



**GT CAPITAL**  
HOLDINGS, INCORPORATED

November 13, 2023

**Securities and Exchange Commission**

SEC Headquarters

7907 Makati Avenue, Salcedo Village,

Barangay Bel-Air, Makati City, 1209

Attention: **Atty. Rachel Esther J. Gumbang-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. France Alexandra D. Tom Wong**

Head - Disclosure Department

**Subject: Submission of 17Q Report as of September 30, 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 Third 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 C A P I T A L H O L D I N G S , I N C . A N D

S U B S I D I A R I E S

(Company's Full Name)

G T T O W E R I N T E R N A T I O N A L , A Y A L A

A V E N U E C O R N E R H . V . D E L A C O S T A

S T R E E T , M A K A T I C I T Y

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

FH Suarez, Jr. / RP Manon-og

Contact Person

8836-4500

Company Telephone Number

1 2

Month

3 1

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 September 30, 2023

90

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned.

File Number

Document I.D.

LCU

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: **September 30, 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
<b>Common Stock -Php10.00 par value</b>	<b>215,284,587 shares</b>
<b>Series B Perpetual Preferred Shares (GTPPB)</b>	<b>7,160,760 shares</b>

- b) Debt Securities: Php4.0 Billion Bonds\*

Title of Each Class	Amount of Debt Outstanding
<b>Corporate Retail Bonds</b>	<b>Php4.0 billion</b>

*\*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 ☒ No ☐

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

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

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 ☒ No ☐

(b) has been subject to such filing requirements for the past ninety (90) days. Yes ☒ 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 Nine Months Ended September 30, 2023 and For the Nine Months Ended September 30, 2022

GT CAPITAL CONSOLIDATED STATEMENTS OF INCOME	UNAUDITED Nine Months Ended September		Increase(Decrease)	
	2023	2022	Amount	Percent
(In millions, except for Percentage)				
<b>REVENUE</b>				
Automotive operations	186,959	153,339	33,620	22%
Equity in net income of associates and joint ventures	17,531	12,685	4,846	38%
Real estate sales and interest income on real estate sales	11,713	4,744	6,969	147%
Rent income	1,084	1,008	76	8%
Sale of goods and services	821	690	131	19%
Interest income	756	96	660	688%
Commission income	710	465	245	53%
Other income	3,549	6,471	(2,922)	(45%)
	223,123	179,498	43,625	24%
<b>COST AND EXPENSES</b>				
Cost of goods and services sold	133,733	114,148	19,585	17%
Cost of goods manufactured	29,426	25,521	3,905	15%
General and administrative expenses	13,920	12,591	1,329	11%
Interest expense	5,806	5,017	789	16%
Cost of real estate sales	5,172	2,498	2,674	107%
Cost of rental	592	607	(15)	(2%)
	188,649	160,382	28,267	18%
<b>INCOME BEFORE INCOME TAXES</b>	34,474	19,116	15,358	80%
<b>PROVISION FOR INCOME TAX</b>	5,524	1,691	3,833	227%
<b>NET INCOME</b>	28,950	17,425	11,525	66%
<b>ATTRIBUTABLE TO:</b>				
Equity holders of the parent company	23,086	14,946	8,140	54%
Non-controlling interests	5,864	2,479	3,385	137%
	28,950	17,425	11,525	66%

Net income attributable to equity holders of the Parent Company grew from Php14.95 billion for the nine months of 2022 to Php23.09 billion in the same period of 2023. The increase was principally due to the 24% growth in consolidated revenues with growth coming from real estate sales and interest income on real estate sales (+147%), automotive operations (+22%), and equity in net income of associates and joint ventures (+38%).

Core net income, likewise, grew by 105% from Php11.33 billion for the nine months of 2022 to Php23.25 billion in the same period of 2023. Core net income for the nine months of 2023 amounted to Php23.25 billion, after adding back the Php0.03 billion non-recurring expenses by Metro Pacific Investments Corporation's ("MPIC") reversal of indemnity provisions, and Php0.13 billion amortization of fair value adjustments arising from various business combinations. Core net income for the nine months ended September 30, 2022 amounted to Php11.34 billion, after deducting the Php3.74 billion non-recurring gains earned by Federal Land Inc.'s ("Federal Land") gain on investment and Metro Pacific Investments Corporation's ("MPIC") reversal of impairment loss upon the consolidation of one of its investments, and adding back the Php0.13 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, MPIC, AXA Philippines, and TFSPC posted growth in net income for the period in review, while Federal Land and SMFC reported net income declines.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts grew by 22% from Php153.34 billion for the nine months of 2022 to Php186.96 billion in the same period of 2023 due to the 18% increase in wholesale volume from 126,661 units to 149,719 units.

Equity in net income of associates and joint ventures increased by 38% from Php12.69 billion for the nine months of 2022 to Php17.53 billion in the same period of 2023 primarily due to significant increases in the net income of the following associates:

1. Metrobank from Php23.44 billion to Php31.79 billion due to the expansion in its loan portfolio, higher net interest margin, healthy fee income and improved asset quality;
2. MPIC from Php13.14 billion to Php16.06 billion due to higher core income contributions of its operating companies; and
3. TFSPC from Php1.18 billion to Php1.37 billion arising from the increase in net interest income arising from its steady annuity stream, and improving asset quality.

Real estate sales and interest income from real estate sales rose by Php6.97 billion from Php4.74 billion to Php11.71 billion due to lot sales realized by the Parent Company and Federal Land from Federal Land NRE Global, Inc., the joint venture company between Federal Land and Nomura Real Estate in the second quarter, including project completion and percentage of completion from Federal Land's existing projects.

Rent income grew by 8% from Php1.01 billion to Php1.08 billion due to higher occupancy of Federal Land's retail operations.

Sale of goods and services increased by 19% or Php0.13 billion due to higher sales realized from its food franchises.



Interest income grew by Php660.00 million due to higher short-term investments and higher rates.

Commission income increased by 53% from Php0.47 billion for the nine months of 2022 to Php0.71 billion in the same period of 2023 due to an increase in booked sales of Federal Land's joint venture projects.

Other income declined by 45% or Php2.92 billion mostly due to Federal Land's gain on investments and the tax incentives utilized by TMP in 2022 from its participation in the Comprehensive Automotive Resurgence Strategy (CARS) program of the government.

Consolidated costs and expenses increased by 18% from Php160.38 billion for the nine months of 2022 to Php188.65 billion in the same period of 2023. TMP contributed Php148.30 billion comprising cost of goods sold for manufacturing and trading activities, general and administrative expenses and interest expenses. TMBC contributed Php19.49 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. Federal Land contributed Php9.82 billion consisting of cost of real estate sales, cost of goods and services sold, general and administrative expenses, cost of rental and interest expenses. GT Capital Parent Company contributed Php5.42 billion consisting of cost of real estate sales, interest expenses and general and administrative expenses. GTCAM accounted for the balance of Php5.62 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses.

Cost of goods and services sold grew by 17% from Php114.15 billion to Php133.73 billion relative to the increase in auto sales.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles by TMP increased by Php3.91 billion from Php25.52 billion to Php29.43 billion due to an increase in materials costs of assembled vehicles.

General and administrative expenses increased by 11% or Php1.33 billion mainly due to auto delivery and handling services, and advertising and promotional expenses relative to the increase in auto sales.

Interest expense grew by 16% from Php5.02 billion to Php5.81 billion due to higher lending rates in spite of lower outstanding loan balances.

Cost of real estate sales rose to Php5.17 billion from Php2.50 billion primarily due to the cost of lots sold during the year by the Parent Company and Federal Land and cost of real estate sales incurred by Federal Land on its ongoing projects.

Provision for income tax increased by Php3.83 billion from Php1.69 billion for the nine months of 2022 to Php5.52 billion in the same period of 2023 due to the higher taxable income for the nine months of 2023.

Net income attributable to non-controlling interest increased by Php3.38 billion from Php2.48 billion to Php5.86 billion due to an increase in net income of subsidiaries which are not wholly-owned.

Consolidated Results of Operations- For the Quarter Ended September 30, 2023 and For the Quarter Ended September 30, 2022

<b>GT CAPITAL CONSOLIDATED STATEMENTS OF INCOME</b> (In millions, except for Percentage)	<b>UNAUDITED</b>		<b>Increase (Decrease)</b>	
	<b>July to September</b>		<b>Amount</b>	<b>Percent</b>
	<b>2023</b>	<b>2022</b>		
<b>REVENUE</b>				
Automotive operations	65,291	55,568	9,723	17%
Equity in net income of associates and joint ventures	6,008	4,405	1,603	36%
Real estate sales and interest income on real estate sales	1,324	1,271	53	4%
Rent income	383	360	23	6%
Sale of goods and services	315	247	68	28%
Interest income	295	58	237	409%
Commission income	240	150	90	60%
Other income	1,050	4,653	(3,603)	(77%)
	<b>74,906</b>	<b>66,712</b>	<b>8,194</b>	<b>12%</b>
<b>COST AND EXPENSES</b>				
Cost of goods and services sold	48,760	41,682	7,078	17%
Cost of goods manufactured	8,948	9,611	(663)	(7%)
General and administrative expenses	5,154	4,697	457	10%
Interest expense	1,839	1,716	123	7%
Cost of real estate sales	714	867	(153)	(18%)
Cost of rental	195	256	(61)	(24%)
	<b>65,610</b>	<b>58,829</b>	<b>6,781</b>	<b>12%</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>9,296</b>	<b>7,883</b>	<b>1,413</b>	<b>18%</b>
<b>PROVISION FOR INCOME TAX</b>	<b>1,171</b>	<b>608</b>	<b>563</b>	<b>93%</b>
<b>NET INCOME</b>	<b>8,125</b>	<b>7,275</b>	<b>850</b>	<b>12%</b>
<b>ATTRIBUTABLE TO:</b>				
Equity holders of the parent company	6,503	6,646	(143)	(2%)
Non-controlling interests	1,622	629	993	158%
	<b>8,125</b>	<b>7,275</b>	<b>850</b>	<b>12%</b>

Consolidated net income attributable to equity holders of the Parent Company declined by 2% from Php6.65 billion in the third quarter of 2022 to Php6.50 billion in the third quarter of 2023. The decline was principally attributable to the higher revenues in 2022 mainly from Federal Land's gain on investment.

However, core net income attributable to equity holders of the Parent Company grew by 103% from Php3.28 billion in the third quarter of 2022 to Php6.64 billion in the same period of 2023. Core net income for the third quarter of 2023 amounted to Php6.64 billion, after adding back the Php0.14 billion non-recurring expenses incurred by MPIC and amortization of fair value adjustments arising from various business combinations. Core net income for the third quarter of 2022 amounted to Php3.28 billion, after deducting the Php3.41 billion non-recurring gains earned by the Group mainly from Federal Land's gain on investment, and adding back the Php0.04 billion non-recurring expenses incurred by MPIC and amortization of fair value adjustments arising from various business combinations.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts increased by Php9.72 billion from Php55.57 billion in the third quarter of 2022 to Php65.29 billion in the third quarter of 2023 due to an increase in wholesale and retail sales volume.



Equity in net income of associates and joint ventures grew by 36% from Php4.41 billion in the third quarter of 2022 to Php6.00 billion in the third quarter of 2023 primarily due to increases in the net income of the following associates:

1. Metrobank from Php7.85 billion to Php10.89 billion due to higher net interest income, fee and other non-interest income and higher trading and foreign exchange gains; and
2. MPIC from Php3.64 billion to Php5.84 billion due to higher core income contributions from its operating companies.

Rent income grew by 6% from Php0.36 billion to Php0.38 billion attributable to higher occupancy rate of Federal Land's retail operations.

Sale of goods and services, consisting of the sale of petroleum products on a wholesale and retail basis, in the Blue Wave and Blue Bay Walk malls situated in Pasay City and Marikina City, reached Php0.32 billion from Php0.25 billion arising from higher fuel sales and sales from its food franchises.

Interest income on deposits and investments rose to Php0.30 billion from Php0.10 billion primarily due to short-term investments and higher placement rates.

Commission income increased by 60% from Php0.15 billion in the third quarter of 2022 to Php0.24 billion in the third quarter of 2023 due to an increase in real estate booked sales of the joint venture companies of Federal Land.

Other income decreased by Php3.60 billion from Php4.65 billion to Php1.05 billion with: (1) Federal Land contributing Php0.55 billion comprising real estate forfeitures, management fees and other income; (2) GT Capital Parent Company contributing Php0.05 billion, coming from cash dividends received from its investments on Vivant; (3) TMP contributing Php0.23 billion consisting of ancillary income, gain on sale of fixed assets and other income; (4) TMBC contributing Php0.15 billion consisting of ancillary income on financing and insurance commissions and other income; and (5) GTCAM accounted for the balance of Php0.05 billion consisting of ancillary income on financing and insurance commissions, and other income.

Cost of goods and services sold increased by 17% from Php41.68 billion to Php48.76 billion with TMP, TMBC and GTCAM completely built-up units and spare parts accounting for Php48.73 billion and the balance of Php0.03 billion coming from Federal Land's cost of petroleum services and food franchises.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP decreased by Php0.66 billion from Php9.61 billion in the third quarter of 2022 to Php8.95 billion in the third quarter of 2023.

General and administrative expenses rose to Php5.15 billion from Php4.70 billion. TMP accounted for Php3.22 billion consisting of advertisements and promotional expenses, salaries and wages, taxes and licenses and delivery and handling expenses. Federal Land accounted for Php1.04 billion composed of salaries and wages, commission expenses, taxes and licenses and repairs and maintenance expenses. TMBC contributed Php0.57 billion representing salaries and wages, commission expenses and taxes and licenses and advertising and promotional expenses. GT Capital and GTCAM contributed the remaining balance of Php0.32 billion.



Interest expenses increased by 7% from Php1.72 billion in the third quarter of 2022 to Php1.84 billion in the third quarter of 2023 with GT Capital, Federal Land, TMP and TMBC accounting for Php1.06 billion, Php0.69 billion, Php0.06 billion and Php0.03 billion, respectively.

Cost of real estate sales dropped by Php0.15 billion from Php0.87 billion to Php0.71 billion attributable to the cost incurred by Federal Land on its ongoing projects.

Cost of rental decreased by 24% from Php0.26 billion to Php0.20 billion due to lower operating expenses incurred in the leasing business.

Provision for income tax for the third quarter of 2022 amounting to Php0.61 billion increased to Php1.17 billion in the third quarter of 2023 due to higher taxable income reported in the third quarter of 2023 versus the same period of 2022.

Net income attributable to non-controlling interest for the third quarter of 2023 reached Php1.62 billion from Php0.63 billion in the third quarter of 2022 due to an increase in net income of subsidiaries which are not wholly-owned.

Consolidated Statements of Financial Position- As of September 30, 2023 and As of December 31, 2022

**GT CAPITAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	Unaudited September 2023	Audited December 2022	Increase (Decrease)	
(In Million Pesos, Except for Percentage)			Amount	Percentage
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents	20,874	24,005	(3,131)	(13%)
Short-term investments	1,964	–	1,964	100%
Financial assets at fair value through profit or loss	5,791	11,160	(5,369)	(48%)
Receivables	18,371	14,135	4,236	30%
Contract assets	2,937	4,707	(1,770)	(38%)
Inventories	75,911	69,399	6,512	9%
Due from related parties	114	356	(242)	(68%)
Prepayments and other current assets	16,324	17,109	(785)	(5%)
	<b>142,286</b>	<b>140,871</b>	<b>1,415</b>	<b>1%</b>
<b>Noncurrent Assets</b>				
Financial assets at fair value through other comprehensive income	18,232	13,345	4,887	37%
Receivables – net of current portion	6,460	6,250	210	3%
Contract asset – net of current portion	3,493	5,636	(2,143)	(38%)
Investment properties	23,707	22,247	1,460	7%
Investments in associates and joint ventures	222,497	200,238	22,259	11%
Property and equipment	13,298	13,951	(653)	(5%)
Goodwill and intangible assets	10,031	10,025	6	0%
Deferred tax assets	1,292	1,277	15	1%
Other noncurrent assets	2,744	3,316	(572)	(17%)
	<b>301,754</b>	<b>276,285</b>	<b>25,469</b>	<b>9%</b>
<b>TOTAL ASSETS</b>	<b>444,040</b>	<b>417,156</b>	<b>26,884</b>	<b>6%</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Accounts and other payables	48,718	36,948	11,770	32%
Contract liabilities – current portion	3,353	3,207	146	5%
Short-term debt	9,589	14,582	(4,993)	(34%)
Current portion of long-term debt	4,429	7,758	(3,329)	(43%)
Current portion of liabilities on purchased properties	347	348	(1)	(0%)
Current portion of bonds payable	3,995	6,099	(2,104)	(34%)
Customers' deposits	980	928	52	6%
Dividends payable	2,143	589	1,554	264%
Due to related parties	11	166	(155)	(93%)
Income tax payable	359	302	57	19%
Other current liabilities	1,751	1,513	238	16%
	<b>75,675</b>	<b>72,440</b>	<b>3,235</b>	<b>4%</b>
<b>Noncurrent Liabilities</b>				
Long term debt – net of current portion	112,324	118,033	(5,709)	(5%)
Bonds payable – net of current portion	–	3,992	(3,992)	(100%)
Liabilities on purchased properties - net of current portion	975	1,300	(325)	(25%)
Pension liabilities	1,795	1,657	138	8%
Deferred tax liabilities	5,090	3,414	1,676	49%
Other noncurrent liabilities	3,449	3,306	143	4%
	<b>123,633</b>	<b>131,702</b>	<b>(8,069)</b>	<b>(6%)</b>
<b>TOTAL LIABILITIES</b>	<b>199,308</b>	<b>204,142</b>	<b>(4,834)</b>	<b>(2%)</b>

**GT CAPITAL CONSOLIDATED STATEMENTS OF  
FINANCIAL POSITION**

	Unaudited September 2023	Audited December 2022	Increase (Decrease)	
(In Million Pesos, Except for Percentage)			Amount	Percentage
(Forward)				
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	128,546	106,107	22,439	21%
Appropriated	400	400	–	0%
Other comprehensive loss	(2,895)	(9,284)	6,389	(69%)
Other equity adjustments	2,322	2,322	–	0%
	230,570	201,742	28,828	14%
Non-controlling interests	14,162	11,272	2,890	26%
<b>TOTAL EQUITY</b>	<b>244,732</b>	<b>213,014</b>	<b>31,718</b>	<b>15%</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>444,040</b>	<b>417,156</b>	<b>26,884</b>	<b>6%</b>

The major changes in GT Capital's consolidated balance sheet from December 31, 2022 to September 30, 2023 are as follows:

Consolidated assets grew by Php26.88 billion from Php417.16 billion as of December 31, 2022 to Php444.04 billion as of September 30, 2023. Total liabilities dropped by Php4.83 billion from Php204.14 billion to Php199.31 billion while total equity increased by Php31.72 billion from Php213.01 billion to Php244.73 billion.

**ASSETS**

Cash and cash equivalents amounted to Php20.87 billion as of September 30, 2023 and consist of the Group's money market placements with less than 90-day terms.

Short-term investments reached Php1.96 billion as of September 30, 2023 and consist of the Group's money market placements with over 90-day terms.

Financial assets at fair value through profit or loss decreased by Php5.37 billion from Php11.16 billion to Php5.79 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 30% or Php4.24 billion mostly due to higher trade receivables of TMP resulting from higher auto sales to its dealers.

Contract assets decreased by Php1.77 billion attributable to the reclassification from current to long-term portion of receivables during the year. Contract assets are the excess of percentage of completion (POC) over the right to an amount collectible from Federal Land's unit buyers.

Inventories grew by Php6.51 billion from Php69.40 billion to Php75.91 billion primarily due to the higher inventories of TMP.



Due from related parties declined by Php0.24 billion from Php0.35 billion to Php0.11 billion coming from the collection of management fees earned by Federal Land from its joint venture entities.

Prepayments and other current assets dropped by 5% from Php17.11 billion to Php16.32 billion mainly input VAT, advances to contractors and suppliers, creditable withholding taxes, ad valorem and excise taxes, prepaid expenses and other current assets.

Financial assets at fair value through other comprehensive income rose by Php4.88 billion from Php13.35 billion to Php18.23 billion due to marked-to-market gains on investments.

Noncurrent portion of contract assets decreased by 38% from Php5.64 billion to Php3.49 billion attributable to the reclassification to current portion of receivables.

Investment properties increased by 7% from Php22.25 billion to Php23.71 billion due to reclassification from inventories.

Investments in associates and joint ventures grew by 11% or Php22.26 billion mainly due to Federal Land's additional capital contribution to FNG and equity share in net income of associates and joint ventures.

Property and equipment decreased by 5% from Php13.95 billion to Php13.30 billion, net of depreciation and amortization expenses incurred.

Other noncurrent assets decreased by Php0.57 billion from Php3.31 billion to Php2.74 billion due to lower rental deposits, utilities, guarantee, and construction bonds.

#### LIABILITIES

Accounts and other payables increased to Php48.72 billion from Php36.95 billion primarily due to the higher trade payables of Federal Land and TMP.

Contract liabilities increased by 5% from Php3.21 billion to Php3.35 billion. Contract liabilities are the excess amount collected from Federal Land's unit buyers over the percentage of completion (POC).

Short-term debt dropped by Php4.99 billion from Php14.58 billion to Php9.59 billion due to Php58.16 billion loan payments, offset by Php53.17 billion loan availments.

Current portion of long-term debt declined by 43% or Php3.33 billion due to loan payments made.

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

Customers' deposit grew by 6% from Php0.93 billion to Php0.98 billion with TMBC, TMP, and GTCAM accounting for Php0.48 billion, Php0.46 billion, Php0.04 billion, respectively.

Dividends payable grew by Php1.55 billion from Php0.59 billion to Php2.14 billion mainly due to dividends payable to other shareholders of TMP.

Due to related parties declined by Php0.16 billion from Php0.17 billion to Php0.01 billion attributable the payments made by Federal Land.

Income tax payable increased by 19% from Php0.30 billion to Php0.36 billion attributable to higher taxable income reported by the Group.

Other current liabilities increased by 16% from Php1.51 billion to Php1.75 billion primarily due to higher output VAT payable coming from the increase in revenues.

Non-current portion of long-term debt declined by 5% or Php5.71 billion mainly due to the payments made by Federal Land.

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

Non-current liabilities on purchased properties decreased by Php0.33 billion due to a reclassification to current portion and amortization of deferred financing cost.

Pension liabilities increased by 8% from Php1.66 billion to Php1.80 billion due to the accrual of retirement expenses for the period September 30, 2023.

Deferred tax liabilities grew by 49% or Php1.68 billion mainly due to GT Capital's deferred tax liabilities on the net unrealized gain on financial assets at fair value through other comprehensive income.

#### EQUITY

Unappropriated retained earnings increased by Php22.44 billion from Php106.10 billion to Php128.54 billion arising from the Php23.09 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 Php2.90 billion as of September 30, 2023 due to the marked-to-market gains on financial assets at FVOCI of the Group.



### Key Performance Indicators of the Company and its component companies

	In Million Pesos, except for percentages	
Income Statement	September 30, 2022 (Unaudited)	September 30, 2023 (Unaudited)
Total Revenues	179,498	223,123
Net Income attributable to Equity Holders of GT Capital Holdings	14,946	23,086
Balance Sheet	December 31, 2022 (Audited)	September 30, 2023 (Unaudited)
Total Assets	417,156	444,040
Total Liabilities	204,142	199,308
Equity attributable to GT Capital Holdings, Inc.	201,742	230,570
Return on Equity *	8.21%	12.81%

\* 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 September 30, 2023 is annualized.

## **Automobile Assembly and Importation, Dealership and Financing**

### **Toyota Motor Philippines (TMP)**

	<b>In Million Pesos, except for ratios</b>			<b>%</b>
	<b>9M 2022</b>	<b>9M 2023</b>	<b>Inc (Dec)</b>	
Sales	133,414.2	162,756.7	29,342.5	22.0
Gross Profit	12,403.8	22,389.3	9,985.5	80.5
Operating Profit	5,758.6	14,170.1	8,411.5	146.1
Net income attributable to Parent	4,210.0	10,882.1	6,672.2	158.5
	<b>FY 2022</b>	<b>9M 2023</b>		<b>%</b>
Total Assets	45,342.7	60,896.7	15,554.1	34.3
Total Liabilities	32,641.1	42,647.9	10,006.8	30.7
Total Equity	12,701.6	18,248.9	5,547.3	43.7
Total Liabilities to Equity ratio*	2.6x	2.3x		

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

TMP's consolidated sales increased from Php133.4 billion in the first nine months of 2022 to Php162.8 billion in the same period of 2023 as wholesale volume increased by 18.2% from 126,661 to 149,719 units. Likewise, TMP's retail sales volume increased by 15.5% from 124,884 to 144,232 units, while industry retail sales volume increased by 24.7% from 245,656 to 306,285 units. As a result, TMP's year-on-year market share declined to 47.1% as of September 2023 from 50.8% as of the same period last year.

The year-on-year bookings grew driven by an improved supply situation, increased consumer spending for big-ticket items, and greater mobility in comparison with the same period last year. 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, as well as new models launched in 2023, which include the Zenix, second-generation Wigo, Yaris Cross, and Hilux GR-S. Both Zenix and Yaris Cross are offered in hybrid electric variants, adding to TMP's widest range of electric vehicle offerings.

Gross profit margin improved from 9.3% in the first nine months of 2022 to 13.8% in the same period of 2023 due to the favorable impact of weaker Japanese yen vs. the US dollar, sales price increases and favorable model mix. Operating profit margin improved from 4.3% in the first nine months of 2022 to 8.7% in the first nine months of 2023, while net income margin grew from 3.3% in 2022 to 6.9% in 2023. Consolidated net income attributable to equity holders reached Php10.9 billion, higher by 158.5% from Php4.2 billion in the same period last year, primarily due to volume growth and improvement in margins.

As of September 30, 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			%
	9M 2022	9M 2023	Inc (Dec)	
Net Sales	16,095.8	19,859.8	3,764.0	23.4
Gross Profit	1,547.9	1,895.9	348.0	22.5
Net Income*	287.3	425.2	137.9	48.0
	FY 2022	9M 2023		
Total Assets	6,534.8	7,126.4	591.6	9.1
Total Liabilities	3,439.0	3,677.1	238.1	7.0
Total Equity	3,095.8	3,449.3	353.5	11.4

\*Note: Includes booked commission income from insurance

Consolidated sales grew by 23.4% from Php16.1 billion in the first nine months of 2022 to Php19.9 billion in the same period of 2023, driven by the growth in retail sales volume and units serviced.

Retail sales volume increased by 23.5% from 12,788 to 15,793 units. As a result, TMBC's penetration rate grew from 10.2% in the first nine months of 2022 to 10.9% in the same period of 2023. Moreover, units serviced increased by 14.4% from 75,184 in 2022 to 86,018 in the same period of 2023.

TMBC's consolidated net income grew by 48.0% from Php287.3 million to Php425.2 million in the first nine months of 2023 as a result of higher volume matched by managed operating expenses.

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

### Property Development

#### Federal Land Inc.

	In Million Pesos, except for percentages and ratios			
	9M 2022	9M 2023	Inc(Dec)	%
Real estate sales*	4,523.4	7,162.2	2,638.8	58.3
Revenues	12,433.5	13,176.7	743.3	6.0
Net income attributable to equity holders of the parent	4,208.7	1,872.3	(2,336.4)	(55.5)



	<b>FY 2022</b>	<b>9M 2023</b>	<b>Inc(Dec)</b>	<b>%</b>
Total assets	123,593.4	130,071.7	6,478.3	5.2
Total liabilities	81,775.0	77,815.3	(3,959.6)	(4.8)
Total equity attributable to equity holders of the parent	41,648.8	52,061.5	10,412.7	25.0
Current ratio <sup>1</sup>	2.1x	1.9x		
Debt to equity ratio <sup>2</sup>	1.5x	1.0x		

\* 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 31% to Php17.9 billion in the first nine months of 2023. The strong performance was driven by the company's luxury segment particularly The Seasons Residences and Grand Hyatt Residences Tower 2. For the year, Federal Land launched 4 new projects namely: (1) The Grand Midori – Ortigas Tower 2, located at Exchange Road corner Jade Drive, Ortigas Center, (2) Quantum Residence Tower 3 – Amber, located in Pasay City, (3) Siena Tower 2 in Marikina City, and (4) The Seasons Residences - Fuyu Tower in Bonifacio Global City.

Real estate sales stood at Php7.1 billion, 58.3% higher than the same period last year. Including real estate sales from joint venture(s), Federal Land recorded 67% growth in real estate sales year-on-year to Php13.8 billion. This brought total revenues to Php16.1 billion, up 61%.

Net income attributable to equity holders of the parent was down 55% to Php1.9 billion in the first nine months of 2023 due to the Php3.5 billion non-recurring income last year arising from the gain realized from the investment in FederalFederal Land NRE Global, Inc., the joint venture company with Nomura Real Estate of Japan.

Total assets reached Php130.1 billion as of September 30, 2023 from Php123.5 billion as of December 31, 2022.

## **Banking**

### **Metropolitan Bank and Trust Company (Metrobank)**

<b>In Billion Pesos, except for percentages and ratios</b>				
	<b>9M 2022</b>	<b>9M 2023</b>	<b>Inc (Dec)</b>	<b>%</b>
Net income attributable to equity holders	23.4	31.8	8.4	35.6
Net interest margin on average earning assets	3.52%	3.93%		0.4
Operating efficiency ratio	54.5%	51.5%		(3.0)
Return on average assets	1.2%	1.5%		0.3
Return on average equity	10.0%	12.8%		2.9

	<b>FY 2022</b>	<b>9M 2023</b>	<b>Inc (Dec)</b>	<b>%</b>
Total assets	2,843.1	2,957.0	113.9	4.0
Total liabilities	2,515.0	2,604.9	89.9	3.6
Equity attributable to equity holders of the parent company	318.5	342.2	23.7	7.4
Tier 1 capital adequacy ratio	16.8%	17.6%		0.8
Total capital adequacy ratio	17.7%	18.4%		0.7
Non-performing loans ratio	1.9%	1.7%		(0.2)
Non-performing loans coverage ratio	172.4%	187.1%		14.7

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 September 30, 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 35.6% from Php23.4 billion for the first nine months of 2022 to Php31.8 billion for the first nine months of 2023. Net interest income grew by 24.4% to Php77.2 billion, comprising 77.1% of total operating income. This was primarily driven by interest income on loans and receivables and investment securities. This resulted in an improvement in net interest margin from 3.52% to 3.93%. Likewise, non-interest income grew by 14% from Php20.1 billion for the first nine months of 2022 to Php23.0 billion for the first nine months of 2023 due mainly to the higher fee income amounting to Php12.2 billion, trading securities and foreign exchange gain at Php3.6 billion and the increase in miscellaneous income by Php0.62 billion particularly ROPA booking and sales.

Operating income increased by 21.9% from Php82.2 billion for the first nine months of 2022 to Php100.2 billion for the first nine months of 2023. The Bank set aside Php6.8 billion in provisions for credit and impairment losses, 19.3% higher versus the Php5.7 billion booked in the same period last year.

Total assets went up from Php2.8 trillion as of December 31, 2022 to Php3.0 trillion as of the first nine months of 2023 due to increases in investment securities, due from BSP, net loans and receivables and other assets, partially offset by decline in cash and other cash items, due from other banks and interbank loans receivable and securities purchased under resale agreements. Total liabilities grew from Php2.52 trillion to Php2.60 trillion with the increases in deposit liabilities, derivative liabilities, accrued interest, manager's checks and demand drafts outstanding and income taxes payable, partially offset by the decline in bills payable and SSURA and bonds payable.



Equity attributable to equity holders of the parent grew by 7.4% from Php318.5 billion as of December 31, 2022 to Php342.2 billion as of the first nine months of 2023 primarily due to the Php31.8 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			
	9M 2022	9M 2023	Inc (Dec)	%
Gross Interest Income	8,051.4	9,369.4	1,318.0	16.4
Net Interest Income	4,441.3	4,793.0	351.7	7.9
Net Income	1,175.8	1,371.1	195.3	16.6
	9M 2022	9M 2023	Inc (Dec)	%
Total Assets	131,692.7	143,022.9	11,330.2	8.6
Total Equity	14,753.3	16,878.3	2,125.0	14.4
Finance Receivable	119,074.7	132,164.9	13,090.2	11.0

TFSPC recorded a 16.4% growth in gross interest income from Php8.1 billion to Php9.4 billion, as finance receivables increased by 11.0% from Php119.1 billion to Php132.2 billion in the first nine months 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 5% from 35,629 units in the first nine months of 2022 to 37,474 units in the same period in 2023, from stronger competition amongst other financial institutions. This resulted to a reduction in penetration rate from 32.8% to 29.6% in the first nine months of 2023.

TFSPC generated a net income of Php1.4 billion from Php1.2 billion in the same period of last year due to the decline in provision for credit losses and the ROPA gains booked in the first nine months of 2023.

#### Sumisho Motor Finance Corporation (SMFC)

	In Million Pesos, except for ratios		Inc (Dec)	%
	9M 2022	9M 2023		
Gross Interest Income	1,175.6	1,385.5	209.9	17.9
Net Interest Income	1,067.5	1,231.1	163.6	15.3
Net Income	233.3	158.0	(75.3)	(32.3)
	FY 2022	9M 2023		
Total Assets	7,086.3	7,662.5	576.2	8.1
Total Equity	2,915.2	2,846.2	(69.0)	(2.4)
Finance Receivable	6,678.4	7,162.4	484.0	7.2

SMFC recorded a 17.9% increase in gross interest income from Php1.18 billion to Php1.39 billion as finance receivable increased by 7.2% from Php6.7 billion as of December 2022 to Php7.2 billion as of September 30, 2023. In addition, bookings increased by 8.6% to 39,315 units for the first nine months of 2023 from 36,216 units in the same period of last year.

SMFC booked higher provisions for credit losses during the first nine months of 2023, arising from a low base last year as well as higher bookings this year. This resulted in a decline in net income by 32.3% from Php233.3 million to Php158.0 million.

## Insurance

### **Philippine AXA Life Insurance Corporation and Subsidiary (AXA Philippines)**

In Million Pesos, except ratios	Consolidated			
	9M 2022	9M 2023	Inc (Dec)	%
Gross Premiums	22,453.4	19,514.9	(2,938.5)	(13.1)
Net income after tax	1,755.4	2,058.9	303.4	17.3
	FY 2022	9M 2023	Inc (Dec)	%
Total Assets	157,294.2	170,607.0	13,312.8	8.5
Total Liabilities	144,736.3	155,453.2	10,716.9	7.4
Total Equity	12,557.9	15,153.8	2,595.9	20.7
Solvency Ratio - Life	171%	230%		

*Notes:*

- (1) 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 12.6% from Php3.2 billion in the first nine months of 2022 to Php2.8 billion in the same period of 2023. This came as a result of lower investor confidence arising from uncertainties in the global market thereby impacting sales of unit-linked investment products. Consequently, premium revenue declined to Php17.2 billion in the first nine months of 2023, 13.8% lower year-on-year. Premium revenue mix of life insurance changed to 26%/74% (Single Premium vs. Regular Premium) in the first nine months of 2023 from 34%/66% last year. By distribution platform, sales agency, bancassurance, and other channels accounted for 47%, 46% and 7% of premium revenues, respectively.

Non-life Insurance reported Php2.33 billion in gross written premiums in the first nine months of 2023 from Php2.31 billion in the same period last year due to higher written premiums from majority of the business lines.

Consolidated net income increased by 17.3% to Php2.1 billion in the first nine months of 2023 due to improved premium margins and higher realized and unrealized gains in equities and bonds.

## **Infrastructure and Utilities**

### **Metro Pacific Investments Corporation (MPIC)**

	<b>In Million Pesos, except for Percentage</b>			
	<b>9M 2022</b>	<b>9M 2023</b>	<b>Inc (Dec)</b>	<b>%</b>
Core net income	11,830	16,227	4,397	37.2
Net income attributable to equity holders	13,137	16,056	2,919	22.2
	<b>FY 2022</b>	<b>9M 2023</b>	<b>Inc (Dec)</b>	<b>%</b>
Total assets	643,796	670,999	27,203	4.2
Total liabilities	398,755	409,558	10,803	2.7
Total equity attributable to owners of Parent Company	200,088	213,271	13,183	6.6

MPIC's share in the consolidated operating core income increased by 31% from Php15.3 billion in the first nine months of 2022 to Php20.0 billion in the same period of 2023 driven by the following:

- Higher energy sales and contribution from power generation business; Meralco's core net income contribution was at Php14.0 billion, up 55% year-on-year;
- Higher traffic on toll roads; Core net income contribution of Metro Pacific Tollways Corporation (MPTC) to MPIC was Php4.1 billion, flat year-on-year;
- Higher net income contribution from Maynilad amounting to Php3.5 billion mainly from higher billed volume and higher effective tariff; and
- Lower losses from Light Rail Manila by 35% to Php158 million in spite of an increase in average daily ridership.

MPIC reported a core net income of Php16.2 billion in the first nine months of 2023 from Php11.8 billion, up 37% 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 SEPTEMBER 30, 2023**

<b>Number of Days</b>	<b>Amount</b>
<b>Less than 30 days</b>	<b>Php2,255</b>
<b>30 days to 60 days</b>	<b>796</b>
<b>61 days to 90 days</b>	<b>422</b>
<b>91 days to 120 days</b>	<b>202</b>
<b>Over 120 days</b>	<b>589</b>
<b>Current</b>	<b>14,083</b>
<b>Impaired</b>	<b>943</b>
<b>Noncurrent receivables</b>	<b>6,460</b>
<b>Total</b>	<b>Php25,750</b>

**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 September 30, 2023:

<b>Name Of Stockholder</b>	<b>Total Number Of Shares Held</b>	<b>Percent To Total Number Of Shares Issued</b>
Grand Titan Capital Holdings, Inc.	120,413,658	55.9323%
PCD Nominee-Filipino	53,166,621	24.6960%
PCD Nominee-Non-Filipino	40,852,284	18.9759%

**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**  
Head, Accounting and Financial Control



**Francisco H. Suarez, Jr.**  
Chief Finance Officer

Date: November 13, 2023

# GT Capital Holdings, Inc. and Subsidiaries

## **Interim Condensed Consolidated Financial Statements**

As of September 30, 2023 (Unaudited) and December 31, 2022 (Audited) and for the nine-month periods September 30, 2023 and 2022 (Unaudited)

**GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(In Millions)

	Unaudited September 30, 2023	Audited December 31, 2022
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	P20,874	P24,005
Short-term investments	1,964	—
Financial assets at fair value through profit or loss (FVTPL)	5,791	11,160
Receivables	18,371	14,135
Contract assets	2,937	4,707
Inventories	75,911	69,399
Due from related parties	114	356
Prepayments and other current assets	16,324	17,109
<b>Total Current Assets</b>	<b>142,286</b>	<b>140,871</b>
<b>Noncurrent Assets</b>		
Financial assets at fair value through other comprehensive income (FVOCI)	18,232	13,345
Receivables, net of current portion	6,460	6,250
Contract assets – net of current portion	3,493	5,636
Investment properties	23,707	22,247
Investments in associates and joint ventures	222,497	200,238
Property and equipment	13,298	13,951
Goodwill and intangible assets	10,031	10,025
Deferred tax assets	1,292	1,277
Other noncurrent assets	2,744	3,316
<b>Total Noncurrent Assets</b>	<b>301,754</b>	<b>276,285</b>
	<b>P444,040</b>	<b>P417,156</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current Liabilities</b>		
Accounts and other payables	P48,718	P36,948
Contract liabilities	3,353	3,207
Short term debt	9,589	14,582
Current portion of long-term debt	4,429	7,758
Current portion of liabilities on purchased properties	347	348
Current portion of bonds payable	3,995	6,099
Customers' deposits	980	928
Dividends payable	2,143	589
Due to related parties	11	166
Income tax payable	359	302
Other current liabilities	1,751	1,513
<b>Total Current Liabilities</b>	<b>75,675</b>	<b>72,440</b>
<b>Noncurrent Liabilities</b>		
Long-term debt – net of current portion	112,324	118,033
Bonds payable	—	3,992
Liabilities on purchased properties - net of current portion	975	1,300
Pension liabilities	1,795	1,657
Deferred tax liabilities	5,090	3,414
Other noncurrent liabilities	3,449	3,306
<b>Total Noncurrent Liabilities</b>	<b>123,633</b>	<b>131,702</b>
	<b>199,308</b>	<b>204,142</b>

(forward)



	Unaudited September 30, 2023	Audited December 31, 2022
<b>EQUITY</b>		
Equity attributable to equity holders of the Parent Company		
Capital stock	<b>P3,370</b>	P3,370
Additional paid-in capital	<b>98,827</b>	98,827
Retained earnings		
Unappropriated	<b>128,546</b>	106,107
Appropriated	<b>400</b>	400
Other comprehensive loss	<b>(2,895)</b>	(9,284)
Other equity adjustments	<b>2,322</b>	2,322
	<b>230,570</b>	201,742
Non-controlling interest	<b>14,162</b>	11,272
<b>Total Equity</b>	<b>244,732</b>	213,014
	<b>P444,040</b>	P417,156

**GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES****INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

(In Millions, Except Earnings Per Share)

	UNAUDITED			
	January to September		July to September	
	2023	2022	2023	2022
<b>REVENUE</b>				
Automotive operations	<b>₱186,959</b>	₱153,339	<b>₱65,291</b>	₱55,568
Equity in net income of associates and joint ventures	<b>17,531</b>	12,685	<b>6,008</b>	4,405
Real estate sales and interest income on real estate sales	<b>11,713</b>	4,744	<b>1,324</b>	1,271
Rent income	<b>1,084</b>	1,008	<b>383</b>	360
Sale of goods and services	<b>821</b>	690	<b>315</b>	247
Interest income	<b>756</b>	96	<b>295</b>	58
Commission income	<b>710</b>	465	<b>240</b>	150
Other income	<b>3,549</b>	6,471	<b>1,050</b>	4,653
	<b>223,123</b>	179,498	<b>74,906</b>	66,712
<b>COST AND EXPENSES</b>				
Cost of goods and services sold	<b>133,733</b>	114,148	<b>48,760</b>	41,682
Cost of goods manufactured	<b>29,426</b>	25,521	<b>8,948</b>	9,611
General and administrative expenses	<b>13,920</b>	12,591	<b>5,154</b>	4,697
Interest expense	<b>5,806</b>	5,017	<b>1,839</b>	1,716
Cost of real estate sales	<b>5,172</b>	2,498	<b>714</b>	867
Cost of rental	<b>592</b>	607	<b>195</b>	256
	<b>188,649</b>	160,382	<b>65,610</b>	58,829
<b>INCOME BEFORE INCOME TAXES</b>	<b>34,474</b>	19,116	<b>9,296</b>	7,883
<b>PROVISION FOR INCOME TAX</b>	<b>5,524</b>	1,691	<b>1,171</b>	608
<b>NET INCOME</b>	<b>₱28,950</b>	₱17,425	<b>₱8,125</b>	₱7,275
<b>ATTRIBUTABLE TO:</b>				
Equity holders of the Parent Company	<b>₱23,086</b>	₱14,946	<b>₱6,503</b>	₱6,646
Non-controlling interests	<b>5,864</b>	2,479	<b>1,622</b>	629
	<b>₱28,950</b>	₱17,425	<b>₱8,125</b>	₱7,275
<b>Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company</b>	<b>₱105.18</b>	₱67.37		

**GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES**
**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

(In Millions)

	UNAUDITED			
	January to September		July to September	
	2023	2022	2023	2022
<b>NET INCOME</b>	<b>P28,950</b>	<b>P17,425</b>	<b>P8,125</b>	<b>P7,275</b>
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>				
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>				
Changes in cumulative translation adjustments	(22)	57	9	30
Changes in cash flow hedge reserves	(76)	11	47	(5)
Equity in other comprehensive income (loss) of associates:				
Cash flow hedge reserves	98	(267)	(1)	(154)
Remeasurement on life insurance reserves	23	248	(30)	121
Translation adjustment	(211)	604	172	271
	(188)	653	197	263
<i>Items that may not be reclassified to profit or loss in subsequent periods:</i>				
Changes in fair value of financial assets at FVOCI	4,281	(2,012)	2,308	(506)
Equity in changes in fair value of financial assets at FVOCI	2,372	(7,813)	338	(995)
Remeasurement of defined benefit plans	(56)	15	–	32
Equity in remeasurement of defined benefit plans of associates	(1)	(13)	2	(15)
Income tax effect	14	–	(1)	(4)
	6,610	(9,823)	2,647	(1,488)
<b>TOTAL OTHER COMPREHENSIVE INCOME (LOSS)</b>	<b>6,422</b>	<b>(9,170)</b>	<b>2,844</b>	<b>(1,225)</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>P35,372</b>	<b>P8,255</b>	<b>P10,969</b>	<b>P6,050</b>
<b>ATTRIBUTABLE TO:</b>				
Equity holders of the Parent Company	P29,475	P5,711	P9,335	P5,378
Non-controlling interests	5,897	2,544	1,634	672
	P35,372	P8,255	P10,969	P6,050



**GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES**

**INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**AS OF SEPTEMBER 30, 2023 AND 2022 (UNAUDITED)**

(In Millions)

	Equity Attributable to Equity Holders of the Parent Company						Non-controlling Interests	Total	
	Capital Stock	Additional Paid-in Capital	Unappropriated Retained Earnings	Appropriated Retained Earnings	Other Comprehensive Income (Loss)	Other Equity Adjustment			
At January 1, 2023	P3,370	P98,827	P106,107	P400	(P9,284)	P2,322	P201,742	P11,272	P213,014
Total comprehensive income	—	—	23,086	—	6,389	—	29,475	5,897	35,372
Dividends declared	—	—	(647)	—	—	—	(647)	(3,007)	(3,654)
At September 30, 2023	P3,370	P98,827	P128,546	P400	(P2,895)	P2,322	P230,570	P14,162	P244,732

	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	P3,370	P98,827	P88,982	P400	P143	P2,322	P194,044	P11,035	P205,079
Total comprehensive income	–	–	14,946	–	(9,235)	–	5,711	2,544	8,255
Dividends declared	–	–	(647)	–	–	–	(647)	(3,139)	(3,786)
At September 30, 2022	P3,370	P98,827	P103,281	P400	(P9,092)	P2,322	P199,108	P10,440	P209,548

**GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES****INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In Millions)

	Unaudited	
	For the Nine Months Ended	
	September 30	
	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	₱34,474	₱19,116
Adjustments for:		
Interest expense	5,806	5,017
Depreciation and amortization	1,396	1,613
Unrealized foreign exchange loss	395	939
Pension expense	196	249
Gain on disposal of property and equipment	(9)	(52)
Provision (reversal of provision) for impairment losses	(17)	133
Unrealized gain on financial assets at FVTPL	(210)	(52)
Dividend income	(276)	(233)
Interest income	(829)	(535)
Equity in net income of associates and joint ventures	(17,531)	(12,685)
Operating income before changes in working capital	23,395	13,510
Decrease (increase) in:		
Short-term investments	(1,964)	—
Receivables	(4,118)	(2,032)
Contract assets	3,913	2,650
Due from related parties	242	44
Inventories	1,436	4,865
Financial assets at FVTPL	5,578	(2,310)
Prepayments and other current assets	784	(1,117)
Increase (decrease) in:		
Accounts and other payables	11,053	3,479
Contract liabilities	146	(106)
Customers' deposits	52	(55)
Due to related parties	(155)	(26)
Other current liabilities	232	(307)
Cash provided by operations	40,594	18,595
Interest received	519	274
Interest paid	(5,006)	(4,810)
Contributions to pension plan and benefits paid	(111)	(106)
Dividends received	5,944	5,836
Dividends paid	(2,100)	(1,913)
Income taxes paid	(5,212)	(1,607)
Net cash provided by operating activities	34,628	16,269
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property and equipment	46	115
Additions to:		
Property and equipment	(865)	(460)
Investments in associates and joint ventures	(16,372)	(10,776)
Intangible assets	(57)	(144)
Investment properties	(1,015)	(185)
Decrease in other noncurrent assets	566	147
Net cash used in investing activities	(17,697)	(11,303)

	Unaudited	
	For the Nine Months Ended	
	September 30	
	2023	2022
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loan availments	₱53,857	₱28,978
Payment of loans payable	(67,194)	(32,922)
Payment of bonds payable	(6,100)	–
Payment of liabilities on purchased properties	(327)	(322)
Payment of principal portion of lease liabilities	(6)	–
Increase in other noncurrent liabilities	103	9
Net cash used in financing activities	(19,667)	(4,257)
Effect of exchange rate changes on cash and cash equivalents	(395)	(939)
<b>NET INCREASE (DECREASE) IN CASH AND CASH</b>		
<b>EQUIVALENTS</b>	(3,131)	(230)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	24,005	17,404
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	₱20,874	₱17,174



## **GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES**

### **GENERAL NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

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#### **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.

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## 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 September 30, 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	
		September 30, 2023	December 31, 2022
Federal Land and Subsidiaries	Philippines	<b>100.00</b>	100.00
Toyota and Subsidiaries	-do-	<b>51.00</b>	51.00
TMBC and Subsidiaries	-do-	<b>58.10</b>	58.10
GTCAM and Subsidiaries	-do-	<b>100.00</b>	100.00

#### Federal Land's Subsidiaries

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

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

#### Toyota's Subsidiaries

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

\*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 TSRLI'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, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

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

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

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

#### Significant Accounting Judgments and Estimates

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.



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### 3. Cash and cash equivalents

This account consists of:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	December 31, 2022 (Audited)
Cash on hand	₱22	₱25	₱212
Cash in banks and other financial institution	7,467	4,340	5,349
Cash equivalents	13,385	12,809	18,444
	<b>₱20,874</b>	<b>₱17,174</b>	<b>₱24,005</b>

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### 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 September 30, 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).

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### 5. Investments in subsidiaries, associates and joint ventures

#### Investment in MPIC

On various dates in September 2023, the Parent Company acquired an aggregate of 840 million common shares of MPIC for a total consideration of ₱4.37 billion. This increased the Parent Company's ownership interest in MPIC from 17.08% to 20.00%.

#### Investment in Federal Land NRE Global, Inc. (FNG)

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

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

In January 2022, Federal Land, HLPDC and Nomura Real Estate Development Co., Ltd. (NRE) entered into a joint venture agreement (JVA) whereby the parties agree to create a joint venture entity, FNG. Under the JVA, Federal Land and HLPDC shall collectively own 66% and NRE shall own 34% of FNG. FNG was incorporated on March 25, 2022.



### Cash dividends

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
<b>2023</b>					
MBTC	February 22, 2023	₱0.80	₱3,598	March 17, 2023	March 31, 2023
MBTC	February 22, 2023	0.80	3,598	September 8, 2023	September 22, 2023
MBTC*	February 22, 2023	1.40	6,296	March 17, 2023	March 31, 2023
MPIC	March 8, 2023	0.076	2,181	March 27, 2023	April 13, 2023
SMFC	June 23, 2023	9.60	192	July 10, 2023	July 19, 2023
MPIC	August 14, 2023	0.05	1,435	September 1, 2023	September 15, 2023
<b>2022</b>					
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
Phil AXA	December 20, 2022	142.00	1,420	November 28, 2022	December 22, 2022

\*Special cash dividends

### **6. Loans Payable**

This account consists of:

September 30, 2023 (Unaudited)			
	Short-term debt	Long-term debt Loans payable	Total
Parent Company	₱–	₱ 70,597	₱70,597
Federal Land Group	6,350	45,893	52,243
Toyota Group	1,939	246	2,185
TMBC Group	1,170	432	1,602
GTCAM Group	130	–	130
	9,589	117,168	126,757
Less: Deferred financing cost	–	415	415
	9,589	116,753	126,342
Less: Current portion of long-term debt	–	4,429	4,429
	₱9,589	₱112,324	₱121,913

	December 31, 2022 (Audited)				
	Long-term debt				Total
	Short-term debt	Corporate notes	Loans payable	Subtotal	
Parent Company	P–	P–	P71,655	P71,655	P71,655
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
	P14,582	P930	P117,103	P118,033	P132,615

## 7. Bonds Payable

This account consists of the following Peso Bonds:

			Carrying Value	
			September 30, 2023	December 31, 2022
Maturity Dates	Interest rate	Par Value	(Unaudited)	(Audited)
P 10.0 billion Bonds				
February 27, 2023	5.0937%	6,100	P–	P6,099
P 12.0 billion Bonds				
August 7, 2024	5.6250%	4,000	3,995	3,992
		10,100	P3,995	P10,091

Unamortized debt issuance costs on these bonds amounted to P4.55 million and P9.73 million as of September 30, 2023 and December 31, 2022, respectively.

### 10.0 billion GT Capital bonds due 2020, 2023

The P6.10 billion bonds with maturity date of February 27, 2023 were paid.

The P3.90 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 P5.00 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 P3.00 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
<i>Voting preferred shares</i>				
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
<i>Perpetual Preferred Shares</i>				
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:

	<b>September 30, 2023 (Unaudited)</b>	September 30, 2022 (Unaudited)	December 31, 2022 (Audited)
Net unrealized gain on financial assets at FVOCI	<b>₱6,170</b>	₱2,887	₱1,928
Net unrealized loss on remeasurement of retirement plan	<b>(146)</b>	(211)	(97)
Cash flow hedge reserve	<b>13</b>	(21)	88
Cumulative translation adjustments	<b>7</b>	32	18
Equity in other comprehensive income (losses) of associates:			
Equity in net unrealized loss on financial assets at FVOCI	<b>(5,456)</b>	(8,154)	(7,829)
Equity in cumulative translation adjustments	<b>(2,865)</b>	(2,142)	(2,654)
Equity in net unrealized loss on remeasurement of retirement plan	<b>(648)</b>	(1,193)	(647)
Equity in cash flow hedge reserves	<b>(250)</b>	(433)	(348)
Equity in remeasurement on life insurance reserves	<b>275</b>	138	252
Equity in other equity adjustments	<b>5</b>	5	5
	<b>(₱2,895)</b>	(₱9,092)	(₱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 September 30, 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:

	September 30, 2023 (Unaudited)	September 30, 2022 (Unaudited)	December 31, 2022 (Audited)
a.) Net income attributable to equity holders of the Parent Company	<b>₱23,086</b>	₱14,946	₱18,360
b.) Effect of dividends declared to voting and perpetual preferred shareholders of the Parent Company	<b>(442)</b>	(442)	(589)
c.) Net income attributable to common shareholders of the Parent Company	<b>22,644</b>	14,504	17,771
d.) Weighted average number of outstanding common shares of the Parent Company	<b>215</b>	215	215
e.) Basic/diluted earnings per share, (c / d)	<b>₱105.18</b>	67.37	₱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 nine months period ended September 30, 2023 and as of and for the year ended December 31, 2022:

	September 30, 2023 (Unaudited)					
	Real Estate	Financial Institution	Automotive Operations	Infra structure	Others	Total
Revenue	P12,724	P-	P186,959	P-	P-	P199,683
Other income	2,972	-	1,639	-	469	5,080
Equity in net income of associates and joint ventures	1,842	12,962	-	2,727	-	17,531
	17,538	12,962	188,598	2,727	469	222,294
Cost of goods and services sold	658	-	133,075	-	-	133,733
Cost of goods manufactured and sold	-	-	29,426	-	-	29,426
Cost of rental	591	-	-	-	1	592
Cost of real estate sales	5,172	-	-	-	-	5,172
General and administrative expenses	2,990	-	10,515	-	415	13,920
	9,411	-	173,016	-	416	182,843
Earnings before interest and taxes	8,127	12,962	15,582	2,727	53	39,451
Depreciation and amortization	428	-	959	-	9	1,396
EBITDA	8,555	12,962	16,541	2,727	62	40,847
Interest income	74	-	319	-	436	829
Interest expense	(2,207)	-	(403)	-	(3,196)	(5,806)
Depreciation and amortization	(428)	-	(959)	-	(9)	(1,396)
Pretax income	5,994	12,962	15,498	2,727	(2,707)	34,474
Provision for income tax	(1,570)	-	(3,797)	-	(157)	(5,524)
Income after tax	P4,424	P12,962	P11,701	P2,727	(P2,864)	P28,950
Segment assets	P120,834	P145,728	P82,923	P46,580	P47,975	P444,040
Segment liabilities	P75,974	P-	P46,121	P-	P77,213	P199,308

	December 31, 2022 (Audited)					
	Real Estate	Financial Institution	Automotive Operations	Infra structure	Others	Total
Revenue	P5,193	P-	P211,945	-	P169	P217,307
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	P4,426	P13,587	P6,608	P1,630	(P4,520)	P21,731
Segment assets	P120,648	P135,668	P66,586	P40,055	P54,199	P417,156
Segment liabilities	P82,282	P-	P38,497	-	P83,363	P204,142

### 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:

	<b>September 30, 2023</b> <b>(Unaudited)</b>	September 30, 2022 (Unaudited)	December 31, 2022 (Audited)
Domestic	<b>₱ 215,160</b>	₱172,517	235,574
Foreign	<b>7,963</b>	6,981	9,733
	<b>₱223,123</b>	₱179,498	245,307

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## **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 September 30, 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:

	September 30, 2023 (Unaudited)			Total
	< 1 year	> 1 to < 5 years	> 5 years	
Financial assets				
Cash and cash equivalents*	P20,862	P–	P–	P20,862
Short-term investment	1,964	–	–	1,964
Receivables	19,289	7,998	–	27,287
Due from related parties	114	–	–	114
Financial assets at FVTPL				
Investments in UITF	5,791	–	–	5,791
Financial assets at FVOCI				
Equity securities				
Quoted	–	–	18,041	18,041
Unquoted	–	–	191	191
Other noncurrent assets				
Derivative assets	–	13	–	13
<b>Total undiscounted financial assets</b>	<b>P48,020</b>	<b>P8,011</b>	<b>P18,232</b>	<b>P74,263</b>
Other financial liabilities				
Accounts and other payables	P45,468	P1,476	P–	P46,944
Dividends payable	2,143	–	–	2,143
Loans payable	20,116	85,771	54,981	160,868
Bonds payable	4,192	–	–	4,192
Due to related parties	11	–	–	11
Liabilities on purchased properties	347	761	522	1,630
<b>Total undiscounted financial liabilities</b>	<b>P72,277</b>	<b>P88,008</b>	<b>P55,503</b>	<b>P215,788</b>
<b>Liquidity Gap</b>	<b>(P24,257)</b>	<b>(P79,997)</b>	<b>(P37,271)</b>	<b>(P141,525)</b>

\*Excludes cash on hand amounting to P22.43 million.



	December 31, 2022 (Audited)			Total
	< 1 year	> 1 to < 5 years	> 5 years	
Financial assets				
Cash and cash equivalents*	P23,825	P–	P–	P23,825
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
<b>Total undiscounted financial assets</b>	<b>P50,479</b>	<b>P7,815</b>	<b>P13,345</b>	<b>P71,639</b>
Other financial liabilities				
Accounts and other payables	P33,029	P1,501	P–	P34,530
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
<b>Total undiscounted financial liabilities</b>	<b>P68,800</b>	<b>P95,594</b>	<b>P59,145</b>	<b>P223,539</b>
<b>Liquidity Gap</b>	<b>(P18,321)</b>	<b>(P87,779)</b>	<b>(P45,800)</b>	<b>(P151,900)</b>

\*Excludes cash on hand amounting to P211.87 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 September 30, 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 – quoted*

The fair value of quoted equity securities is based on the quoted market prices or binding dealer price quotations, without any deduction for transaction cost.

#### *Financial assets at FVOCI – unquoted*

The fair value of unquoted equity securities is estimated based on the market data approach that makes use of market multiples derived from a set of comparables. Multiples were determined that is most relevant to assessing the value of unquoted securities (e.g., earnings, book value). The selection of the appropriate multiple within the range is based on qualitative and quantitative factors specific to the measurement.

#### *Derivative financial instruments*

The fair values of interest rate swap transactions are derived using acceptable valuation method. The valuation assumptions are based on market conditions existing at the reporting dates.

#### *Accounts and other payables*

The fair values of accounts and other payables approximate the carrying amounts due to the short-term nature of these transactions.

#### *Loans payable*

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 2.45% to 6.46% and 1.70% to 6.94% as of September 30, 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.

September 30, 2023 (Unaudited)					
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	P5,791	P–	P5,791	P–	P5,791
Financial assets at FVOCI					
Quoted equity securities	18,041	18,041	–	–	18,041
Unquoted equity securities	191	–	191	–	191
Other noncurrent assets					
Derivative assets	13	–	13	–	13
	P24,036	P18,041	P5,995	P–	P24,036
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	P156	P–	P–	P158	158
Loans receivables	5,304	–	–	5,304	5,304
Non-financial Assets					
Investment in listed associates*	180,334	119,445	–	–	119,445
Investment properties	23,707	–	–	47,877	47,877
	P162,921	P119,445	P–	P53,339	P172,784
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	P975	P–	P–	P1,322	P1,322
Loans payable	112,324	–	–	114,501	114,501
	P113,299	P–	P–	P115,823	P115,823

\* Investment in MPIC is based on September 25, 2023 market price. Effective September 26, 2023, the PSE implemented a trading suspension on MPIC's shares relative to its Petition for Voluntary Delisting. The PSE approved the Petition and accordingly ordered the delisting of the MPIC's shares from the Official Registry of the PSE effective on October 9, 2023.



December 31, 2022 (Audited)					
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	P11,160	P–	P11,160	P–	P11,160
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
	P24,593	P13,154	P11,439	P–	P24,593
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	P249	P–	P–	P251	P251
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
	P192,588	P106,922	P–	P52,206	P159,128
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liabilities	P46	P–	P46	P–	P46
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	P1,300	P–	P–	P1,649	1,649
Loans payable	118,033	–	–	139,606	139,606
Bonds payable	3,992	4,048	–	–	4,048
	P123,325	P4,048	P–	P141,255	P145,303

As of September 30, 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:

	<b>Valuation Techniques</b>	<b>Significant Unobservable Inputs</b>
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.

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**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 ₱1.45 billion and ₱2.40 billion as of September 30, 2023 and December 31, 2022, respectively.

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**15. Subsequent Events**

On November 8, 2023, MPIC has issued an aggregate of 2.87 billion new common shares to various shareholders resulting in the Parent Company's ownership interest in MPIC to 18.18%.

On October 27, 2023, the Parent Company redeemed all of its 4,839,240 perpetual preferred shares series A (GTPPA) at the issue price of ₱1,000 per share or a total redemption price of ₱4.84 billion.



**GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES****SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS****AS OF AND FOR THE PERIODS ENDED SEPTEMBER 30, 2023 AND SEPTEMBER 30, 2022  
(UNAUDITED)**

(Amounts in millions except ratio and %)	2023	2022
<b>Liquidity Ratio</b>		
Current ratio	1.88	2.25
Current assets	₱142,286	₱134,248
Current liabilities	75,675	59,736
<b>Solvency Ratio</b>		
Total liabilities to total equity ratio	0.81	0.92
Total liabilities	199,308	193,659
Total equity	244,732	209,548
Debt to equity ratio	0.54	0.66
Total debt	131,659	138,350
Total equity	244,732	209,548
<b>Asset to Equity Ratio</b>		
Asset to equity ratio	1.81	1.92
Total assets	444,040	403,207
Total Equity	244,732	209,548
<b>Interest Rate Coverage Ratio*</b>		
Interest rate coverage ratio	6.79	4.70
Earnings before interest and taxes (EBIT)	39,451	23,598
Interest expense	5,806	5,017
<b>Profitability Ratio</b>		
Return on average assets	5.36%	3.73%
Net income attributable to Parent Company	23,086	14,946
Total assets	444,040	403,207
Average assets	430,598	400,501
Return on Average Equity**	11.08%	7.84%
Net income attributable to Parent Company (Common)	22,644	14,504
Equity attributable to Parent Company (Common)	218,609	187,589
Average equity attributable to Parent Company	204,441	185,081

\*computed as EBIT/Interest Expense

\*\*based on actual year-to-date