GT CAPITAL
HOLDINGS, INCORPORATED

May 15, 2023

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

Attention: **Atty. Rachel Esther J. Gumtang-Remalante**
Director - Corporate Governance and Finance Department

Philippine Stock Exchange, Inc.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**
Officer-In-Charge - Disclosure Department

Subject: Submission of 17Q Report as of March 31, 2023

Gentlemen /Mesdames:

In line with the reportorial requirements of the Securities Regulation Code and the Revised Disclosure Rules, we hereby submit the attached 2023 First Quarter Report on SEC Form 17-Q.

Very truly yours,

Francisco H. Suarez, Jr.
Chief Finance Officer

COVER SHEET

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S.E.C. Registration Number

G T CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

(Company's Full Name)

GT TOWER INTERNATIONAL, AYALA AVENUE CORNER H.V. DELA COSTA STREET, MAKATI CITY

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

FH Suarez, Jr. / RP Manon-og

Contact Person

8836-4500

Company Telephone Number

1 2 | 3 1

Month Day

Fiscal Year

1 7 - Q

FORM/TYPE

2nd Wednesday in May of each year

Month Day

Annual Meeting

N A

Secondary License Type, If Applicable

SEC General Accountant &

M S R D

Dept. Requiring this Doc.

N A

Amended Articles Number/Section

As of March 31, 2023

92

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned.

File Number

LCU

Document I.D.

Cashier

STAMPS

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER

1. For the quarterly period ended: **March 31, 2023**

2. Commission identification number: **CS200711792**

3. BIR Tax Identification No.: **006-806-867**

4. Exact name of issuer as specified in its charter: **GT CAPITAL HOLDINGS, INC.**

5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office: **43/F GT Tower International, Ayala Avenue corner H.V. de la Costa Street, Makati City Postal Code: 1227**

8. Issuer's telephone number, including area code: **632 8836-4500; Fax No: 632 8836-4159**

9. Former name, former address and former fiscal year, if changed since last report: **Not applicable**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

a) Shares of Stock

Title of Each Class	Number of Shares of Outstanding Common Stock
Common Stock -Php10.00 par value	**215,284,587 shares**
Series A Perpetual Preferred Shares (GTPPA)	**4,839,240 shares**
Series B Perpetual Preferred Shares (GTPPB)	**7,160,760 shares**

b) Debt Securities: Php4.0 Billion Bonds*

Title of Each Class	Amount of Debt Outstanding
Corporate Retail Bonds	**Php4.0 billion**

**amount represents only the debt of GT Capital Holdings, Inc. registered with Philippine SEC*

11. Are any or all of the securities listed on a Stock Exchange? Yes [**X**] No []

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

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

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports). Yes [**X**] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days. Yes [**X**] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please see attached Interim Condensed Consolidated Financial Statements and General Notes to Interim Condensed Consolidated Financial Statements (Refer to Annex A) and Financial Soundness Indicators (Refer to Annex B).

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Consolidated Results of Operations- For the Quarter Ended March 31, 2023 and For the Quarter Ended March 31, 2022

GT CAPITAL CONSOLIDATED STATEMENTS OF INCOME	**UNAUDITED Quarter Ended**		**Increase(Decrease)**	
(In millions, except for Percentage)	**2023**	2022	**Amount**	**Percent**
REVENUE				
Automotive operations	**61,052**	47,682	13,370	28%
Equity in net income of associates and joint ventures	**5,714**	4,219	1,495	35%
Real estate sales and interest income on real estate sales	**873**	1,833	(960)	(52%)
Rent income	**324**	307	17	6%
Commission income	**216**	118	98	83%
Interest income	**191**	8	183	2288%
Sale of goods and services	**88**	186	(98)	(53%)
Other income	**1,341**	938	403	43%
	69,799	55,291	14,508	26%
COST AND EXPENSES				
Cost of goods and services sold	**42,626**	35,822	6,804	19%
Cost of goods manufactured	**10,103**	7,106	2,997	42%
General and administrative expenses	**4,003**	3,559	444	12%
Interest expense	**1,929**	1,620	309	19%
Cost of real estate sales	**470**	876	(406)	(46%)
Cost of rental	**189**	174	15	9%
	59,320	49,157	10,163	21%
INCOME BEFORE INCOME TAXES	**10,479**	6,134	4,345	71%
PROVISION FOR INCOME TAX	**1,517**	659	858	130%
NET INCOME	**8,962**	5,475	3,487	64%
ATTRIBUTABLE TO:				
Equity holders of the parent company	**6,638**	4,361	2,277	52%
Non-controlling interests	**2,324**	1,114	1,210	109%
	8,962	5,475	3,487	64%

Net income attributable to equity holders of the Parent Company grew by 52% from Php4.36 billion in the first quarter of 2022 to Php6.64 billion in the same period of 2023. The increase was principally due to the 26% growth in consolidated revenues with major growth registered in automotive operations (+28%) and equity in net income of associates and joint ventures (+35%).

Core net income in the first quarter of 2023 amounted to Php6.57 billion, after deducting the Php0.12 billion non-recurring gains earned by the Group mainly coming from Metro Pacific

Investments Corporation's ("MPIC") reversal of indemnity provisions, and adding back the Php0.05 billion amortization of fair value adjustments arising from various business combinations. Core net income in the first quarter of 2022 amounted to Php3.99 billion, after deducting the Php0.42 billion non-recurring gains earned by the Group mainly coming from Metro Pacific Investments Corporation's ("MPIC") reversal of aggregate impairments upon consolidation of one of its investments, and adding back the Php0.05 billion 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 operating 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, TMP, TMBC, GTCAM, Metrobank, AXA Philippines, and TFSPC posted growth in net income for the period in review, while Federal Land, MPIC, and SMFC reported net income declines.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts grew by 28% from Php47.68 billion in the first quarter of 2022 to Php61.05 billion in the same period of 2023 due to the 32% increase in wholesale volume from 39,685 units to 52,263 units.

Equity in net income of associates and joint ventures increased by 35% from Php4.22 billion in the first quarter of 2022 to Php5.71 billion in the same period of 2023 primarily due to significant increases in the net income of the following associates:

1. Metrobank by Php2.49 billion from Php7.99 billion to Php10.48 billion due to the expansion in its loan portfolio, higher net interest margin, healthy fee income and improved asset quality; and
2. TFSPC by Php0.16 billion from Php0.23 billion for the first quarter of 2022 to Php0.39 billion in the same period of 2023 arising from the increase in interest income and the decrease in provisions for credit losses and ROPA and ROPA losses.

Real estate sales and interest income from real estate sales dropped by 52% from Php1.83 billion to Php0.87 billion (excluding the joint venture projects). Real estate sales and interest income from real estate sales from all projects, however, grew by 28% from Php2.67 billion to Php3.42 billion.

Rent income grew by 6% from Php0.31 billion to Php0.32 billion primarily due to higher occupancy rate for Federal Land's retail and office operations.

Commission income increased by 83% from Php0.12 billion in the first quarter of 2022 to Php0.22 billion in the same period of 2023 due to an increase in booked sales of Federal Land's joint venture projects.

Interest income grew by Php183.00 million due to higher time deposit placements and higher placement rates.

Sale of goods and services decreased by 53% or Php97.85 million due to lower fuel prices.

Other income grew by 43% or Php0.40 billion mostly due to higher management fee and income from forfeitures, penalties and interests.

Consolidated costs and expenses increased by 21% from Php49.16 billion in the first quarter of 2022 to Php59.32 billion in the same period of 2023. TMP contributed Php47.84 billion comprising cost of goods sold for manufacturing and trading activities, general and administrative expenses and interest expenses. TMBC contributed Php6.38 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. Federal Land contributed Php2.24 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 Php1.65 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 Php1.21 billion consisting of interest expenses and general and administrative expenses.

Cost of goods and services sold grew by 19% from Php35.82 billion to Php42.63 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 by TMP increased by Php3.00 billion from Php7.10 billion to Php10.10 billion due to an increase in materials costs of assembled vehicles.

General and administrative expenses increased by 12% or Php0.44 billion mainly due to auto delivery and handling services, and advertising and promotional expenses relative to the increase in automotive sales.

Interest expense increased by 19% from Php1.62 billion to Php1.93 billion due to loan availments and higher lending rates.

Cost of real estate sales dropped by 46% from Php0.88 billion to Php0.47 billion relative to the decline in real estate sales of Federal Land.

Cost of rental increased by 9% from Php0.17 billion to Php0.19 billion due to an increase in operating expenses incurred in the leasing business including taxes and licenses, depreciation, maintenance and other overhead expenses.

Provision for income tax increased by Php0.86 billion from Php0.66 billion in the first quarter of 2022 to Php1.52 billion in the same period of 2023 due to the higher taxable income in the first quarter of 2023.

Net income attributable to non-controlling interest increased by Php1.21 billion from Php1.11 billion to Php2.32 billion due to an increase in net income of subsidiaries which are not wholly-owned.

Consolidated Statements of Financial Position- As of March 31, 2023 and As of December 31, 2022

GT Capital Consolidated Statements of Financial Position	**Unaudited**	**Audited**	**Increase (Decrease)**	
(In Million Pesos, Except for Percentage)	**March 2023**	**December 2022**	**Amount**	**Percentage**
ASSETS				
Current Assets				
Cash and cash equivalents	**24,430**	24,005	425	2%
Financial assets at fair value through profit or loss	**6,209**	11,160	(4,951)	(44%)
Receivables	**20,514**	14,135	6,379	45%
Contract assets	**4,276**	4,707	(431)	(9%)
Inventories	**78,256**	69,399	8,857	13%
Due from related parties	**539**	356	183	51%
Prepayments and other current assets	**18,479**	17,109	1,370	8%
	152,703	140,871	11,832	8%
Noncurrent Assets				
Financial assets at fair value through other comprehensive income	**13,675**	13,345	330	2%
Receivables – net of current portion	**6,310**	6,250	60	1%
Contract asset – net of current portion	**5,096**	5,636	(540)	(10%)
Investment properties	**22,895**	22,247	648	3%
Investments in associates and joint ventures	**204,087**	200,238	3,849	2%
Property and equipment	**13,861**	13,951	(90)	(1%)
Goodwill and intangible assets	**10,009**	10,025	(16)	(0%)
Deferred tax assets	**1,298**	1,277	21	2%
Other noncurrent assets	**2,481**	3,316	(835)	(25%)
	279,712	276,285	3,427	1%
TOTAL ASSETS	**432,415**	417,156	15,259	4%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**44,484**	36,948	7,536	20%
Contract liabilities – current portion	**3,302**	3,207	95	3%
Short-term debt	**20,970**	14,582	6,388	44%
Current portion of long-term debt	**7,495**	7,758	(263)	(3%)
Current portion of liabilities on purchased properties	**344**	348	(4)	(1%)
Current portion of bonds payable	**–**	6,099	(6,099)	(100%)
Customers' deposits	**1,053**	928	125	13%
Dividends payable	**1,088**	589	499	85%
Due to related parties	**167**	166	1	1%
Income tax payable	**477**	302	175	58%
Other current liabilities	**1,104**	1,513	(409)	(27%)
	80,484	72,440	8,044	11%
Noncurrent Liabilities				
Long term debt – net of current portion	**114,675**	118,033	(3,358)	(3%)
Bonds payable – net of current portion	**3,993**	3,992	1	0%
Liabilities on purchased properties - net of current portion	**964**	1,300	(336)	(26%)
Pension liabilities	**1,630**	1,657	(27)	(2%)
Deferred tax liabilities	**3,534**	3,414	120	4%
Other noncurrent liabilities	**3,537**	3,306	231	7%
	128,333	131,702	(3,369)	(3%)
TOTAL LIABILITIES	**208,817**	204,142	4,675	2%

(Forward)

GT Capital Consolidated Statements of Financial Position	**Unaudited**	**Audited**	**Increase (Decrease)**	
(In Million Pesos, Except for Percentage)	**March 2023**	**December 2022**	**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	**112,098**	106,107	5,991	6%
Appropriated	**400**	400	–	0%
Other comprehensive loss	**(6,981)**	(9,284)	2,303	(25%)
Other equity adjustments	**2,322**	2,322	–	0%
	210,036	201,742	8,294	4%
Non-controlling interests	**13,562**	11,272	2,290	20%
TOTAL EQUITY	**223,598**	213,014	10,584	5%
TOTAL LIABILITIES AND EQUITY	**432,415**	417,156	15,259	4%

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

Consolidated assets grew by Php15.26 billion from Php417.16 billion as of December 31, 2022 to Php432.42 billion as of March 31, 2023. Total liabilities rose by Php4.68 billion from Php204.14 billion to Php208.82 billion while total equity increased by Php10.58 billion from Php213.01 billion to Php223.60 billion.

ASSETS

Financial assets at fair value through profit or loss decreased by Php4.95 billion from Php11.16 billion to Php6.21 billion due to the withdrawal of investments in unit investment trust by the Parent Company which were reinvested into an investment management account (IMA).

Current portion of receivables grew by 45% or Php6.38 billion due to higher trade receivables of TMP resulting from higher auto sales and extension of credit terms to its dealers.

Contract assets decreased by Php0.43 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 grew by Php8.86 billion from Php69.40 billion to Php78.26 billion primarily due to increased inventory level of TMP as a result of higher importations in preparation for the second quarter demand.

Due from related parties increased by Php0.18 billion from Php0.36 billion to Php0.54 billion coming from the higher management fees earned by Federal Land from its joint venture entities.

Prepayments and other current assets grew by 8% from Php17.11 billion to Php18.48 billion mainly input VAT, advances to contractors and suppliers, creditable withholding taxes, ad valorem and excise taxes, prepaid expenses and other current assets.

Noncurrent portion of contract assets decreased by 10% from Php5.64 billion to Php5.10 billion attributable to the reclassification to current portion of receivables during the period.

Other noncurrent assets decreased by Php0.84 billion from Php3.32 billion to Php2.48 billion due to lower rental deposits, utilities, guarantee, and construction bonds.

LIABILITIES

Accounts and other payables increased to Php44.48 billion from Php36.95 billion primarily due to the inventory purchases of TMP.

Short-term debt increased by Php6.39 billion from Php14.58 billion to Php20.97 billion due to Php22.60 billion loan availments made during the period, offset by Php16.21 billion loan payments.

Current portion of bonds payable decreased due to the payment of Php6.10 billion bonds upon its maturity in February 2023.

Customers' deposit grew by 13% from Php0.93 billion to Php1.05 billion with TMP, TMBC, and GTCAM accounting for Php0.51 billion, Php0.48 billion, Php0.06 billion, respectively.

Dividends payable grew by Php0.50 billion from Php0.59 billion to Php1.09 billion mainly from the declaration of the Parent Company of Php0.65 billion dividends to common shareholders, partially offset by the payment of quarterly dividends to Perpetual Preferred Shares (Series "A" and "B") in January 2023.

Income tax payable increased by Php0.18 billion from Php0.30 billion to Php0.48 billion attributable to higher taxable income reported by the Group.

Other current liabilities decreased by 27% from Php1.51 billion to Php1.10 primarily due to the payment of withholding taxes in the first quarter of 2023.

Non-current liabilities on purchased properties decreased by Php0.34 billion due to a reclassification to current portion and amortization of deferred financing cost.

Other noncurrent liabilities increased by 7% from Php3.31 billion to Php3.54 primarily due to higher derivative liabilities of the Group.

EQUITY

Unappropriated retained earnings increased by Php5.99 billion from Php106.11 billion to Php112.10 billion arising from the Php6.64 billion consolidated net income earned attributable to the Parent Company in 2023, net of Php0.65 billion cash dividends declared.

Other comprehensive loss improved from Php9.28 billion as of December 31, 2022 to Php6.98 billion due to the marked-to-market gains on financial assets at FVOCI of the Group during 2023.

Key Performance Indicators of the Company and its component companies

	In Million Pesos, except for percentages	
Income Statement	**March 31, 2022**	**March 31, 2023**
Total Revenues	55,291	69,799
Net Income attributable to Equity Holders of GT Capital Holdings	4,361	6,638
Balance Sheet	**December 31, 2022**	**March 31, 2023**
Total Assets	417,156	432,415
Total Liabilities	204,142	208,817
Equity attributable to GT Capital Holdings, Inc.	201,742	210,036
Return on Equity *	8.21%	12.55%

** 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 period/year divided by 2. December 31, 2022 is full year while March 31, 2023 is annualized.*

Automobile Assembly and Importation, Dealership and Financing

Toyota Motor Philippines (TMP)

	In Million Pesos, except for ratios		Inc (Dec)	%
	1Q 2022	**1Q 2023**		
Sales	42,147.4	53,746.7	11,599.3	27.5
Gross Profit	4,401.7	7,816.7	3,415.0	77.6
Operating Profit	2,473.4	5,386.9	2,913.5	117.8
Net income attributable to Parent	2,069.8	4,508.4	2,438.6	117.8
	FY 2022	**1Q 2023**		**%**
Total Assets	45,342.7	59,289.8	13,947.1	30.8
Total Liabilities	32,641.1	41,992.2	9,351.1	28.6
Total Equity	12,701.6	17,297.6	4,596.1	36.2
Total Liabilities to Equity ratio*	2.6x	2.4x		

**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 increased from Php42.1 billion in the first quarter of 2022 to Php53.7 billion in the same period of 2023 as wholesale volume increased by 31.7% from 39,685 to 52,263 units. Moreover, TMP's retail sales volume increased by 21.4% from 37,230 to 45,205 units, while industry retail sales volume increased by 26.7% from 75,194 to 95,270 units. As a result, TMP's year-on-year market share declined from 49.5% to 47.4% as of March 2023.

The year-on-year bookings grew as a result of greater mobility during the first quarter of 2023 in comparison with the same period last year which was impacted by the surge in COVID-19 cases, particularly in January 2022. TMP also benefited from the full impact of new models introduced in 2022, which include Raize, Veloz, Rav4 HEV, third-generation Avanza, Rush GR, and Lite Ace.

Gross profit margin improved from 10.4% in the first quarter of 2022 to 14.5% in the first quarter of 2023 due to the impact of higher sales volume, sales price increases and weaker Japanese yen vs. the US dollar. Sales promotion expenses and logistics costs increased due to sales volume growth, which led to higher operating expenses by 26.0%. As a result, operating profit margin was higher from 5.9% in the first quarter of 2022 to 10.0% in the first quarter of 2023. Consolidated net income attributable to equity holders reached Php4.5 billion, higher by 117.8% from Php2.1 billion last year primarily due to volume growth and improvement in margins.

As of March 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		**Inc (Dec)**	**%**
	1Q 2022	**1Q 2023**		
Net Sales	4,806.6	6,567.3	1,760.7	36.6
Gross Profit	447.6	628.5	180.9	40.4
Net Income*	61.9	135.5	73.6	118.8
	FY 2022	**1Q 2023**		
Total Assets	6,534.8	6,824.2	289.5	4.4
Total Liabilities	3,439.0	3,664.7	225.7	6.6
Total Equity	3,095.8	3,159.5	63.8	2.1

**Note: Includes booked commission income from insurance*

Consolidated sales increased by 36.6% from Php4.8 billion in the first quarter of 2022 to Php6.6 billion in the same period of 2023. The increase was driven by the growth in retail sales volume which grew by 47.2% from 3,697 to 5,442 units and higher units serviced by 24.0%.

As a result, TMBC's penetration rate grew from 9.9% in the first quarter of 2022 to 12.0% in the same period of 2023. Moreover, units serviced increased from 23,017 in the first quarter of 2022 to 28,549 in the same period of 2023.

TMBC's consolidated net income grew by 118.8% from Php61.9 million to Php135.5 million in the first quarter of 2023 as a result of higher volume and improved margins due to lower discounts per unit, 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.

Property Development

Federal Land Inc.

	In Million Pesos, except for percentages and ratios			
	1Q 2022	**1Q 2023**	**Inc (Dec)**	**%**
Real estate sales*	1,814.9	860.6	(954.3)	(52.6)
Revenues	2,833.8	2,581.5	(252.4)	(8.9)
Net income attributable to equity holders of the parent	311.2	286.3	(24.8)	(8.0)
	FY 2022	**1Q 2023**	**Inc (Dec)**	**%**
Total assets	123,593.4	122,188.1	(1,405.4)	(1.1)
Total liabilities	81,775.0	80,732.7	(1,042.2)	(1.3)
Total equity attributable to equity holders of the parent	41,648.8	41,282.5	(366.3)	(0.9)
Current ratio[1]	2.1x	1.8x		
Debt to equity ratio[2]	1.5x	1.5x		

** 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 increased by 49% to Php6.2 billion in the first quarter of 2023, driven by the company's luxury segment particularly The Seasons Residences and Grand Hyatt Residences Tower 2. This year, Federal Land launched The Grand Midori – Ortigas Tower 2, located at Exchange Road corner Jade Drive, Ortigas Center.

Real estate sales stood at Php860.6 million, 53% lower than the same period of last year. Including joint venture projects, Federal Land's real estate sales recorded 28% growth year-on-year to Php3.4 billion from Php2.7 billion in the same period of the previous year.

Net income attributable to equity holders of the parent declined by 8% to Php286.3 million in the first quarter of 2023, broadly in line with the decline in revenues as net income margin was preserved arising from managed cost and expenses.

Total assets reached Php122.2 billion as of March 31, 2023 from Php123.6 billion as of December 31, 2022 arising from the payment of dividends and maturing debts.

Banking

	In Billion Pesos, except for percentages and ratios			
	1Q 2022	1Q 2023	Inc (Dec)	%
Net income attributable to equity holders	8.0	10.5	2.5	31.3
Net interest margin on average earning assets	3.32%	3.86%		0.5
Operating efficiency ratio	54.1%	51.6%		(2.6)
Return on average assets	1.2%	1.5%		0.2
Return on average equity	10.3%	13.1%		2.9

	FY 2022	1Q 2023	Inc (Dec)	%
Total assets	2,843.1	2,879.2	36.1	1.3
Total liabilities	2,515.0	2,549.5	34.5	1.4
Equity attributable to equity holders of the parent company	318.5	320.0	1.5	0.5
Tier 1 capital adequacy ratio	16.8%	16.8%		(0.1)
Total capital adequacy ratio	17.7%	17.6%		(0.1)
Non-performing loans ratio	1.9%	1.8%		(0.1)
Non-performing loans coverage ratio	172.4%	189.3%		16.9

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, 2022 and March 31, 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's consolidated net income increased by 31.3% from Php8.0 billion for the first quarter of 2022 to Php10.5 billion for the first quarter of 2023. Net interest income grew by 28.9%, comprising 75.4% of total operating income. This was primarily driven by interest income on loans and receivables and investment securities arising from the improvement in net interest margin from 3.32% to 3.86%. On the other hand, non-interest income declined by 2.3% from Php8.3 billion for the first quarter of 2022 to Php8.1 billion for the first quarter of 2023 due to the Php2.1 billion net trading, securities and foreign exchange gain realized for the quarter compared with Php2.3 billion gain reported for the same quarter of 2022 and the decrease in miscellaneous income by Php0.48 billion particularly on ROPA booking and sales.

Operating income increased by 19.5% from Php27.6 billion for the first quarter of 2022 to Php33.0 billion for the first quarter of 2023. The Bank set aside Php2.4 billion in provisions for credit and impairment losses, 16.7% higher versus the Php2.1 billion booked in the same period last year.

Total assets went up from Php2.8 trillion as of December 31, 2022 to Php2.9 trillion as of the first quarter of 2023 due to increase in investment securities, associates and joint venture and other assets, partially offset by decline in cash and other cash items, due from BSP and other banks, interbank loans receivable and securities purchased under resale agreements.

Total liabilities also grew from Php2.52 trillion to Php2.55 trillion due to increases in deposit liabilities, other liabilities and income taxes payable, partially offset by decline in derivative liabilities and bonds payable.

Equity attributable to equity holders of the parent company grew by 0.5% from Php318.5 billion as of December 31, 2022 to Php320.0 billion as of the first quarter of 2023 primarily due to the Php10.5 billion net income and reduced net unrealized loss on investments securities at FVOCI recognized during the period, partially offset by the Php13.5 billion total cash dividends paid by the Bank.

Toyota Financial Services Philippines Corporation (TFSPC)

	In Million Pesos, except for ratios			
	1Q 2022	**1Q 2023**	**Inc (Dec)**	**%**
Gross Interest Income	2,545.8	3,040.3	494.4	19.4
Net Interest Income	1,391.1	1,617.0	225.9	16.2
Net Income	227.1	388.8	161.8	71.2
	1Q 2022	**1Q 2023**	**Inc (Dec)**	**%**
Total Assets	121,288.4	134,890.5	13,602.1	11.2
Total Equity	14,312.4	15,966.9	1,654.5	11.6
Finance Receivable	112,147.5	124,714.1	12,566.5	11.2

TFSPC recorded a 19.4% growth in gross interest income from Php2.5 billion to Php3.0 billion, as finance receivables increased by 11.2% from Php112.1 billion to Php124.7 billion in the first quarter of 2023. The year-on-year increase in the loans receivables was a result of the cumulative growth in bookings during the pandemic.

Booking volume grew by 3% from 12,780 units in the first quarter of 2022 to 13,149 units in the same period in 2023, from stronger competition amongst other financial institutions. This resulted to a reduction in penetration rate from 34.3% to 29.1% in the first quarter of 2023.

TFSPC generated a net income of Php388.8 million from Php227.1 million in the same period of last year due to the decline in provision for credit losses and lower ROPA losses incurred in the first quarter of 2023.

Sumisho Motor Finance Corporation (SMFC)

	In Million Pesos, except for ratios			
	1Q 2022	**1Q 2023**	**Inc (Dec)**	**%**
Gross Interest Income	393.0	452.2	59.2	15.1
Net Interest Income	357.0	406.7	49.6	13.9
Net Income	113.5	61.4	(52.2)	(45.9)
	FY 2022	**1Q 2023**	**Inc (Dec)**	**%**
Total Assets	7,086.3	7,345.5	259.2	3.7
Total Equity	2,915.2	2,950.0	34.9	1.2
Finance Receivable	6,678.4	6,989.9	311.5	4.7

SMFC recorded a 15.1% increase in gross interest income from Php393.0 million to Php452.2 million as finance receivable increased by 4.7% from Php6.7 billion as of December 2022 to Php7.0 billion as of March 31, 2023. In addition, bookings also increased by 29.3% to 14,629 units in the first quarter of 2023 from 11,317 units in the same period of last year.

SMFC booked higher provisions for credit losses during the first quarter of 2023, arising from lower collections. This resulted in a 45.9% net income decline from Php113.5 million to Php61.4 million for the first quarter of 2023.

Life and Non-Life Insurance

Philippine AXA Life Insurance Corporation and Subsidiary (AXA Philippines)

In Million Pesos, except ratios	**Consolidated**			
	1Q 2022	**1Q 2023**	**Inc (Dec)**	**%**
Gross Premiums	8,212.2	6,294.5	(1,917.6)	(23.4)
Net income after tax	426.6	708.8	282.1	66.1
	FY 2022	**1Q 2023**	**Inc (Dec)**	**%**
Total Assets	157,294.2	165,497.9	8,203.7	5.2
Total Liabilities	144,736.3	151,241.4	6,505.1	4.5
Total Equity	12,557.9	14,256.4	1,698.6	13.5
Solvency Ratio	171%	189%		

Notes:

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 declined by 10.0% from Php1.1 billion in the first quarter of 2022 to Php1.0 billion in the same period of 2023. This was a result of lower investor confidence arising from uncertainties in the global market. Consequently, premium revenue declined to Php6.3 billion in the first quarter of 2023, 23.4% lower year-on-year. The reported premium revenue mix of life insurance changed to 22%/78% (Single Premium vs. Regular Premium) in the first quarter of 2023 from 39%/61% same period of last year. By distribution platform, sales agency, bancassurance, and other channels accounted for 47%, 46% and 7% of premium revenues, respectively.

General insurance reported Php762 million in gross written premiums in the first quarter of 2023 from Php781 million in the same period last year due to lower renewal business.

Consolidated net income increased by 66.1% to Php708.8 million in the first quarter of 2023 due to higher premium margin driven primarily by the higher contribution from Traditional and Group products coupled by lower surrenders and claims for Unit Linked and Traditional products.

Infrastructure and Utilities

Metro Pacific Investments Corporation (MPIC)

	In Million Pesos, except for Percentage			
	1Q 2022	**1Q 2023**	**Inc (Dec)**	**%**
Core net income	3,132	4,322	1,190	38.0
Net income attributable to equity holders	5,678	4,997	(681)	(12.0)
	FY 2022	**1Q 2023**	**Inc (Dec)**	**%**
Total assets	643,796	650,940	7,144	1.1
Total liabilities	398,755	402,859	4,104	1.0
Total equity attributable to owners of Parent Company	200,088	203,323	3,235	1.6

MPIC's share in the consolidated operating core income increased by 30% from Php4.3 billion in the first quarter of 2022 to Php5.6 billion in the same period of 2023 driven by the following:

- Higher energy sales and contribution from the power generation business; Meralco's core net income contribution was at Php4.3 billion, up 68% year-on-year;
- Higher traffic on toll roads; Core net income contribution of Metro Pacific Tollways Corporation (MPTC) to MPIC was Php1.3 billion, up 2% year-on-year;
- Higher net income contribution from Maynilad amounting to Php1.1 billion mainly from higher billed volume and rate increases coupled with 34% lower losses from Metro Pacific Water
- Lower losses from Light Rail Manila by 42% to Php50 million

Reported net income attributable to equity holders was lower by 12% from Php5.7 billion in the first quarter of 2022 to Php5.0 billion in the same period of 2023 due to the higher non-recurring income recognized last year arising from the reversal of impairment of Landco. Excluding non-recurring income, MPIC reported a core net income of Php4.3 billion in the first quarter of 2023 from Php3.1 billion, up 38% year-on-year.

Except for (ii), (iv) 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 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 14 of the interim condensed consolidated 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 those discussed in the 2022 17A;

(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;

(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 Item 2, Management's Discussion & Analysis of Financial Condition and Results of operations under Part I - Financial Information ; and

(viii) Any seasonal aspects that had a material effect on financial condition or results of operation of the Company

GT CAPITAL HOLDINGS, INC.
AGING OF ACCOUNTS RECEIVABLE
IN MILLION PESOS
AS OF MARCH 31, 2023

Number of Days	Amount
Less than 30 days	**Php1,464**
30 days to 60 days	**880**
61 days to 90 days	**406**
91 days to 120 days	**271**
Over 120 days	**618**
Current	**16,875**
Impaired	**950**
Noncurrent receivables	**6,310**
Total	**Php27,774**

PART II – OTHER INFORMATION

I. Control of Registrant

The following stockholders own more than 5% of the total issued and outstanding common shares of the Company as of March 31, 2023:

Name Of Stockholder	Total Number Of Shares Held	Percent To Total Number Of Shares Issued
Grand Titan Capital Holdings, Inc.	120,413,658	55.9323%
PCD Nominee-Filipino	56,873,135	26.4177%
PCD Nominee-Non-Filipino	36,984,278	17.1793%

II. Board Resolutions

There is no material disclosure that have not been reported under SEC Form 17-C during the period covered by this report.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer: **GT Capital Holdings, Inc.**

Signature and Title:

Reyna Rose P. Manon-og	**Francisco H. Suarez, Jr.**
Head, Accounting and Financial Control	Chief Finance Officer

Date: May 15, 2023

GT Capital Holdings, Inc. and Subsidiaries

Interim Condensed Consolidated Financial Statements
As of March 31, 2023 (Unaudited) and December 31, 2022 (Audited) and for the quarters ended March 31, 2023 and 2022 (Unaudited)

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Millions)

	Unaudited March 31, 2023	Audited December 31, 2022
ASSETS		
Current Assets		
Cash and cash equivalents	**₱24,430**	₱24,005
Financial assets at fair value through profit or loss (FVTPL)	**6,209**	11,160
Receivables	**20,514**	14,135
Contract assets	**4,276**	4,707
Inventories	**78,256**	69,399
Due from related parties	**539**	356
Prepayments and other current assets	**18,479**	17,109
Total Current Assets	**152,703**	140,871
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (FVOCI)	**13,675**	13,345
Receivables, net of current portion	**6,310**	6,250
Contract assets – net of current portion	**5,096**	5,636
Investment properties	**22,895**	22,247
Investments in associates and joint ventures	**204,087**	200,238
Property and equipment	**13,861**	13,951
Goodwill and intangible assets	**10,009**	10,025
Deferred tax assets	**1,298**	1,277
Other noncurrent assets	**2,481**	3,316
Total Noncurrent Assets	**279,712**	276,285
	₱432,415	₱417,156
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	**₱44,484**	₱36,948
Contract liabilities	**3,302**	3,207
Short term debt	**20,970**	14,582
Current portion of long-term debt	**7,495**	7,758
Current portion of liabilities on purchased properties	**344**	348
Current portion of bonds payable	**–**	6,099
Customers' deposits	**1,053**	928
Dividends payable	**1,088**	589
Due to related parties	**167**	166
Income tax payable	**477**	302
Other current liabilities	**1,104**	1,513
Total Current Liabilities	**80,484**	72,440
Noncurrent Liabilities		
Long-term debt – net of current portion	**114,675**	118,033
Bonds payable	**3,993**	3,992
Liabilities on purchased properties - net of current portion	**964**	1,300
Pension liabilities	**1,630**	1,657
Deferred tax liabilities	**3,534**	3,414
Other noncurrent liabilities	**3,537**	3,306
Total Noncurrent Liabilities	**128,333**	131,702
	208,817	204,142

(forward)

	Unaudited March 31, 2023	Audited December 31, 2022
EQUITY		
Equity attributable to equity holders of the Parent Company		
Capital stock	**₱3,370**	₱3,370
Additional paid-in capital	**98,827**	98,827
Retained earnings		
Unappropriated	**112,098**	106,107
Appropriated	**400**	400
Other comprehensive income (loss)	**(6,981)**	(9,284)
Other equity adjustments	**2,322**	2,322
	210,036	201,742
Non-controlling interest	**13,562**	11,272
Total Equity	**223,598**	213,014
	₱432,415	₱417,156

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Millions, Except Earnings Per Share)

	UNAUDITED	
	Quarters Ended March 31	
	2023	2022
REVENUE		
Automotive operations	**₱61,052**	₱47,682
Equity in net income of associates and joint ventures	**5,714**	4,219
Real estate sales and interest income on real estate sales	**873**	1,833
Rent income	**324**	307
Commission income	**216**	118
Interest income	**191**	8
Sale of goods and services	**88**	186
Other income	**1,341**	938
	69,799	55,291
COST AND EXPENSES		
Cost of goods and services sold	**42,626**	35,822
Cost of goods manufactured	**10,103**	7,106
General and administrative expenses	**4,003**	3,559
Interest expense	**1,929**	1,620
Cost of real estate sales	**470**	876
Cost of rental	**189**	174
	59,320	49,157
INCOME BEFORE INCOME TAXES	**10,479**	6,134
PROVISION FOR INCOME TAX	**1,517**	659
NET INCOME	**₱8,962**	₱5,475
ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**₱6,638**	₱4,361
Non-controlling interests	**2,324**	1,114
	₱8,962	₱5,475
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	**₱30.15**	₱19.57

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)

	UNAUDITED	
	Quarters Ended March 31	
	2023	2022
NET INCOME	**₱8,962**	₱5,475
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that may be reclassified to profit or loss in subsequent periods:		
Changes in cumulative translation adjustments	**(35)**	4
Changes in cash flow hedge reserves	**(98)**	13
Equity in other comprehensive income (loss) of associates:		
Cash flow hedge reserves	**124**	(91)
Remeasurement on life insurance reserves	**84**	46
Translation adjustment	**(230)**	117
	(155)	89
Items that may not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of financial assets at FVOCI	**390**	(738)
Equity in changes in fair value of financial assets at FVOCI	**2,075**	(3,566)
Remeasurement of defined benefit plans	**(9)**	(32)
Equity in remeasurement of defined benefit plans of associates	**(5)**	(1)
Income tax effect	**3**	8
	2,454	(4,329)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	**2,299**	(4,240)
TOTAL COMPREHENSIVE INCOME	**₱11,261**	₱1,235
ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**₱8,941**	₱129
Non-controlling interests	**2,320**	1,106
	₱11,261	₱1,235

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF MARCH 31, 2023 AND 2022 (UNAUDITED)
(In Millions)

	Equity Attributable to Equity Holders of the Parent Company								
	Capital Stock	**Additional Paid-in Capital**	**Unappropriated Retained Earnings**	**Appropriated Retained Earnings**	**Other Comprehensive Income (Loss)**	**Other Equity Adjustment**	**Total**	**Non-controlling Interests**	**Total**
At January 1, 2023	**₱3,370**	**₱98,827**	**₱106,107**	**₱400**	**(₱9,284)**	**₱2,322**	**₱201,742**	**₱11,272**	**₱213,014**
Total comprehensive income	–	–	**6,638**	–	**2,303**	–	**8,941**	**2,320**	**11,261**
Dividends declared	–	–	**(647)**	–	–	–	**(647)**	**(30)**	**(677)**
At March 31, 2023	**₱3,370**	**₱98,827**	**₱112,098**	**₱400**	**(₱6,981)**	**₱2,322**	**₱210,036**	**₱13,562**	**₱223,598**

	Equity Attributable to Equity Holders of the Parent Company								
	Capital Stock	Additional Paid-in Capital	Unappropriated Retained Earnings	Appropriated Retained Earnings	Other Comprehensive Income (Loss)	Other Equity Adjustment	Total	Non-controlling Interests	Total
At January 1, 2022	₱3,370	₱98,827	₱88,982	₱400	₱143	₱2,322	₱194,044	₱11,035	₱205,079
Total comprehensive income	–	–	4,361	–	(4,232)	–	129	1,106	1,235
Dividends declared	–	–	(647)	–	–	–	(647)	(15)	(662)
At March 31, 2022	₱3,370	₱98,827	₱92,696	₱400	(₱4,089)	₱2,322	₱193,526	₱12,126	₱205,652

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)

	Unaudited	
	Quarters Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱10,479**	₱6,134
Adjustments for:		
Interest expense	**1,929**	1,620
Depreciation and amortization	**475**	502
Pension expense	**84**	124
Provision for impairment losses	**5**	-
Gain on disposal of property and equipment	**(4)**	(7)
Unrealized gain on financial assets at FVTPL	**(85)**	(18)
Unrealized foreign exchange losses (gains)	**(1)**	292
Interest income	**(222)**	(236)
Equity in net income of associates and joint ventures	**(5,714)**	(4,219)
Operating income before changes in working capital	**6,946**	4,192
Decrease (increase) in:		
Receivables	**(5,582)**	123
Contract assets	**971**	489
Due from related parties	**(184)**	38
Inventories	**(8,953)**	(1,631)
Financial assets at FVTPL	**5,036**	(2,293)
Prepayments and other current assets	**(1,370)**	(478)
Increase (decrease) in:		
Accounts and other payables	**7,328**	(1,201)
Contract liabilities	**95**	(85)
Customers' deposits	**126**	90
Due to related parties	**2**	3
Other current liabilities	**(410)**	(149)
Cash provided by (used in) operations	**4,005**	(902)
Interest received	**(267)**	164
Interest paid	**(7,838)**	(1,555)
Contributions to pension plan	**(108)**	(15)
Dividends received	**3,675**	3,597
Dividends paid	**(177)**	(163)
Income taxes paid	**(1,372)**	(495)
Net cash provided by (used in) operating activities	**(2,082)**	631
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	**12**	7
Additions to:		
Property and equipment	**(303)**	(152)
Intangible assets	**-**	(97)
Investment properties	**(760)**	-
Decrease in other noncurrent asset	**822**	1,408
Net cash provided by (used in) investing activities	**(229)**	1,166

(forward)

	Unaudited	
	Quarters Ended March 31	
	2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan availments	**₱23,301**	₱12,944
Payment of loans payable	**(20,383)**	(15,618)
Payment of liabilities on purchased properties	**(341)**	(383)
Payment of principal portion of lease liabilities	**(6)**	–
Increase (decrease) in other noncurrent liabilities	**166**	(499)
Net cash used in financing activities	**2,737**	(3,556)
Effect of exchange rate changes on cash and cash equivalents	**(1)**	(292)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**425**	(2,051)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**24,005**	17,404
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱24,430**	₱15,353

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

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

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

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

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

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

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

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34 Interim Financial Reporting. Accordingly, the interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Group's annual audited financial statements as at December 31, 2022.

The interim condensed 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, which have been measured at fair value. The Group's interim condensed consolidated financial statements are presented in Philippine Peso (₱), the Parent Company's functional currency. All values are rounded to the nearest million pesos (₱000,000) unless otherwise indicated.

Statement of Compliance

The interim condensed consolidated financial statements have been prepared in compliance with the Philippine Financial Reporting Standards (PFRS), 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. As of March 31, 2023, the Group is quantifying the impact of the adoption of PIC Q&A 2018-12-D.

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

Presentation of Financial Statements

Financial assets and financial liabilities are offset and the net amount reported in the interim condensed consolidated statements of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense are not offset in the interim condensed consolidated statements of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Basis of Consolidation

The interim condensed consolidated financial statements of the Group comprise the financial statements of the Parent Company and the following domestic subsidiaries:

	Country of Incorporation	Percentages of Ownership	
		March 31, 2023	December 31, 2022
Federal Land and Subsidiaries	Philippines	**100.00**	100.00
Toyota and Subsidiaries	-do-	**51.00**	51.00
TMBC and Subsidiaries	-do-	**58.10**	58.10
GTCAM and Subsidiaries	-do-	**100.00**	100.00

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
Lexus Manila, Inc. (LMI)	**75.00**	75.00
Toyota San Fernando Pampanga, Inc. (TSFI)	**55.00**	55.00
Toyota Mobility Solutions Philippines, Inc. (TMSPH)*	**100.00**	100.00

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

TMBC's Subsidiaries

	Percentages of Ownership	
	2023	2022
Oxfordshire Holdings, Inc. (OHI)	**100.00**	100.00
TMBC Insurance Agency Corporation (TIAC)	**100.00**	100.00

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. (TSI)	**55.00**	55.00

TSRLI has investments in Toyota Santa Rosa, Laguna Insurance Agency, Inc. (TSRIA), a company incorporated in the Philippines on May 10, 2022, and primarily engaged in business as a non-life insurance agency, acting as general agents, managers or promoters for any insurance company in connection with the latter's non-life insurance business.

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 (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 interim condensed consolidated statements of income, interim condensed consolidated statements of comprehensive income, interim condensed consolidated statements of changes in equity and within equity in the interim condensed 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's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Business Combinations Involving Entities Under Common Control

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

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

- the assets and liabilities of the acquiree are consolidated using the existing carrying values instead of fair values;
- intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the acquiree in accordance with applicable PFRS;
- 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 acquiree's equity are included in the opening balances of the equity as a restatement and are presented as 'Effect of uniting of interest' in the interim condensed consolidated statements of changes in equity. Cash considerations transferred on acquisition of a subsidiary under common control are deducted in the 'Retained earnings' at the time of business combination.

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 interim condensed 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 interim condensed 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 interim condensed 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 interests 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 interim condensed 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 interim condensed 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 interim condensed consolidated statements of income and is not subsequently reversed. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating units (CGU) that are expected to benefit from the combination from the acquisition date irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

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 interest 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.

Significant Accounting Policies / Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual audited consolidated financial statements as of and for the year ended December 31, 2022, except for the adoption of the following amended standards, which became effective beginning January 1, 2023.

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

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

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

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

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

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

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

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

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

<u>Significant Accounting Judgments and Estimates</u>
The preparation of the financial statements in compliance with PAS 34 requires the Group to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosures of contingent assets and contingent liabilities. Future events may occur which can cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant accounting judgments and estimates of the Group have been disclosed in the 2022 audited consolidated financial statements.

3. Cash and cash equivalents

This account consists of:

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	December 31, 2022 (Audited)
Cash on hand	**₱22**	₱21	₱212
Cash in banks and other financial institution	**5,929**	3,673	5,349
Cash equivalents	**18,479**	11,659	18,444
	₱24,430	₱15,353	₱24,005

4. Investments

Financial assets at fair value through profit or loss (FVTPL)
This pertains to the Group's investments in Unit Investment Trust Fund (UITF) as of March 31, 2023.

Financial assets at fair value through other comprehensive income (FVOCI)
This pertains mainly to the Parent Company's investment in common shares of Toyota Motor Corporation (TMC) and Vivant Corporation (VVT).

5. Investments in subsidiaries, associates and joint ventures

Investment in MBTC
On various dates in 2020, the Parent Company acquired an aggregate of 22.11 million common shares of Metrobank for a total consideration of ₱1.24 billion. This increased the Parent Company's ownership interest in Metrobank from 36.65% to 37.15%.

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	1.40	6,296	March 17, 2023	March 31, 2023
MPIC	March 8, 2023	0.076	2,181	March 27, 2023	April 13, 2023
2022					
MBTC	February 23, 2022	₱0.80	₱3,598	March 17, 2022	March 31, 2022
MBTC	February 23, 2022	0.80	3,598	September 9, 2022	September 23, 2022
MBTC*	February 23, 2022	1.40	6,296	March 17, 2022	March 31, 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	100.2	July 11, 2022	July 20, 2022
MPIC	August 3, 2022	0.0345	1,011	August 22, 2022	September 8, 2022

**Special cash dividends*

6. Loans Payable

This account consists of:

	March 31, 2023 (Unaudited)				
		Long-term debt			
	Short-term debt	**Corporate notes**	**Loans payable**	**Subtotal**	**Total**
Parent Company	**₱–**	**₱–**	**₱71,226**	**₱71,226**	**₱71,226**
Federal Land Group	**11,458**	**955**	**49,707**	**50,662**	**62,120**
Toyota Group	**9,152**	**–**	**246**	**246**	**9,398**
TMBC Group	**360**	**–**	**511**	**511**	**871**
GTCAM Group	**–**	**–**	**–**	**–**	**–**
	20,970	**955**	**121,690**	**122,645**	**143,615**
Less: Deferred financing cost	**–**	**–**	**475**	**475**	**475**
	20,970	**955**	**121,215**	**122,170**	**143,140**
Less: Current portion of long-term debt	**–**	**25**	**7,470**	**7,495**	**7,495**
	₱20,970	**₱930**	**₱113,745**	**₱114,675**	**₱135,645**

	December 31, 2022 (Audited)				
		Long-term debt			
	Short-term debt	Corporate notes	Loans payable	Subtotal	Total
Parent Company	₱–	₱–	₱71,655	₱71,655	₱71,655
Federal Land Group	8,598	955	52,887	53,842	62,440
Toyota Group	4,614	–	246	246	4,860
TMBC Group	1,280	–	550	550	1,830
GTCAM Group	90	–	–	–	90
	14,582	955	125,338	126,293	140,875
Less: Deferred financing cost	–	–	502	502	502
	14,582	955	124,836	125,791	140,373
Less: Current portion of long-term debt	–	25	7,733	7,758	7,758
	₱14,582	₱930	₱117,103	₱118,033	₱132,615

7. Bonds Payable

This account consists of the following Peso Bonds:

			Carrying Value	
Maturity Dates	Interest rate	Par Value	**March 31, 2023 (Unaudited)**	December 31, 2022 (Audited)
₱10.0 billion Bonds				
February 27, 2023	5.0937%	6,100	**₱–**	₱6,099
₱12.0 billion Bonds				
August 7, 2024	5.6250%	4,000	**3,993**	3,992
		10,100	**₱3,993**	₱10,091

Unamortized debt issuance costs on these bonds amounted to ₱7.11 million and ₱9.73 million as of March 31, 2023 and December 31, 2022, respectively.

10.0 billion GT Capital bonds due 2020, 2023
The ₱6.10 billion bonds with maturity date of February 27, 2023 were paid.

The ₱3.90 billion bonds with maturity date of February 27, 2020 were paid. This was refinanced in February 2020 with a long-term loan from a non-affiliated local bank.

12.0 billion GT Capital bonds due 2019, 2021, 2024
The ₱5.00 billion bonds with maturity date of August 7, 2021 were paid. This was refinanced in July 2021 with a long-term loan from a non-affiliated local bank.

The ₱3.00 billion bonds with maturity date of November 7, 2019 were paid. This was refinanced in November 2019 with a long-term loan from a non-affiliated local bank.

8. **Equity**

Retained earnings
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 7, 2021	April 21, 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 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	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

Other Comprehensive Income (Loss)

Other comprehensive income (loss) consists of the following, net of applicable income taxes:

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	December 31, 2022 (Audited)
Net unrealized gain on financial assets at FVOCI	**₱2,303**	₱4,189	₱1,928
Net unrealized loss on remeasurement of retirement plan	**(104)**	(229)	(97)
Cash flow hedge reserve	**(8)**	(19)	88
Cumulative translation adjustments	**–**	5	18
Equity in other comprehensive income (losses) of associates:			
Equity in net unrealized gain (loss) on financial assets at FVOCI	**(5,754)**	(3,906)	(7,829)
Equity in cumulative translation adjustments	**(2,884)**	(2,629)	(2,654)
Equity in net unrealized loss on remeasurement of retirement plan	**(651)**	(1,184)	(647)
Equity in cash flow hedge reserves	**(224)**	(257)	(348)
Equity in remeasurement on life insurance reserves	**336**	(64)	252
Equity in other equity adjustments	**5**	5	5
	(₱6,981)	(₱4,089)	(₱9,284)

The movements and analysis of the other comprehensive loss are presented in the interim condensed consolidated statements of comprehensive income.

9. 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 venture 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.

As of March 31, 2023 and December 31, 2022, outstanding balances are unsecured and settlement occurs generally in cash, except otherwise indicated. 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.

10. Basic/Diluted Earnings Per Share

The basic/diluted earnings per share attributable to equity holders of the Parent Company for the periods indicated were computed as follows:

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	December 31, 2022 (Audited)
a.) Net income attributable to equity holders of the Parent Company	**₱6,638**	₱4,361	₱18,360
b.) Effect of dividends declared to voting and perpetual preferred shareholders of the Parent Company	**(147)**	(147)	(589)
c.) Net income attributable to common shareholders of the Parent Company	**6,491**	4,214	17,771
d.) Weighted average number of outstanding common shares of the Parent Company	**215**	215	215
e.) Basic/diluted earnings per share, (c / d)	**₱30.15**	₱19.57	₱82.55

Basic earnings per share (EPS) is computed by dividing net income for the year attributable to common shareholders of the Parent Company by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and exercised during the year. Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

11. Operating Segments

Segment Information

For management purposes, the Group is organized into business units based on their products and activities and has four reportable segments as follows:

- 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;

- Automotive operations is 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.

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.

Seasonality of Operations

The operations of the Group are not materially affected by seasonality, except for the mall leasing operations of the real estate segment which experiences higher revenues during the holiday seasons. This information is provided to allow for a proper appreciation of the results of the Group's operations. However, management concluded that the aforementioned discussions of seasonality do not constitute "highly seasonal" as considered in PAS 34.

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 quarter ended March 31, 2023 and as of and for the year ended December 31, 2022:

	March 31, 2023 (Unaudited)					
	Real Estate	Financial Institution	Automotive Operations	Infra structure	Others	Total
Revenue	₱842	₱–	₱61,052	₱–	₱–	₱61,894
Other income	1,067	–	825	–	77	1,969
Equity in net income of associates and joint ventures	626	4,263	–	825	–	5,714
	2,535	4,263	61,877	825	77	69,577
Cost of goods and services sold	62	–	42,564	–	–	42,626
Cost of goods manufactured and sold	–	–	10,103	–	–	10,103
Cost of rental	188	–	–	–	1	189
Cost of real estate sales	470	–	–	–	–	470
General and administrative expenses	833	–	3,069	–	101	4,003
	1,553	–	55,736	–	102	57,391
Earnings before interest and taxes	982	4,263	6,141	825	(25)	12,186
Depreciation and amortization	123	–	348	–	4	475
EBITDA	1,105	4,263	6,489	825	(21)	12,661
Interest income	26	–	94	–	102	222
Interest expense	(704)	–	(142)	–	(1,083)	(1,929)
Depreciation and amortization	(123)	–	(348)	–	(4)	(475)
Pretax income	304	4,263	6,093	825	(1,006)	10,479
Provision for income tax	(56)	–	(1,409)	–	(52)	(1,517)
Income after tax	₱248	₱4,263	₱4,684	₱825	(1,058)	₱8,962
Segment assets	₱120,894	₱138,244	₱80,964	₱40,543	₱51,770	₱432,415
Segment liabilities	₱83,001	₱–	₱48,277	₱–	₱77,539	₱208,817

	December 31, 2022 (Audited)					
	Real Estate	Financial Institution	Automotive Operations	Infra structure	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 ventures	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)
Income after tax	₱4,426	₱13,587	₱6,608	₱1,630	(₱4,520)	₱21,731
Segment assets	₱120,648	₱135,668	₱66,586	₱40,055	₱54,199	₱417,156
Segment liabilities	₱82,282	₱–	₱38,497	₱–	₱83,363	₱204,142

Geographical Information

The following table shows the distribution of the Group's consolidated revenues to external customers by geographical market, regardless of where the goods were produced:

	March 31, 2023 (Unaudited)	March 31, 2022 (Unaudited)	December 31, 2022 (Audited)
Domestic	**₱67,464**	₱52,780	₱235,574
Foreign	**2,335**	2,511	9,733
	₱69,799	₱55,291	₱245,307

12. **Financial Risk Management and Objectives**

The Group's principal financial instruments are composed of cash and cash equivalents, short-term investments, receivables, due from related parties, financial assets at FVTPL, financial assets at FVOCI, accounts and other payables, due to related parties, loans payable and derivative liabilities.

Exposure to credit, liquidity, foreign currency and interest rate 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 of cash and cash equivalents, financial assets at FVTPL, receivables, due from related parties and financial assets at FVOCI. 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 March 31, 2023 and December 31, 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 collateral is greater than the carrying value of the installment contracts receivable.

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 table summarizes the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments:

	March 31, 2023 (Unaudited)			
	< 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents*	₱24,466	₱–	₱–	₱24,466
Receivables	21,476	7,804	–	29,280
Due from related parties	539	–	–	539
Financial assets at FVTPL				
Investments in UITF	6,209	–	–	6,209
Financial assets at FVOCI				
Equity securities				
Quoted	–	–	13,484	13,484
Unquoted	–	–	191	191
Total undiscounted financial assets	₱52,690	₱7,804	₱13,675	₱74,169
Other financial liabilities				
Accounts and other payables	₱40,687	₱1,516	₱–	₱42,203
Dividends payable	1,088	–	–	1,088
Loans payable	34,564	86,669	55,592	176,825
Bonds payable	225	4,079	–	4,304
Due to related parties	167	–	–	167
Liabilities on purchased properties	344	757	519	1,620
Derivative liabilities	171	–	–	171
Total undiscounted financial liabilities	₱77,246	₱93,021	₱56,111	₱226,378
Liquidity Gap	(₱24,556)	(₱85,217)	(₱42,436)	(₱152,209)

**Excludes cash on hand amounting to ₱21.83 million.*

	December 31, 2022 (Audited)			
	< 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents*	₱23,825	₱–	₱–	₱23,825
Receivables	15,138	7,727	–	22,865
Due from related parties	356	–	–	356
Financial assets at FVTPL				
Investments in UITF	11,160	–	–	11,160
Financial assets at FVOCI				
Equity securities				
Quoted	–	–	13,154	13,154
Unquoted	–	–	191	191
Other noncurrent assets				
Derivative assets	–	88	–	88
Total undiscounted financial assets	₱50,479	₱7,815	₱13,345	₱71,639
Other financial liabilities				
Accounts and other payables	₱33,029	₱1,501	₱–	₱34,530
Dividends payable	589	–	–	589
Loans payable	28,248	88,936	58,445	175,629
Bonds payable	6,374	4,136	–	10,510
Due to related parties	166	–	–	166
Liabilities on purchased properties	348	1,021	700	2,069
Other noncurrent liabilities				
Derivative liabilities	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 Group's foreign currency-denominated financial instruments primarily consist of cash and cash equivalents, accounts receivable, accounts payable and loans payable. The Group's policy is to maintain foreign currency exposure within acceptable limits.

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.

13. **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 rate used was 8.00% as of March 31, 2023 and December 31, 2022. For the long-term loan receivable, the Group used discounted cash flow analyses to measure the fair value of the loan and determined that the carrying amount of the loans receivable was not materially different from its calculated fair value.

Due from and to related parties
The carrying amounts approximate fair values due to its short term 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 – 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.

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.

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
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 2.01% to 6.19% and 1.70% to 6.94% as of March 31, 2023 and December 31, 2022, respectively.

Bonds payable
Current portion of bonds payable approximates its fair value due to its short-term maturity. The fair value of the long-term portion of bonds payable is based on its quoted market price in the Philippine Dealing and Exchange Corporation.

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 payable was 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 interim condensed consolidated statements of financial position and related notes approximate their respective fair values.

	March 31, 2023 (Unaudited)				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	**₱6,209**	**₱–**	**₱6,209**	**₱–**	**₱6,209**
Financial assets at FVOCI					
Quoted equity securities	**13,484**	**13,484**	**–**	**–**	**13,484**
Unquoted equity securities	**191**	**–**	**191**	**–**	**191**
	₱19,884	**₱13,484**	**₱6,400**	**₱–**	**₱19,884**
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	**₱227**	**₱–**	**₱–**	**₱229**	**₱229**
Loans receivables	**5,154**	**–**	**–**	**5,154**	**5,154**
Non-financial Assets					
Investment in listed associates	**167,385**	**114,927**	**–**	**–**	**114,927**
Investment properties	**22,895**	**–**	**–**	**47,621**	**47,621**
	₱195,661	**₱114,927**	**₱–**	**₱53,004**	**₱167,931**
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liability	**₱171**	**₱–**	**₱171**	**₱–**	**₱171**
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	**₱964**	**₱–**	**₱–**	**₱1,308**	**₱1,308**
Loans payable	**114,675**	**–**	**–**	**115,159**	**115,159**
Bonds payable	**3,993**	**3,968**	**–**	**–**	**3,968**
	₱119,632	**₱3,968**	**₱–**	**₱116,467**	**₱120,435**

	December 31, 2022 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	₱11,160	₱–	₱11,160	₱–	₱11,160
Financial assets at FVOCI					
Quoted equity securities	13,154	13,154	–	–	13,154
Unquoted equity securities	191	–	191	–	191
Other noncurrent assets					
Derivative assets	88	–	88	–	88
	₱24,593	₱13,154	₱11,439	₱–	₱24,593
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	₱249	₱–	₱–	₱251	₱251
Loans receivables	5,094	–	–	5,094	5,094
Non-financial Assets					
Investment in listed associates	164,998	106,922	–	–	106,922
Investment properties	22,247	–	–	46,861	46,861
	₱192,588	₱106,922	₱–	₱52,206	₱159,128
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liabilities	₱46	₱–	₱46	₱–	₱46
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	₱1,300	₱–	₱–	₱1,649	1,649
Loans payable	118,033	–	–	139,606	139,606
Bonds payable	3,992	4,048	–	–	4,048
	₱123,325	₱4,048	₱–	₱141,255	₱145,303

As of March 31, 2023 and December 31, 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 and 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.
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.

14. **Contingencies**

In the ordinary course of the Group's operations, certain companies within the Group have pending tax assessments/claims which are in various stages of protest/appeal with the tax authorities, the amounts of which cannot be reasonably estimated. Management believes that the bases of said protest/appeal are legally valid such that the ultimate resolution of these assessments/claims would not have material effects on the Group's interim condensed consolidated financial position and results of operations.

In addition, 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 Department of Human Settlements and Urban Development (DHSUD; formerly *Housing and Land Use Regulatory Board*) for a total guarantee amount of ₱2.05 billion and ₱2.40 billion as of March 31, 2023 and December 31, 2022, respectively.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE PERIODS ENDED MARCH 31, 2023 AND MARCH 31, 2022 (UNAUDITED)

(Amounts in millions except ratio and %)	**2023**	2022
Liquidity Ratio		
Current ratio	**1.90**	2.45
Current assets	**₱152,703**	₱143,054
Current liabilities	**80,484**	58,343
Solvency Ratio		
Total liabilities to total equity ratio	**0.93**	0.93
Total liabilities	**208,817**	190,935
Total equity	**223,598**	205,652
Debt to equity ratio	**0.66**	0.68
Total debt	**148,441**	139,970
Total equity	**223,598**	205,652
Asset to Equity Ratio		
Asset to equity ratio	**1.93**	1.93
Total assets	**432,415**	396,587
Total Equity	**223,598**	205,652
Interest Rate Coverage Ratio*		
Interest rate coverage ratio	**6.32**	4.64
Earnings before interest and taxes (EBIT)	**12,186**	7,518
Interest expense	**1,929**	1,620
Profitability Ratio		
Return on average assets	**1.56%**	1.10%
Net income attributable to Parent Company	**6,638**	4,361
Total assets	**432,415**	396,587
Average assets	**424,786**	397,191
Return on Average Equity**	**3.34%**	2.31%
Net income attributable to Parent Company (Common)	**6,490**	4,213
Equity attributable to Parent Company (Common)	**198,077**	181,713
Average equity attributable to Parent Company	**194,174**	182,143

**computed as EBIT/Interest Expense*
***based on actual year-to-date*