

COVER SHEET

SEC Registration Number

5	1	0	4	8					
---	---	---	---	---	--	--	--	--	--

COMPANY NAME

F	I	L	I	N	V	E	S	T	D	E	V	E	L	O	P	M	E	N	T	C	O	R	P	O	R	A	T
I	O	N	A	N	D	S	U	B	S	I	D	I	A	R	I	E	S										

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

T	H	E	B	E	A	U	F	O	R	T	,	S	T	H	A	V	E	N	U	E	C	O	R	N	E	R
2	3	R	D	S	T	R	E	E	T	,	B	O	N	I	F	A	C	I	O	G	L	O	B	A	L	
C	I	T	Y	,	T	A	G	U	I	G	C	I	T	Y	,	M	E	T	R	O	M	A	N	I	L	A

Form Type

Department requiring the report

Secondary License Type, If Applicable

1	7	-	Q
---	---	---	---

--	--	--	--

--	--	--	--

COMPANY INFORMATION

Company's Email Address

corpsec@filinvestland.com

Company's Telephone Number

7798-3977

Mobile Number

N/A

No. of Stockholders

3,998

(excluding treasury shares)

Annual Meeting (Month / Day)

Every Last Friday of April

Fiscal Year (Month / Day)

12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person

Brian T. Lim

Email Address

Brian.lim@filinvestgroup.com

Telephone Number/s

7798-3977

Mobile Number

N/A

CONTACT PERSON'S ADDRESS

The Beaufort, 5th Avenue Corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila

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

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

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 period ended March 31, 2024

2. SEC Identification Number 51048

BIR Tax Identification No.

3. 000-053-167-000

Exact name of registrant as specified in its charter:

4. FILINVEST DEVELOPMENT CORPORATION

5. Philippines

Province, Country or other jurisdiction of incorporation of organization

6. (SEC Use Only)

Industry Classification Code:

The Beaufort, 5th Avenue Corner 23rd Street,
Bonifacio Global City, Taguig City 1634,

7. Metro Manila

Address of principal office

8. 02-77983977

Registrant's telephone number, including area code

9. Not applicable

Former name, former address, and former fiscal year, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of Each Class

Common Stock, P1.0 par value

Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding

8,648,462,987 shares

₱135,324.5 million long-term and short-term debt

11. Are any or all of these securities listed in the Philippines Stock Exchange?

Yes []

No []

If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

Philippine Stock Exchange

Common Stock

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Revised Securities Act (RSA) and SRC Rule 17 thereunder and Sections 11 of the RSA and RSA 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):

Yes []

No []

(b) has been subject to such filing requirements for the past 90 days.

Yes []

No []

TABLE OF CONTENTS

	<u>Page No.</u>
PART 1 – FINANCIAL INFORMATION	
Item 1 Unaudited Interim Condensed Financial Statements	Attachment I
Aging of Group’s Loans and Receivables	Attachment II
Supplementary Information	Attachment III
Item 2 Management’s Discussion and Analysis of Financial Condition and Results of Operations	4 - 6
Performance Indicators	7
Part II – OTHER INFORMATION	
Item 3 Other Operations – Bond Issuance	8
Item 4 Subsequent Events	8
Item 5 Other Disclosures	8 - 9
Signature Page	10

PART 1 – FINANCIAL INFORMATION

Item 1. Financial Statements

Please refer to Attachment I for the Unaudited Interim Condensed Consolidated Financial Statements of Filinvest Development Corporation (FDC) and Subsidiaries (collectively referred to as the “Group”) as of March 31, 2024 (with comparative audited figures as at December 31, 2023) and for the three months ended March 31, 2024 and 2023. Aging of the Group’s Loans and Receivables and Supplementary Information and Disclosures required on SRC Rules 68 and 68.1 as Amended as of March 31, 2024, are also presented in Attachment II and III, respectively.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operation

Results of Operations

Three Months Ended March 31, 2024, Compared with Three Months Ended March 31, 2023

I. Consolidated Results of Operations

The Group recorded consolidated net income of ₱3,687.8 million for the first quarter of the year, 27.2% higher than the reported net income of ₱2,898.1 million in the same period of last year. The banking segment accounted for the bulk of the income contributions at 43.8%, followed by the real estate at 29.6% and power and utility business at 27.4% of total. The sugar and hospitality businesses accounted for the remaining 13.2% and 1% of total, respectively. Net income attributable to the equity holders of the Parent Company reached ₱2,922.3 million, a 35.8% improvement from ₱2,152.0 million in the same period last year, mainly driven by robust top line growth.

Total revenues and other income surged 27.6% year-on-year to ₱26,445.6 million, on the back of 28.2% growth in core revenues fueled by strong performance across all business segments and 21.9% growth in other income which came mainly from the real estate and banking segments.

II. Segment Operations

Banking and Financial Services

EWB delivered the highest net income contribution for the group of ₱1,615.3 million in the first quarter this year, 6.6% improvement than the same period last year driven primarily by the sustained momentum from its lending portfolio that has gone back to pre-pandemic levels.

The Bank’s interest income grew 35.7% to ₱9,971.8 million largely attributable to higher volume of loans and receivables, followed by interest income on FVOCI, investment securities at amortized cost and FVPL securities. Likewise, non-interest income improved by 8.8% to ₱1,843.5 million resulting from higher service fees and commission income, trading securities gain and gains from sale of foreclosed assets.

Cost of banking and financial services increased from ₱1,320.8 million to ₱1,899.0 million from higher volume and higher cost of funding for the period. Operating expenses, excluding provision for probable losses, also went up by 22.2% due to higher manpower cost on account of increase in manpower count and normal annual increases to compensate for inflation, depreciation and amortization, taxes and licenses mainly GRT and DST from increase in transaction volume, advertising and technological expenses. Provision for losses increased by 57.3% to ₱2,170.3 million due to the combined impact of higher loan volumes and residual effects of the pandemic on the consumer portfolio.

Real Estate Operations

The Group’s real estate business, consisting of Filinvest Land, Inc. (FLI) and Filinvest Alabang, Inc. (FAI), contributed ₱1,093.1 million in net income in the first three months of 2024, a 9.6% growth from last year’s net income contribution of ₱997.0 million, as residential and retail segments posted topline growth. Real estate revenues rose 24.3% year-on-year to ₱3,622.3 million in the first three months of

2024 from higher construction percentage of completion achieved during the period. Likewise, mall and rental revenues grew by 2.7% to ₱1,894.0 million. The growth was fueled by increased business activity, shopper traffic and removal of rental concessions.

Cost of sales increased by 10.0% due to higher real estate revenues realized during the period from higher sales and percentage of completion while cost of mall and rental services also went up by 11.3% mainly due to higher direct operating expenses attributable to the increased level of operations in the retail segment, cost of operating new office buildings, and the rise in power rates. Operating expenses increased by 44.6% primarily due to higher manpower costs, insurance, taxes and licenses, availment of outside services, marketing expenses and higher interest costs. Provision for income tax increased to ₱236.1 million from ₱541.1 million related to higher taxable income in 2024 and reduction of income contribution of business operations with lower income tax rate over the regular corporate tax rate.

Power and Utility Operations

In the three months ended March 31, 2024, the Group's power and utility business generated ₱5,441.9 million total revenues and other income, a major increase of 63.5% over the reported ₱3,328.2 million in the same period last year. The increase was primarily due to the higher volume and average selling price during the current period. Total cost increased by 59.2% to ₱3,543.0 million from higher fuel consumption. Operating expenses increased by 14.7% to ₱580.8 million from increased salary costs and insurance costs. As a result, net income surged to ₱1,010.5 million, a 64.5% increase from the same period last year.

Hospitality Operations

Hospitality business revenues were up 35.7% year-on-year to ₱930.8 million and other income by 103.6% to ₱59.9 million this year. The growth was driven by improved occupancy and room rates and higher food and beverage revenues due to the revenge travel. Cost and expenses increased by 30.1% corresponding to the increase in business volume and increasing consumer prices.

Sugar Business

In the first quarter of 2024, sugar business recorded ₱485.0 million net income, a 26.2% improvement over last year's net income of ₱384.4 million, despite lower sugar prices, since cost of sugar operations declined by 28.5% from lower fuel consumption and operational improvements.

Other Operations

The Group's other operations, which consist primarily of head office borrowing cost and expense, incurred net income contribution of ₱553.1 million in the first quarter of 2024, 1.5% lower than previous year's ₱561.6 million, due to lower interest expense and external service costs.

Financial Condition

As of March 31, 2024 compared with as of December 31, 2023

As of March 31, 2024, The Group's total assets stood at ₱746,114.7 million, slightly higher by 1.5% from end-2023 asset level of ₱734,934.0 million, with the following substantial changes in accounts:

- **Loans and receivables of power and utility operations**
10.5% increase from ₱4,862.0 million to ₱5,374.8 million
Higher level of trade receivables was due to higher pass-through fuel cost and Wholesale Electricity Spot Market (WESM) sales in 2024.
- **Loans and receivables of sugar operations**
26.1% decrease from ₱134.6 million to ₱99.5 million
Higher collections from customers during the period.

- **Financial assets at fair value through other profit or loss**
49.8% increase from ₱4,112.3 million to ₱6,161.6 million
Due to movements in the Bank's proprietary trading portfolio shifting to build-up the Bank's accrual portfolio in line with the Bank's business models.
- **Financial assets at fair value through other comprehensive income**
22.4% increase from ₱19,411.4 million to ₱23,760.8 million
Due to the increase in value of the Bank's investments holdings.
- **Real estate inventories**
8.6% decrease from ₱81,004.4 million to ₱74,024.3 million
Mainly from impact of IFRIC restatement on borrowing costs of FLI.
- **Coal, spare parts, and other inventories**
120.6% increase from ₱1,665.8 million to ₱3,674.4 million
Brought about by higher coal inventories during the year.
- **Investment in joint venture**
6.1% increase from ₱1,907.1 million to ₱2,022.8 million
From higher share in joint venture earnings.

As of March 31, 2024, the Group's total liabilities was at ₱573,711.4 million, 3.0% higher than the December 31, 2023, balance of ₱557,242.2 million, with the following material changes in accounts:

- **Bills and acceptances payable**
100.3% increase from ₱15,403.7 million to ₱30,846.4 million
Mainly from higher volume of repo borrowings to support funding in FCDU books including purchase of FVOCI and Investment Securities at Amortized Cost.
- **Income tax payable**
131.2% increase from ₱488.5 million to ₱1,129.4 million
Represents current period's recognition of provision for income tax.
- **Deferred tax liabilities**
24.1% decrease from ₱10,281.6 million to ₱7,808.8 million
Mainly attributable to impact of IFRIC restatement on borrowing costs of FLI.

On April 26, 2024, FDC's Board of Directors (BOD) approved the declaration and payment of cash dividends of ₱0.10346 per share for every common share of record as of May 20, 2024, payable on June 11, 2024.

On April 28, 2023, FDC's Board of Directors (BOD) approved the declaration and payment of cash dividends of ₱0.06534 per share for every common share of record as of May 22, 2023. This was paid on June 14, 2023.

The Group has commitments for capital expenditures for the project developments of the real estate segment, the requirement of the sugar manufacturing subsidiaries, the development and construction of solar rooftop facilities and other utility projects, the intended construction and management of various hotels, and the bank's expansion and implementation of IT projects, which could be adequately covered by the operating cash flow and availment of medium and long term loans.

Performance Indicators

	As of and for the Three-Months Ended March 31, 2024 (Unaudited)	As of December 31, 2023 (Audited) and for the Three-Months Ended March 31, 2022 (Unaudited)
Earnings Per Share - Basic (EPS)	<u>₱0.338/share</u>	<u>₱0.249/share</u>
<u>Net Income (Attributable to Equity Holders of the Parent Company)</u>		
Weighted Average Number of Outstanding Shares		
Price Earnings Ratio (PE Ratio)	16.8 Times	22.1 Times
<u>Closing Price ⁽¹⁾</u>		
EPS		
Return on Revenue	14%	14%
<u>Total Net Income</u>		
Total Revenue		
Return on Equity (Average)	8%	7%
<u>Total Net Income (Annualized)</u>		
Average Total Equity		
Assets to Equity Ratio	4.33 :1	4.14 :1
<u>Total Assets</u>		
Total Equity		
Debt to Equity Ratio		
a) <u>Long-term and Short-term Debt</u>	0.78 :1	0.74 :1
Total Equity		
b) <u>Total Liabilities Excluding Deposit liabilities, Bills and Acceptances Payable, Asset Retirement Obligation and Finance Lease Liabilities</u>	1.13 :1	1.09 :1
Total Equity		
Current Ratio		
a) <u>Including EW</u>	0.67 :1	0.80 :1
Current Assets		
Current Liabilities		
b) <u>Excluding EW</u>	2.50 :1	2.70 :1
Current Assets		
Current Liabilities		
Quick Ratio – excluding EW	1.11 :1	1.17 :1
<u>Current Assets – Inventories</u>		
Current Liabilities		
Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) to Total Interest Expense	5.95 Times	4.99 Times
<u>EBITDA</u>		
Total Interest Expense ⁽²⁾		

(1) Closing prices of P5.68 and P5.50 as of March 29, 2024 and March 31, 2023, respectively.

(2) Excluding accretion expense on financial liability on lease contract

PART II - OTHER INFORMATION

Item 3. Other Operations - Bond Issuance

On February 7, 2024, the Parent Company issued fixed rate 2.5-year bonds due in 2026 with principal amount of ₱10 billion. The bonds carry a fixed interest rate of 6.3206% per annum payable quarterly in arrears starting May 7, 2024.

I.	Proceeds	
	Net proceeds	₱9,869.1
II.	Utilization	
	Partial financing of debt obligations	5,000.0
	Capital expenditures for:	
	Hotel projects	187.5
	Investments in digitalization	11.5
	General corporate purposes	100.0
III.	Balance as of March 31, 2024	₱4,570.1

Item 4. Subsequent Events

There are no other material events subsequent to March 31, 2024 up to the date of this report that have not been reflected in the Unaudited Interim Condensed Consolidated Financial Statements and Notes to Unaudited Interim Condensed Financial Statements.

Item 5. Other Disclosures

1. Except as disclosed in the Notes to Unaudited Interim Condensed Consolidated Financial Statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period.
2. The Company's unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual financial statements and should be read in conjunction with the consolidated annual financial statements as of and for the year ended December 31, 2023 (PAS 34, par 15).
3. The accounting policies and methods of computation adopted in the preparation of the unaudited interim consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements as of and for the year ended December 31, 2023.
4. There are no known trends, demands, comments, events or uncertainties that will have a material impact on liquidity.
5. Except for the sugar operations, the operating activities are carried out uniformly over the calendar year. Except for the milling season, there are no unusual operating cycles or seasons during the year. The milling activities of the sugar subsidiaries usually start in November and end in May or June of the following year.
6. There are no changes in estimates of amounts reported in prior year (2023) that have material effects in the current interim period.

7. Except for those discussed in the Management's Discussion, Analysis of Financial Condition and Results of Operations, and Subsequent Events, there are no other issuances, repurchases and repayments of debt and equity securities.
8. Except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations, Subsequent Events, Financial Risk Exposures, Notes to Unaudited Interim Condensed Consolidated Financial Statements, Other Disclosures and Supplementary Information, there are no other material events subsequent to March 31, 2024 up to the date of this report that have not been reflected in the financial statements for the interim period.
9. There are no other dividends paid (aggregate or per share) separately for ordinary shares and other shares during the interim period, except as discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operation.
10. There have been no material changes in the composition of the Group during the interim period, such as business combination, acquisition or disposal of subsidiaries and long-term investments, restructurings and discontinuing operations, except as discussed in the Notes to Unaudited Interim Condensed Consolidated Financial Statements, Management's Discussion and Analysis of Financial Condition and Results of Operations.
11. There are no material contingencies and any other events or transactions affecting the current interim period.
12. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
13. There are no known material off-balance sheet transactions, arrangements, obligations including contingent liabilities, and other relationships of the Company, with unconsolidated entities or other persons created during the reporting period.
14. There are no significant elements of income or loss, except as discussed in the Management's Discussion and Analysis on Financial Condition and Results of Operations, which did not arise from the Company's continuing operations.
15. Aside from the possible material increase in interest rates on the outstanding floating - rate term loans, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Group within the next 12 months. The Company is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments or any significant amount in its accounts payable that has not been paid within the stated terms.
16. On known trends, events, or uncertainties that have had or are reasonably expected to have favorable or unfavorable impact on net sales or revenues or income from continuing operations, the Company considers the following:

Seasonality

Except for the significant impact of COVID-19 pandemic to the Company's operations starting March 2020, there were no other trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from operations.

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 **FILINVEST DEVELOPMENT CORPORATION**

Signature:



RHODA A. HUANG
President and CEO
May 14, 2024

Title:
Date:

Signature:



BRIAN T. LIM
Treasurer and CFO
May 14, 2024

Title:
Date:

Filinvest Development Corporation and Subsidiaries

Unaudited Interim Condensed Consolidated
Financial Statements as at March 31, 2024
and for the Three Months Ended
March 31, 2024 and 2023
(with Comparative Audited Consolidated
Statement of Financial Position as at
December 31, 2023)

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2024 WITH COMPARATIVE FIGURES AS AT DECEMBER 31, 2023
(Amounts in Thousands of Pesos)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
ASSETS		
Cash and cash equivalents (Note 6)	₱46,972,920	₱48,962,146
Loans and receivables		
Real estate operations (Note 7)	8,999,406	9,285,775
Hospitality operations (Note 8)	248,119	247,570
Banking and financial services (Note 9)	290,696,480	281,253,378
Power operations (Note 10)	5,374,796	4,861,962
Sugar operations (Note 11)	99,544	134,639
Financial assets at fair value through profit or loss (Note 12)	6,161,604	4,112,322
Financial assets at fair value through other comprehensive income (FVOCI) (Note 12)	23,760,832	19,411,425
Investment securities at amortized cost (Note 12)	76,656,519	75,401,019
Contract assets (Note 16)	10,261,018	9,867,642
Real estate inventories (Note 13)	74,024,342	81,004,413
Coal, spare parts and other inventories (Note 14)	3,674,385	1,665,772
Investment properties	97,521,884	98,240,278
Property, plant and equipment	44,743,723	45,103,226
Investments in joint ventures and associate (Note 15)	2,022,760	1,907,136
Deferred tax assets - net	5,831,308	5,628,946
Right-of-use assets	4,166,199	4,150,658
Goodwill (Note 4)	10,381,152	10,381,152
Other assets - net (Note 16)	34,517,712	33,314,574
	₱746,114,703	₱734,934,033
LIABILITIES AND EQUITY		
LIABILITIES		
Deposit liabilities (Note 17)	₱339,403,607	₱338,781,312
Bills and acceptances payable (Note 18)	30,846,438	15,403,706
Accounts payable, accrued expenses and other liabilities (Note 19)	46,399,232	46,888,946
Contract liabilities (Note 16)	2,981,360	2,996,852
Long-term debt (Note 20)	135,324,536	132,371,944
Income tax payable	1,129,385	488,470
Retirement liabilities	1,571,074	1,575,028
Lease liabilities (Note 27)	8,246,989	8,454,337
Deferred tax liabilities - net	7,808,781	10,281,563
Total Liabilities	₱573,711,402	₱557,242,158

(Forward)

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
EQUITY		
Equity attributable to equity holders of the Parent Company		
Capital stock - ₱ 1 par value (Note 21)		
Authorized common shares - 15,000,000,000		
Authorized preferred shares - 2,000,000,000		
Issued common shares - 9,319,872,387	₱9,319,872	₱9,319,872
Treasury shares - 671,409,400 (Note 21)	(3,614,474)	(3,614,474)
Additional paid-in capital	11,900,015	11,900,015
Retained earnings (Note 21)	117,127,343	119,711,533
Other comprehensive income - net of tax		
Revaluation reserve on financial assets at FVOCI	(191,988)	(302,556)
Remeasurement loss on retirement plans	(187,387)	(176,065)
Translation adjustment	358,555	201,167
Share in other components of equity in joint ventures	724	724
Total	134,712,660	137,040,216
Noncontrolling interest (Notes 2 and 5)	37,690,641	40,651,659
Total Equity	172,403,301	177,691,875
	₱746,114,703	₱734,934,033

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME
(Amounts in Thousands of Pesos, Except Earnings Per Share Figures)

	Three Months Ended	
	March 31	
	2024	2023
REVENUES (Note 30)		
Real estate operations		
Sale of lots, condominium and residential units	₱3,622,330	₱2,913,626
Mall and rental revenues	1,893,972	1,844,517
Hospitality operations	930,821	685,922
Banking and financial services	9,971,810	7,345,656
Power operations	5,425,452	3,307,229
Sugar operations	2,193,376	2,648,180
	24,037,761	18,745,130
OTHER INCOME		
Real estate operations (Note 23)	469,107	230,430
Hospitality operations	59,857	8,371
Banking and financial services (Note 23)	1,843,545	1,694,281
Power operations	16,404	20,964
Sugar operations	18,889	20,469
	2,407,802	1,974,515
Total Revenues and Other Income	26,445,563	20,719,645
COSTS (Note 24)		
Real estate operations		
Sale of lots, condominium and residential units (Note 13)	1,812,120	1,647,944
Mall and rental services	790,653	710,631
Hospitality operations	530,523	407,905
Banking and financial services	1,898,998	1,320,767
Power operations	3,543,004	2,226,101
Sugar operations	1,510,145	2,110,699
Other operations	144,392	113,017
	10,229,835	8,537,064
EXPENSES (Note 25)		
Real estate operations	1,982,221	1,371,142
Hospitality operations	409,818	342,480
Banking and financial services	7,848,287	6,024,730
Power operations	580,827	506,309
Sugar operations	55,796	45,112
Other operations	479,649	453,618
	11,356,598	8,743,391
Total Costs and Expense	21,586,433	17,280,455

(Forward)

	Three Months Ended	
	March 31	
	2024	2023
INCOME BEFORE INCOME TAX	₱4,859,130	₱3,439,190
PROVISION FOR INCOME TAX (Note 29)		
Current	1,292,886	753,888
Deferred	(121,570)	(212,793)
	1,171,316	541,095
NET INCOME	₱3,687,814	₱2,898,095
Net income attributable to:		
Equity holders of the Parent Company	₱2,922,264	₱2,151,954
Noncontrolling interest	765,550	746,141
	₱3,687,814	₱2,898,095
Basic/Diluted Earnings Per Share Attributable to the Equity Holders of the Parent Company (Note 26)	₱0.338	₱0.249

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF
COMPREHENSIVE INCOME
(Amounts in Thousands of Pesos)

	Three Months Ended	
	March 31	
	2024	2023
NET INCOME	₱3,687,814	₱2,898,095
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss to be reclassified to profit or loss in subsequent periods		
Translation adjustment	151,349	(1,946)
Other comprehensive income not to be reclassified to profit or loss		
Changes in fair value of financial assets through other comprehensive income	77,087	(88,792)
Remeasurement gain on retirement plans, net of tax	(8,735)	(26,399)
Other equity transactions	68,352	(115,191)
	219,701	(117,137)
TOTAL COMPREHENSIVE INCOME	₱3,907,515	₱2,780,958
Total comprehensive income attributable to:		
Equity holders of the Parent Company	3,178,898	1,906,949
Noncontrolling interest	728,617	874,009
	₱3,907,515	₱2,780,958

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Thousands of Pesos)

Equity Attributable to Equity Holders of the Parent Company											
	Capital Stock (Note 21)	Additional Paid-in Capital	Retained Earnings	Revaluation Reserve on Financial Assets at Fair Value Through Other Comprehensive Income	Remeasurement Gain (Loss) on Retirement Plans	Translation Adjustment	Share in Other Components of Equity in Joint Ventures (Note 15)	Treasury Shares	Total	Noncontrolling Interest (Note 5)	Total
For the Three Months Ended March 31, 2024											
Balances as of January 1, 2024	₱9,319,872	₱11,900,015	₱119,711,533	(₱302,556)	(₱176,065)	₱201,167	₱724	(₱3,614,474)	₱137,040,216	₱40,651,659	₱177,691,875
Change in accounting policy:											
PFRS 15 Adjustment	–	–	(5,838,631)	–	–	–	–	–	(5,838,631)	(3,155,228)	(8,993,859)
	9,319,872	11,900,015	113,872,902	(302,556)	(176,065)	201,167	724	(3,614,474)	131,201,585	37,496,431	168,698,016
Net income	–	–	2,922,264	–	–	–	–	–	2,922,264	765,550	3,687,814
Other comprehensive income (loss)	–	–	–	110,568	(11,322)	157,388	–	–	256,634	(36,933)	219,701
Total comprehensive income (loss)	–	–	2,922,264	110,568	(11,322)	157,388	–	–	3,178,898	728,617	3,907,515
Acquisition of noncontrolling interest	–	–	332,177	–	–	–	–	–	332,177	(413,989)	(81,812)
Dividends declared (Notes 5 and 21)	–	–	–	–	–	–	–	–	–	(120,418)	(120,418)
Balance as of March 31, 2024	₱9,319,872	₱11,900,015	₱117,127,343	(₱191,988)	(₱187,387)	₱358,555	₱724	(₱3,614,474)	₱134,712,660	₱37,690,641	₱172,403,301
For the Three Months Ended March 31, 2023											
Balances as of January 1, 2023	₱9,319,872	₱11,900,015	₱111,329,156	(₱1,326,191)	(₱186,845)	(₱159,838)	₱724	(₱3,614,474)	₱127,262,419	₱38,409,623	₱165,672,042
Net income	–	–	2,151,954	–	–	–	–	–	2,151,954	746,141	2,898,095
Other comprehensive income (loss)	–	–	–	(171,322)	(56,282)	(17,401)	–	–	(245,005)	127,868	(117,137)
Total comprehensive income (loss)	–	–	2,151,954	(171,322)	(56,282)	(17,401)	–	–	1,906,949	874,009	2,780,958
Balances as of March 31, 2023	₱9,319,872	₱11,900,015	₱113,481,110	(₱1,497,513)	(₱243,127)	(₱177,239)	₱724	(₱3,614,474)	₱129,169,368	₱39,283,632	₱168,453,000

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in Thousands of Pesos)

	Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱4,859,130	₱3,439,189
Adjustments for:		
Provision for probable losses (Note 25)	2,174,853	1,186,832
Depreciation and amortization (Notes 24 and 25)	1,432,835	1,184,540
Interest expense (Notes 24 and 25)	1,481,221	1,375,897
Share in net loss of a joint venture (Note 15)	(115,624)	(65,841)
Loss on asset foreclosure and dacion transactions	(142,400)	(2,893)
Interest income	(59,659)	(93,581)
Amortization of premium (discount) on financial assets at fair value through other comprehensive income and investment securities at amortized cost	(1,551,829)	1,305,963
Operating income before changes in operating assets and liabilities	8,078,527	8,330,106
Decrease (increase) in:		
Loans and receivables and contract assets	(11,853,974)	(1,791,449)
Financial assets at fair value through profit and loss	(2,049,282)	(1,018,467)
Contract assets	(393,376)	5,344
Real estate inventories	(2,977,872)	(334,722)
Coal, spare parts and other inventories	(2,008,613)	(1,552,986)
Increase (decrease) in:		
Deposit liabilities	622,295	(6,605,771)
Accounts payable, accrued expenses and other liabilities	(758,948)	124,825
Contract liabilities	(15,492)	(946,631)
Net cash used in operations	(11,356,735)	(3,789,751)
Income taxes paid, including creditable withholding taxes	(651,971)	(354,422)
Net cash used in operating activities	(12,008,706)	(4,144,173)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of:		
Financial assets at FVOCI		
Investment properties and property, plant and equipment	(4,325,302)	–
Investment securities at amortized cost	(1,785,521)	(1,188,975)
Investment in joint venture		(216,000)
Shares in subsidiary	(81,812)	–
Proceeds from sale of:		
Investment properties and repossessed assets	1,455,591	799,596
Maturities of investments securities at amortized cost	116,335	–
Financial assets at FVOCI		3,592,255
Interest received	59,659	93,581
Decrease (increase) in:		
Due from related parties	44,100	–
Other assets	(947,433)	(2,037,477)
Net cash used in investing activities	(5,464,383)	1,042,980
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt and short-term debt	14,240,000	9,630,000
Increase (decrease) in:		
Bills and acceptance payable (Note 18)	15,442,732	(5,232,837)
Due to related parties	(20,947)	–
Payments of:		
Long-term and short-term debt	(11,441,727)	(14,539,973)
Interest	(2,205,402)	(1,497,320)
Dividends (Note 21)	(120,418)	(80,725)
Financial liabilities on lease contract	(410,375)	(396,300)
Net cash provided by (used in) financing activities	15,483,863	(12,117,155)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,989,226)	(15,218,348)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	48,962,146	71,311,956
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 6)	₱46,972,920	₱56,093,608

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

Filinvest Development Corporation (FDC or the “Parent Company”) is a stock corporation incorporated on April 27, 1973 under the laws of the Philippines where its shares are publicly traded. The Parent Company and its subsidiaries (collectively referred to as the “Filinvest Group” or the “Group”) are engaged in real estate operations as a developer of residential subdivisions and mixed-use urban projects, including condominiums, commercial buildings, industrial parks and farm estates. The Filinvest Group is also involved in leasing operations, hospitality operations, banking and financial services, power operations and sugar farming and milling business. A.L. Gotianun, Inc. (ALGI) is the Group’s ultimate parent company and was incorporated in the Philippines.

The Parent Company’s registered business address is at The Beaufort, 5th Avenue Corner 23rd Street, Bonifacio Global City, Taguig City, Metro Manila.

Real Estate Operations

On August 9, 2023, ProActive Professionals Corp. (ProActive) was incorporated to provide business process outsourcing services. ProActive is owned 40% by FDC, 40% by Filinvest Land, Inc. (FLI) and 20% by Filinvest Alabang Inc. (FAI). ProActive has not started commercial operations as of March 31, 2024.

On August 2, 2023, FLI subscribed to an additional 45 million common shares for a total consideration of ₱45.00 million. On the same date, a Subscription Agreement was executed to issue the 30 million common shares of OSI to KCI, resulting in FLI’s 70% ownership in OSI for a total consideration of ₱30.00 million. OSI started commercial operations on November 1, 2023.

On July 14, 2023, FLI entered into a Share Purchase Agreement with Rizal Commercial Banking Corporation (RCBC) to purchase all outstanding shares of stock of Niyog Property Holdings, Inc. (NPHI) and Cajel Realty Corporation (CRC) for a total consideration of ₱633.26 million payable over until July 5, 2028, taking over the two latter companies’ joint land development activities in Bacoor City, Cavite.

On December 28, 2022, Filinvest Alabang Inc. (FAI) entered into a Deed of Absolute Sale of Shares to sell portion of its interest in Pro-excel Property Managers, Inc. (Pro-excel) to Filinvest Land, Inc. (FLI) and FDC for a total consideration of ₱14.7 million. The resulting ownership interest of FAI, FLI and FDC in Pro-excel after the transfer is 47.5%, 47.5% and 5.0%, respectively. The primary purpose of Pro-Excel is to engage in the business of administration, maintenance and management of real estate development, controlled development projects and subdivision projects. This is a non-event at the consolidated financial statements level.

On December 16, 2022, FAI purchased the 76.9% ownership interest in Entrata Hotel Services, Inc. (EHSI) from Filinvest Hospitality Corporation (FHC) for a total consideration of ₱27.3 million. After the transfer, EHSI is 100.0% owned by FAI. The primary purpose of EHSI is to own, lease, operate and/or manage hotels, resorts, villas, service apartments and condotels, and all adjuncts and accessories and other related activities. This is a non-event at the consolidated financial statements level.

On December 14, 2022, FLI entered into a Deed of Assignment to purchase 100% ownership in SJR

Developers, Inc. (SDI). Total acquisition price amounted to ₱0.60 million. The primary purpose of SDI is to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment or otherwise, real estate of all kinds, including buildings, house, apartment and other structures. The acquisition of SDI has no material effect to the consolidated financial statements.

On May 26, 2022, OurSpace Solutions, Inc. (OSI), a wholly owned subsidiary of FLI, was incorporated with primary purpose of developing, operating, managing and maintaining commercial buildings to be used as coworking spaces. On May 22, 2023, OSI issued a resolution authorizing the issuance of additional shares out of its unissued authorized capital stock, pursuant to the provisions of the Joint Venture Agreement entered into by KMC Community, Inc. (KCI) and FLI.

Hospitality Operations

On February 15, 2024, the Securities and Exchange Commission (SEC) approved the following amendments to the Articles of Incorporation of Cubao Cityscapes, Inc: (i) to change of name to Baker J Concepts, Inc.; and (ii) its secondary purpose to establish, maintain and operate services in connection with the restaurant and catering enterprise.

On October 2, 2023, Archipelago International Pte. Ltd., (AIPL) entered into a Deed of Assignment for its 40% ownership in Chroma Hospitality, Inc. (CHI) to FDC for a total consideration of ₱50.0 million. The resulting ownership interest of FDC in CHI after the transfer is 100%.

On June 3, 2022, Hospitality Enterprise Resources Corporation (HERC), a wholly owned subsidiary of FHC, was incorporated to engage primarily in the business of providing technical, management, administrative, business process and consultancy services. HERC started commercial operations on January 1, 2023.

On March 31, 2022, the Accounting and Corporate Regulatory Authority of Singapore approved the transfer of ownership in Filinvest International Pte. Ltd. (FIPL, formerly Halo Halo Hospitality Pte. Ltd.) from FHC to FDC. FIPL, which was incorporated on May 4, 2020, as a private company limited by shares under the Singapore Companies Act, with registered offices situated in the Republic of Singapore, has not started commercial operations as of December 31, 2022. This is a non-event at the consolidated financial statements level.

Power and Utility Operations

On June 6, 2022, the Securities and Exchange Commission (SEC) approved the following amendments to Articles of Incorporation of FDC Camarines Power Corporation, a wholly owned subsidiary of FDC Utilities, Inc. (FDCUI): (i) to change of name to FDC Green Energy Corp (FGEC); and (ii) its primary purpose to engage in the development and utilization of renewable energy resources, construction, rehabilitation and operation of renewable energy systems and facilities.

Other Operations

On January 6, 2022, the SEC resolved to grant Investree Philippines, Inc. (Investree) a permanent license to operate as a crowdfunding intermediary and funding platform, following a review of Investree's operations since the issuance of its provisional license on January 7, 2021. Investree is a joint venture between FDC's wholly owned subsidiary, Filinvest Digital Innovation and Ventures Inc. (FDEV) and Investree Singapore Pte. Ltd. (Investree SG). On March 26, 2021, FDC entered a Deed of Assignment to sell its ownership in Investree to FDEV amounting to P=6.5 million. After the sale, Investree is owned 50.0% by FDEV and 50% by Investree SG. Investree was incorporated on May 6, 2020, to engage primarily in the business of software integration and providing IT solutions.

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying unaudited interim condensed consolidated financial statements are prepared using the historical cost basis, except for financial assets at fair value through profit or loss (FVPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments that have been measured at fair value. The financial statements are presented in Philippine Peso (₱) and all amounts are rounded to the nearest thousand except when otherwise indicated.

The functional currency of the Parent Company, its subsidiaries, associate, and joint ventures is the Philippine Peso, except for the Foreign Currency Deposit Unit (FCDU) of East West Banking Corporation (EW). The functional currency of the FCDU is the United States Dollar (USD). For financial reporting purposes, FCDU accounts and foreign currency-denominated accounts of the Group are translated into their equivalents in Philippine Peso (see accounting policy on foreign currency transactions and translations).

The unaudited interim condensed consolidated financial statements provide comparative information in respect of the previous period. The Group presents its unaudited interim condensed consolidated statement of financial position broadly in order of liquidity.

Statement of Compliance

The unaudited interim condensed consolidated financial statements of the Group as at and for the three months ended March 31, 2024, have been prepared in accordance with Philippine Accounting Standards (PAS) 34, Interim Financial Reporting, as modified by the application of the following reporting reliefs issued and approved by the SEC.

The unaudited interim consolidated financial statements of the Group for the three months ended March 31, 2024 have been prepared in accordance with Philippine Accounting Standards (PAS) 34, Interim Financial Reporting, as modified by the application of the following reporting reliefs issued and approved by the SEC under Memorandum Circular No. 34-2021 in response to the COVID-19 pandemic.

1. Assessing if the transaction price includes a significant financing component as discussed in Philippine Interpretations Committee (PIC) Questions and Answers (Q&A) No. 2018-12-D
2. Application of IFRIC Agenda Decision on Over Time Transfer of Constructed Goods (PAS 23, *Borrowing Cost*).

The unaudited interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2023, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs), as modified by the application of the following reporting reliefs issued and approved by the SEC under Memorandum Circular No. 34-2020 in response to the COVID-19 pandemic.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements include the financial statements of the Parent Company and its subsidiaries. All of the Parent Company's subsidiaries were incorporated in the Philippines, except for Filinvest Development Cayman Islands (FDCI) which was incorporated under the laws of Cayman Islands, Property Leaders International Limited (PLIL) which was incorporated in British Virgin Islands, and FIPL which was incorporated in the Republic of Singapore.

The unaudited interim condensed consolidated financial statements include the accounts of the Parent Company and the following subsidiaries, with the corresponding percentages of ownership of the immediate parent company as at March 31, 2024, and December 31, 2023. The voting rights held by the Group in these entities are in proportion to their ownership interest.

**Percentage of Ownership Interest of
the Immediate Parent Company**

	2024	2023
Subsidiaries:		
EW ⁽¹⁾	78	78
East West Rural Bank, Inc. (EWRB)	100	100
East West Insurance Brokerage, Inc.(ESBI)	100	100
East West Leasing and Finance Corporation	100	100
Quest Marketing and Integrated Services, Inc. (QMIS)	100	100
Assurance Solutions Insurance Agency (ASIA)	100	100
FVI	100	100
FLI	65	65
Filinvest All Philippines, Inc.	100	100
Homepro Realty Marketing, Inc.	100	100
FCGC Corporation	100	100
Filinvest BCDA Clark, Inc.	55	55
FILRT	63	63
FCI	100	100
Filinvest Asia Corporation (FAC)	60	60
FCMI	100	100
Filinvest Lifemalls Mimosa, Inc.	100	100
Filinvest Lifemalls Corporation	100	100
Property Specialist Resources, Inc.	100	100
Filinvest Lifemalls Tagaytay, Inc.	100	100
Festival Supermall, Inc.	100	100
FSM Cinemas, Inc.	60	60
Philippine DCS Development Corporation	60	60
Timberland Sports and Nature Club	98	98
Property Maximizer Professional Corp.	100	100
Leisurepro, Inc.	100	100
Proleads Philippines, Inc.	100	100
PLIL	100	100
Realpros Philippines, Inc.	100	100
Gintong Parisukat Realty and Development, Inc.	100	100
ProOffice	100	100
NSI ⁽²⁾	75	75
FFMI	100	100
CPMC	100	100
OSI	100	100
SDI	100	100
NPHI	100	100
CRC	100	100
Filinvest Mimosa, Inc. (FMI) ⁽³⁾	78	78
DPI ⁽⁴⁾	84	84
ProMixers Aggregates Corp.	100	100
FAI ⁽⁵⁾	93	93
Northgate Convergence Corporation	100	100
Proplus, Inc.	100	100
ParkingPro, Inc.	100	100
EHSI	100	100
SALI	100	100
FDCUI	100	100
FDC Casecan Hydro Power Corporation	100	100
FDC Retail Electricity Sales Corporation	100	100
FWUI	100	100
FDC FLOW Marigondon	100	100
FDC FLOW Talisay	100	100
FDC FLOW SRP	100	100
FGEC	100	100
FDC Misamis Power Corporation (FDC Misamis)	100	100
FDC Renewables Corporation	100	100
Countrywide Water Services, Inc. (CWSI)	100	100
PSHC	100	100
Davao Sugar Central Company, Inc. (DSCC)	100	100
Cotabato Sugar Central Company, Inc. (CSCC)	100	100
High Yield Sugar Farms Corporation (HYSFC)	100	100
Mactan Seascapes Services, Inc. (MSSI)	100	100
FHC	100	100
Quest Restaurants, Inc.	100	100
Boracay Seascapes, Inc. (BSI)	100	100
Chinatown Cityscapes Hotel, Inc.	100	100
Duawon Seascapes Resort, Inc. (DSRI)	100	100
Mimosa Cityscapes, Inc. (MCI)	100	100
Baker J Concepts, Inc. (formerly Cubao Cityscapes, Inc.)	100	100
Princesa Seascapes, Inc.	100	100
Dumaguete Cityscapes, Inc.	100	100
Fora Services, Inc.	100	100
Fora Restaurants, Inc.	100	100
NSI ⁽²⁾	25	25
Zamboanga Cityscapes, Inc.	100	100
Dauin Seascapes, Inc.	100	100
GCI	100	100
BMI	100	100
HERC	100	100

FIPL ⁽⁸⁾	–	–
Samui Seascapes	–	–
CHI ⁽⁶⁾	100	100
FIPL	100	100
CTI	87	87
CNC	100	100
FDCI	100	100
FDEV	100	100
Qwote	100	100
SPI	83	83
Pro-Excel	84	84
Pro-Active	84	84

1. The percentage ownership in EW includes indirect ownership through FVI of 37.9%
2. NSI is owned 75.0% by FLI and 25.0% by FHC (see Note 1)
3. The percentage ownership in FMI includes 47.5% share of FLI
4. The percentage ownership in DPI includes 45.0% share of FLI (see Note 1)
5. The percentage ownership in FAI includes indirect ownership through FLI of 20.0%
6. CHI is 100% owned by the Parent Company (see Note 1), previously held as investment in associate.

Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the Group's consolidated financial statements are consistent with those of the previous financial years, except for the adoption of the following amendments in PFRSs and Philippine Accounting Standards (PAS) which became effective January 1, 2024. Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Group.

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*

The amendments clarify:

- That only covenants with which an entity must comply on or before reporting date will affect a liability's classification as current or non-current.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. As at March 31, 2024, the Group has assessed that the impact of this adoption is insignificant.

- Adoption of Implementation of *IFRIC Agenda Decision on Over Time Transfer of Constructed Goods* (IAS 23, *Borrowing Cost*) for the Real Estate Industry

In March 2019, IFRIC published an Agenda Decision on whether borrowing costs can be capitalized on real estate inventories that are under construction and for which the related revenue is/will be recognized over time under par. 35I of IFRS 15. IFRIC concluded that borrowing costs cannot be capitalized for such real estate inventories as they do not meet the definition of a qualifying asset under IAS 23 considering that these inventories are ready for their intended sale in their current condition.

The IFRIC agenda decision would change the Group's current practice of capitalizing borrowing costs on real estate projects with pre-selling activities.

On February 21, 2020, the Philippine SEC issued Memorandum Circular No. 4, Series of 2020, providing relief to the Real Estate Industry by deferring the mandatory implementation of the above IFRIC Agenda Decision until December 31, 2020. Further, on December 15, 2020, the Philippine SEC issued SEC MC No. 34-2020, which extends the relief on the application of the IFRIC Agenda Decision provided to the Real Estate Industry until December 31, 2023.

The Group opted to avail of the relief as provided by the SEC. Had the Group adopted the IFRIC agenda decision, borrowing costs capitalized to real estate inventories related to projects with pre-selling activities should have been expensed out in the period incurred.

As at March 31, 2024, the Group adopted the IFRIC agenda decision using the modified retrospective approach. The Group recognized the impact of the change against the beginning retained earnings and noncontrolling interest in 2024 amounting to ₱5.8 billion and ₱3.2 billion, respectively. The impact to the comparative accounts and amounts are decrease in current assets amounting to ₱10.3 billion and noncurrent liabilities amounting to ₱3.0 billion, and increase in current liabilities amounting to ₱1.7 billion.

- *Deferral of Certain Provisions of PIC Q&A 2018-12, PFRS 15 Implementation Issues Affecting the Real Estate Industry (as amended by PIC Q&As 2020-02 and 2020-04)*

On February 14, 2018, the PIC issued PIC Q&A 2018-12 which provides guidance on some PFRS 15 implementation issues affecting the real estate industry. On October 25, 2018 and February 08, 2019, the SEC issued MC No. 14-2018 and MC No. 3-2019, respectively, providing relief to the real estate industry by deferring the application of certain provisions of this PIC Q&A for a period of 3 years until December 31, 2020. On December 15, 2020, the SEC issued MC No. 34-2020 which further extended the deferral of certain provisions of this PIC Q&A until December 31, 2023. A summary of the PIC Q&A provisions covered by the SEC deferral and the related deferral period follows:

	Deferral Period
a. Assessing if the transaction price includes a significant financing component as discussed in PIC Q&A 2018-12-D (as amended by PIC Q&A 2020-04)	Until December 31, 2023
b. Treatment of land in the determination of the percentage-of-completion (POC) discussed in PIC Q&A 2018-12-E	Until December 31, 2023

After the deferral period, real estate companies have an accounting policy option of applying either the full retrospective approach or modified retrospective approach as provided under SEC MC 8-2021.

The Group availed of the SEC relief to defer the above specific provision of PIC Q&A No. 2018-12 on determining whether the transaction price includes a significant financing component. Had this provision been adopted, the mismatch between the POC of the real estate projects and right to an amount of consideration based on the schedule of payments provided for in the contract to sell might constitute a significant financing component. In case of the presence of significant financing component, the guidance should have been applied retrospectively. The Group will adopt the guidance using the modified retrospective approach. The adoption of this guidance will impact interest income, interest expense, revenue from real estate sales, contract assets, provision for deferred income tax, deferred tax asset or liability and the opening balance of retained earnings. As at March 31, 2024, the Group has assessed that the impact of this adoption is insignificant.

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Future Changes in Accounting Policies

Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Group intends to adopt the following pronouncements when they become effective.

Effective Beginning on or After January 1, 2025

- **PFRS 17, *Insurance Contracts***

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

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

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

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

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

- Amendments to PAS 21, *Lack of exchangeability*

Deferred Effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements*, and PAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. However, uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

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.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Judgments, key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are consistent with those applied in the most recent annual audited consolidated financial statements.

4. Goodwill and Business Combinations

As of March 31, 2024 and December 31, 2023, goodwill arising from business combinations in the Group's consolidated statement of financial position consists of (amounts in thousands):

PSHC	P6,177,310
Standard Chartered Bank Philippines' retail banking business, QMIS and ASIA	2,560,561
EWRB and Green Bank, Inc.	397,474
FILRT	326,553
Other bank acquisitions	919,254
	P10,381,152

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The Group's impairment test for goodwill and intangible assets with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the audited consolidated financial statements for the year ended December 31, 2023. As at March 31, 2024, and December 31, 2023, the Group assessed that there are no indicators of impairment on its goodwill.

5. Subsidiaries with Noncontrolling Interest

As of March 31, 2024, and December 31, 2023, the noncontrolling interest in EW represents 22.1% while the noncontrolling interest in FLI represents 34.6%. Other noncontrolling interest pertains to the 7.0% equity interest in FAI as of March 31, 2024 and December 31, 2023, and 5.0% equity interest of CDC in FMI as of March 31, 2024 and December 31, 2023.

Acquisition of Noncontrolling Interest

On March 12, 2024, FDC purchased additional 120,000,000 shares of FLI for a total consideration of P81.6 million which resulted to an increase in the Group's ownership interest in FLI from 64.9% to 65.4%.

Dividend Declaration

On February 26, 2024, the BOD of FILRT declared cash dividends totaling P327.8 million. The share of the noncontrolling interest related to these dividend declarations amounted to P121.3 million.

On February 14 and May 31, 2023, the BOD of FILRT declared cash dividends totaling P694.8 million. The share of the noncontrolling interest related to these dividend declarations amounted to P255.2 million.

On April 24, 2023, the BOD of EW approved the declaration and payment of cash dividends of P0.41 per share to stockholders on record as of May 12, 2023. This was paid on May 21, 2023. The share of the noncontrolling interest related to these dividend declarations amounted to P204.3 million.

On April 24, 2023, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.036 per share or a total of ₱875.9 million for all common stockholders of record as of May 12, 2023. On the same date, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.00036 per share or a total of ₱2.9 million for all preferred stockholders of record as of May 12, 2023. Both dividends were paid on June 6, 2023. The share of the noncontrolling interest related to these dividend declarations amounted to ₱306.3 million.

The summarized financial information of EW and FLI are provided below. This information is based on amounts after consolidation but before intercompany eliminations.

Summarized Statements of Financial Position

	March 31, 2024 (Unaudited)		December 31, 2023 (Audited)	
	FLI	EW	FLI	EW
	(In Thousands)			
Assets:				
Cash and cash equivalents	₱4,839,347	₱43,342,630	₱5,732,008	₱44,452,833
Loans and receivables	4,766,125	306,058,571	5,302,884	296,615,471
Financial assets at FVPL	–	6,161,604	–	4,112,322
Financial assets at FVOCI	15,535	22,836,539	165,535	18,483,960
Investment securities at amortized cost	–	76,656,519	–	75,401,019
Contract assets	10,231,548	–	9,783,769	–
Real estate inventories	42,717,207	–	45,642,483	–
Investment properties	80,344,949	978,706	79,750,724	975,602
Land and Land Development	20,666,824	–	26,992,347	–
Property and equipment	6,023,823	1,909,774	5,673,012	1,777,326
Investment in a joint venture	–	1,104,065	–	993,166
Investment in associates	5,265,288	–	5,219,900	–
Deferred tax assets – net	58,929	4,205,343	48,483	4,098,880
Goodwill	4,567,242	3,877,241	4,567,242	3,877,241
ROU assets	–	5,307,043	–	5,387,031
Other assets	16,536,208	7,947,267	15,597,691	8,030,469
Liabilities:				
Deposit liabilities	–	(356,626,463)	–	(356,534,662)
Bills and acceptance payable	–	(30,846,438)	–	(15,403,706)
Accounts payable, accrued expenses and other liabilities	(23,183,187)	(16,843,800)	(20,851,645)	(16,762,581)
Contract liabilities*	(883,674)	–	(2,006,651)	(1,375,772)
Retirement liabilities	–	(583,180)	(437,193)	(582,930)
Income tax payable	(79,433)	(730,973)	(83,263)	(297,166)
Long-term and short-term debt	(75,849,891)	–	(74,456,440)	–
Lease liability	(6,763,432)	(6,055,032)	(6,719,861)	(6,073,341)
Deferred tax liabilities – net	(3,163,961)	–	(5,649,153)	–
Total Equity	₱86,109,447	₱68,699,416	₱94,271,872	₱67,175,162
Attributable to:				
Equity holders of the Parent Company	₱65,801,155	₱53,326,647	₱70,088,279	₱52,299,566
Noncontrolling interest	18,243,209	15,372,769	21,801,932	14,875,596
Noncontrolling interest in subsidiaries	2,065,083	–	2,381,661	–

*Contract liabilities of EW are presented under accounts payable, accrued expenses and other liabilities

Summarized Statements of Comprehensive Income for the Three Months Ended March 31, 2024 and 2023:

	March 31, 2024 (Unaudited)		March 31, 2023 (Unaudited)	
	FLI	EW	FLI	EW
	(In Thousands)			
Revenues and other income	₱5,352,705	11,973,141	₱4,662,115	9,200,078
Equity in net income (loss) of associates and joint venture	45,388	107,913	31,446	86,274
Costs and operating expenses	(3,480,057)	(9,927,952)	(3,076,235)	(7,528,462)
Interest and other finance charges	(822,080)	–	(526,082)	–
Income before income tax	1,095,956	2,153,102	1,091,244	1,757,890
Provision for income tax	(144,104)	(452,787)	(209,612)	(179,751)
Net income	951,852	1,700,315	881,632	1,578,139
Other comprehensive income (OCI)	–	(176,063)	–	442,838
Total comprehensive income	₱951,852	1,524,252	₱881,632	2,020,977

Summarized Statements of Cash Flow Information for the Three Months Ended March 31, 2024 and 2023:

	March 31, 2024 (Unaudited)		March 31, 2023 (Unaudited)	
	FLI	EW	FLI	EW
Cash flows from (used in):	(In Thousands)			
Operating activities	₱203,058	(₱13,238,787)	₱2,052,179	(₱10,024,532)
Investing activities	(950,039)	(3,026,389)	(1,421,396)	4,774,837
Financing activities	(146,680)	15,154,971	(1,991,249)	(9,655,878)
Net decrease in cash and cash equivalents	(₱892,661)	(₱1,110,205)	(₱1,361,466)	(₱14,905,573)

As of March 31, 2024 and December 31, 2023, there are no significant restrictions, outside the ordinary course of business, on the Parent Company's ability to access or use assets and settle the liabilities of these subsidiaries.

6. Cash and Cash Equivalents

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Cash	₱45,243	₱13,112,008
Short-term placements	12,604,581	12,302,781
Due from BSP (Note 21)	21,587,794	16,171,987
Due from other banks	12,268,510	2,469,290
Interbank loans receivable (IBLR)	466,792	4,906,080
	₱46,972,920	₱48,962,146

Cash includes cash on hand and in banks. Cash in banks earn interest at the respective bank deposit rates. Short-term placements are made for varying periods of up to three (3) months and earn interest at the respective short-term deposit rates.

7. Loans and Receivables - Real Estate Operations

This account consists of:

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Due Within One Year	Due After One Year	Total	Due Within One Year	Due After One Year	Total
	(In Thousands)					
Contracts receivable	₱1,597,123	₱-	₱1,597,123	₱3,582,421	₱-	₱3,582,421
Receivables from tenants	2,538,041	-	2,538,041	2,495,211	-	2,495,211
Receivables from buyers	2,284,542	-	2,284,542	437,634	-	437,634
Receivable from government and other financial institutions	562,544	-	562,544	566,778	-	566,778
Advances to officers and employees	490,709	-	490,709	414,993	-	414,993
Receivable from sale of joint venture lots	363,064	-	363,064	862,358	-	862,358
Receivable from homeowners' association (HOA)	190,055	-	190,055	168,525	-	168,525
Due from related parties (Note 24)	29,517	-	29,517	24,032	-	24,032
Others	1,036,997	-	1,036,997	828,384	-	828,384
	9,092,592	-	9,092,592	9,380,336	-	9,380,336
Less allowance for ECL	93,186	-	93,186	94,561	-	94,561
	₱8,999,406	₱-	₱8,999,406	₱9,285,775	₱-	₱9,285,775

Contracts receivables are collectible within one (1) year. These receivables arising from real estate sales are collateralized by the corresponding real estate properties sold.

Based on the Group’s assessment, the modifications in the contractual cash flows as a result of the above reliefs are not substantial and therefore do not result in the derecognition of the affected financial assets.

Receivables from tenants represent charges to tenants for rentals and utilities which are normally collectible within 1 year.

Advances to officers and employees are advances for project costs, marketing activities, travel and other expenses arising from the ordinary course of business which are liquidated upon accomplishment of the purposes for which the advances were granted.

Receivables from HOA represent claims of the Group’s projects for the payments of expenses on behalf of the association.

Receivables from government and other financial institutions pertain to government and bank-financed real estate sales. These are collectible within 1 year.

Receivables from buyers mainly pertain to advances for fit-out funds and other advances relating to insurance and other expenses chargeable to buyers.

Others represent advances for selling, marketing and administrative expenses of international sales offices arising from the ordinary course of business which are liquidated upon accomplishment of the purposes for which the advances were granted.

8. Loans and Receivables - Hospitality Operations

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Trade	₱151,007	₱145,729
Advances to officers and employees	15,291	7,098
Due from related parties	81,821	94,743
	₱248,119	₱247,570

Trade receivables pertain to receivables from credit card companies, travel agents and corporate guests, which are non-interest bearing and are collectible within 1 year.

Advances to officers and employees refer to advances for travel, sales and marketing expenses, insurance and other expenses arising from ordinary course of business. These are liquidated within seven (7) days after actual use of the advances.

9. Loans and Receivables - Banking and Financial Services

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Receivables from customers:		
Corporate lending	₱41,992,687	₱44,530,303
Consumer lending	253,109,612	230,111,973
	295,102,299	274,642,276
Unamortized discount	(2,487,170)	6,873,004
	292,615,129	281,515,280
Unquoted debt securities - Private bonds	57,564	-
Other receivables	10,162,113	11,661,815
	302,834,806	293,177,095
Less allowance for expected credit losses (ECL)	12,138,326	11,923,717
	₱290,696,480	₱281,253,378

10. Loans and Receivables - Power Operations

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Trade	₱5,745,405	₱5,230,296
Due from related parties	9,898	10,380
Other receivables	9,019	10,811
	5,764,322	5,251,487
Less allowance for ECL	389,526	389,525
	₱5,374,796	₱4,861,962

Trade receivables pertain to receivables from electric cooperative for the transmitted power. These receivables are non-interest bearing and are due every 25th of the month of the immediately succeeding billing period.

The allowance pertains to the receivables that were specifically identified as impaired as of reporting date. Other receivables pertain mainly to advances to officers and employees, which will be liquidated or charged against salary.

11. Loans Receivables - Sugar Operations

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Trade	₱38,272	₱31,999
Advances to:		
Sugar planters	80,276	122,213
Officers and employees	4,896	4,327
	123,444	158,539
Less allowance for ECL	23,900	23,900
	₱99,544	₱134,639

Advances to sugar planters are for various incentives such as fertilizers, crop loans and tractor services. These are usually offset against the planter's share of sales proceeds.

Advances to officers and employees represent advances for travel, marketing and other expenses, loans availed by employees and officers, including educational and loans arising from ordinary course of business. These are liquidated upon the accomplishment of the purposes for which the advances were granted or deducted from the salaries of officers and employees.

12. Financial Assets at FVPL, Financial Assets at FVOCI and Investment Securities at Amortized Cost

Financial Assets at FVPL

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Government securities	₱6,106,852	₱4,058,236
Private bonds	44,394	43,707
Equity securities	10,358	10,379
	₱6,161,604	₱4,112,322

In the first quarter of 2024 and 2023, the yield rates range from 3.74% to 8.95% and 3.86% to 7.99% respectively.

Financial Assets at FVOCI

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Government debt securities	₱15,886,281	₱11,731,842
Private bonds	6,935,190	6,737,050
Quoted equity securities	905,759	906,183
Unquoted equity securities	33,602	36,350
	₱23,760,832	₱19,411,425

In the first quarter of 2024 and 2023, the interest rates of financial assets at FVOCI range from 0.13% to 6.61% and 0.13% to 8.32% respectively.

The private equity securities were designated as at FVOCI on the basis that these are not held for trading. These include shares in a real estate company and a golf club.

Investment Securities at Amortized Cost

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Government securities	₱73,036,608	₱71,836,021
Private bonds	3,630,789	3,575,706
	76,667,397	75,411,727
Allowance for impairment losses	(10,878)	(10,708)
	₱76,656,519	₱75,401,019

Peso-denominated government bonds have effective interest rates ranging from 4.38% to 4.96% and 4.96% to 7.98% in first quarter of 2024 and 2023. Foreign currency-denominated government and private bonds have effective interest rates ranging from 4.38% to 7.98% in 2024 and 4.96% to 7.98% 2023.

13. Real Estate Inventories

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Real estate inventories - at cost		
Lots, condominium and residential units for sale	₱45,400,199	₱47,726,560
Land and land development	28,624,143	33,277,853
	₱74,024,342	₱81,004,413

A summary of the movement in lots, condominium and residential units for sale is set out below:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Balances at beginning of period	₱47,726,560	₱46,681,349
Construction/development costs incurred	2,753,285	7,682,932
Land cost transferred from land and land development	–	648,649
Additions thru asset acquisition (Notes 1 and 3)	–	452,578
Land acquired during the year	–	95,531
Capitalized borrowing costs	–	699,846
Reversal of capitalized borrowing costs (Note 2)	(3,267,526)	
Cost of inventories sold (Note 24)	(1,812,120)	(8,534,325)
Balances at end of period	₱45,400,199	₱47,726,560

Borrowing costs capitalized as project costs are interests on loans obtained to finance the Group's ongoing projects. Capitalization rate for the capitalized borrowing costs is 5.15% for the year ended December 31, 2023. (nil in 2024).

A summary of the movements in land and land development is set out below:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Balances at beginning of year	₱33,277,853	₱32,978,012
Land acquisitions	–	51,111
Transfers to lots, condominium and residential units for sale	–	(648,649)
Site development and incidental costs	141,807	897,379
Reversal of capitalized borrowing costs (Note 2)	(4,795)	–
Balances at end of period	₱28,624,143	₱33,277,853

As of March 31, 2024 and December 31, 2023, on account additions to land and land development during the period which remain outstanding amounted to ₱4,720.0 million and ₱4,400.0 million, respectively, and these are recognized as part of "Accounts payable and accrued expense" (see Note 19).

14. Coal, Spare Parts and Other Inventories

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Power inventories - at cost		
Coal	P554,496	P697,350
Spare parts	480,350	473,789
Fuel and others	158,003	151,313
	1,192,849	1,322,452
Sugar inventories		
Sugar and molasses - at cost	228,043	52,503
Materials and supplies - at net realizable value	2,156,378	192,721
	2,384,421	245,224
Hospitality inventories - at cost		
Food and beverage	39,650	41,329
Others	57,465	56,767
	97,115	98,096
	P3,674,385	P1,665,772

These inventories were not pledged or used as collateral to secure any obligation as of March 31, 2024 and December 31, 2023.

15. Investments in Joint Ventures and Associate

The carrying value of the Group's investments in joint ventures and associate follows:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
<i>Investment in Joint Ventures</i>		
EW Ageas Life	P1,104,065	P993,166
SAPI (Note 1)	464,430	454,375
Investree (Note 1)	6,749	6,749
FREE	35,149	34,314
PROMEI	12,038	12,038
FLOW	27,169	31,602
Balance brought forward	1,649,600	1,532,244
<i>Investment in Associate</i>		
LIPAD	437,195	438,926
Impairment of investment in JV	(64,034)	(64,034)
	P2,022,760	P1,907,136

Investments in Joint Ventures

Below is a summary of certain financial information concerning these individually immaterial joint ventures:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
(In Thousands)		
Acquisition cost		
Balances at beginning of year	P4,215,458	P4,001,260
Additions	–	216,000
Step acquisition	–	(1,802)
Balances at end of period	4,215,458	4,215,458
Accumulated share in net loss		
Balances at beginning of year	(2,684,463)	(2,530,080)
Share in net loss - net	117,356	(125,146)
Step acquisition	–	(29,237)
Balances at end of period	(2,567,108)	(2,684,463)
Accumulated share in OCI		
Balances at beginning	1,249	724
Movements	–	525
Balances at end of period	1,249	1,249
	P1,649,600	P1,532,244

16. Other Assets

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
(In Thousands)		
Intangible assets		
BTO rights (Note 33)	P6,315,699	P6,296,211
Branch licenses	2,167,600	2,167,600
Capitalized software	812,291	822,738
Customer relationship and core deposits	108,222	106,446
	9,403,812	9,392,995
Restricted cash	6,136,202	6,250,087
Input taxes	4,309,303	4,456,467
Advances to contractors and suppliers	2,900,672	2,413,916
Prepaid expenses	1,788,400	2,174,632
Creditable withholding taxes	2,596,848	2,075,731
Repossessed assets	2,040,426	2,022,310
Deposits	586,071	624,092
Construction materials and supplies	434,171	456,367
Card acquisition cost	433,182	409,531
Cost to obtain contracts (Note 13)	286,754	367,514
<i>(Forward)</i>		
Advances to joint venture partners	304,627	311,157
Deferred costs	392,246	293,482
Documentary stamps	133,058	192,146

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Margin account	160,869	167,996
Equity on car plan	157,569	162,658
Short-term deposits	122,014	96,332
Stationery and supplies on hand	94,528	78,517
Deposits to suppliers	139,412	49,030
Biological assets (Notes 28 and 33)	17,997	38,518
Derivative assets (Notes 36, 37 and 38)	25,178	21,812
Returned cash and other cash items	6,917	4,879
Others (Note 33)	191,765	1,411,861
	32,375,267	33,472,030
Less allowance for impairment losses (Note 29)	690,653	157,456
	₱31,684,614	₱33,314,574

BTO Rights pertain to the cost related to the Build, Transfer and Operate agreement with the Province of Cebu (Cebu Province) entered into on March 26, 2012. The BTO project relates to the development, construction and operation of business process outsourcing (BPO) complex by the Group at the land properties owned by Cebu Province located at Salinas, Lahug, Cebu City.

Capitalized software pertains to costs of computer software licenses and programs acquired by the Group for its banking and power operations.

Customer relationship and core deposits resulted from the business combination between EW and American International Group, Inc. Philam Savings Bank Group (AIGPASB) in 2009.

Restricted cash pertains to funds intended for debt repayment and is not available to management for any disbursement transactions other than its specified purpose.

Input taxes represent the value-added tax (VAT) due or paid on purchases of goods and services subjected to VAT that the Group can claim against any future liability to the Bureau of Internal Revenue for output VAT on sale of goods and services subjected to VAT.

Advances to contractors and suppliers represent down payment to contractors and suppliers which will be applied against future billings for development and construction contracts.

Prepaid expenses include commission paid to brokers, deferred rent, insurance, subscription and taxes.

Creditable withholding taxes are taxes withheld by the withholding agents from payment to the Group which are creditable against the income tax liability of the Group.

Repossessed assets pertain to other foreclosed properties which do not qualify as land and building.

Deposits include EW's refundable deposits with Master Card and Visa related to its credit card business and FLI's deposits in escrow for payments of raw land pending finalization of contract to sell.

Construction materials and supplies shall be used in the development and construction of the Group's residential subdivisions, condominiums and commercial buildings.

Deferred costs pertain to expenditures incurred related to project development and site preparation. Advances to joint venture partners are advances (e.g., for property taxes and permits) which are normally applied against the share of the joint venture partners from the sale of the joint venture properties.

Short-term deposits pertain to cash placements with maturity of more than 3 months up to 12 months and earn interest at prevailing market rates.

Biological assets of the Group consist of sugarcane crops.

Others include sundry debits, interoffice floats and developmental rights.

Contract Assets and Contract Liabilities

As of March 31, 2024, and December 31, 2023, the Group's contract assets amounted to ₱10,261.0 million and ₱9,867.6 million, respectively, while contract liabilities amounted to ₱2,981.4 million and ₱2,996.9 million, respectively.

Contract assets represent the right to consideration that was already delivered by the Group in excess of the amount recognized as contracts receivable. This is reclassified to contracts receivable when the monthly amortization of the customer is already due for collection.

Contract liabilities pertain to collections from real estate customers which have not reached the equity threshold to qualify for revenue recognition and excess of collections over the good and services transferred by Group based on POC. Contract liabilities also include deferred credit card and loyalty point, membership fees and dues and deferred exclusive bancassurance access fee.

17. Deposit Liabilities

This account consists of:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Savings	₱144,512,270	₱64,126,014
Time	66,057,768	152,641,165
Demand	128,833,569	122,014,133
	₱339,403,607	₱338,781,312

18. Bills and Acceptances Payable

This account consists of borrowings from:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Repurchase agreements (SSURA)	₱30,832,781	₱15,391,794
Outstanding acceptances	13,657	11,912
	₱30,846,438	₱15,403,706

19. Accounts Payable, Accrued Expenses and Other Liabilities

The details of this account follow:

	March 31, 2024 (Audited)			December 31, 2023 (Audited)		
	Due Within One Year	Due After One Year	Total	Due Within One Year	Due After One Year	Total
	(In Thousands)					
Accounts payable (Notes 14)	₱9,603,693	₱7,002,468	₱16,606,161	₱11,765,518	₱5,017,658	₱16,783,176
Accrued expenses	10,534,198	–	10,534,198	9,546,884	–	9,546,884
Deposits for registration	2,514,893	1,600,137	4,115,030	2,414,005	1,573,499	3,987,504
Retention fee payable	2,366,779	199,201	2,565,980	2,551,557	548,521	3,100,078
Asset retirement obligation (ARO)	767,744	–	767,744	753,895	–	753,895
Accrued interest (Note 22)	1,565,831	–	1,565,831	1,793,825	–	1,793,825
Deposits from tenants	1,638,943	1,717,483	3,356,426	4,539,055	1,645,028	6,184,083
Due to related parties (Note 24)	42,432	–	42,432	856,199	–	856,199
Other payables	6,845,430	–	6,845,430	3,172,169	711,133	3,883,302
	₱35,879,943	₱10,519,289	₱46,399,232	₱37,393,107	₱9,495,839	₱46,888,946

Other accruals pertain to accruals for travel expense, repairs and maintenance expense, securities and janitorial expense, bonuses, insurance expense and banking fees.

20. Long-term Debt

Below are the current and noncurrent portion of the long-term and short-term debt:

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Current	₱31,103,065	₱29,528,806
Noncurrent	104,221,471	102,843,138
	₱135,324,536	₱132,371,944

The Group's long-term and short-term debt are unsecured and no assets are held as collateral for these debts, except for the loans of FDC Misamis. The agreements covering the abovementioned loans require maintaining certain financial ratios including debt-to-equity ratio of 2.0x to 4.0x; debt service coverage ratio of 1.0x to 1.1x; interest coverage ratio of 2.0x to 3.0x; and minimum current ratio of 2.0x.

As of March 31, 2024 and December 31, 2023, the Group has not been cited as in default on its outstanding loan obligation.

21. Equity

Capital Stock

Below is the summary of the Group's track record of registration of securities with the SEC as of March 31, 2024:

	Number of Shares Registered (In Thousands)	Number of Holders of Securities as of End of Period
January 1, 2023	8,648,463	4,005
Movements	–	(7)
December 31, 2023	8,648,463	3,998
Movements	–	–
March 31, 2024	8,648,463	3,998

Note: Exclusive of 671,409,400 treasury shares as of March 31, 2024 and December 31, 2023.

Dividend Declaration

On April 28, 2023, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱0.06534 per share for every common share of record as of May 22, 2023. This was paid on June 14, 2023.

Capital Management

The Group monitors its capital and cash positions and manages its expenditure and disbursements. Furthermore, the Group may also, from time to time seek other sources of funding, which may include debt or equity issues depending on its financing needs and market conditions.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value. No changes were made in capital management objectives, policies or processes for the three months ended March 31, 2024 and year ended December 31, 2023.

The Group monitors capital using debt-to-equity ratio, which is the long-term debt divided by total equity. The Group's policy is to keep the debt-to-equity ratio not to exceed 2:1.

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
	(In Thousands)	
Long-term and short-term debt	₱135,324,536	₱132,371,944
Total equity	172,485,112	177,691,875
Debt-to-equity ratio	0.78:1.00	0.74:1.00

22. Related Party Transactions

The Group has entered into various transactions with related parties. Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party in making financial and operating decisions or the parties are subject to common control or common significant influence (referred to as 'Affiliates'). Related parties may be individuals or corporate entities.

All material Related Party Transactions (“RPT”) with a transaction value that reaches ten percent (10%) of the Group’s total consolidated assets shall be subject to the review by the RPT Committee.

Transactions that were entered into with an unrelated party that subsequently becomes a related party shall be excluded from the limits and approval of the Policy on Related Party Transactions (“Policy”). However, any renewal, change in the terms and conditions or increase in exposure level, related to these transactions after a non-related party becomes a related party, shall subject it to the provisions of the Policy. In the event wherein there are changes in the RPT classification from non-material to material, the material RPT shall be subject to the provisions of the Policy.

Outstanding balances as at March 31, 2024 are unsecured, interest free and require settlement in cash, unless otherwise stated. As of March 31, 2024 and 2023, the Group has not made any material provision for impairment loss relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

		2024			
		Amount/ Volume	Outstanding Balance Due from (Due to)	Terms	Conditions
		(In Thousands)			
Due from related parties					
Affiliates: (Notes 7, 8 and 10)					
				Non-interest bearing and due on demand except for ₱53.0 million loan subject to interest rate of 3.5% to 3.8% due within 1 year	Unsecured, no impairment
Share in expenses	17,400	11,865			
	₱17,400	₱11,865			
Due to related parties (Note 23)					
Affiliates					
Share in expenses ^(a)				Noninterest-bearing, payable on demand	Unsecured
Management fee ^(c)	54,365	(42,432)			
	₱54,365	(₱42,432)			

(a) Share in Group expenses

(b) Availment of loan payable, with interest at prevailing market rate

(c) Management fee charged to hospitality operations by a joint venture.

2023				
	Amount/ Volume	Outstanding Balance Due from (Due to)	Terms	Conditions
(In Thousands)				
Due from related parties				
Real estate operations (Note 7)				
Ultimate Parent Company ^(a)	(P360)	P320	Noninterest-bearing, collectible on demand	Unsecured, no impairment
Affiliates: (Notes 7, 8 and 10)			Non-interest bearing and due on demand except for P53.0 million loan subject to interest rate of 3.5% to 3.8% due within 1 year	Unsecured, no impairment
Share in expenses	69,597	129,155		
	P69,237	P129,475		
Due to related parties (Note 23)				
Affiliates				
Share in expenses ^(a)			Noninterest-bearing, payable on demand	Unsecured
Management fee ^(c)	217,461	(63,379)		
	P217,461	(P63,379)		

(d) Share in Group expenses

(e) Availment of loan payable, with interest at prevailing market rate

(f) Management fee charged to hospitality operations by a joint venture.

The compensation of key management personnel consists of short-term employee salaries and benefits amounting to P36.7 million and P22.6 million for the three months period ended March 31, 2024 and 2023, respectively. Post-employment benefits of key management personnel amounted to P5.2 million and P7.1 million for the three months period ended March 31, 2024 and 2023, respectively.

23. Other Income

Other income from real estate operations consists of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
(In Thousands)		
Processing fees	P123,263	P72,123
Water supply income	38,347	23,282
Interest income on cash and cash equivalents, contract receivables and contract assets and others	121,397	44,584
Service income	30,861	23,222
Sewer treatment services	19,202	11,578
Foreign currency exchange gains (losses) - net	100	75
Income from amusement centers, parking and other leased related activities	75	104
Others	135,862	55,462
	P469,107	P230,430

Others include commission income and membership and maintenance dues and other fees from tenants.

Other income - net from banking and financial services consist of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
Service charges, fees and commissions	₱1,320,040	₱1,176,951
Loss on asset foreclosure and dacion transactions	268,294	67,523
Foreign exchange gain	142,981	99,077
Trust Income	32,998	31,993
Trading and securities gain (loss)	(56,093)	111,142
Gain (loss) on sale of assets	(125,894)	64,630
Others	261,219	142,965
	₱1,843,545	₱1,694,281

24. Cost

Cost of sale of lots, condominium and residential units for the three months period ended March 31, 2024 and 2023 amounted to ₱1,812.1 million and ₱1,647.9 million, respectively. Cost of rental and related services amounted to ₱790.7.8 million and ₱710.6 million.

Cost of hospitality operations consists of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
Salaries, wages and employee benefits	₱81,579	₱60,452
Food and beverage	65,289	81,809
Depreciation	52,081	55,679
Utilities	44,765	49,149
Supplies	12,319	7,785
Rent	11,765	13,470
Sales and marketing	11,680	9,051
Guest transportation	10,724	-
Commission	8,927	7,331
Guest laundry and linen	7,640	5,282
Guest amenities	5,642	6,790
Contract services	3,548	2,900
Complimentary food and services	2,488	3,809
Communications	1,908	1,613
Representation and entertainment	1,847	1,935
Kitchen fuels	1,716	-
Transportation and travel	1,163	6,683
Paper and plastics	433	-
Repairs and maintenance	309	1,142
Equipment rental	224	164
	₱530,523	₱407,905

Others include dive shop operating expenses, spa expenses, office supplies, banquet expenses, landscaping and cable services.

Cost of banking and financial services consists of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
Interest on deposit liabilities and other borrowings:		
Deposit liabilities	₱1,478,415	₱1,181,256
Subordinated debt, bills payable and other borrowings	317,177	62,525
Interest expense - lease liabilities	103,406	76,986
	₱1,898,998	₱1,320,767

Cost of power operations consists of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
Coal and fuel cost	₱1,732,522	₱1,130,163
Purchase of electricity	905,415	490,774
Water and Sewerage Treatment Plant Costs	538,971	248,804
Depreciation and amortization	231,420	177,960
Maintenance cost	49,508	22,769
Distribution and wheeling fees	33,647	69,115
Salaries and wages	32,493	28,133
Others	19,028	58,383
	₱3,543,004	₱2,226,101

Cost of sugar operations consists of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
Costs of sugarcane purchases	₱1,366,194	₱1,430,802
Fair value of raw sugar	1,115,841	1,025,639
Repairs and maintenance	175,467	193,838
Salaries, wages and employee benefits	110,217	96,754
Depreciation and amortization	81,049	80,895
Materials and supplies	70,933	67,600
Outside services	35,863	35,133
Cane hauling	24,672	17,398
Communications, light and water	13,667	20,305
Taxes and licenses	5,100	5,368
Others	32,540	40,987
Cost of goods manufactured	3,031,542	3,014,721
Decrease (increase) in:		
Sugar and molasses inventories	(1,521,397)	(904,022)
	₱1,510,145	₱2,110,699

25. Expenses

Expenses of real estate operations consists of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
Interest expense - loans	₱594,795	₱369,148
Interest expense - lease liabilities	144,077	276,082
	738,872	645,230
General and administrative		
Salaries, wages and employee benefits	358,293	161,800
Taxes and licenses	137,519	82,135
Outside services	134,693	55,253
Repairs and maintenance	93,912	86,430
Depreciation and amortization	71,024	19,870
Insurance	58,554	10,936
Travel and transportation	24,877	15,860
Retirement costs	13,719	8,301
Entertainment, amusement and recreation	6,533	15,601
Rent	3,675	5,110
Others	42,488	37,523
	945,287	498,819
Marketing expenses		
Commission expense	131,918	115,257
Selling, advertising and promotions	61,986	49,940
Others	104,158	61,896
	298,062	227,093
	₱1,982,221	₱1,371,142

Other general and administrative expenses include utilities, postage, freight, office supplies, association dues and other charges.

Expenses of hospitality operations consist of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
Interest expense - loans	₱102,413	₱107,098
	102,413	107,098
General and administrative		
Management fees	36,689	31,974
Salaries, wages and employee benefits	33,961	32,600
Depreciation	19,406	20,994
Repairs and maintenance	13,303	12,733
Outside services	10,083	8,445
Credit card commission	6,542	8,684
Travel and transportation	2,608	3,164
Utilities and association dues	2,313	2,069
Corporate office reimbursable	2,030	1,620
Taxes and licenses	1,790	1,813
Representation and entertainment	655	860
Others	168,024	102,136
	297,404	227,092
Marketing expenses	10,001	8,290
	₱409,818	₱342,480

Others pertain to estate maintenance fee and pre-operating expenses.

Expenses of banking and financial services consist of:

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
(In Thousands)		
General and administrative		
Salaries, wages and employee benefits	₱2,099,138	₱1,682,176
Taxes and licenses	708,770	578,605
Depreciation and amortization	486,402	328,548
Technological fees	380,473	278,806
Service charges, fees and commission	286,103	246,483
Advertising	284,405	177,324
Outside services	265,329	240,880
Insurance	210,070	193,108
Rent	112,681	88,272
Repairs and maintenance	103,837	80,421
Utilities	61,209	58,785
Amortization of computer software, customer relationships and core deposits	50,128	50,058
Travel and transportation	33,530	47,624
Entertainment, amusement and recreation	13,008	9,306
Retirement	9,140	5,034
Others	573,804	583,403
	5,678,027	6,024,730
Provision for probable losses (Notes 9 and 16)	2,170,260	1,375,897
	₱7,848,287	₱6,024,730

Others include payments for subscriptions, membership fees, trainings, donations and contributions, delivery and freight expenses, fines, other charges and clearing fees.

Expenses of power operations consist of:

	March 31, 2024	March 31, 2023
	(Unaudited)	(Unaudited)
(In Thousands)		
Interest expense - loans	₱147,026	₱172,403
Interest expense - lease liabilities	14,181	11,615
Accretion expense on ARO	13,763	12,017
	174,970	196,035
General and administrative		
Taxes and licenses	123,419	88,563
Salaries, wages and employee benefits	69,781	56,459
Depreciation and amortization	33,676	32,985
Outside services	17,239	22,613
Professional fee	9,475	-
Travel and transportation	7,643	4,126
Repairs and maintenance	7,606	4,032
Representation and entertainment	4,216	4,687
Others	132,802	96,809
	405,857	310,274
	₱ 580,827	₱506,309

Others include office supplies, freight and handling costs, contribution and donation, dues and subscription and financial assistance to host communities.

Expenses of sugar operations consist of:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
Interest expense - loans	₱9,947	₱2,426
General and administrative		
Salaries, wages and employee benefits	9,974	10,012
Taxes and licenses	5,504	13,971
Outside services	6,479	5,979
Retirement cost	6,618	194
Travel and transportation	2,054	2,175
Supplies	1,743	2,169
Entertainment, amusement and recreation	1,081	1,797
Depreciation and amortization	1,264	986
Communication	1,020	460
Repairs and maintenance	1,238	2,019
Provision for probable losses	4,593	–
Others	4,282	2,925
	45,849	42,687
	₱55,796	₱45,112

Expenses of other operations consist mainly of interest expense amounting to ₱479.6 million and ₱453.6 million for the three months period ended March 31, 2024 and 2023, respectively.

26. Earnings Per Share (EPS)

The following reflects the income and share data used in the basic EPS computations:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands, Except Per Share Figures)	
a. Net income - attributable to equity holders of the parent	2,922,264	2,151,954
b. Weighted average number of outstanding common shares	8,648,463	8,648,463
c. EPS - Basic (d/b)	0.338	0.249

There are no diluted shares as of March 31, 2024 and 2023. The diluted earnings per share is same as the basic earnings per share as of March 31, 2024 and 2023.

Treasury shares of 671,409,400 shares as of March 31, 2024 and December 31, 2023 are deducted from the total outstanding shares in computing the weighted average number of outstanding common shares.

27. Lease Commitments

The rollforward analysis of lease liabilities follows (amounts in thousands):

	March 31, 2024 (Unaudited)	December 31, 2023 (Audited)
At January 1	₱8,454,337	₱7,238,419
Additions	27,292	2,667,420
Accretion of interest expense	175,735	547,656
Payments	(410,375)	(1,999,158)
As at December 31	8,246,989	8,454,337
Lease liabilities - current portion	₱3,081,836	₱1,325,059
Lease liabilities - net of current portion	₱5,165,153	₱7,129,278

28. Contingencies and Commitments

In the normal course of the Group's operations, there are various outstanding commitments and contingent liabilities which are not reflected in the accompanying financial statements. The Group does not anticipate material unreserved losses as a result of these transactions.

The Group has several loan-related suits and claims that remain unsettled. It is not practicable to estimate the potential financial impact of these contingencies. However, in the opinion of the management, the suits and claims, if decided adversely, will not involve sums having a material effect on the Group's financial statements.

The following is a summary of commitments and contingencies of the Parent Company at their peso-equivalent contractual amounts arising from off-balance sheet items:

	2024	2023
Unused credit lines	₱112,460,320	₱190,658,891
Trust department accounts (Note 29)	64,919,296	61,529,662
Broker customer securities	40,034,351	40,840,802
Forward exchange sold	14,480,927	7,640,848
Spot exchange sold	4,492,359	11,991,023
Forward exchange bought	4,197,893	4,721,303
Unused commercial letters of credit	3,945,428	3,509,978
Spot exchange bought	2,985,954	3,978,326
Treasurer/cashier/manager's checks	674,705	461,311
Outstanding guarantees	605,533	496,103
Inward bills for collection	598,321	512,802
Late deposits/payments received	4,847	8,103
Outward bills for collection	4,400	4,398
Items held for safekeeping	997	934
Others	170	167

29. Income Tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(Unaudited)	(Unaudited)
	(In Thousands)	(Unaudited)
Current	₱1,292,886	₱753,888
Deferred	(121,570)	(212,793)
	₱1,171,316	₱541,095

30. Segment Information

Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance. Generally, financial information is required to be reported on the basis that is used internally for evaluating segment performance and deciding how to allocate resources to segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss, which in certain respects, are measured similarly as net income in the consolidated financial statements.

The chief operating decision-maker has been identified as the Executive Committee. This committee reviews the Group's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Group does not report its results based on geographical segments because the Group currently operates only in the Philippines.

The Group derives its revenues from the following reportable segments:

Real Estate Operations

This involves acquisition of land, planning and development of large-scale fully integrated residential communities as well as the development and sale of residential lots, housing units, medium-rise residential buildings, farm estates, industrial parks, residential resort projects, a private membership club and condominium buildings. This segment also involves operations and management of cinema and mall, property management and leasing of commercial and office spaces.

Hospitality Operations

This involves operation of hotels, including management of resorts, villas, golf course, service apartment and other services for the pleasure, comfort and convenience of guests in said establishments under its management.

Banking and Financial Services

This involves a wide range of financial services to consumer and corporate clients which includes deposit-taking, loan and trade finance, treasury, trust services, credit cards, cash management, custodial services, insurance services and leasing and finance. The business units in this segment consist of retail banking, corporate banking, consumer banking, and treasury and trust.

Power and Utility Operations

This involves operation of power plants and supply of power to off-takers and also includes retail electricity supply operations. This segment also involves maintenance, operation and management of waterworks system for distribution and supply of potable water to domestic, commercial, and industrial users.

Sugar Operations

This involves operation of agricultural lands for planting and cultivating farm products, operation of a complete sugar central for the purpose of milling or converting sugar canes to centrifugal or refined sugar and selling of sugar and by-products.

Other Operations

This involves other operations of the Parent Company including FDCI, CTI, FDEV and SPI. FDCI was incorporated to facilitate the Group's issuance of foreign currency-denominated bonds while CTI is engaged in providing computer and information technology services FDEV is organized to engage in the business of a holding company and invest in technology-based business entities while SPI was incorporated to provide technical and business process services.

The financial information on the operations of these business segments as shown below are based on the measurement principles that are similar with those used in measuring the assets, liabilities, income and expenses in the consolidated financial statements which is in accordance with PFRS, except for the Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA).

As of and For the Three Months Period Ended March 31, 2024 (Unaudited)

	Real Estate Operations	Hospitality Operations	Banking and Financial Services	Power and Utilities	Sugar Operations	Other Operations	Combined	Eliminating Entries	Consolidated
					(In Thousands)				
Revenues and other income	₱6,379,763	₱1,028,073	₱1,973,126	₱5,861,192	₱2,212,512	₱382,027	₱27,836,693	(₱1,391,130)	₱26,445,563
EBITDA	₱2,685,107	₱256,577	₱2,696,666	₱1,820,968	₱690,058	₱61,582	₱8,210,958	(₱437,770)	₱7,773,188
Net income (loss)	₱1,103,837	₱66,689	₱1,700,315	₱924,151	₱479,320	(₱548,329)	₱3,725,983	(₱38,168)	₱3,687,815
Assets									
Operating assets	₱237,324,635	₱14,943,443	₱480,385,297	₱37,420,927	₱4,737,572	₱77,048,108	₱851,859,983	(₱105,745,280)	₱746,114,703
Less deferred tax asset	204,509	7,753	4,194,481	805,256	27,443	851,833	6,091,275	(259,967)	5,831,308
Net operating assets	₱237,120,126	₱14,935,690	₱476,190,816	₱36,615,671	₱4,710,129	₱76,196,275	₱845,768,708	(₱105,485,313)	₱740,283,395
Liabilities									
Operating liabilities	₱122,639,071	₱11,314,315	₱411,685,883	₱24,987,303	₱1,852,366	₱45,612,916	₱618,091,853	(₱44,380,451)	₱573,711,402
Less deferred tax liabilities	204,509	239,935	4,205,343	805,256	84,871	33,088	5,573,002	2,235,779	7,808,781
Net operating liabilities	₱122,434,562	₱11,074,380	₱407,480,539	₱24,182,047	₱1,767,495	₱45,579,828	₱612,518,851	(₱46,616,230)	₱565,902,621

For the Three Months Period Ended March 31, 2023 (Unaudited)

	Real Estate Operations	Hospitality Operations	Banking and Financial Services	Power and Utilities	Sugar Operations	Other Operations	Combined	Eliminating Entries	Consolidated
					(In Thousands)				
Revenues and other income	₱5,503,230	₱702,339	₱9,200,079	₱3,644,453	₱848,993	₱300,541	₱20,199,635	₱520,010	₱20,719,645
EBITDA	₱2,293,497	₱199,105	₱2,152,461	₱1,115,450	(₱258,829)	(₱44,063)	₱5,457,621	₱459,139	₱5,916,760
Net income (loss)	₱1,021,401	(₱77,213)	₱1,578,114	₱523,442	(₱337,342)	(₱554,932)	₱2,153,470	₱744,625	₱2,898,095

December 31, 2023 (Audited)

	(In Thousands)								
Assets									
Operating assets	₱245,812,029	₱14,780,326	₱464,205,319	₱36,807,927	₱2,895,694	₱88,487,652	₱852,988,947	(₱118,054,914)	₱734,934,033
Less deferred tax asset	52,220	309,354	4,098,880	761,746	84,527	62,252	5,368,979	259,967	5,628,946
Net operating assets	₱245,759,809	₱14,470,972	₱460,106,439	₱36,046,181	₱2,811,167	₱88,425,400	₱847,619,968	(₱118,314,881)	₱729,305,087
Liabilities									
Operating liabilities	₱123,234,132	₱11,278,953	₱397,030,156	₱25,301,776	₱621,589	₱46,714,763	₱604,181,369	(₱46,939,211)	₱557,242,158
Less deferred tax liabilities	9,923,955	2,286,914	6,073,341	2,103,189	–	336,182	20,723,581	(10,442,018)	10,281,563
Net operating liabilities	₱113,310,177	₱8,992,039	₱390,956,815	₱23,198,587	₱621,589	₱46,378,581	₱583,457,788	(₱36,497,193)	₱546,960,595

The Group's chief operating decision-maker also use net income per segment after elimination in assessing performance of the identified reportable segments, as follows:

	Net Income (Loss) Before Elimination	Eliminating Entries	Net Income (Loss) After Elimination
		<i>(Unaudited)</i> <i>(In Thousands)</i>	
March 31, 2024			
Real estate operations	₱1,103,417	(₱ 9,915)	₱1,093,502
Hospitality operations	67,109	(30,581)	36,528
Banking and financial services	1,700,315	(85,016)	1,615,299
Power and utility operations	924,151	86,393	1,010,544
Sugar operations	479,320	5,700	485,020
Other operations	(548,330)	(4,749)	(553,079)
	₱3,725,982	(₱ 38,168)	₱3,687,814
March 31, 2023			
Real estate operations	₱1,021,401	(₱11,268)	₱1,010,133
Hospitality operations	(77,213)	20,878	(56,335)
Banking and financial services	1,578,114	(63,427)	1,514,687
Power and utility operations	523,442	90,825	614,267
Sugar operations	(337,342)	721,785	384,443
Other operations	(554,932)	(14,168)	(569,100)
	₱2,153,470	₱744,625	₱2,898,095

The following table shows a reconciliation of the total EBITDA to total income before income tax:

	March 31, 2023	March 31, 2022
	<i>(In Thousands)</i>	
EBITDA for reportable segments	₱7,773,188	₱5,916,760
Depreciation and amortization	1,432,835	1,293,030
Operating profit	6,340,353	4,623,730
Interest expense	1,481,221	1,184,540
Income before income tax	₱4,859,132	₱3,439,190

Disaggregated Revenue Information:

The Group derives revenue from the transfer of goods and services over time and at a point in time, in different product types and other geographical location within the Philippines.

Real Estate Operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
(In Thousands)		
Real estate sales by market segment		
Medium income	₱2,419,710	₱1,619,450
Low affordable and affordable	406,880	870,755
High-end and others	288,993	348,227
Sale of lots	223,754	
Socialized	282,993	75,194
	3,622,330	2,913,626
Cinema operations by type of goods or services (included as part of rental and related services)		
Theater sales	60,841	49,068
Total revenue from contracts with customers	3,683,171	2,962,694
Rental and related services		
Office leasing	815,341	1,163,943
Mall operations	431,796	480,216
Retail leasing	289,713	93,788
Lot leasing	95,444	34,304
Others	200,837	23,198
	1,833,131	1,795,449
Total Revenue	₱5,516,302	₱4,758,143

Hospitality Operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
(In Thousands)		
Hospitality Operations by Type of Services		
Rooms services	₱407,502	₱300,288
Golf operations related services	141,969	104,617
Other operating departments	68,575	50,533
	618,046	455,438
Sale of Goods by Product Type		
Food and beverage	312,775	230,484
Total Revenue from Contracts with Customers	₱930,821	₱685,922

The Group recognizes revenue from room services and services of other operating department over time while revenue from sale of food and beverage, souvenirs and others are recognized at a point in time.

Banking and Financial Services

Disaggregation of each source of revenue from banking and financial services are presented below:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
Interest Income		
Loans and receivables	₱8,671,115	₱6,299,712
Financial assets at FVOCI and investment securities at amortized cost	1,150,739	892,155
Financial assets at FVPL	87,567	26,675
Due from other banks and IBLR	62,389	138,114
Total Interest Income	₱9,971,810	₱7,345,656

Power and Utility Operations

Disaggregation of each source of revenue from contracts with customers are presented below:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
Revenue by Type of Services		
Generated power	₱5,122,269	₱3,275,178
Retail electricity supply	303,183	32,051
Total Revenue from Contracts with Customers	₱5,425,452	₱3,307,229

The Group's revenue from generated power and retail electricity supply is recognized over time.

Sugar Operations

Disaggregation of each sources of revenue from contracts with customers are presented below:

	March 31, 2024 (Unaudited)	March 31, 2023 (Unaudited)
	(In Thousands)	
By Product Type		
Raw Sugar	₱874,647	₱941,702
Milling revenue	1,032,636	608,874
Molasses	285,551	155,230
Refined sugar	542	21,168
Total Revenue from Contracts with Customers	₱2,193,376	₱1,726,974

The Group's revenue from raw sugar, refined sugar and molasses is recognized at the point when control of the goods is transferred to customers.

31. Fair Value Measurement

The following table sets forth the fair value hierarchy of the Group's assets and liabilities measured at fair value and those for which fair values are required to be disclosed:

	March 31, 2024 (Unaudited)				
	Carrying Value	Fair Value			
		Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In Thousands)					
Assets measured at fair value					
Financial assets					
Financial assets at FVPL (Note 12)					
Government securities	₱6,106,852	₱6,106,852	₱6,106,852	₱–	₱–
Private bonds	44,394	44,394	44,394	–	–
Equity securities	10,358	10,358	10,358	–	–
	6,161,604	6,161,604	6,161,604	–	–
Derivative assets (Note 20)	25,178	25,178	–	25,178	–
Financial assets at FVOCI (Note 12)					
Government debt securities	15,886,281	15,886,281	15,886,281	–	–
Private bonds	6,935,190	6,935,190	6,935,190	–	–
Quoted equity securities including club shares	905,759	905,759	905,759	–	–
Unquoted equity securities	33,602	33,602	33,602	–	–
	23,760,832	23,760,832	23,760,832	–	–
Assets for which fair values are disclosed					
Financial assets					
Investment securities at amortized cost (Note 12)					
Government securities	73,026,419	67,891,914	67,891,914	–	–
Private bonds	3,630,100	3,717,249	3,717,249	–	–
	76,656,519	71,609,163	71,609,163	–	–
Loans and receivables					
Banking and financial services (Note 9)					
Corporate lending	41,063,214	44,327,004	–	–	44,327,004
Consumer lending	241,162,972	259,883,436	–	–	259,883,436
Unquoted debt securities	8,470,294	11,661,816	–	–	11,661,816
	290,696,480	315,872,256	–	–	315,872,256
Real estate operations (Note 7)					
Contracts receivable	1,597,123	1,597,123	–	–	1,597,123
Receivables from tenants	2,538,041	2,538,041	–	–	2,538,041
	4,135,164	4,135,164	–	–	4,135,164
Nonfinancial assets					
Investment properties (Note 16)	97,521,884	343,801,934	–	–	343,801,934
Total assets	498,932,483	765,340,953	101,531,599	–	663,809,354
Liabilities measured at fair value					
Financial liabilities					
Derivative liabilities (Note 23)	103,083	103,083	–	103,083	–
Liabilities for which fair values are disclosed					
Financial liabilities at amortized costs					
Deposit liabilities (Note 21)					
Time	128,833,569	128,833,569	–	–	128,833,569
Savings	144,512,270	144,512,270	–	–	144,512,270
Demand	66,057,768	64,452,562	–	–	64,452,562
	339,403,607	337,798,401	–	–	337,798,401
Accounts payable, accrued expenses and other liabilities (Note 23)					
Accounts payable	16,606,161	15,702,609	–	–	15,702,609
Retention fee payable	2,366,779	2,900,638	–	–	2,900,638
Deposits for registration	4,115,030	3,730,616	–	–	3,730,616
	23,087,970	22,333,864	–	–	22,333,864
Lease liabilities (Note 32)	8,246,989	10,213,638	–	–	10,213,638
Long-term and short-term debt (Note 24)	135,324,536	159,917,812	–	–	159,917,812
	₱506,166,185	₱530,366,797	₱–	₱103,083	₱530,263,714

December 31, 2023
(Audited)

	Carrying Value	Fair Value			
		Total	Quoted Prices in Active Market (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(In Thousands)					
Assets measured at fair value					
Financial assets					
Financial assets at FVPL (Note 12)					
Government securities	₱4,058,236	₱4,058,236	₱4,058,236	₱-	₱-
Private bonds	43,707	43,707	43,707	-	-
Equity securities	10,379	10,379	10,379	-	-
	4,112,322	4,112,322	4,112,322	-	-
Derivative assets (Note 20)	21,812	21,812	-	21,812	-
Financial assets at FVOCI (Note 12)					
Government debt securities	11,731,843	11,731,843	11,731,843	-	-
Private bonds	6,737,050	6,737,050	6,737,050	-	-
Quoted equity securities including club shares	906,182	906,182	906,182	-	-
Unquoted equity securities	36,350	36,350	36,350	-	-
	19,411,425	19,411,425	19,411,425	-	-
Assets for which fair values are disclosed					
Financial assets					
Investment securities at amortized cost (Note 12)					
Government securities	71,825,991	71,836,021	71,836,021	-	-
Private bonds	3,575,028	3,575,706	3,575,706	-	-
	75,401,019	75,411,727	75,411,727	-	-
Loans and receivables					
Banking and financial services (Note 9)					
Corporate lending	42,342,410	44,192,824	-	-	44,192,824
Consumer lending	228,933,071	259,601,838	-	-	259,601,838
Unquoted debt securities	9,977,897	11,661,816	-	-	11,661,816
	281,253,378	315,456,478	-	-	315,456,478
Real estate operations (Note 7)					
Contracts receivable	3,582,421	3,582,421	-	-	3,582,421
Receivables from tenants	2,495,211	2,495,211	-	-	2,495,211
	6,077,632	6,077,632	-	-	6,077,632
Nonfinancial assets					
Investment properties (Note 16)	96,572,707	336,297,865	-	-	336,297,865
Total assets	482,850,295	756,789,261	98,935,474	21,812	657,831,975
Liabilities measured at fair value					
Financial liabilities					
Derivative liabilities (Note 23)	103,083	103,083	-	103,083	-
Liabilities for which fair values are disclosed					
Financial liabilities at amortized costs					
Deposit liabilities (Note 21)					
Time	64,126,014	64,126,014	-	-	64,126,014
Savings	152,641,165	152,641,165	-	-	152,641,165
Demand	122,014,133	122,014,133	-	-	122,014,133
	338,781,312	338,781,312	-	-	338,781,312
Accounts payable, accrued expenses and other liabilities (Note 23)					
Accounts payable	16,783,176	15,702,609	-	-	15,702,609
Retention fee payable	3,100,078	2,900,638	-	-	2,900,638
Deposits for registration	3,987,504	3,730,616	-	-	3,730,616
	23,870,758	22,333,863	-	-	22,333,863
Lease liabilities (Note 32)	8,454,337	10,213,638	-	-	10,213,638
Long-term and short-term debt (Note 24)	132,371,944	159,917,812	-	-	159,917,812
	₱503,581,434	₱531,349,708	₱-	₱103,083	₱531,246,625

The methods and assumptions used by the Group in estimating the fair value of the financial instruments remain the same with the methods used as of December 31, 2023 except for the discount rates used which ranged from 3.8% to 6.9% for the three months period ended March 31, 2023 and from 4.2% to 7.2% for the year ended December 31, 2023.

For three months ended March 31, 2024 and year ended December 31, 2023, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

32. Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, FVPL, derivative assets, FVOCI and investment securities at amortized cost, loans from financial institutions, mortgage and contracts receivables and other receivables. The main purpose of these financial instruments is to raise financing for the Group's operations.

The main objectives of the Group's risk management are as follows:

- To identify and monitor risks on an ongoing basis;
- To minimize and mitigate such risks; and
- To provide a degree of certainty about costs.

Banking and Financial Operations

The risk exposure of EW in credit, market, interest rate, and liquidity remain contained within its risk limits and adequately covered by its available capital.

Specifically, notable risk exposures, where most emanate from EW, as of the end of first quarter of 2024 in the following areas are summarized below.

- Credit risk: Potential risk is well within regulatory capital as gleaned from the following indicators.
 - Credit quality of portfolio remains at a composite rating of 'Satisfactory' for its corporate portfolio, 'Standard' grade for most of its consumer portfolio, and its non-tradable investment portfolio at 'BBB' composite rating.
 - Loan portfolio security profile is less than 50% secured given the proportion of consumer lending business. For the portfolio of products that normally require collateral, the Bank remains healthy at more than 70% secured.
 - No credit concentration in size, borrower, and industry as defined by BSP and internal risk policies.
- Market risk: A little over 0.50% of the Parent Company's Qualifying Capital or around 2.50% of the market value of the trading position is the potential loss on the Parent Company's trading book on account of potential adverse movements in interest rate and foreign exchange rate. Meanwhile, around 1.50% of the Parent Company's Qualifying Capital or around 3.25% of the market value of the banking book fixed income positions is the potential loss in view of the potential adverse movements in interest rates.
- Interest rate risk: The potential reduction in the Group's interest income and net income arising from movements in interest rates remains compliant with the internal Earnings-at-Risk (EaR) limit. At the consolidated level of the banking book which was driven by the normalizing volatility

of interest rates as of report date, the budgeted Net Interest Income and Net Income for 2024 will be reduced by around 5% and 20%, respectively.

With interest rate movements back to the observed movements during the pre-pandemic period, the Group's Change in Economic Value of Equity shows that the capital will be reduced by 9% given the Group's balance sheet structure.

- **Liquidity risk:** There is no imminent liquidity risk as the Group remains to be generally liquid, particularly in the near term or within the one-year horizon, with sufficient sources of funding as and when the need arises. Regulatory and internal risk limits are duly complied with. EW's Qualifying Capital level remains strong, standing around P58 billion and compliant with the regulatory minimum, in accordance with the supervisor's prescriptions, as well as cover for the above approximated risk exposures.

Thus, the EW's risk management policies remain generally the same as in 2023. EW's 2023 audited financial statements discuss in detail its risk exposures and its related policies.

The Group (Excluding EW)

Interest Rate Risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with a floating interest rate. The Group's interest rate exposure management policy centers on reducing the Group's overall interest expense and exposure to changes in interest rates. The Group's policy is to manage its interest cost using a mix of fixed and floating interest-rate debts. The Group regularly monitors available loans in the market which is of cheaper interest rate and substitutes high-rate debts of the Group.

To manage interest rate risk, the Group renegotiates the interest rates for certain long-term debts to convert them from fixed-rate debt to floating-rate debt as the Group believes that the current interest rate environment makes it more favorable to carry floating-rate debt.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's profit before tax and equity (through the impact on floating rate borrowings). There is no other impact on the Group's OCI other than those already affecting the profit and loss.

	Increase (Decrease) in Bps	Effect on Income Before Income Tax (In Thousands)
March 31, 2024 (Unaudited)	+200	₱198,870
	-200	(198,870)
December 31, 2023 (Audited)	+200	₱173,361
	-200	(₱173,361)

Liquidity Risk

The Group seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Group uses internally generated funds and available long-term and short-term credit facilities.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in case any requirements arise. Fund raising activities may include bank loans and capital market issues. 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.

Credit Risk

It is the Group's policy that buyers who wish to avail the in-house financing scheme are subject to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk.

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents and financial assets at amortized costs, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

33. Maturity Analysis of Assets and Liabilities

The following tables show an analysis of assets and liabilities analyzed according to whether they are expected to be recovered or settled within one year and beyond one year from the statement of financial position date:

	March 31, 2024 (Unaudited)			December 31, 2023 (Audited)		
	Less than 12 months*	Over 12 months	Total	Less than 12 months**	Over 12 months	Total
(In Thousands)						
Assets						
Cash and other cash items	₱46,972,920	₱–	₱46,972,920	₱48,962,146	–	₱48,962,146
Loans and receivables - net						
Real estate operations	8,999,406	–	8,999,406	9,285,775	–	9,285,775
Hospitality operations	248,119	–	248,119	247,570	–	247,570
Banking and financial services	95,933,850	194,762,630	290,696,480	142,245,138	139,008,240	281,253,378
Power operations	5,374,796	–	5,374,796	4,861,962	–	4,861,962
Sugar operations	99,544	–	99,544	134,639	–	134,639
Financial assets at FVPL	6,161,604	–	6,161,604	4,112,322	–	4,112,322
Financial assets at FVOCI	23,760,832	–	23,760,832	19,411,425	–	19,411,425
Investment securities at amortized cost	470,449	76,186,070	76,656,519	520,066	74,880,953	75,401,019
Contract assets	4,748,130	5,512,888	10,261,018	4,748,130	5,119,512	9,867,642
Real estate inventories	74,024,342	–	74,024,342	81,004,413	–	81,004,413
Coal, spare parts and other inventories	3,674,385	–	3,674,385	1,665,772	–	1,665,772
Investment properties – net	–	97,521,884	97,521,884	–	98,240,278	98,240,278
Property and equipment - net	–	44,743,723	44,743,723	–	45,103,226	45,103,226
Investment in joint ventures	–	2,022,760	2,022,760	–	1,907,136	1,907,136
Deferred tax assets - net	–	5,831,308	5,831,308	–	5,628,946	5,628,946
ROU assets	–	4,166,199	4,166,199	–	4,150,658	4,150,658
Goodwill	–	10,381,152	10,381,152	–	10,381,152	10,381,152
Other assets	24,417,027	10,100,685	34,517,712	23,316,940	9,997,634	33,314,574
	₱294,885,404	₱451,229,299	₱746,114,703	₱340,516,298	₱394,417,735	₱734,934,033
Liabilities						
Deposit liabilities	₱338,832,228	₱571,379	₱339,403,607	₱338,185,349	₱595,963	₱338,781,312
Bills and acceptances payable	30,846,438	–	30,846,438	15,403,706	–	15,403,706
Accounts payable and accrued expenses	36,903,393	9,495,839	46,399,232	37,393,107	9,495,839	46,888,946
Contract liabilities	2,770,908	210,452	2,981,360	2,786,400	210,452	2,996,852
Long-term debt	29,528,806	105,795,730	135,324,536	29,528,806	102,843,138	132,371,944
Income tax payable	1,129,385	–	1,129,385	488,470	–	488,470
Retirement liabilities	–	1,571,074	1,571,074	–	1,575,028	1,575,028
Lease liabilities	3,081,836	5,165,153	8,246,989	1,325,059	7,129,278	8,454,337
Deferred tax liabilities - net	–	7,808,781	7,808,781	–	10,281,563	10,281,563
	₱443,092,994	₱130,618,408	₱573,711,402	₱425,110,897	₱132,131,261	₱557,242,158

*Includes current assets and current liabilities of EW amounting to ₱154,657,988 and ₱386,970,955 as of March 31, 2024, respectively.

**Includes current assets and current liabilities of EW amounting to ₱194,266,208 and ₱370,944,909 as of December 31, 2023, respectively.

34. Notes to Statement of Cash Flows

Changes in Liabilities Arising from Financing Activities

For Three Months Ended March 31, 2024

	January 1	Cashflows	Noncash Movement	March 31
			(In Thousands)	
Long-term and short-term debt	₱132,371,944	₱2,798,273	₱154,319	₱135,324,536
Bills and acceptance payable	15,403,706	15,442,732	–	30,846,438
Lease liabilities	8,454,337	(410,375)	203,027	8,246,989
Accrued interest	1,793,825	(2,205,402)	1,977,408	1,565,831
Dividends payable	–	(120,418)	120,418	–
Due to related parties	63,379	(20,947)	–	42,432
	₱158,087,191	₱15,483,863	₱2,455,172	₱176,026,226

Noncash movements include the effects of declaration of dividends, amortization of debt issuance costs, and accretion of lease liabilities.

35. Events After Reporting Period

Acquisition of Noncontrolling Interest

On May 2, 2024, the Parent Company acquired additional 125,153,960 shares of FLI for a total consideration of ₱89.1 million.

Dividend Declaration

On April 26, 2024, the Parent Company's BOD approved the declaration and payment of cash dividends of ₱0.10346 per share for every common share of record as of May 20, 2024, payable on June 11, 2024.

On April 19, 2024, the BOD of EW approved the declaration and payment of cash dividends of ₱0.54 per share to stockholders on record as of May 17, 2024, payable on May 31, 2024. The share of the noncontrolling interest related to these dividend declarations amounted to ₱268.5 million.

On April 19, 2024, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.05 per share or a total of ₱1.22 billion for all common stockholders of record as of May 13, 2024, payable on June 05, 2024. On the same date, the BOD of FLI approved the declaration and payment of cash dividends of ₱0.00050 per share or a total of ₱4.0 million for all preferred stockholders of record as of May 13, 2024. Both dividends were payable on June 5, 2024. The share of the noncontrolling interest related to these dividend declarations amounted to ₱425.6 million.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
AGING OF LOANS AND RECEIVABLES (Unaudited)

ATTACHMENT II

As of March 31, 2024

(Amounts in Thousands of Pesos)

Type of Receivable	Total	Current	1-30 days	31-60 days	61-90 days	91-120 days	>120 days
a) Trade Receivables							
Mortgage, Notes and Installment Contracts Receivable	₱1,597,123	₱148,823	₱623,981	₱410,615	₱76,284	₱337,420	₱-
Receivable from Financing Institutions	562,544	562,544	-	-	-	-	-
Receivable from Customers	300,834,355	263,686,842	15,041,718	9,025,031	5,800,778	2,443,911	4,836,076
Receivable from Tenants and Others	14,558,365	14,499,219	-	-	-	-	59,146
	317,552,387	278,897,428	15,665,699	9,435,646	5,877,062	2,781,331	4,895,222
b) Non-trade Receivables and Others	510,896	510,896	-	-	-	-	-
TOTAL	318,063,283	₱279,408,324	₱15,665,699	₱9,435,646	₱5,877,062	₱2,781,331	₱4,895,222
Less: Allowance for Probable Losses	(12,644,938)						
Net Receivable	₱305,418,345						

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements

ATTACHMENT III

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

INDEX TO SUPPLEMENTARY SCHEDULES

- Annex A: Reconciliation of Retained Earnings Available for Dividend Declaration
- Annex B: Map Showing the Relationships Between and Among the Company and its Ultimate Parent Company, Middle Parent, Subsidiaries or Co-subsidiaries, Associates, Wherever Located or Registered
- Annex C: Supplementary Schedules Required by Annex 68-J
- Schedule A. Financial Assets
 - Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
 - Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements
 - Schedule D. Long-term Debt
 - Schedule E. Indebtedness to Related Parties
 - Schedule F. Guarantees of Securities of Other Issuers
 - Schedule G. Capital Stock

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
SCHEDULE A: SUPPLEMENTARY SCHEDULE ON FINANCIAL ASSETS
MARCH 31, 2024

Below is the schedule of financial assets in equity securities of the Group as of March 31, 2024:

Name of Issuing Entity and Association of Each Issue	Number of Shares/Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at End of Year	Income Received and Accrued
(In Thousands)				
Financial Assets at Fair Value Through Profit or Loss				
Debt Securities				
Fixed Rate Treasury Notes (FXTN)	₱4,500,000	₱4,573,805	₱4,573,805	₱63,128
Petroleos Mexicanos (PEMEX)	562,400	402,538	402,538	12,727
Retail Treasury Bond (RTB)	159,090	156,678	156,678	2,343
Republic of the Philippines (ROP)	956,080	973,831	973,831	9,368
	6,177,570	6,106,852	6,106,852	87,567
Equity Securities				
LGU Guarantee Corporation	10,213	10,213	10,213	–
Victoria Milling Corporation	145	145	145	–
Citibank Manila	73	44,394	44,394	–
	10,432	54,752	54,752	–
	₱6,188,002	₱6,161,604	₱6,161,604	₱87,567
Financial Assets at Fair Value Through Other Comprehensive Income				
Debt Securities				
Government Securities				
ROP	₱11,888,157	₱11,759,430	₱11,759,430	₱92,211
FXTN	2,553,060	2,325,118	2,325,118	24,502
RTB	550,000	545,769	545,769	7,750
RDB	501,172	458,256	458,256	1,714
PEMEX	449,920	322,030	322,030	11,056
INDON	168,720	197,445	197,445	2,603
MEX	281,200	278,233	278,233	2,254
	16,392,229	15,886,281	15,886,281	142,090
Private Bonds				
Ayala Corp.	1,625,167	1,309,387	1,309,387	17,620
Aboitiz Equity Ventures	1,406,000	1,325,844	1,325,844	12,864
First Pacific	1,124,800	1,087,772	1,087,772	9,142
JG Summit	1,124,800	1,053,600	1,053,600	9,417
Manila Water	900,965	843,384	843,384	8,388
Jollibee Food Corp.	561,838	534,701	534,701	6,008
Rizal Commercial Banking Corp	520,220	510,513	510,513	8,108
International Container Terminal Services, Inc.	274,001	269,989	269,989	2,528
	7,537,791	6,935,190	6,935,190	74,075
Quoted				
The Palms Country Club	286	542,674	542,674	–
Manila Golf	2	270,000	270,000	–
Cebu Country Club	1	6,017	6,017	–
Manila Polo Club	1	41,000	41	–
Caliraya Golf	18,401	15,491	15,491	–
Empire East Land Holdings	–	(423)	(423)	–
Sta Elena Properties Inc.	2	30,000	30,000	–
Riviera Golf	1	1,000	1,000	–
	18,694	905,759	864,800	–

(Forward)

Name of Issuing Entity and Association of Each Issue	Number of Shares/Principal Amount of Bonds and Notes	Amount Shown in the Statement of Financial Position	Value Based on Market Quotation at End of Year	Income Received and Accrued
(In Thousands)				
Unquoted				
H.B. Fuller	₱1,903,767	₱19,040	₱19,040	₱-
Manila Electric Company	1,153,694	2,711	2,711	-
Cebu Country Club	1	6,017	6,017	-
The Palms Country Club	1,007	3,060	3,060	-
Alabang Country Club	1	2,200	2,200	-
Philippine Long Distance Telephone Company	59,900	566	566	-
Pilipino Telephone Corp.	1,800	8	8	-
	3,120,170	33,602	33,602	-
	₱27,068,884	₱23,760,832	₱23,719,873	₱216,165
Investment Securities at Amortized Cost				
ROP	₱40,435,941	₱38,833,111	₱35,769,544	₱448,978
FXTN	22,012,993	21,369,226	19,992,060	291,752
Republic of Indonesia	8,776,252	9,601,678	9,297,453	118,915
PLNJ	1,926,220	1,733,066	1,830,167	27,966
SMINVE	1,896,413	1,897,722	1,887,082	20,905
PEMEX	584,896	563,140	371,029	4,645
RTB	245,654	254,239	239,244	3,698
RP GPN	322,468	300,429	387,036	4,387
	76,200,837	74,552,611	69,773,615	921,246
Fixed Rate Treasury Notes (FXTN) - EWRB	1,881,646	2,114,785	2,114,785	20,219
Allowance for probable losses		(10,878)		
	₱78,082,483	₱76,656,519	₱71,888,400	₱941,465

SCHEDULE B: SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES, AND PRINCIPAL STOCKHOLDERS (OTHER THAN RELATED PARTIES) MARCH 31, 2024

There are no advances to employees with balances above ₱1.0 million as of March 31, 2024. Related

Party Transactions

Due From Related Parties

Below is the list of outstanding receivables from related parties of the Group presented in the unaudited interim condensed consolidated statements of financial position as at March 31, 2024 (amounts in thousands):

	Relationship	Nature	Balances at End of Period
Filinvest-Hitachi Omni Waterworks, Inc.	Joint Venture	a	₱10,902
Filinvest-Engie Renewable Energy Enterprise, Inc.	Joint Venture	a	958
Luzon International Premiere Airport Development Corporation	Associate	a	5
			<u>₱11,865</u>

Nature of Intercompany Transactions

Expenses – these pertain to the share of the Group’s related parties in various common selling and marketing and general and administrative expenses.

The outstanding balances of intercompany transactions are due and demandable as of March 31, 2024

SCHEDULE C: SUPPLEMENTARY SCHEDULE OF AMOUNTS RECEIVABLE FROM (PAYABLE TO) RELATED PARTIES WHICH ARE ELIMINATED DURING THE CONSOLIDATION OF FINANCIAL STATEMENTS MARCH 31, 2024

Below is the schedule of receivables (payables) with related parties which are eliminated in the unaudited condensed consolidated financial statements as of March 31, 2024 (amounts in thousands):

		Volume of Transactions	Receivable (Payable)	Terms
				Non-interest bearing and to be settled on a quarterly basis until December 2024
Filinvest REIT Corp. (FILRT)	Sale of lot	(₱77,526)	₱274,863	
Pacific Sugar Holdings Corporation (PSHC)	Share in expenses	–	106,625	Non-interest bearing and to be settled within 1 year
FDC Misamis Power Corporation (FDC Misamis)	Share in expenses Dividend income Operational advances Interest on advances	398	810	Non-interest bearing and to be settled within 1 year except for loan**
Corporate Technologies, Inc. (CTI)	Share in expenses Operational advances Interest on advances	31,064	214,009	Non-interest bearing and to be settled within 1 year except for loan**
SharePro, Inc. (SPI)	Share in expenses Operational advances Interest on advances	1,788	125,546	Non-interest bearing and to be settled within 1 year except for loan**
Countrywide Water Services Inc. (CWSI)	Share in expenses Interest on advances	23	43,653	Non-interest bearing and to be settled within 1 year except for loan**
Mactan Seascapes Services, Inc. (MSSI)	Share in expenses Maintenance dues Rental income	(359,327)	13,736	Non-interest bearing and to be settled within 1 year
Filinvest Land, Inc. (FLI)	Share in expenses Dividend income	(123,415)	29,914	Non-interest bearing and to be settled within 1 year
FDC Utilities, Inc. (FDCUI)	Share in expenses Rental income Rental deposit	–	1,549	Non-interest bearing and to be settled within 1 year
Boracay Seascapes, Inc. (BSI)	Share in expenses	–	–	Non-interest bearing and to be settled within 1 year
Filinvest Hospitality Corporation (FHC)	Share in expenses	6,459	13,851	Non-interest bearing and to be settled within 1 year
FDC Water Utilities, Inc. (FWUI)	Rental income Rental deposit	–	2,392	Non-interest bearing and to be settled within 1 year
F(dev) Digital Innovations and Ventures, Inc. (FDEV)	Share in expenses	–	186	Non-interest bearing and to be settled within 1 year
Filinvest Cyberparks, Inc. (FCI)	Share in expenses	(1,337)	89	Non-interest bearing and to be settled within 1 year
Proexcel Property Managers, Inc. (PPMI)	Share in expenses	–	–	Non-interest bearing and to be settled within 1 year
Dreambuilders Properties, Inc. (DPI)	Share in expenses	8	31	Non-interest bearing and to be settled within 1 year

		Volume of Transactions	Receivable (Payable)	Terms
Cotabato Sugar Central Company, Inc. (CSCC)	Purchases Share in expenses	(295)	6	Non-interest bearing and to be settled within 1 year
Property Maximizer Professional Corp. (Promax)	Commission	–	(889)	Non-interest bearing and to be settled within 1 year
Filinvest Alabang, Inc. (FAI)	Share in expenses			Non-interest bearing and to be settled
	Purchase of shares	20,467	6,639	within 1 year
	Share in expenses			Non-interest bearing and to be settled
East West Banking Corporation (EW)	Rental expense			within 1 year except for
	Bank loan Interest on bank loan	(1,811,058)	(4,842,800)	loan*
		(₱ 2,312,752)	(₱ 4,009,791)	

* The operational advances, with aggregate advances of ₱319.0 million subject to fixed interest rates ranging from 3.7% to 7.6%, are due within 1 year.

** Interest-bearing loan with interest rate per annum equivalent to 4.8% fixed payable semi-annually. Principal is due in September 2025.

	Balances at Beginning of Year	Additions/ Reclassifications	Collections/ Reclassification	Balances at End of Year
FILRT	₱352,389	₱–	(₱77,526)	₱274,863
PSHC	106,625	–	–	106,625
FDC Misamis	412	398	–	810
CTI	182,945	31,064	–	214,009
SPI	123,758	1,788	–	125,546
CWSI	43,630	23	–	43,653
MSSI	373,063	9,866	(369,193)	13,736
FLI	153,329	–	(123,415)	29,914
FDCUI	1,549	–	–	1,549
BSI	–	–	–	–
FHC	7,392	6,459	–	13,851
FWUI	2,392	–	–	2,392
FDEV	186	–	–	186
FCI	1,426	–	(1,337)	89
PPMI	–	–	–	–
DPI	23	8	–	31
CSCC	301	–	(295)	6
Promax	(889)	–	–	(889)
DSRI	–	–	–	–
FAI	(13,828)	20,467	–	6,639
EW	(3,031,742)	56,720	(1,867,778)	(4,842,800)
	(₱1,697,039)	₱126,793	(₱2,439,545)	(₱4,009,791)

The intercompany transactions between FDC and the subsidiaries pertain to share in expenses, rental charges, dividend income, sale of lots, purchase of shares, operational loan and interest charges. There were no amounts written off during the year and all amounts are expected to be settled within the year except for: (a) EW, which pertains to interest-bearing loans with interest rate per annum equivalent to 4.8% fixed payable semi-annually. Principal is due in October 2025; and (b) ₱319.0 million aggregate advances to CTI, CWSI and SPI subject to fixed interest rates ranging from 3.7% to 7.6%. These advances are due within 1 year; and (c) sale of lot to FILRT with remaining balance payable on a quarterly installment basis up to December 31, 2024.

SCHEDULE D: SUPPLEMENTARY SCHEDULE OF LONG-TERM DEBT MARCH 31, 2024

Below is the schedule of long-term debt of the Group:

TITLE OF ISSUE AND TYPE OF OBLIGATION	AMOUNT AUTHORIZED BY INDENTURE	CURRENT	NON- CURRENT	TOTAL	INTEREST RATE	MATURITY DATE
PARENT COMPANY:						
Bank loans - Philippine Peso	Various	149,755	18,643,683	18,793,438	With fixed interest 2.5% to 5.4% per annum	With varying maturity dates up to 2028
Bonds due 2026	10,000,000	-	9,886,447	9,886,447	6.3%	August 7, 2026
		149,755	28,530,130	28,679,885		
SUBSIDIARIES:						
Bank loans - Philippine peso	Various	29,255,898	28,367,697	57,623,595	Various fixed/floating rates	With varying maturity dates up to 2029
Philippine peso:						
Bonds due 2024	1,700,000	1,697,412	-	1,697,412	5.6%	December 4, 2024
Bonds due 2025	8,925,000	-	9,202,378	9,202,378	5.4%	June 23, 2025
Bonds due 2025	1,000,000	-	997,006	997,006	5.7%	August 20, 2025
Bonds due 2025	5,000,000	-	4,965,545	4,965,545	4.5%	December 21, 2025
Bonds due 2026	1,764,600	-	1,757,501	1,757,501	4.2%	May 18, 2026
Bonds due 2027	11,430,800	-	11,300,757	11,300,757	7.0%	June 1, 2027
Bonds due 2027	2,975,000	-	2,948,719	2,948,719	6.4%	June 23, 2027
Bonds due 2027	5,000,000	-	4,956,374	4,956,374	5.3%	December 21, 2027
		30,953,310	64,495,977	95,449,287		
Foreign currency bonds due 2025	\$200,000	-	11,195,364	11,195,364	4.1%	September 17, 2025
		31,103,065	104,221,471	135,324,536		

Amounts are presented net of unamortized deferred costs.

SCHEDULE E

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
SCHEDULE E: SUPPLEMENTARY SCHEDULE OF INDEBTEDNESS TO
RELATED PARTIES (LONG-TERM LOANS FROM RELATED COMPANIES)
MARCH 31, 2024

This schedule is not applicable as there are no noncurrent indebtedness to related parties as of March 31, 2024.

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
SCHEDULE F: SUPPLEMENTARY SCHEDULE OF GUARANTEES OF
SECURITIES OF OTHER ISSUERS
MARCH 31, 2024

The Group does not have guarantees of securities of other issuers as of March 31, 2024.

**SCHEDULE G: SUPPLEMENTARY SCHEDULE OF CAPITAL STOCK
MARCH 31, 2024**

Title of Issue	Number of Shares Authorized	Number of Shares Issued and Outstanding as Shown Under Related Balance Sheet Caption	Number of Shares Reserved for Options, Warrants, Conversion and Other Rights	Number of Shares Held by Related Parties	Directors, Officers and Employees	Others
		(In Thousands)				
Common Shares	15,000,000	8,648,463	–	7,653,635	66,599	928,229
Preferred Shares	2,000,000	–	–	–	–	–

**SCHEDULE H: SUPPLEMENTARY SCHEDULE OF BOND ISSUANCES –
SECURITIES OFFERED TO THE PUBLIC
MARCH 31, 2024**

On February 7, 2024, the Parent Company issued fixed rate 2.5-year bonds due in 2026 with principal amount of ₱10 billion. The bonds carry a fixed interest rate of 6.3206% per annum payable quarterly in arrears starting May 7, 2024.

I.	Proceeds	
	Net proceeds	₱9,869.1
II.	Utilization	
	Partial financing of debt obligations	5,000.0
	Capital expenditures for:	
	Hotel projects	187.5
	Investments in digitalization	11.5
	General corporate purposes	100.0
III.	Balance as of March 31, 2024	<u>₱4,570.1</u>

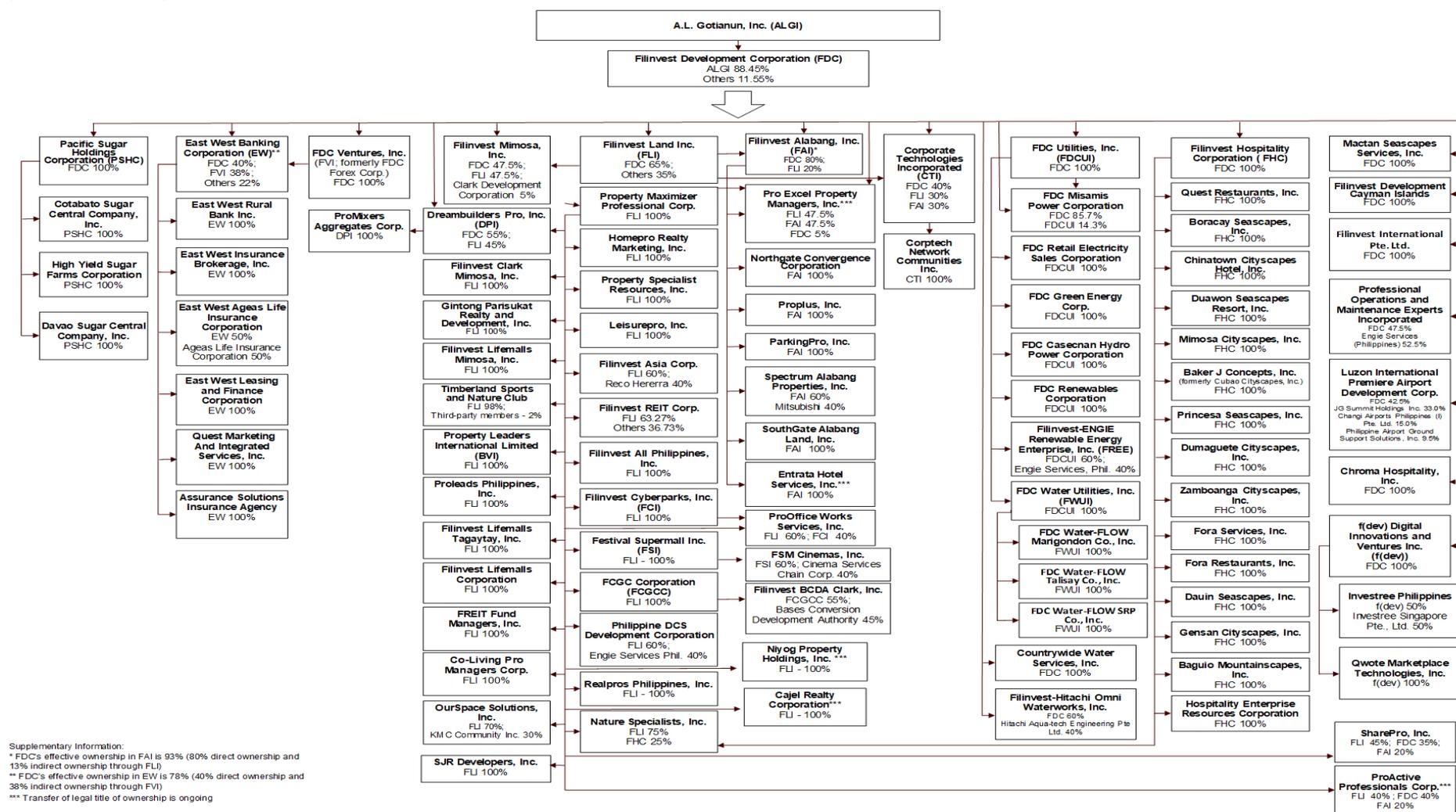
FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

MAP SHOWING THE RELATIONSHIPS BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT COMPANY, CO-SUBSIDIARIES AND ASSOCIATE
MARCH 31, 2024

A.L. GOTIANUN, INC.

MAP SHOWING THE RELATIONSHIP BETWEEN AND AMONG THE COMPANIES IN THE GROUP, ITS ULTIMATE PARENT, CO-SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

(As of March 31, 2024)



Supplementary Information:
 * FDC's effective ownership in FAI is 93% (80% direct ownership and 13% indirect ownership through FLI)
 ** FDC's effective ownership in EW is 78% (40% direct ownership and 38% indirect ownership through FVI)
 *** Transfer of legal title of ownership is ongoing