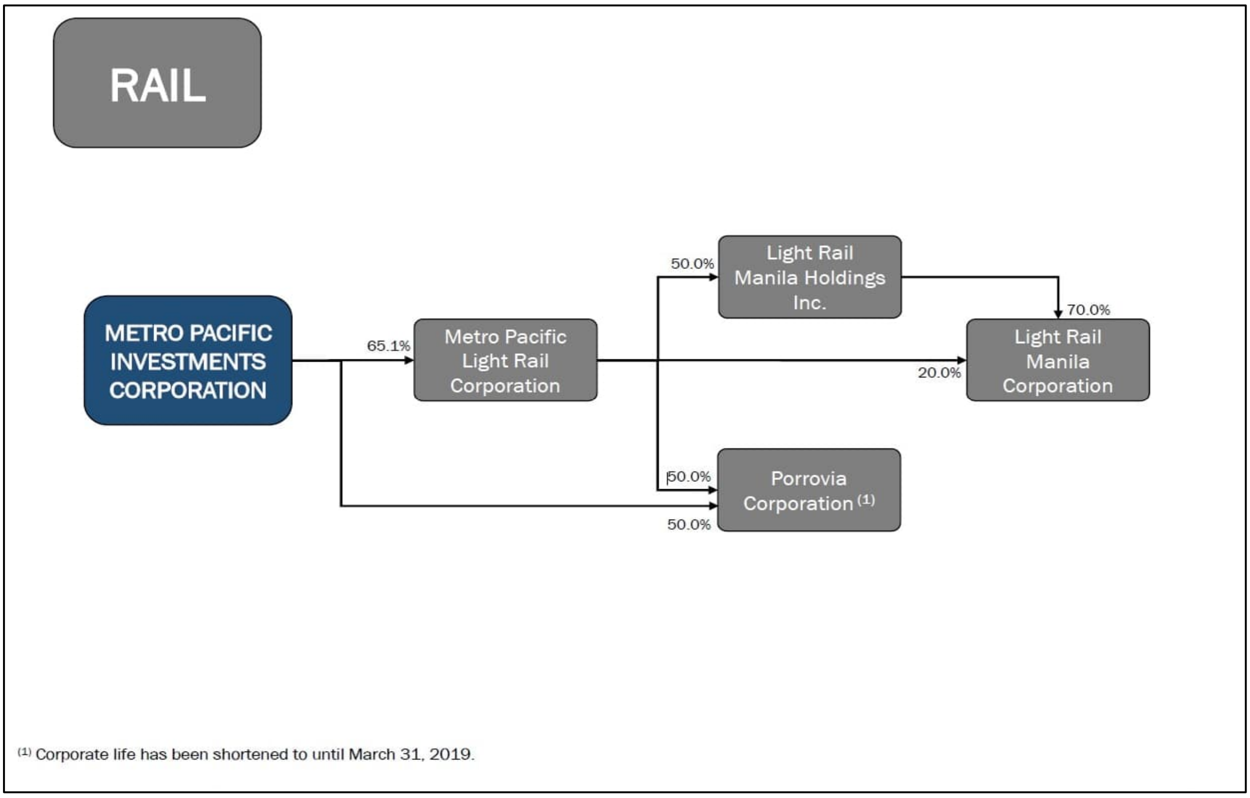
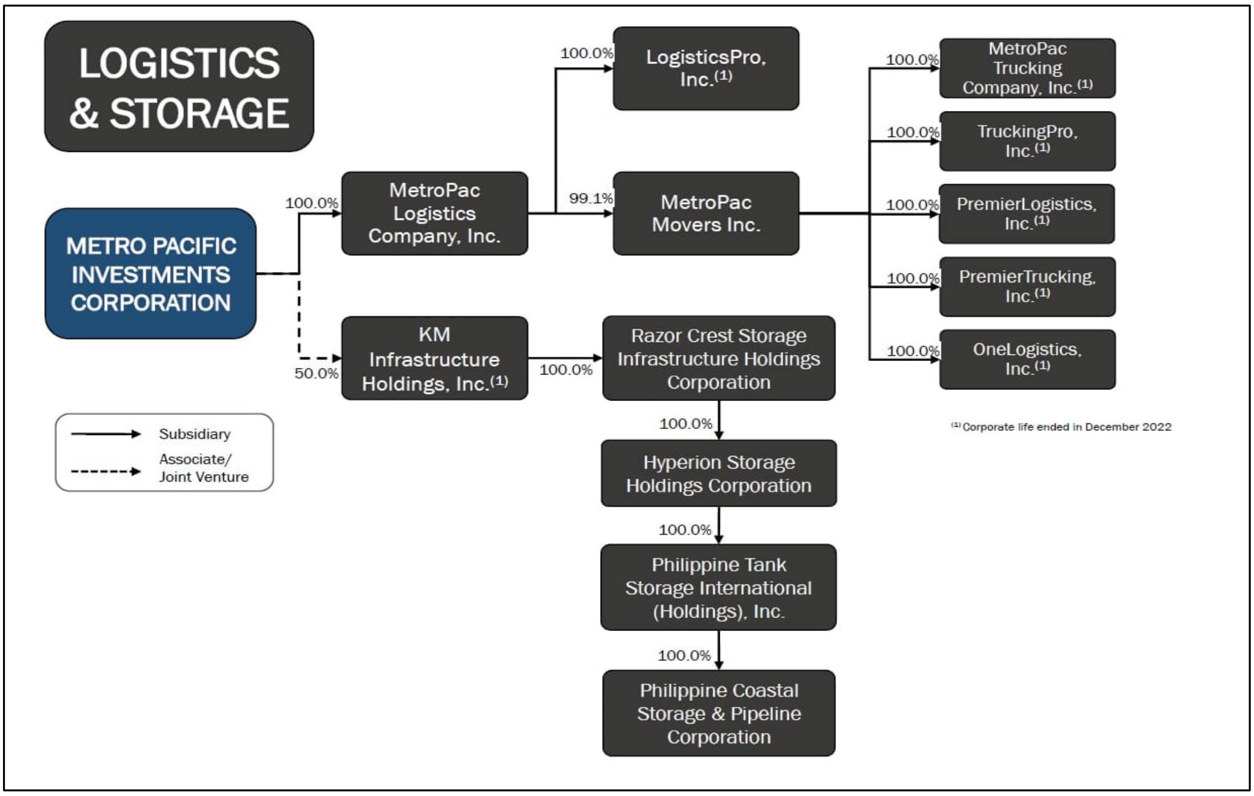
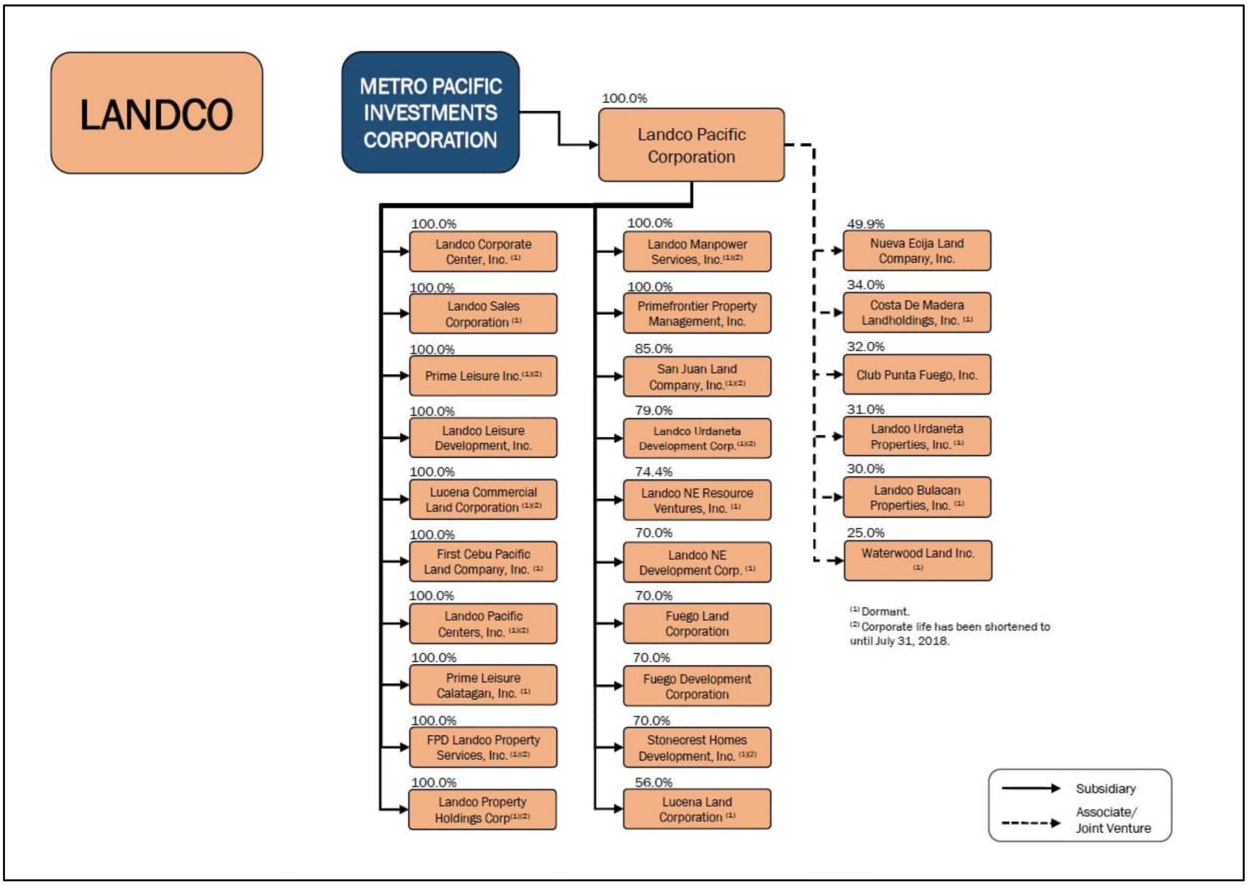
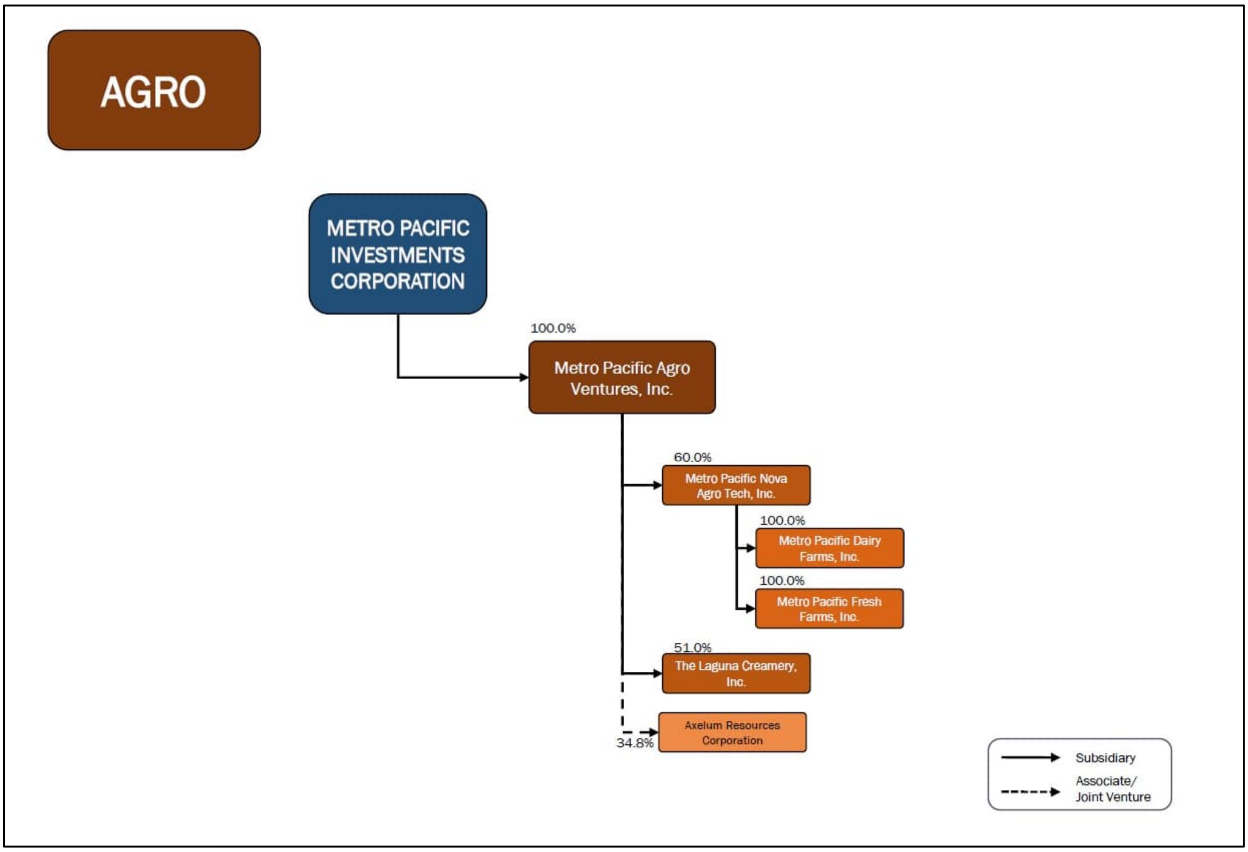
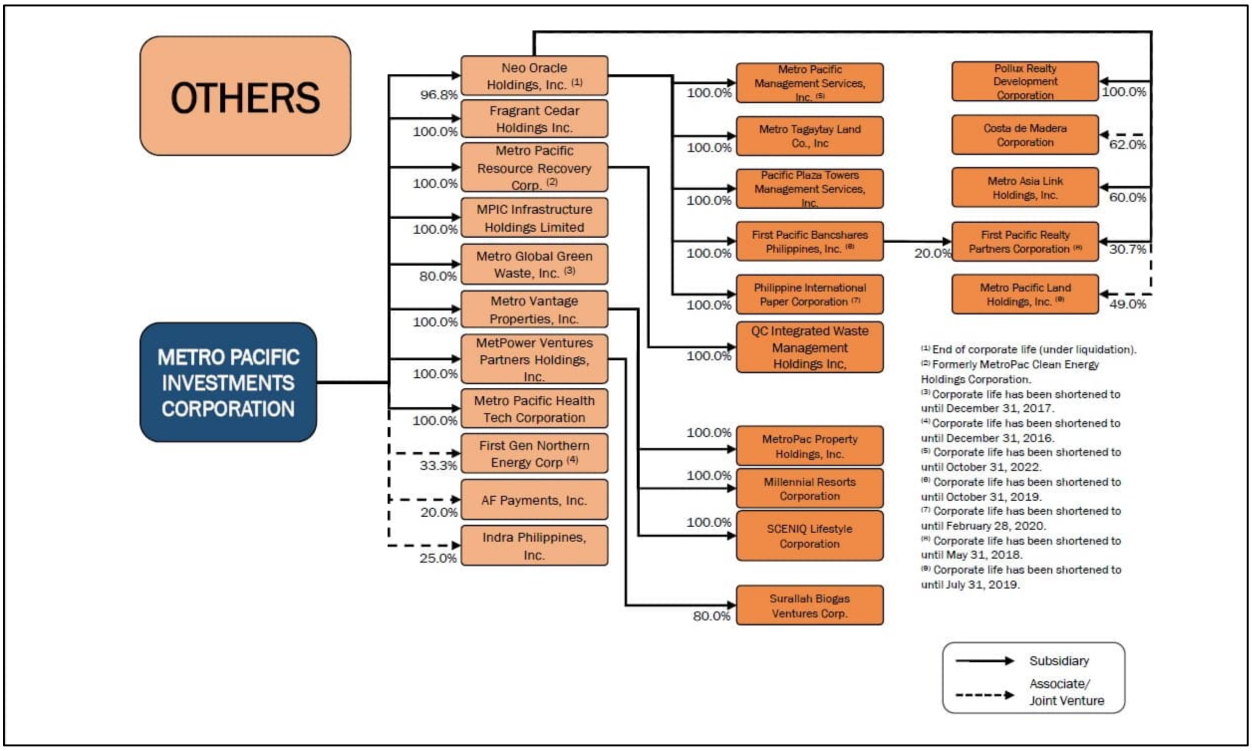

RAIL
METRO PACIFIC INVESTMENTS CORPORATION
65.1%
Metro Pacific Light Rail Corporation
50.0%
Light Rail Manila Holdings Inc.
70.0%
20.0%
Light Rail Manila Corporation
50.0%
Porrovia Corporation (1)
50.0%
(1) Corporate life has been shortened to until March 31, 2019.


LOGISTICS & STORAGE
METRO PACIFIC INVESTMENTS CORPORATION
100.0%
MetroPac Logistics Company, Inc.
100.0%
LogisticsPro, Inc.(1)
99.1%
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)
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
(1) Corporate life ended in December 2022


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)(2)
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%
Prime Leisure Calatagan, Inc. (1)
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


AGRO
METRO PACIFIC INVESTMENTS CORPORATION
100.0%
Metro Pacific Agro Ventures, Inc.
60.0%
Metro Pacific Nova Agro Tech, Inc.
100.0%
Metro Pacific Dairy Farms, Inc.
100.0%
Metro Pacific Fresh Farms, Inc.
51.0%
The Laguna Creamery, Inc.
Axelum Resources Corporation
34.8%
Subsidiary
Associate/ Joint Venture


OTHERS
METRO PACIFIC INVESTMENTS CORPORATION
96.8%
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
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
60.0%
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, 2023, 2022 AND 2021

	2023	2022	2021
Liquidity Ratio			
Current ratio	**1.51**	1.94	2.37
Current assets	**₱140,485**	₱140,871	₱141,167
Current liabilities	**93,214**	72,440	59,611
Solvency Ratio			
Total liabilities to total equity ratio	**0.81**	0.96	0.94
Total liabilities	**₱199,362**	₱204,142	₱192,715
Total equity	**247,254**	213,014	205,079
Debt to equity ratio	**0.56**	0.71	0.70
Total debt	**₱138,080**	₱152,112	₱143,344
Total equity	**247,254**	213,014	205,079
Asset to Equity Ratio			
Asset to equity ratio	**1.81**	1.96	1.94
Total assets	**₱446,616**	₱417,156	₱397,794
Total equity	**247,254**	213,014	205,079
Interest Rate Coverage Ratio*			
Interest rate coverage ratio	**6.34**	4.20	3.26
Earnings before interest and taxes (EBIT)	**₱50,019**	₱30,032	₱20,441
Interest expense	**7,888**	7,144	6,270
Profitability Ratio			
Return on average assets	**6.66%**	4.51%	2.81%
Net income attributable to Parent Company	**₱28,743**	₱18,360	₱10,983
Average assets	**431,886**	407,475	391,387
Return on Average Equity	**13.27%**	9.28%	5.82%
Net income attributable to Parent Company	**₱28,743**	₱18,360	₱10,983
Average equity attributable to Parent Company	**216,592**	197,893	188,672
Income before income tax	**₱43,242**	₱23,551	16,070
Interest expense	**7,888**	7,144	6,270
Interest income	**1,111**	663	1,899
EBIT	**50,019**	30,032	20,441

* computed as EBIT/Interest Expense