NDC
NATIONAL DEVELOPMENT COMPANY
Enabling the future.

2024 Annual Report

CATALYZING TOMORROW'S GROWTH

CONTENTS

A Firm Focus on the Future

The past year has seen several bright spots for our team. Our accomplishments this year reflect both the continuation of our mandate and our unwavering commitment to innovation and excellence – tightly interwoven with a strong sense of corporate social responsibility, as GOCCs serve as "significant tools for economic development."

In line with our mandate as the government's investment arm, we initiated several pioneering projects in 2024. These included decisive steps in finally pursuing planned investments in the first biomolecular diagnostic manufacturing facility (Manila HealthTek), and further strengthening our partnerships for innovative waste management solutions with Davao Thermo Biotech Corporation (DTBC).

In 2023, we streamlined the Startup Venture Fund (SVF) by revising its guidelines. This resulted in the SVF's first successful funding release in 2024 to SolX, a deep-tech electricity utilization startup, and to Humble Sustainability Inc., a Philippines-based e-waste management startup.

Looking ahead, we remain focused on our vision of being the Philippines' leading state-owned enterprise investing in diverse industries and serving as an effective catalyst for inclusive growth.

The NDC's commitment to helping the startup ecosystem also paved the way for the continued expansion of the Philippine Innovation Hub (iHub), with MOUs signed in locations such as Ilocos Norte, Cebu, and Singapore.

We made significant strides in asset optimization, successfully restarting key negotiations, including a planned 25-year lease renewal with Chevron and strategic property developments that contribute to infrastructure improvements (i.e., commercial long-term lease with the Bistro Group).

There has also been substantial progress for us internally. We successfully passed our first Surveillance Audit for our Quality Management System, which is based on the ISO 9001:2015 standard. We achieved a 99.87% satisfaction rating among primary customers (subject to ARTA validation). Both milestones are so much more than symbols and numbers. They are testaments to integrity and the fulfillment of a promise of trust to everyone we work with. And as a testament to this trust, we have been fortunate enough to make a direct impact on the daily lives of our fellow citizens.

Through collective effort, our projects generated 1,899 new jobs across diverse industries – from healthcare and bioenergy to ongoing partnerships with the country's science and industrial parks. We made strategic investments in circular economy solutions, environmental sustainability, and healthcare. Some of these investments draw on historical precedent, while others respond to emerging trends and opportunities that will enhance the Philippines' global competitiveness.

Looking ahead, we remain focused on our vision of being the Philippines' leading state-owned enterprise – investing in diverse industries and serving as an effective catalyst for inclusive growth. With our strengthened organizational capabilities, expanded project portfolio, and clear strategic direction, NDC is well-positioned to continue its role as a major contributor to national development.

All of this would not have been possible without the dedication of our employees, the support of our board, and the trust of our stakeholders. Together, we are building on NDC's legacy as the government's premier investment arm while pioneering new paths for national development.

Ultimately, we are driven by a shared vision to uplift our nation through strategic investments and prudent financial planning. Strengthening the economy and ensuring that its gains reach those who need them the most is our commitment. We do what we do today not for ourselves, but always for those who will come after us.

THE NDC LEADERSHIP TEAM

OUR VISION

NDC is the Philippines' leading state-owned enterprise, investing in diverse industries, serving as an effective catalyst for inclusive growth.

OUR MISSION

Enabling industry development, spurring local economies

OUR CORE VALUES

Passion. Integrity. Commitment. Excellence. Financial Prudence.

OUR CORPORATE PHILOSOPHY

We are committed to fulfilling NDC's vital role in the country's overall economic development.

We advocate excellence, teamwork, and accountability to advance the interests of our stakeholders.

We will invest in our human capital as it is our most valuable resource.

OUR QUALITY POLICY

We are committed to serving as a reliable partner of both public and private sectors in sustaining the country's socio-economic development efforts. To uphold this commitment, we shall:

1. Continuously invest in strategic priority areas that will sustain our fund generation activities.
2. Practice prudence in handling corporate resources to warrant maximum public impact.
3. Establish mechanisms and procedures that reinforce learning, continual improvement, and risk-based thinking.
4. Ensure business plan continuity, responsiveness, and transparency in accordance with NDC's Code of Corporate Governance.
5. Advocate excellence, accountability, and teamwork to advance the interest of our stakeholders.
6. Invest in our human capital, as it is our most valuable resource.

INVESTMENT THEME CRITERIA

Pioneering
- Identifying and filling the gaps urgently needed
- First-of-its-kind projects in the Philippines
- Breaking new ground in various sectors

Developmental
- For the Philippines and Filipinos globally
- Contributing to national progress
- Creating opportunities for growth

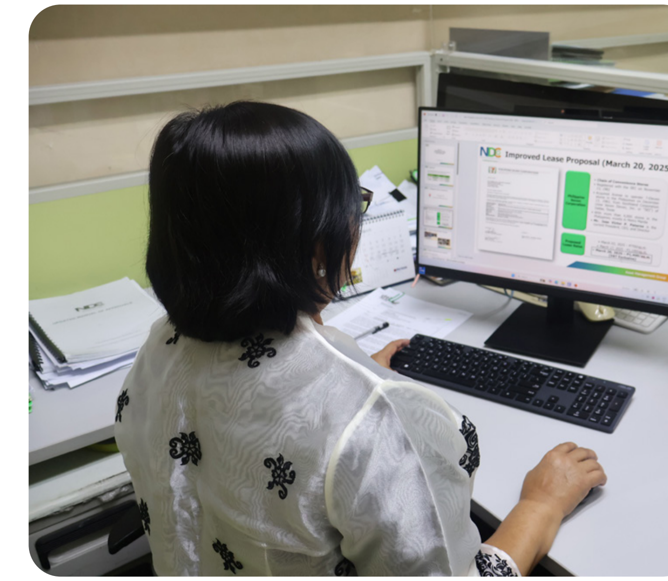
Sustainable
- ESG balanced with financial profitability
- Long-term viability
- Environmental responsibility

Inclusive
- Economic, demographic, and political inclusion
- Cultural and social inclusion
- Gender and Development (GAD) integration

Innovative
- New methods and processes
- Leading to efficiency and quality
- Cost-effective solutions

CHARTER STATEMENT AND STRATEGY MAP

In 2024, NDC's strategic direction is anchored on nine interrelated Strategic Objectives that collectively advance its mission to catalyze inclusive growth through impactful investments and operational excellence. These objectives span four key perspectives – Social Impact, Finance, Internal Process, and Learning & Growth – ensuring a balanced and responsive approach to development. Under the Social Impact lens, NDC continues to champion inclusive growth by investing in industries that generate local employment and uplift underserved communities. Stakeholder satisfaction remains central, with service delivery and responsiveness guided by national standards and client feedback mechanisms.



Financial sustainability is pursued through prudent investment management, dividend generation, and asset optimization. This specifically involved achieving a high disbursement budget utilization rate in 2024, indicating exemplary fund utilization by NDC. NDC's portfolio strategy prioritizes sectors critical to national resilience – such as health, food, climate, and technology – while also supporting startup ventures that drive innovation and job creation.

Internally, NDC is strengthening its core processes through digital transformation, streamlined project approvals, and enhanced investment management. A robust ICT infrastructure, combined with adherence to global standards of transparency and accountability, supports these efforts.

Finally, the organization is investing in its people. Through competency development, organizational restructuring, and integrated systems, NDC is building a high-performing culture that can adapt to evolving challenges and deliver on its mandate with integrity and excellence.

Together, these Strategic Objectives reflect NDC's commitment to being a responsive, forward-looking state enterprise – one that not only delivers economic dividends but also drives meaningful social impact across the country.

The 2024 Performance Scorecard, which provides for the Strategic Objectives that support the attainment of the Vision, was reviewed and approved by the Board at its Board Meeting held on November 10, 2023.

PERFORMANCE SCORECARD HIGHLIGHTS

		Component				As of December 30, 2024		
		STRATEGIC OBJECTIVE (SO)/ STRATEGIC MEASURE (SM)	FORMULA	WEIGHT	RATING SYSTEM	ANNUAL TARGET	ACTUAL	RATING
SOCIAL IMPACT	SO 1	**Ensure Inclusive Growth and Development**						
	SM 1	Cumulative Number of Local Jobs Generated	Number of Local Jobs Generated Per Operational Report	15%	(Actual / Target) x Weight *If Less Than the 2023 Actual = 0%*	2023 Actual + 150 New Jobs	2023 actual + 1,899 new jobs (cumulative)	15%
	SO 2	**Improve Stakeholder Satisfaction**						
	SM 2	Percentage of Satisfied Customers	Number of Respondents Who Gave a Rating of At Least Satisfactory / Total Number of Survey Respondents	5%	(Actual / Target) x Weight *If Less Than 80% = 0%*	90%	99.87%[1]	5%
		Sub-total		**20%**				**20%**
FINANCE	SO 3	**Increase Social and Economic Dividends**						
	SM 3	Return on Investment	Total Amount of Dividends Received in 2024 from CY 2023 Earnings / Total Investments Excluding Companies from Dissolution and Pre-Operating Companies	15%	(Actual / Target) x Weight)	4.26%	8.20%	15%
	SO 4	**Strengthen Business Sustainability**						
	SM 4	Return on Equity	Total Comprehensive Income / Total Equity	15%	(Actual / Target) x Weight	10%	7.33%[2]	11%
	SM 5	Disbursements Budget Utilization Rate	Total Disbursement / DBM-Approved Corporate Operating Budget (Both Net of PS Cost)	5%	(Actual / Target) x Weight	90%	95%	5%
	SO 5	**Prioritize Investments in Health, Food Supply Chain, Climate Change Mitigation, Water, Construction, Education, Connectivity, and Technology Innovation**						
	SM 6	Cumulative Value of Investment	Actual Amount	10%	(Actual / Target) x Weight	₱1.92 Billion (501.7 M[3])	₱129.96 M out of ₱137.7 M[4]	9.44%
	SM 7	Startup Venture Funding	Number of Startups Approved by the Investment Committee	5%	(Actual / Target) x Weight	4 startups approved by IC (cumulative)	3 startups approved by IC (cumulative)[5]	3.75%
		Sub-total		**50%**				**44.19%**
	SO 6	**Leverage Assets of NDC and its Subsidiaries to Further Optimize Their Economic Value**						
	SM 8	Lease Income	Total Amount of Lease Income (as Reflected in Statement of Comprehensive Income)	15%	(Actual / Target) x Weight	₱245 Million	₱255.61 million (cumulative)	15%
		Proceeds from Sale of Assets	Total Amount of Proceeds from Sale of Assets (as reflected in Cash Flow Statement)	—	—	—	₱379.07 Million[6]	—
		Sub-total		**15%**				**15%**
LEARNING & GROWTH	SO 7	**Restructure and Retool the Organization While Strengthening the HR System**						
	SM 9	Percentage of Employees Meeting Required Competencies	Total Number of Employees with Required Competencies Met / Total Number of Employees	5%	All or Nothing	Establish Competency Baseline	99.90%	5%
		Sub-total		**5%**				**5%**
INTERNAL PROCESS	SO 8	**Upgrade ICT Infrastructure and Security**						
	SM 10	Implement the Information Systems Strategic Plan	Total Number of Deliverables Due for 2024 Attained / Total Number of Deliverables Due for 2024	5%	(Actual / Target) x Weight	100% Accomplishment of the 2024 Deliverables under the 2023-2025 DICT- Approved ISSP	100%	5%
	SO 9	**Adopt Global Best Practices for Transparency and Accountability**						
	SM 11	Maintain ISO 9001:2015 Certification	Actual Accomplishment	5%	All or Nothing	ISO 9001:2015 Certification Maintained	ISO 9001:2015 Certification Maintained	5%
		Sub-total		**10%**				**10%**
		TOTAL		**100%**				**94.19%**

1 Pending ARTA's Validation
2 ROE as of December 2024, pending the finalization.
3 Projected Quarterly Targets for the Cumulative Value of Investment is based on the projected amount that will be disbursed to finance NDC projects and investments. The NDC initially disclosed with GCG that the annual target of P1.92 billion, which is the total amount reflected in the NDC Corporate Operating Budget for 2024, includes those that are for budgeting or procurement purposes only.
4 Adjusted amount of investment to be released – P 137.7 Million (SolX, Humble, Pulse63, MTek, and DTBC). The P 364 million was excluded from the target due to reasons outside of NDC's control including inactivity and shelving due to non-responsive proponents
5 The 4th startup company was presented to the SVF IC on September 2024. However, the committee requested the company to submit additional documentary requirements. Compliance of the proponent is beyond NDC's control.
6 Proceeds from the sale of Pandacan Property.

NOTE: The figures presented in this scorecard reflect NDC's internal self-assessment and are based on actual accomplishments submitted for validation. The official validated scorecard from the Governance Commission for GOCCs (GCG) is pending and may be subject to adjustments upon review.

BOLSTERING OUR COUNTRY'S STARTUPS

The Startup Venture Fund

Innovation serves as the cornerstone of progress. In response to the continuing need for new voices in the business community and new ways of thinking, the NDC continues to develop the Startup Venture Fund (established in 2021), which bankrolls promising new startups to help ensure their success. The idea is to invigorate the nation's startup ecosystem so that equity financing can reach the sector-specific startups that need it the most and become models of creativity and innovation for others to follow.

SolX Technologies

Investing in startup businesses is a statement of trust in fresh, new players in the market and innovative ideas that invigorate an industry. NDC's investment in SolX Technologies marked a pivotal milestone. The investment of ₱11 Million through the SVF, released on June 11, 2024, represented a historic achievement as the first startup to secure Philippine government backing through the program.

SolX Technologies stands at the forefront of energy management innovation, providing clients with a comprehensive Energy Management System (EMS) that combines expert consultancy and accurate data collection. Their platform features a unique reverse auction marketplace, allowing contestable clients to choose their energy suppliers and fostering competition and cost efficiency in the energy sector.

The Philippine Innovation Hub

The Philippine Innovation Hub (iHub) represents another key NDC initiative, serving as both a support mechanism for startups and a catalyst for partnerships and the sharing of best practices. The iHub has expanded its influence through partnerships with 20 Knowledge Partners in 2024, comprising academia, media, and industry. Currently headquartered in Makati, there are plans to establish innovation hubs in the provinces and overseas.

As of December 31, 2024, NDC has cumulatively signed 36 Memorandums of Understanding (MOUs) with various partner organizations.

Humble Sustainability Inc.

HUMBLE

Humble, a Philippine-based e-waste management startup, is pioneering circular economy solutions in the Philippines, focusing on helping enterprises manage their IT equipment and excess items in a sustainable manner. The vision of a circular economy is anchored on the idea of reusing and regenerating materials and products. This helps pave the way for businesses that are not only sustainable but also more environmentally friendly.

Humble's innovative platform enables businesses to liquidate e-waste efficiently while providing superior service and higher recovery rates, complemented by comprehensive climate data reporting to support clients' ESG initiatives.

NDC's investment of ₱5.7 million through convertible notes on November 27, 2024, supports Humble's mission to promote circular living and sustainable waste management practices in the corporate sector.

KEEPING HEALTH AT THE FOREFRONT

Manila HealthTek, Inc.

On June 28, 2024, NDC's board approved an equity investment of ₱70 million in Manila HealthTek (MTek). The company specializes in molecular diagnostics and the manufacturing of medical devices.

MTek is positioning itself as the Philippines' premier health biotechnology company. It focuses on developing and manufacturing portable diagnostic kits for infectious diseases. Its technology pipeline includes novel point-of-care solutions serving domestic and regional markets.

This technology enhances the ability to perform key medical tasks, including precise medication administration, pharmaceutical development, and advanced diagnostics for the early detection of diseases, such as cancer and genetic disorders.

Investments like these not only strengthen medical research in the country, but also support its advancement. They promise preventive health and better treatment to those who need it.

NDC's investment, released on August 15, 2024, will primarily be used to complete MTek's first state-of-the-art molecular diagnostic and medical device manufacturing facility in Marikina City. The investment will also support MTek's modernization efforts, enabling the company to expand its R&D capabilities and enhance its manufacturing facilities to meet global standards. The facility was unveiled via a ribbon-cutting ceremony in November 2024.

Glovax Vaccine Manufacturing Plant

Like innovation and a solid economic vision, bolstering people's health is another cornerstone for progress, a sustainable future, and a fulfilled citizenry. The Glovax project represents a watershed moment in the Philippine healthcare infrastructure as the country's first vaccine manufacturing facility. Located in Taysan, Batangas, this ₱7.5 billion project will be constructed in three phases, significantly reducing the nation's dependence on imported vaccines. The investment aims to bring vaccination closer to poorer communities and help make vaccines more affordable.

NDC's proposed total investment of ₱150 million, comprising ₱50 million in equity funding and ₱100 million in convertible notes, demonstrates the government's commitment to building domestic vaccine production capability. The groundbreaking ceremony in September 2023 marked the beginning of this historic project.As of December 31, 2024, Glovax Lifescience Corporation (GLC) has submitted and complied with four out of five NDC board conditions for the ₱150 million investment.

CONTINUING ON THE PATH TO A MORE SUSTAINABLE FUTURE

NDC Industrial Estate

With sustainability as a core investment criterion, the NDC continues to support industrial estates that champion green technologies and practices.

Located in Barangay Langkaan, Dasmariñas, Cavite, the NDC Industrial Estate (NDCIE) reflects a forward-looking approach to sustainable industrial development. Spanning 19.2 hectares, it is positioned to become one of the country's first fully sustainable and environmentally friendly industrial estates.

On August 29, 2024, President Ferdinand R. Marcos signed Proclamation No. 677, officially designating the site as an ecozone. This was followed by the signing of a Registration Agreement between NDC and the Philippine Economic Zone Authority (PEZA) on January 31, 2025, formally establishing its ecozone status.

Now 75% complete, the estate incorporates innovative features such as a natural catchment basin for water conservation, with plans for energy-efficient solutions, including solar panels and advanced building materials.

Science Park of the Philippines, Inc.

Spanning over 800 hectares, the Science Park of the Philippines, Inc. is recognized for its rigorous adherence to environmental regulations and is a pioneer in private industrial estate development. It conducts various light industry and science park projects throughout its multiple locations, which include Laguna, Batangas, and Cebu, among others.

RECLAIMING VALUE, REVITALIZING RESOURCES

Davao Thermo Biotech Corporation

Sustainable agriculture encompasses an entire ecosystem, from roads and climate to livestock and waste management. The NDC partnered with Davao Thermo Biotech Corporation (DTBC) to address waste management challenges directly. DTBC represents a pioneering investment in an environmentally-friendly value chain that promotes sustainable waste management and development, utilizing Japanese technology to transform biodegradable waste into high-quality organic fertilizer.

DTBC's solutions go beyond conventional means, such as landfills. The DTBC operates a facility that converts biodegradable waste into biofertilizer. This presents an eco-friendly alternative to commonplace chemical fertilizers and a more sustainable path for farmers and agriculturists in the long term.

The facility, operating in Davao since 2015, employs proprietary hyperthermophilic bacteria technology licensed from Kyowa Kako Co. and Kankyo Wakuchin Vaccine Co., Ltd. of Japan. DTBC's process converts organic waste into biofertilizer within 45 days through high-temperature composting, producing a clean, safe product ideal for vegetable cultivation and seedling germination.

NDC's ₱40 million investment, formalized through a Subordinated Note Agreement in December 2023 and released in January 2024, supports DTBC's expansion while demonstrating the government's commitment to innovative environmental solutions.

NDC and Chevron Philippines, Inc.: Fueling a Stronger Future

The NDC and Chevron Philippines, Inc. (CPI) are advancing lease renewal negotiations for key fuel terminal properties through Batangas Land Company, Inc. (BLCI). Building on a Memorandum of Understanding signed in May 2023, talks throughout 2024 have focused on securing a 25-year extension.

Located in Batangas, Cebu, La Union, and Davao City, these strategic assets support over 600 service stations nationwide—critical to transportation, aviation, and power generation.

The ongoing discussions aim to deliver a balanced agreement. For NDC, a renewed lease ensures fair market returns on vital government assets. For Chevron, it reaffirms its long-term investment in the Philippines' energy infrastructure.

A landmark agreement expected in 2025 will formalize this partnership, reinforcing national development and energy resilience.

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MANAGING ASSETS

Sale of a Portion of Pandacan Property to TRB

Years of negotiation reached completion when the Toll Regulatory Board successfully acquired a 1.3-hectare portion of the NDC's Pandacan property. The parties celebrated during the signing of the Memorandum of Agreement (MOA) and Deed of Absolute Sale at the Philippine Innovation Hub on June 11, 2024.

This project serves the riding public by enabling the continuation of the Metro Manila Skyway Stage 3 (MMSS3) project, supporting urban development, and improving transportation experience with unimpeded land access.

Long Term Commercial Lease Signing with The Bistro Group (TBG Shared Services Inc.)

NDC signed a long-term 25-year commercial lease with TBG Shared Services Inc., the operator of 23 popular restaurant brands in the Philippines, including TGI Fridays, Hard Rock Cafe, and Texas Roadhouse, at a signing ceremony on February 21, 2024.

The long-term commercial lease covers a vacant lot owned by NDC along Kamagong Street, Makati City. It will become the site of TBG Shared Services' new corporate head office, consisting of up to five floors of office space, along with planned commercial spaces on the ground floor. Through a series of amicable negotiations, the lease agreement was finally concluded in 2023 and subsequently formalized in early 2024.

NDC Subsidiaries:

Batangas Land Company, Inc.
First Cavite Industrial Estate, Inc.
GY Real Estate, Inc.
Kamayan Realty Corporation
Philippine International Trading Corporation
Pinagkaisa Realty Corporation

NDC Affiliates:

ASEAN Bintulu Fertilizer SDN. BHD.
LIDE Management Corporation
Manila Exposition Complex, Inc.
Manila HealthTek, Inc.
Philippine Mining Development Corporation
Philippine Pharma Procurement Inc.
San Carlos Bioenergy, Inc.
Science Park of the Philippines, Inc.

CORPORATE INITIATIVES AND ACTIVITIES

Continuous Maintenance of its Quality Management System Under the ISO 9001:2015 Standard

On June 13, 2024, the NDC passed its first surveillance audit for the ISO 9001:2015 standard. This milestone marks 14 years of maintaining this distinction and reflects both stable management and our ongoing commitment to upholding trust, integrity, and accountability.

Scope of Quality Management System

Provision of
Equity Investment • Project Financing
Asset Management • Fund Management
Support Services

Risk Management Activities

Audit Strategic Planning

The Internal Audit Office conducted the Baseline Assessment of the Internal Control System (BAICS) at the beginning of 2024 as part of its strategic planning process to identify priority areas for auditing over the next three years. The almost four-month-long activity was concluded with the approval of a three-year Strategic Plan by the NDC Audit and Risk Management Committee.

Audit Engagements

The implementation of the Strategic Plan started with the audit of the Asset Management Group from April to October 2024, followed by the audit of the Procurement System from November 2024 through January 2025. The recommendations and opportunities for improvement for both audit engagements were approved for implementation by the Chairperson of the NDC Audit and Risk Management Committee.

Gender and Development Initiatives

NDC achieved a significant milestone in 2024, reinforcing its commitment to gender equality and women's empowerment. For the first time since the implementation of stricter compliance requirements post-2019, the NDC's Annual 2024 Gender and Development (GAD) Plan and Budget received both review approval and subsequent endorsement from the Philippine Commission on Women (PCW). The final GAD utilization rate of NDC in 2024 was 2.15%, reflecting a significant improvement in NDC's utilization rating over the 0.01% achieved in 2023.

Gender and Development initiatives took center stage in 2024, with NDC organizing comprehensive programs for National Women's Month in March 2024 under the theme "WE for Gender Equality and Inclusive Society." The company also actively participated in the 18-day Campaign to End Violence Against Women in November 2024, implementing various awareness programs and educational activities that engaged all employees in promoting a VAW-free workplace.

NDC initiatives to further integrate gender mainstreaming in 2024 occurred with a Workshop on Harmonized Gender and Development Guidelines (HGDG) and GAD Planning & Budgeting (GPB), followed by another workshop on Gender Mainstreaming Evaluating Framework (GMEF). PCW-approved GAD consultants conducted both workshops in 2024.

Health and Wellness Activities

Stress Management Lecture

On August 30, the Gender and Development (GAD) Focal Point System also organized a stress management lecture titled "Too Blessed to be Stressed," aimed at promoting mental well-being in the workplace. This initiative also coincided with NDC's Health and Wellness Program, highlighting the intersection of mental health and gender and development, which are both essential to fostering a supportive, inclusive, and productive work environment.

ONE PS-DBM Fun Run

In support of the Procurement Service – Department of Budget and Management's advocacy for transparency, accountability, and efficiency in government procurement, NDC joined the 2nd ONE PS-DBM Fun Run held in October 2024, alongside other participating government agencies. Also aligned with NDC's Health and Wellness Program, the activity promotes the holistic well-being of its employees through physically engaging and community-oriented initiatives.

Health and Safety/Interaction with Communities

All- Gender Public Toilets

Demonstrating its commitment to inclusivity, NDC inaugurated all-gender public toilets at its Salcedo Village premises in Makati on October 23, 2024, under the leadership of NDC General Manager Anton Mauricio.

The Salcedo Village area is known for its park and restaurants, but the only public toilet available is for a fee. Non-patrons of establishments such as vendors, drivers, and other pedestrians in the area are forced to either pay or, worse, use the streets. To complicate matters, the Philippines has one of the highest rates of diabetes in the world, which causes frequent urination in those affected. NDC's initiative is to provide relief by offering free, clean toilet usage to those who may be in the area but lack access to or the means to pay for the toilets at other dining establishments.

Beyond offering clean and accessible facilities, the initiative underscores NDC's advocacy for safe, respectful, and inclusive spaces that welcome all individuals, regardless of gender identity or expression.

NDC Cares

In collaboration with the Office of Congresswoman Stella Quimbo, NDC extended its support to the Marikeño community following Typhoon Carina by dispatching essential relief goods around August 1, 2024. These included sanitary napkins to help address the specific needs of flood-affected women and girls, who are often overlooked in disaster response situations.

Independence Day & Bagong Pilipinas Rally Engagement

NDC celebrated the 126th National Independence Day on June 12 at Quirino Grandstand, Manila, where local products were showcased and a parade honored national heroes. This event allowed NDC to promote national pride and engage with Filipinos. Additionally, representatives attended the Bagong Pilipinas Kick-off Rally on January 28, which established President Ferdinand "Bongbong" Marcos Jr.'s administration's vision. The President urged government officials to transform the nation with honesty and urgency to meet the needs of the Filipino people.

PRAISE Awards

As the NDC marked more than a century of existence and service, it celebrated its 105th anniversary and also held its annual PRAISE Awards on April 19, 2024. The PRAISE Awards recognize employees for consistently excellent performance, as well as behavior that embodies the organization's values. Highlights include acknowledging work groups or units that have successfully met or exceeded their breakthrough goals.

TRAININGS CONDUCTED IN 2024

TRAINING/SEMINAR	DATE	NO. OF ATTENDEES
1. Fundamentals of the Stock Market	March 21, 2024	47
2. ISO 9001 QMS Awareness Training	May 10, 2024	20
3. Fundamentals of Stock Investment	May 23, 2024	20
4. Briefing Session on Records Disposition Administration	August 21, 2024	52
5. Stress Management Lecture	August 27, 2024	51
6. Managing Emotions in the Workplace: Enhancement of Self-Care Strategies	September 19, 2024	57
7. Breast Cancer Awareness	October 22, 2024	50

CORPORATE SOCIAL RESPONSIBILITY

NDC Corporate Social Responsibility Model

Beyond meeting its primary objectives and fulfilling its mandate, NDC recognizes that building a sustainable future requires sharing its core competence and values with society. To this end, it continues to advocate for the spread of financial literacy and training among the Filipino people. For 2024, NDC focused on further empowering people from the startup community and the finance sector, as well as the surrounding community where the NDC Building is located. The following events were held in partnership with the NDC iHub's knowledge partners.

One-Day Workshop on the Fundamentals of Finance

Held on February 24, 2024, the workshop taught Filipino entrepreneurs the foundations of financial management for their businesses. Attendees learned the fundamentals of accounting, budgeting, cash flow management, and financial analysis, enabling them to make informed decisions, manage resources effectively, and secure funding.

Additionally, the course provided participants with solutions for mitigating financial risks and protecting their enterprises.

BOARD OF DIRECTORS

MA. CRISTINA A. ROQUE

Secretary, Department of Trade and Industry
**Appointed on August 2, 2024*

Ma. Cristina A. Roque currently serves as Secretary of the Department of Trade and Industry (DTI), where she advises the President on trade and investment matters. She establishes policies, supervises departmental activities, and ensures effective operations across all DTI offices and attached agencies. Sec. Roque's leadership demonstrates an unwavering commitment to the growth and development of micro, small, and medium enterprises (MSMEs), recognizing their essential role in the Philippine economy. With extensive experience in government and a 30-year entrepreneurial career, Sec. Roque is uniquely positioned to lead projects that foster a more inclusive and prosperous business environment for all Filipinos.

Prior to her appointment as Secretary, Sec. Roque made significant contributions as Trade Undersecretary from February to July 2024. She led the MSME Development Group (MDG) and was instrumental in advancing MSMEs through various initiatives. She also oversaw key bureaus, including the Bureau of Small and Medium Enterprise Development (BSMED) and the Bureau of Marketing Development and Promotions (BMDPO), as well as the One Town, One Product (OTOP) Program Management Office and the Comprehensive Agrarian Reform Program Management Office (CARP-PMO).

In addition, she supervised the Small Business Corporation (SBCorp), the Cooperative Development Authority (CDA), and the Philippine Trade Training Center (PTTC). Sec. Roque introduced groundbreaking initiatives like the OTOP Retail and Learning Center, transforming OTOP hubs and Go Lokal stores into dynamic spaces that blend retail with mentorship. She is a champion of the DTI's 5-Point MSME Agenda that advances digitalization, market diversification, enhanced access to financing, franchising, and a strong focus on mentorship and training. Her efforts are reshaping the MSME landscape, driving innovation, and creating more export opportunities for the Philippine market.

Expanding market opportunities for local MSMEs, Sec. Roque championed digitalization and e-commerce in the DTI-Bagong Pilipinas National Food Fair and Trade Fair in 2024. She also launched the first-ever Beauty Fair organized by the DTI, offering new support and opportunities for MSMEs in the beauty and wellness sector.

As Chairperson of the Small Business Corporation, Sec. Roque implemented new policies to make SBCorp's financing programs more accessible and beneficial for MSMEs. She also launched the DTI-Bagong Pilipinas Marketplace, the country's largest B2B e-commerce platform, which promotes Filipino MSMEs' products and services both locally and globally.

Looking ahead, she plans to establish more SME hubs through the Philippine Trade and Investment Centers, and in close collaboration with Philippine embassies worldwide. These hubs will serve as platforms to showcase and market Filipino products to international audiences, thereby stimulating the manufacturing sector and contributing to job creation.

Sec. Roque holds a Bachelor of Science in Industrial Management Engineering with a Minor in Chemical Engineering from De La Salle University.

ALFREDO E. PASCUAL

Secretary, Department of Trade and Industry
Chairperson, Executive Committee
Chairperson, Governance Committee
**Resigned effective August 2, 2024*

Alfredo Pascual brings four decades of experience and a diverse, well-rounded background to the Board of Directors.

In that span of time, he has contributed to society as a governance advocate, academic leader, international development banker, and management educator. He served four esteemed national and international institutions, namely the Institute of Corporate Directors (ICD) as President and CEO in 2018 and 2019; University of the Philippines (UP) System as President and Co-Chair from 2011 to 2017, and as Alumni Regent in 2009 and 2010; Asian Development Bank (ADB) for 19 years (1989-2008) in several positions, including as Director for Private Sector Operations, Director for Project Finance, and Advisor for Public-Private Partnership; and Asian Institute of Management (AIM) as a finance professor in the 1980s.

RALPH G. RECTO

Secretary, Department of Finance
Member, Audit and Risk Management Committee
**Appointed on January 11, 2024*

Ralph Gonzalez Recto is the current Secretary of the Department of Finance (DOF) and Member of the Monetary Board, the highest policy-making body of the Bangko Sentral ng Pilipinas (BSP), representing the government.

Before he was appointed Secretary, he served as Deputy Speaker of the House of Representatives in the 19th Congress, representing the 6th District of Batangas. His extensive political career includes three terms in the Senate from 2001 to 2007 and from 2010 to 2022, where he held key positions such as Senate President Pro Tempore (16th to 18th Congresses), Senate Minority Leader (17th Congress), and Chairperson of the Committee on Ways and Means (12th, 13th, and 15th Congresses). He started his political career as Representative of the 4th District of Batangas from 1992 to 2001.

Known for his sound judgment and mathematical prowess, Sec. Recto is regarded by his peers in the legislature as the "resident numbers genius." As a seasoned legislator, he pursued key tax measures and economic reforms aimed at addressing the cost of living, generating meaningful employment, and expanding the country's fiscal space.

Among the major laws he principally authored or sponsored were the Tax Reform for Acceleration and Inclusion (TRAIN) Act; the Universal Healthcare Act; the Rice Tariffication Act; the Ease of Doing Business and Efficient Government Service Delivery Act of 2018; the General Tax Amnesty; the Rationalization of Excise Tax on Automobiles; and the Social Reform and Poverty Alleviation Act.

Sec. Recto is also known for his steadfast leadership, particularly his decisive actions during crises. With world markets reeling from the global financial crisis in 2008, he accepted the call to serve as Socioeconomic Planning Secretary of the National Economic and Development Authority (NEDA).

As NEDA chief, he led the crafting and monitoring of the government's Economic Resiliency Plan (ERP). To protect the gains from the ERP and prepare the country for a strong resurgence, he introduced the Reloading Economic Acceleration Plan (REAP). When the COVID-19 pandemic struck in 2020, Sec. Recto co-authored the Bayanihan to Recover as One Act and the Bayanihan to Heal as One Act, as well as initiated budget priorities that were necessary not only to stop the spread of the virus but also to accelerate economic recovery. Budget allocation was provided for social amelioration programs to alleviate the plight of those whose livelihoods were affected by the lockdowns.

He also co-authored measures that effectively cushioned the impact of the pandemic-induced economic downturn, such as the Financial Institutions Strategic Transfer (FIST) Act and the landmark Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act.

Sec. Recto holds a bachelor's degree in Commerce, majoring in Business Management from De La Salle University in Manila. He also earned masteral units in Business Economics from the University of Asia and the Pacific, and in Public Administration from the University of the Philippines. Additionally, he completed a Leadership Course at the John F. Kennedy School of Government at Harvard University.

RAPHAEL PERPETUO M. LOTILLA

Secretary, Department of Energy
Member, Nomination and Remuneration Committee

Raphael Lotilla combines academic expertise with extensive public service experience as Energy Secretary. He has served in various roles, including CEO of the Power Sector Assets and Liabilities Management Corporation (PSALM), Deputy Director-General of the National Economic and Development Authority (NEDA), and a professor at the University of the Philippines College of Law. His contributions to energy sector reform include helping craft the Electric Power Industry Reform Act of 2001. A legal scholar with degrees from the University of the Philippines and the University of Michigan Law School, Sec. Lotilla's approach to energy policy is informed by both academic rigor and practical governance experience. His background in constitutional and international law enriches his perspective on energy sector development and regulation.

AMENAH F. PANGANDAMAN

Secretary, Department of Budget and Management
Chairperson, Audit and Risk Management Committee

A Maranao leader who brings diversity to economic governance, Amenah Pangandaman combines extensive experience across legislative, executive, and central bank sectors. As DBM Secretary, she champions prudent fiscal management and budget modernization while promoting sustainable government spending. Her previous roles include Assistant Governor at Bangko Sentral ng Pilipinas and DBM Undersecretary, where she pioneered the Green, Green, Green Program. An economist by training with degrees from Far Eastern University and the University of the Philippines, Sec. Pangandaman's leadership style emphasizes financial inclusion, digital transformation, and giving voice to Mindanao's interests in national economic planning.

MARIA ANTONIA YULO LOYZAGA

Secretary, Department of Environment and Natural Resources
Member, Audit and Risk Management Committee

As DENR Secretary and Chairperson of the Cabinet Cluster on Climate Change Adaptation, Mitigation, and Disaster Risk Reduction, Maria Antonia Yulo Loyzaga brings extensive expertise in environmental resilience and disaster risk management.

Her leadership spans key international climate conferences and national initiatives. Previously, as President of the National Resilience Council, she played a crucial role in implementing global frameworks for disaster resilience and sustainable development.

A Georgetown University MA graduate, her work earned recognition from the Armed Forces of the Philippines for contributions during Super Typhoon Haiyan response operations. Her science-based approach to environmental governance reflects her background in both policy and practical implementation.

ELI M. REMOLONA, JR.

Governor, Bangko Sentral ng Pilipinas
Member, Nomination and Remuneration Committee

Eli Remolona, Jr. brings more than 30 years of senior leadership and financial expertise to the table. In addition to serving as the seventh Governor of the Bangko Sentral ng Pilipinas (BSP), he is also the ex-officio chairperson of the Anti-Money Laundering Council. He worked at the Federal Reserve Bank of New York for 14 years, and at the Bank for International Settlements (BIS) for 18 years. Governor Remolona served as regional head for Asia and the Pacific from 2008 to 2018.

He has also held teaching positions at Williams College, Columbia University, New York University, and the University of the Philippines School of Economics.

CEFERINO S. RODOLFO

Managing Head, Board of Investments
Member, Governance Committee

As DTI's Undersecretary for Industry Development and BOI's Managing Head, Dr. Ceferino Rodolfo has been instrumental in shaping the Philippine trade strategy since 2013. Named DTI's Executive of the Year in 2014, he strengthened the One Country, One Voice program and enhanced the country's participation in international trade agreements.

His expertise encompasses trade negotiations, industry development, and support for MSMEs. As Philippine Lead for the High-Level Task Force on ASEAN Economic Integration, he continues to guide the nation's economic integration efforts while championing local industry competitiveness.

BOARD OF DIRECTORS
Continued

PHILIP G. LO
Chairperson, Development Bank of the Philippines
Chairperson, Nomination and Remuneration Committee
**Appointed on February 6, 2024*

A highly respected business executive currently serving as Chairman of the Board of Directors of the Development Bank of the Philippines, Philip Lo has a remarkable track record in both the private and public sectors, having held various leadership roles throughout his career.

In the private sector, he is the Chairman of Coast Pacific Group of Companies (CPGC) and Toyota Mabolo Cebu, Inc. (TMCI). His expertise and investments span across multiple industries he leads, including hospitality, furniture, and real estate developments, construction, warehouse leasing, manufacturing (furniture, furnishings, and stone tiles), restaurants, motorcycle assembly, and automobile dealership. Additionally, he has significant experience in community malls, housing development, shipping, trading, export and logistics, public transport, financing, insurance, industrial refrigeration, powder coating, agricultural farming, and related products.

Apart from his successful business ventures, Chairman Lo actively participates in non-governmental organizations. He is the President of Boaters Limited and holds an important position as a member of the Philippine Coast Guard Auxiliary, where he holds the rank of Commodore, showing his commitment to serving the community. Chairman Lo has also made contributions to public service, serving as a director in both the Philippine Amusement and Gaming Corporation from 2002 to 2010 and Cocogen Insurance, Inc.

He holds a Bachelor of Science in Business Administration from the University of Santo Tomas (1979). Additionally, he has completed specialized training in Corporate Governance, further enhancing his expertise in leadership and governance matters. With his wealth of experience and accomplishments, Chairman Lo continues to make valuable contributions to the business world and the community at large.

ARSENIO M. BARTOLOME III
Representative, Private Sector
Member, Executive Committee
Member, Governance Committee

A veteran banker with over five decades of experience, Arsenio Bartolome III brings extensive public and private sector expertise to NDC's board. His distinguished career includes serving as the first Chairman of the Bases Conversion Development Authority and leading the Philippine National Bank as President and CEO. A recipient of The Outstanding Young Men (TOYM) award in Development Banking, he founded Urban Bank and held leadership positions in numerous financial institutions. Currently chairing AMBER Properties and serving as Chairman Emeritus of Enterprise Capital Bank, Rep. Bartolome's commitment to banking excellence is matched by his dedication to civic leadership and community service.

SATURNINO H. MEJIA
Acting General Manager, National Development Company
**Appointed on November 29, 2024*

Saturnino "Ning" H. Mejia currently serves as the Acting General Manager of the National Development Company (NDC). Before he was appointed Acting General Manager, Mr. Mejia served as the NDC's Assistant General Manager of the Special Projects Group (SPG) for 25 years. He oversaw the development of new businesses in joint ventures with NDC via equity investments. The SPG is responsible for project evaluation, due diligence, and detailed analysis of the viability, technical feasibility, and economic and social impact of various projects. With extensive experience in joint ventures, corporate finance, project evaluation and management, feasibility studies, public-private partnerships, and macroeconomic analysis, Mr. Mejia helped promote investments in areas such as renewable energy, industrial estate development, and health and technology innovations.

He holds a Master of Science in Policy Science (Monbusho Scholarship Grant) from the International Graduate School of Policy Science, Saitama University, Japan, and earned his Bachelor of Science in Management Engineering degree from the Ateneo de Manila University.

ANTONILO DC. MAURICIO
Acting General Manager, National Development Company
Member, Executive Committee
**Resigned effective November 15, 2024*

With over three decades of experience in investment, finance, and strategy, Antonilo Mauricio has been steering NDC's transformation since October 2022. His diverse background includes leadership roles at global finance companies like CISI and Thomson Ratings Philippines (now Fitch Ratings). As NDC's Acting General Manager, he has institutionalized investment criteria focused on projects that are Pioneering, Developmental, Sustainable, Inclusive, and Innovative. Under his leadership, NDC has doubled its project portfolio, launched the revitalized Startup Venture Fund, and established the Philippine Innovation Hub. A UP Diliman graduate and SMU Digital Leadership program alumnus, Mr. Mauricio, also co-founded the Global AI Council Philippines and serves as President of AIESEC Alumni Philippines.

ATTENDANCE OF NDC BOARD OF DIRECTORS IN BOARD AND COMMITTEE MEETINGS

NO.	AGENCY	BOARD MEMBER	POSITION	NATURE OF POSITION	ACTUAL SCHEDULE OF BOARD MEETINGS				
					FEBRUARY 15	MARCH 22	JUNE 28	NOVEMBER 8[1]	NOVEMBER 28
					Regular	Regular	Regular	Special	Special
1.	DTI	ALFREDO E. PASCUAL[2] Secretary	Chairperson	Ex-Officio	Present	Present	Present	Not Applicable	Not Applicable
2.	DTI	MA. CRISTINA A. ROQUE[3] Secretary	Chairperson	Ex-Officio	Not Applicable	Not Applicable	Not Applicable	Present	Present
3.	BSP	ELI M. REMOLONA, JR. Governor	Member	Ex-Officio	Dir. Joanna Eileen M. Capones-Batan	Dir. Joanna Eileen M. Capones-Batan	Dir. Joanna Eileen M. Capones-Batan	Dir. Joanna Eileen M. Capones-Batan	Dir. Joanna Eileen M. Capones-Batan
4.	BOI	CEFERINO S. RODOLFO Managing Head	Member	Ex-Officio	Present	ED Bobby G. Fondevilla	Present	Present	Gov. Marjorie O. Ramos-Samaniego
5.	DBM	AMENAH F. PANGANDAMAN Secretary	Member	Ex-Officio	Absent	Absent	Absent	USec. Rolando U. Toledo	USec. Rolando U. Toledo
6.	DOE	RAPHAEL PERPETUO M. LOTILLA Secretary	Member	Ex-Officio	USec. Alessandro O. Sales	Absent	USec. Alessandro O. Sales	USec. Alessandro O. Sales	Absent
7.	DENR	MARIA ANTONIA YULO LOYZAGA Secretary	Member	Ex-Officio	Absent	Absent	Absent	USec. Ignatius Loyola A. Rodriguez	Absent
8.	DOF	RALPH G. RECTO Seretary	Member	Ex-Officio	Absent	Absent	USec. Catherine L. Fong	USec. Eufrocinio M. Bernabe, Jr.	Absent
9.	DBP	PHILIP G. LO Chairman	Member	Ex-Officio	Maria Clarissa Patricia O. Evangelista	Maria Clarissa Patricia O. Evangelista & SAVP Russell Randall L. Gocuan	SAVP Russell Randall L. Gocuan	SAVP Russell Randall L. Gocuan	SAVP Russell Randall L. Gocuan
10.	Private Sector	ARSENIO M. BARTOLOME III Representative	Acting Member	Appointive Director	Present	Present	Present	Absent	Present
11.	NDC	ANTONILO DC. MAURICIO[4] Acting General Manager	Acting Member	Appointive Director	Present	Present	Present	Not Applicable	Not Applicable

LEGEND: Present · Absent · Alternate/Representative · Not Applicable

[1] Meeting without the General Manager
[2] Resigned effective August 2, 2024
[3] Appointed on August 2, 2024
[4] Resigned effective November 15, 2024

BOARD COMMITTEE MEETINGS

BOARD EXECUTIVE COMMITTEE					
NO.	AGENCY	BOARD MEMBER	POSITION	NATURE OF POSITION	JUNE 3
					Physical
1	DTI	ALFREDO E. PASCUAL (Secretary)	Chairperson	Ex-Officio	Present
2	Private Sector	ARSENIO M. BARTOLOME III (Representative)	Acting Member	Appointive Director	Present
3	NDC	ANTONILO DC. MAURICIO (Acting General Manager)	Acting Member	Appointive Director	Present

LEGEND: Present · Absent · Alternate/Representative · Not Applicable

MANAGEMENT COMMITTEE

ALEWIJN AIDAN K. ONG
Assistant General Manager
Business Development Group

JOYCE ANN S. AZURIN
Department Manager III
Corporate Planning Department

LEOPOLDO JOHN F. ACOT
Assistant General Manager
Corporate Communications Group

JOYCE ANNE N. ALIMON
Assistant General Manager
Fund Management Group

ANTONILO DC. MAURICIO
Acting General Manager
** Resigned effective November 15, 2024*

SATURNINO H. MEJIA
Assistant General Manager
Special Projects Group
** Appointed as Acting General Manager on November 29, 2024*

GENEFLOR L. SANTIAGO-LUMBANG
Assistant General Manager
Asset Management Group
Assistant Corporate Secretary

BENJAMIN IRINEO JUDE F. RABUCO III
Department Manager III
Legal Department

RHOEL Z. MABAZZA
Assistant General Manager
Corporate Support Group
Corporate Secretary

FINANCIAL PERFORMANCE

NATIONAL DEVELOPMENT COMPANY
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023
(In Philippine Peso)

	2024	2023 (As restated)
INCOME		
Business Income	**445,051,376**	370,794,205
Gains	**1,605,416,986**	4,446,304,644
Other non-operating income	**6,904,939**	6,033,414
	2,057,373,301	4,823,132,263
EXPENSES		
Personnel services	**62,280,914**	50,863,225
Maintenance and other operating expenses	**160,059,606**	148,358,708
Financial Expenses	**3,848,178**	3,925,826
Non-cash expenses	**23,784,744**	32,623,029
	249,973,442	235,770,788
INCOME BEFORE INCOME TAX	**1,807,399,859**	**4,587,361,475**
INCOME TAX EXPENSE		
Current tax	**149,387,779**	29,073,922
Deferred tax	**204,459,639**	1,107,388,497
NET INCOME	**1,453,552,441**	3,450,899,056
Other comprehensive income	**15,400,080**	4,804,810
TOTAL COMPREHENSIVE INCOME	**1,468,952,521**	**3,455,703,866**

The Commission on Audit rendered an "Unqualified Opinion" on the fairness of the presentation of the financial statements of NDC as of December 31, 2024 and 2023. The NDC Board of Directors reviewed and approved the Annual Audit Report on July 15, 2025.

NATIONAL DEVELOPMENT COMPANY
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023
(In Philippine Peso)

	2024	2023 (As restated)	January 1, 2023 (As restated)
ASSETS			
Current Assets			
Cash and cash equivalents	**982,533,498**	215,581,117	255,664,554
Other investments	**421,382,295**	1,017,866,401	1,627,432,908
Receivables, net	**636,099,463**	242,335,814	202,564,214
Inventories	**1,510,839**	1,671,740	1,627,648
Other current assets	**770,765,146**	687,854,590	32,203,493
Total Current Assets	**2,812,291,241**	2,165,309,662	2,119,492,817
Non-Current Assets			
Financial assets	**1,325,020,085**	1,354,658,550	1,395,461,736
Investment in associates/affiliates	**258,116,323**	227,769,313	246,804,019
Investment in subsidiaries	**402,315,129**	402,315,129	402,315,129
Other investments	**277,446,890**	196,446,890	196,446,890
Receivables, net	**111,657,408**	65,611,059	79,362,457
Investment property	**32,011,008,107**	31,181,339,370	26,742,372,204
Property and equipment, net	**190,296,414**	188,287,666	71,941,780
Other non-current assets	**27,818,577**	28,854,755	42,450,117
Total Non-Current Assets	**34,603,678,933**	33,645,282,732	29,177,154,332
TOTAL ASSETS	**37,415,970,174**	35,810,592,394	31,296,647,149
LIABILITIES AND EQUITY			
Current Liabilities			
Financial Liabilities	**627,418,517**	640,854,846	615,622,488
Inter-agency payables	**20,705,975**	23,645,190	16,848,402
Trust liabilities	**107,482,499**	11,696,380	32,192,806
Deferred credits/unearned income	**19,072,253**	25,918,915	9,880,921
Provisions	**326,512,591**	322,275,371	316,463,017
Other payables	**7,184,057**	2,335,631	796,913
Total Current Liabilities	**1,108,375,892**	1,026,726,333	991,804,547
Non-Current Liabilities			
Deferred tax liability	**7,190,624,474**	6,986,164,835	5,878,776,338
Trust liabilities	**49,613,461**	43,006,081	37,922,385
Total Non-Current Liabilities	**7,240,237,935**	7,029,170,916	5,916,698,723
Equity	**29,067,356,347**	27,754,695,145	24,388,143,879
TOTAL LIABILITIES AND EQUITY	**37,415,970,174.00**	35,810,592,394.00	31,296,647,149.00

REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
CORPORATE GOVERNMENT AUDIT SECTOR
CLUSTER 4- INDUSTRIAL AND AREA DEVELOPMENT
Commonwealth Avenue, Quezon City, Philippines

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS
National Development Company
Makati City

Report on the Audit of the Financial Statements

Unqualified Opinion

We have audited the financial statements of National Development Company (NDC), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NDC as at December 31, 2024, and 2023, and its financial performance and cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the NDC in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 16 – Investment Property which discusses the uncertainty on the valuation of NDC's right of use on parcels of land pertaining to the 306,409 square meters (sq. m.) portion of Bugo, Cagayan de Oro City Property. Relative thereto, the renewal of the Foreshore Lease Agreement on the 115,657 sq. m was not yet approved, while the nature of the right of use on the 190,752 sq. m. portion is yet to be established; thus, the fair value of NDC's rights over the said property could not be measured. Our opinion is not modified with respect to these matters.

Also, we draw attention to Note 38 to the financial statements that disclosed that the NDC became a party litigant to several cases/petitions filed for or against NDC, and are pending before the appellate courts, the lower courts, and certain administrative bodies. These cases involve civil actions for collection of sums of money, reconveyance of property/title, payment of just compensation, specific performance, and action for refund of taxes withheld. Since the outcome of the cases cannot be determined, claims for assets and provisions for any liability that may result have not been recognized in the financial statements. Our opinion is also not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on NDC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause NDC to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations No. 15-2010 in Note 40 to the financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management and has been subjected to auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT

Atty. DENNIS CRC DE LEON
OIC - Supervising Auditor

May 22, 2025

NATIONAL DEVELOPMENT COMPANY
Enabling the future.

BAGONG PILIPINAS

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Management of National Development Company (NDC) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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

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

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

The Commission on Audit has audited the financial statements of NDC in accordance with the International Standards of Supreme Audit Institutions, and in its report to the Board of Directors, has expressed its opinion on the fairness of the presentation upon completion of such audit.

SEC. MARIA CRISTINA ALDEGUER-ROQUE
NDC Chairman of the Board

SATURNINO H. MEJIA
General Manager

JOYCE ANNE N. ALIMON
Assistant General Manager - Finance and Subsidiaries Group

May 22, 2025

NDC Building, 116 Tordesillas St., Salcedo Village, Makati City, Philippines, 1227
T: (632) 8840-4838 to 62 / F: (632) 8840-4862 / email: info@ndc.gov.ph
Website: www.ndc.gov.ph

ISO 9001 Certified

NATIONAL DEVELOPMENT COMPANY
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023
(In Philippine Peso)

	Note	2024	2023 (As restated)	January 1, 2023 (As restated)
ASSETS				
Current Assets				
Cash and cash equivalents	7	**982,533,498**	215,581,117	255,664,554
Other investments	8	**421,382,295**	1,017,866,401	1,627,432,908
Receivables, net	9	**636,099,463**	242,335,814	202,564,214
Inventories	10	**1,510,839**	1,671,740	1,627,648
Other current assets	11	**770,765,146**	687,854,590	32,203,493
Total Current Assets		**2,812,291,241**	2,165,309,662	2,119,492,817
Non-Current Assets				
Financial assets	12	**1,325,020,085**	1,354,658,550	1,395,461,736
Investments in associates/affiliates	13	**258,116,323**	227,769,313	246,804,019
Investments in subsidiaries	14	**402,315,129**	402,315,129	402,315,129
Other investments	15	**277,446,890**	196,446,890	196,446,890
Receivables, net	9	**111,657,408**	65,611,059	79,362,457
Investment property	16	**32,011,008,107**	31,181,339,370	26,742,372,204
Property and equipment, net	17	**190,296,414**	188,287,666	71,941,780
Other non-current assets	18	**27,818,577**	28,854,755	42,450,117
Total Non-Current Assets		**34,603,678,933**	33,645,282,732	29,177,154,332
TOTAL ASSETS		**37,415,970,174**	35,810,592,394	31,296,647,149
LIABILITIES AND EQUITY				
Current Liabilities				
Financial liabilities	19	**627,418,517**	640,854,846	615,622,488
Inter-agency payables	20	**20,705,975**	23,645,190	16,848,402
Trust liabilities	21	**107,482,499**	11,696,380	32,192,806
Deferred credits/unearned income	22	**19,072,253**	25,918,915	9,880,921
Provisions	23	**326,512,591**	322,275,371	316,463,017
Other payables	24	**7,184,057**	2,335,631	796,913
Total Current Liabilities		**1,108,375,892**	1,026,726,333	991,804,547
Non-Current Liabilities				
Deferred tax liability	32	**7,190,624,474**	6,986,164,835	5,878,776,338
Trust liabilities	21	**49,613,461**	43,006,081	37,922,385
Total Non-Current Liabilities		**7,240,237,935**	7,029,170,916	5,916,698,723
Equity	33	**29,067,356,347**	27,754,695,145	24,388,143,879
TOTAL LIABILITIES AND EQUITY		**37,415,970,174**	35,810,592,394	31,296,647,149

The notes on pages 9 to 69 form part of these financial statements.

NATIONAL DEVELOPMENT COMPANY
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023
(In Philippine Peso)

	Note	2024	2023 (As restated)
INCOME			
Business income	25	**445,051,376**	370,794,205
Gains	26	**1,605,416,986**	4,446,304,644
Other non-operating income	27	**6,904,939**	6,033,414
		2,057,373,301	4,823,132,263
EXPENSES			
Personnel services	28	**62,280,914**	50,863,225
Maintenance and other operating expenses	29	**160,059,606**	148,358,708
Financial expenses	30	**3,848,178**	3,925,826
Non-cash expenses	31	**23,784,744**	32,623,029
		249,973,442	235,770,788
INCOME BEFORE INCOME TAX		**1,807,399,859**	4,587,361,475
INCOME TAX EXPENSE			
Current tax	32	**149,387,779**	29,073,922
Deferred tax	32	**204,459,639**	1,107,388,497
NET INCOME		**1,453,552,441**	3,450,899,056
Other comprehensive income	12	**15,400,080**	4,804,810
TOTAL COMPREHENSIVE INCOME		**1,468,952,521**	3,455,703,866

The notes on pages 9 to 69 form part of these financial statements.

NATIONAL DEVELOPMENT COMPANY
STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024 and 2023
(In Philippine Peso)

	Note	Share Capital (Note 33)	Share in Revaluation Increments of Associates	Accumulated Other Comprehensive Income	Retained Earnings (Note 34)	Total
Balances, December 31, 2022		**8,602,803,483**	**28,883,100**	**63,059,760**	**15,911,094,674**	**24,605,841,017**
Correction of prior years' errors	35	0	0	0	(217,697,138)	(217,697,138)
Balances, January 1, 2023, as restated		**8,602,803,483**	**28,883,100**	**63,059,760**	**15,693,397,536**	**24,388,143,879**
Changes in Equity for 2023						
Net income for the year		0	0	0	3,450,899,056	3,450,899,056
Dividends	37	0	0	0	(89,152,600)	(89,152,600)
Other comprehensive income for the year						
Unrealized gain on financial assets at FVOCI	12	0	0	4,804,810	0	4,804,810
Balances, December 31, 2023, as restated		**8,602,803,483**	**28,883,100**	**67,864,570**	**19,055,143,992**	**27,754,695,145**
Changes in Equity for 2024						
Net income for the year		0	0	0	1,453,552,441	1,453,552,441
Dividends	37	0	0	0	(156,291,319)	(156,291,319)
Other comprehensive income for the year						
Unrealized gain on financial assets at FVOCI	12	0	0	15,400,080	0	15,400,080
Balances, December 31, 2024		**8,602,803,483**	**28,883,100**	**83,264,650**	**20,352,405,114**	**29,067,356,347**

The notes on pages 9 to 69 form part of these financial statements.

NATIONAL DEVELOPMENT COMPANY
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(In Philippine Pesos)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Collection of rentals		**240,509,043**	250,758,880
Collection of interest		**19,639,849**	33,422,658
Dividends received		**11,764,403**	13,858,937
Collection of receivables		**8,167,779**	19,596,794
Miscellaneous collections		**1,745,235**	2,951,787
Total Cash Inflows		**281,826,309**	320,589,056
Cash Outflows			
Payment to suppliers and service providers		**210,613,643**	244,243,506
Payment of taxes and licenses		**243,002,419**	53,213,999
Payment of salaries and benefits to officers and employees		**48,588,403**	52,995,076
Total Cash Outflows		**502,204,465**	350,452,581
Net cash used in operating activities		**(220,378,156)**	(29,863,525)
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds/placements on investments		**795,391,504**	77,784,504
Proceeds from disposal of assets		**379,073,235**	390,378
Collection of loans		**860,972**	132,550
Total Cash Inflows		**1,175,325,711**	78,307,432
Cash Outflow			
Equity Investment		**81,000,000**	0
Loan released		**45,700,000**	0
Total Cash Outflow		**126,700,000**	0
Net cash provided by investing activities		**1,048,625,711**	78,307,432
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Inflow			
Inter-Agency Transfer of Funds	11	**95,000,000**	0
Total Cash Inflow		**95,000,000**	0
Cash Outflow			
Payment of dividends	37	**156,291,319**	89,152,600
Total Cash Outflow		**156,291,319**	89,152,600
Net cash used in financing activities		**(61,291,319)**	(89,152,600)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(3,855)**	625,256
NET INCREASE IN CASH AND CASH EQUIVALENTS		**766,952,381**	(40,083,437)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**215,581,117**	255,664,554
CASH AND CASH EQUIVALENTS AT END OF YEAR	7	**982,533,498**	215,581,117

The notes on pages 9 to 69 form part of these financial statements.

NATIONAL DEVELOPMENT COMPANY
NOTES TO FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The National Development Company (NDC) was established as a semi-private corporation on March 10, 1919, through Legislative Act (LA) No. 2849, as amended by LA No. 2873. It was authorized to engage in commercial, industrial, and other enterprises essential to the country's economic development.

On November 13, 1936, it became a public corporation through Commonwealth Act (CA) No. 182, as amended by CA No. 311, dated June 9, 1938, to implement the economic policies of the National Government (NG) and play an active role in the development of natural resources.

Presidential Decree No. 1648, issued on October 25, 1979, revised the NDC Charter and reorganized the NDC to be the government's investment arm under the Department of Trade and Industry (DTI). The NDC's mandate is to invest in pioneering and development-oriented projects where private investors are unwilling (because of the high risks or uncertainties involved) or unable to venture into (because of the large investment requirement) but are necessary for the country's development.

On March 10, 2003, Executive Order (EO) No. 184 was issued directing the reorganization and streamlining of the NDC by refocusing its operations as the government's investment arm. In fulfilling this role, NDC shall:

- adopt a new philosophy and strategy by sourcing and investing funds in a portfolio of socially relevant and commercially driven projects, the returns from which shall balance out the generation of income streams and ensure sustainable financial returns to uphold the government's shareholder value;

- adopt a more aggressive divestment policy and more precise exit mechanism on its equity investments, which could be best handled by the private sector; and

- act as a holding corporation to manage its subsidiaries where government investments are placed, ensure that their growth potentials are maximized to enhance the government's shareholder value, and adopt control mechanisms to effectively monitor the performance of the subsidiaries.

Further, the NDC was also directed to review its operations, following a set of performance-measuring criteria, to attain its missions, plans, and goals in accordance with the refocused functions.

The Department of Budget and Management approved the new structure of NDC on May 29, 2003, as well as the required staffing pattern and qualification standards for all positions. The corresponding Implementing Rules and Regulations of EO No. 184 were promulgated and approved by the DTI Secretary on August 28, 2003, under DTI Department Order No. 70. With the implementation of EO No. 184, new employees were hired to work and implement the mandate of NDC as the government's investment arm.

The NDC's principal office is located at the NDC Building, No. 116 Tordesillas St., Salcedo Village, Makati City.

The accompanying financial statements as of December 31, 2024, and 2023 were approved and authorized for issue by the Management on May 22, 2025.

2. GOING CONCERN

The coronavirus disease (COVID-19) outbreak is a severe and unprecedented public health threat. On March 11, 2020, the World Health Organization officially declared COVID-19 a pandemic.

On March 8, 2020, the President of the Philippines signed Proclamation No. 922, declaring a State of Public Health Emergency throughout the country upon the recommendation of the Department of Health following the confirmed local transmission of COVID-19. Subsequently, on March 16, 2020, the President signed Proclamation No. 929, declaring a State of Calamity throughout the Philippines for a period of six months, unless earlier lifted or extended as circumstances may warrant, and imposing an Enhanced Community Quarantine throughout Luzon.

On July 21, 2023, the President of the Philippines signed Proclamation No. 297 lifting the State of Public Health Emergency throughout the Philippines due to COVID-19.

Management assessed that the COVID-19 pandemic had a moderate impact on NDC's operations but could not be considered a sufficient reason to close down its operations in the succeeding years.

3. FINANCIAL REPORTING FRAMEWORK AND BASIS OF PREPARATION AND PRESENTATION

Statement of Compliance

The financial statements of the NDC were prepared in accordance with Philippine Financial Reporting Standards (PFRS), which include all applicable PFRS, Philippine Accounting Standards (PAS), and interpretations issued by the International Financial Reporting Interpretations Committee, Philippine Interpretations Committee and Standing Interpretations Committee as approved by the Financial Reporting Standards Council and Board of Accountancy and adopted by the Securities and Exchange Commission.

Basis of Preparation

Unless otherwise indicated, the NDC's financial statements were prepared using the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the NDC takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

For financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which is described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the currency of the primary economic environment in which the NDC operates. All values represent absolute amounts except when otherwise indicated.

4. NEW AND REVISED ACCOUNTING STANDARDS

Adoption of New and Amended PFRS

a. *Effective in 2024 that are relevant to the NDC*

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following new and amended PFRS, which the NDC adopted effective for annual periods beginning on or after January 1, 2024:

- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback* – The amendments pertain to the addition of subsequent measurement requirements for sale and leaseback transactions. It requires a seller-lessee to account for variable lease payments that arise in a sale-and-leaseback transaction as follows:

  - On initial recognition, include variable lease payments when measuring a lease liability arising from a sale-and-leaseback transaction.

  - After initial recognition, apply the general requirements for subsequent accounting of the lease liability such that no gain or loss relating to the retained right of use is recognized.

  Seller-lessees are required to reassess and potentially restate sale-and-leaseback transactions entered into since the implementation of PFRS 16 in 2019.

- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants* - The amendments improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with covenants. The amendments also respond to stakeholders' concerns about the classification of such a liability as current or non-current.

  The amendments clarify that the classification of liabilities as current or noncurrent is based solely on an entity's right to defer settlement for at least 12 months after the reporting date. The right needs to exist at the reporting date and must have substance.

  Only covenants with which an entity must comply on or before the reporting date affect this right. Covenants to be complied with after the reporting date do not affect the classification of a liability as current or noncurrent at the reporting date. However, disclosure about covenants is now required to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

  The amendments also clarify that the transfer of an entity's own equity instruments is regarded as a settlement of a liability in certain circumstances. If a liability has any equity conversion options, they generally affect its classification as current or noncurrent (e.g. if the conversion option is bifurcated as an embedded derivative from the host debt), unless these conversion options are recognized as equity under PAS 32, *Financial Instruments: Presentation*.

b. *New and amended PFRS issued but not yet effective*

The new and amended PFRS which are not yet effective for the year ended December 31, 2024, and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2025:

- Amendments to PFRS 17, Insurance Contracts – The main changes resulting from Amendments to PFRS 17 are:

  - Deferral of the date of initial application of PFRS 17 by two years to annual periods beginning on or after January 1, 2023, and change the fixed expiry date for the temporary exemption in PFRS 4 Insurance Contracts from applying PFRS 9 Financial Instruments, so that entities would be required to apply PFRS 9 for annual periods beginning on or after January 1, 2023.

  - Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage, as well as optional scope exclusion for loan contracts that transfer significant insurance risk.

- Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognized in a business acquired in a business combination.

- Clarification of the application of PFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level.

- Clarification of the application of contractual service margin attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements.

- Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives.

- Amendments to require an entity that at initial recognition recognizes losses on onerous insurance contracts issued to also recognize a gain on reinsurance contracts held.

- Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts.

- Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.

- Several small amendments regarding minor application issues.

- Amendments to PAS 21, *Lack of Exchangeability* – The amendments apply when one currency cannot be exchanged into another. This may occur, for example, because of government-imposed controls on capital imports and exports, or a limitation on the volume of foreign currency transactions that can be undertaken at an official exchange rate. The amendments clarify when a currency is considered exchangeable into another currency and how an entity estimates a spot rate for currencies that lack exchangeability. The amendments introduce new disclosures to help financial statement users assess the impact of using an estimated exchange rate.

Effective for annual periods beginning on or after January 1, 2026:

- Amendments to PFRS 9 and PFRS 7, *Amendments to the Classification and Measurement of Financial Instruments* - Clarifies that financial assets and financial liabilities are recognized and derecognized at the settlement date, except for regular way purchases or sales of financial assets and financial liabilities meeting conditions for a new exception. The new exception permits companies to elect to derecognize certain financial liabilities settled via electronic payment systems earlier than the settlement date.

They also provide guidelines to assess contractual cash flow characteristics of financial assets, which apply to all contingent cash flows, including those arising from environmental, social, and governance (ESG)-linked features.

Additionally, these amendments introduce new disclosure requirements and update others.

Effective for annual periods beginning on or after January 1, 2027:

- PFRS 18 replaces PAS 1, *Presentation and Disclosure in Financial Statements* - The changes, which primarily affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing, and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.

  Further, operating expenses are presented directly on the face of the income statement – classified by nature (e.g., employee compensation), function (e.g., cost of sales), or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature.

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures, Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture* – The amendments address a current conflict between the two standards and clarify that a gain or loss should be recognized fully when the transaction involves a business, and partially if it involves assets that do not constitute a business. The effective date of the amendments, initially set for annual periods beginning on or after January 1, 2016, was deferred indefinitely in December 2015, but earlier application is still permitted.

Under prevailing circumstances, the adoption of the foregoing new and amended PFRS is not expected to have any material effect on the NDC's financial statements.

5. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared using the measurement bases specified by PFRS for each type of asset, liability, income, and expense.

Financial Assets

Initial Recognition

Financial assets are recognized in the NDC's financial statements when the NDC becomes a party to the contractual provisions of the instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of the NDC's financial assets, except for investments classified at fair value through profit or loss (FVTPL).

Classification and Subsequent Measurement

Financial assets are classified into the following specified categories: financial assets at FVTPL, financial assets at fair value through other comprehensive income (FVOCI), and at amortized cost. The classification is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial Assets at FVTPL

The NDC classifies financial assets as at FVTPL when the financial asset is held for trading and designated upon initial recognition as either held for trading or designated upon initial recognition.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition, it is a part of an identified portfolio of financial instruments that the NDC manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and is not effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis in accordance with the NDC's documented risk management or investment strategy and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and it is permitted that the entire combined contract be designated as at fair value through profit or loss.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on the measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

As of the reporting date, the NDC does not have financial assets that are classified as fair value through profit or loss.

Financial Assets at Amortized Cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

After initial measurement, the financial assets are subsequently measured at amortized cost using the effective interest method, less any allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are reclassified to FVTPL, impaired or derecognized, and through the amortization process.

Cash and cash equivalents, short-term investments, and receivables fall under this category.

Financial Assets at FVOCI

For debt instruments that meet the contractual cash flow characteristic and are not designated at FVTPL under the fair value option, the financial assets shall be measured at FVOCI if both of the following conditions are met:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For equity instruments, the NDC may irrevocably designate the financial asset to be measured at FVOCI in case the above conditions are not met.

Financial assets at FVOCI are initially measured at fair value plus transaction costs. After initial recognition, interest income (calculated using the effective interest rate method), foreign currency gains or losses, and impairment losses of debt instruments measured at FVOCI are recognized directly in profit or loss. When the financial asset is derecognized, the cumulative gains or losses previously recognized in OCI are reclassified from equity to profit or loss as a reclassification adjustment.

Dividends from equity instruments held at FVOCI are recognized in profit or loss when the right to receive payment is established unless the dividend clearly represents a recovery of part of the investment's cost. Foreign currency gains or losses and unrealized gains or losses from equity instruments are recognized in OCI and presented in the equity section of the statements of financial position.

These fair value changes are recognized in equity and are not reclassified to profit or loss in subsequent periods.

Financial assets at FVOCI-equity instruments are disclosed in Note 12.

Impairment of financial assets- starting January 1, 2022:

The NDC applies an "expected credit loss" (ECL) model to its financial assets measured at amortized cost and debt investment at FVOCI but not to investment in equity instruments.

Loss allowances are measured on either of the following bases:

- *12-month ECLs.* These are ECLs that result from possible default events within the 12 months after the reporting date; and

- *Lifetime ECLs.* These are ECLs that result from all possible default events over the expected life of a financial instrument.

The NDC measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Debt securities that are determined to have low credit risk at the reporting date; and

- Other debt securities and bank balances for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

The NDC has elected to measure loss allowances for receivables at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the NDC considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the NDC's historical experience, as well as informed credit assessment, including current conditions and forecasts of future economic conditions.

The NDC assumes that a financial asset's credit risk has increased significantly if it is more than two years past due.

The NDC considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the NDC in full without recourse by the NDC to actions such as realizing security (if any is held); or

- The financial asset is more than two years past due.

The maximum contractual period over which the NDC is exposed to credit risk is considered when estimating ECLs.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the NDC expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the NDC assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Impairment of financial assets- before January 1, 2022:

Impairment loss is provided when there is objective evidence that the NDC will not be able to collect all amounts due to it in accordance with the original terms of the receivables or when the investment can no longer be recovered.

Derecognition of financial assets

The NDC derecognizes financial assets when the contractual rights to the cash flow from the asset expire or when it transfers the financial asset and substantially all the risk and rewards of ownership of the asset to another party. If the NDC neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the NDC recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the NDC retains substantially all the risk and rewards of ownership of a transferred financial asset, the NDC continues to recognize the financial asset and also recognizes collateralized borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g., when the NDC retains an option to repurchase part of a transferred asset), the NDC allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

Financial Liabilities and Equity Instruments

Classification as Debt or Equity

Debt and equity instruments issued by the NDC are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Financial Liabilities

Initial recognition

Financial liabilities are recognized in the NDC's financial statements when the NDC becomes a party to the contractual provisions of the instrument. Financial liabilities are initially recognized at fair value. Transaction costs are included in the initial measurement of the NDC's financial liabilities except for debt instruments classified at FVTPL. In a regular way purchase or sale, financial liabilities are recognized and derecognized, as applicable, using settlement date accounting.

Classification and Subsequent Measurement

Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified at FVTPL when the financial liability is held for trading, designated upon initial recognition, either held for trading or designated upon initial recognition.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or

- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

- the financial liability forms part of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis in accordance

with the NDC's documented risk management or investment strategy, and information about the NDC is provided internally on that basis; or

- it forms part of a contract containing one or more embedded derivatives, and Philippine Accounting Standards 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income. Fair value is determined in the manner described in the notes.

Other financial liabilities

Other financial liabilities (including borrowings) are subsequently measured at amortized cost using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Accounts payable and accrued expenses, inter-agency payables, and loans payable are classified as other financial liabilities.

Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount is reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts, and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

A right to offset must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency, or bankruptcy.

Derecognition of financial liabilities

The NDC derecognizes financial liabilities when, and only when, the NDC's obligations are discharged, cancelled, or expired. The difference between the carrying amount of the financial liability derecognized, and the consideration paid and payable is recognized in profit or loss.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the NDC are recognized at the proceeds received, net of direct issue costs.

Retained earnings

Retained earnings represent accumulated profit and/or loss attributable to equity holders of the NDC after deducting dividends declared. Retained earnings may also include the effect of changes in accounting policy and prior period adjustments.

Investment in Subsidiary

A subsidiary is an entity over which NDC exercises control over the financial and operating policy decisions of the investee.

An investment in a subsidiary is accounted for using the cost method from the date on which the investee becomes a subsidiary. Under the cost method, the investment in a subsidiary is initially measured at cost and presented in the statement of financial position at cost less any accumulated impairment in value.

Investment in a subsidiary is derecognized upon disposal. Any difference between the carrying amount of the investment in a subsidiary and the net proceeds from the disposal is recognized immediately in profit or loss.

Investment in Joint Venture (JV)

A JV is a contractual arrangement whereby the group and other parties undertake an economic activity that is subject to joint control.

Where a group of companies undertakes its activities under JV arrangements directly, the group's share of jointly-controlled assets and any liabilities incurred jointly with other venturers are recognized in the financial statements of the venturers and classified according to their nature.

Liabilities and expenses incurred directly with respect to interests in jointly controlled assets are accounted for on an accrual basis. Income from the sale or use of the group's share of the output of jointly-controlled assets and its share of JV expenses are recognized when it is probable that the economic benefits associated with the transactions will flow to/from the group and their amount can be measured reliably.

Investment in Associate/Affiliate

An associate is an entity over which NDC has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the investee's financial and operating policy decisions but is not control or joint control over those policies.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. Any excess of the cost of acquisition over the NDC's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognized as implied goodwill, which is included within the carrying amount of the investments and is assessed for impairment as part of that investment. Any deficiency of the cost of acquisition below the NDC's share of the fair values of the identifiable net assets of the associate at the date of acquisition, i.e., discount on acquisition, is immediately recognized in profit or loss in the period of acquisition.

The results of operations and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held-for-sale, which is measured at the lower of carrying amount and fair value less cost to sell. Under the equity method, investments in associates or joint ventures are carried in the statements of financial position at cost and adjusted thereafter to recognize the NDC's share of the profit or loss and other comprehensive income of the associate or joint venture. When the NDC's share of losses of an associate exceeds the NDC's interest in that associate, the NDC discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the NDC has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

The NDC's accounting policy for impairment of financial assets is applied to determine whether it is necessary to recognize any impairment loss with respect to its investment in an associate. When necessary, the entire carrying amount of the investment, including goodwill, is tested for impairment in accordance with the NDC's accounting policy on impairment of tangible and intangible assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The NDC discontinues the use of the equity method from the date the investment ceases to be an associate or when the investment is classified as held for sale. When the NDC retains an interest in the former associate and the retained interest is a financial asset, the NDC measures the retained interest at fair value at that date, and the fair value is regarded as its fair value on initial recognition. The difference between the carrying amount of the associate at the date the equity method was discontinued and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of gain or loss on the disposal of the associate. In addition, the NDC accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the NDC reclassifies the gain or loss from equity to profit or loss (as reclassification adjustment) when the equity method is discontinued.

Investment Property

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment property are included in the income statement in the period in which they arise.

Investment property is derecognized when either it has been disposed of or when the investment property is permanently withdrawn from use, and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the income statement in the period of derecognition.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of the change. If owner-occupied property becomes an investment property, the NDC accounts for property in accordance with the policy stated under property, plant, and equipment up to the date of change.

Property and Equipment

Property and equipment are initially measured at cost. The cost of an item of property and equipment comprises:

- its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;

- any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and

- the initial estimate of the future costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Property and equipment are stated in the financial statements at cost less accumulated depreciation, amortization, and any impairment in value.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance, and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment. The cost of replacing a component of an item of property and equipment is recognized if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognized.

When parts of an item of property and equipment have different useful lives, these are accounted for as separate items (principal components) of property and equipment.

Depreciation and amortization are calculated on a straight-line basis over the estimated useful lives of the property and equipment.

Impairment of Non-financial Assets

At each reporting date, non-financial assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated

recoverable amount, and an impairment loss is recognized immediately in profit and loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Derecognition of Non-financial assets

Non-financial assets are derecognized when they are disposed of or when no future economic benefits are expected from them. Any difference between the carrying value of the asset derecognized, and the net proceeds from derecognition is recognized in profit or loss.

Related Parties

Related party relationships exist when one party has the ability to control, directly or indirectly, through one or more intermediaries, the other party or exercises significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities that are under common control with the reporting enterprise or between and/or among the reporting enterprise and its key management personnel, directors, or shareholders. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the NDC and that the revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, which represents the amount of services provided in the normal course of business.

Dividend Income

Dividend income is recognized when the NDC's rights to receive payment have been established, provided that it is probable that the economic benefits will flow to the NDC and the amount of income can be measured reliably.

Interest Income

Interest income is accrued on a time proportion basis by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

Lease Income

Lease income from cancellable lease agreements is recognized when earned in the statement of comprehensive income.

Expense Recognition

Expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase in liability has arisen that can be measured reliably. Expenses are recognized in profit or loss on the basis of a direct association between the costs incurred and the earning of specific items of income, on the basis of systematic and rational allocation procedures when economic benefits are expected to arise over several accounting periods and the association with income can only be broadly or indirectly determined; or immediately when an expenditure produces no future economic benefits or when, and to the extent that, future economic benefits do not qualify, or cease to qualify, for recognition in the statements of financial position as an asset.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership of the leased asset to the lessee.

All other leases are classified as operating leases. Rental payments under operating leases are recognized in profit or loss on a straight-line basis over the term of the relevant lease.

The NDC as Lessor

The Contract of Lease entered into by the NDC does not transfer substantially all the risks and benefits of ownership of the asset. The NDC is engaged in a lease with a termination clause, which states that, in case the Contract of Lease is terminated by the Lessor at any time prior to its expiration, the Lessor shall refund the amount representing the unearned portion of the rental to the Lessee. On the other hand, if the Contract of Lease is terminated by the Lessee at any time prior to its expiration, the amount representing the unearned portion of the rental will be deemed forfeited in favor of the Lessor. The rent income from the Contract of Lease is recognized in the statement of comprehensive income.

The NDC determines whether an arrangement is or contains a lease based on its substance. It assesses whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Employee Benefits

Short-term Benefits

Short-term benefits include salaries, bonuses, compensated absences, and other forms of employee benefits that are expected to be settled within one year from the reporting date. Short-term employee benefits are recognized as expenses in the period the related services are provided.

Terminal leave benefits

Terminal leave benefits are computed based on the actual leave credits earned by employees as of the reporting date. The amount reported as a liability in the statement of financial position is based on the employee's salary grade as of the reporting dates.

Provident fund

Pursuant to Executive Order No. 641, the NDC has established a Provident Fund, a defined contribution plan consisting of contributions made by its officers and employees and the NDC. The Fund is administered by its Board of Trustees.

Income Tax

The income tax expense represents the sum of the current tax and deferred tax expenses.

Current Tax

The current tax expense is the amount of tax due which is computed based on the taxable profit for the year. Taxable profit differs from net profit as reported in the statements of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the NDC expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred Tax for the Year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Borrowing Costs

Borrowing costs are interest and other costs that the NDC incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction, or production of qualifying assets are added to the cost of the assets until such time as the assets are substantially ready for their intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

Provisions and Contingencies

Provisions are recognized when the NDC has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the NDC expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

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

Foreign Currency Transactions

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date. At each reporting date:

a. Foreign currency monetary items are translated using the closing rate;

b. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and

c. Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates at the date the fair value is determined.

Exchange differences arising (a) on the settlement of monetary items or (b) on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statements are recognized in surplus or deficit in the period in which they arise.

Changes in Accounting Policies and Estimates

The effects of changes in accounting policies are recognized retrospectively. The effects of changes in accounting policy were applied prospectively if retrospective application is impracticable.

The effects of changes in accounting estimates are recognized prospectively by including them in profit or loss.

The material prior period errors are corrected retrospectively in the first set of financial statements authorized for issue after their discovery by:

- Restating the comparative amounts for prior period(s) presented in which the error occurred; or

- If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities, and equity for the earliest prior period presented.

The increase in the capitalization threshold from P15,000 to P50,000 for Property and Equipment shall be considered a change in accounting policy and shall be applied retrospectively, in accordance with COA Circular No. 2022-004 dated May 31, 2022.

Events after the Reporting Date

Subsequent events that provide additional information about conditions existing at period end (adjusting events) are recognized in the financial statements. Subsequent events that provide additional information about conditions existing after the period ends (non-adjusting events) are disclosed in the notes to the financial statements.

6. JUDGMENTS AND ESTIMATES

The preparation of the financial statements in accordance with Philippine Financial Reporting Standards requires the NDC to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Future events may occur, which will cause the assumptions used in arriving at the estimates to change. The effects of changes in estimates will be reflected in the financial statements as they become reasonably determinable.

In calendar year (CY) 2017, Management made a significant judgment regarding the financial position of Philippine Pharma Procurement Inc. (PPPI), which is 40 per cent owned by NDC. PPPI incurred continuous operating losses and has experienced negative cash flows from its operations. Management assessed these financial indicators to determine whether PPPI will be able to continue its rental payment obligations under existing lease agreements. Management determined that PPPI is presently unable to settle its lease liabilities. This judgment has a significant impact on the presentation and disclosure of rental receivables.

Estimated allowance for impairment of receivables

The NDC maintains an allowance for impairment losses at a level considered adequate to provide for potential uncollectible receivables. This amount is evaluated based on factors that affect the collectability of the accounts. These factors include the age of the receivables, the length of the NDC's relationship with the customer, the customer's payment behavior, and known market factors. The amount and timing of recorded expenses for any period would differ if the NDC made different judgments or utilized different estimates.

At the end of 2024 and 2023, the NDC recognized the allowance for impairment of receivables in the amounts of P1.260 million and P2.532 million, respectively.

Estimating useful lives of property and equipment

The NDC estimates the useful lives of its property and equipment based on the period over which these assets are expected to be available for use. The estimated useful lives of these assets and residual values are reviewed and adjusted, if appropriate, only if there is a significant change in the asset or how it is used.

The following estimated useful lives are used in depreciating the property and equipment:

Type of Asset	**Estimated useful life in years**
Land improvements	40
Building and building improvements	2 to 20
Furniture and equipment	3 to 10

7. CASH AND CASH EQUIVALENTS

This account consists of:

	2024	2023
Cash with collecting/disbursing officer	**46,806**	104,273
Cash in banks	**11,180,555**	53,108,838
Cash equivalents	**971,306,137**	162,368,006
	982,533,498	215,581,117

Cash in banks earns interest at the prevailing bank deposit rates. Interest earned on Cash in banks amounted to P10,457 and P14,782 in CYs 2024 and 2023, respectively.

Cash equivalents pertain to investments in time deposits in the Land Bank of the Philippines (LBP) and the Development Bank of the Philippines (DBP) with interest rates ranging from 5.25 to 5.98 per cent and with maturity dates of three months or less.

8. OTHER INVESTMENTS

This account consists of money market placements in LBP and DBP in the total amount of P421.382 million and P1.018 billion in CYs 2024 and 2023, respectively. Interest earned on these investments amounted to P59.286 million and P74.306 million in CYs 2024 and 2023, respectively.

9. RECEIVABLES

This account consists of:

	2024	2023 (As restated)
Current		
Due from National Government (NG)	**424,471,202**	0
Interest receivables	**60,650,660**	84,264,549
Rental receivables	**57,897,823**	70,137,839
Due from officers and employees	**246,287**	880,045
Other receivables	**351,925,100**	347,168,885
	895,191,072	502,451,318
Allowance for impairment losses	**(259,091,609)**	(260,115,504)
	636,099,463	242,335,814

	2024	2023 (As restated)
Non-Current		
Loans receivables	**1,147,288,322**	1,101,588,322
Interest receivables	**6,938,606**	6,938,606
Due from subsidiaries/associates/affiliates	**1,143,744,206**	1,143,744,206
Due from officers and employees	**7,828,139**	7,481,790
Due from NG	**3,252,878**	3,252,878
	2,309,052,151	2,263,005,802
Allowance for impairment losses	**(2,197,394,743)**	(2,197,394,743)
	111,657,408	65,611,059

Significant disclosures on Current Receivable accounts are discussed hereunder:

Due from NG pertains to receivables from the Toll Regulatory Board from the sale of a parcel of land located at Pandacan City, Manila, with a total area of 13,297.97 square meters.

Interest receivables account pertains to interests from various investments and income-generating activities that were already earned as of the reporting date but not yet actually received.

The rental receivables account consists of collectibles from leases of real properties covered by lease agreements between the Corporation and lessees. The rental receivable from Philippine Pharma Procurement Inc. (PPPI), amounting to P9.204 million, represents the outstanding balance for the leased offices located on the ground, 2nd, and 12th Floors of the NDC building. PPPI has been incurring significant losses and has not been able to pay its monthly rentals and assessment fees to NDC. Consequently, in 2017, NDC ceased accruing rental income due to PPPI's inability to pay, arising from persistent negative cash flows and net losses.

Of the total rental receivables for CYs 2023 and 2024, P31.024 million have been identified as past due and have been provided with a 100 per cent allowance for impairment. No dormant rental receivables have been written off during the year; however, Management is continuously gathering the necessary documentation to support the request for the write-off of these accounts.

Due from officers and employees pertains to loans granted by the NDC to its officers and employees.

Other receivables account includes management fees, guarantee fees, commitment fees, NDC's 50 per cent share from Rizal Hydro Project, trade receivables, and other receivables. The account also includes a loan receivable amounting to P13.500 million from GY Real Estate, Inc., 60 per cent owned by NDC, which was due on June 15, 2024.

Meanwhile, significant disclosures on Non-Current Receivable accounts are presented on the next page:

Loans receivables account includes a restructured loan to the Philippines Mining Development Corporation (PMDC) with terms of up to 10 years starting July 30, 2013. PMDC requested a re-computation of its outstanding restructured loan and filed an arbitration case in November 2019. The Office of the Government Corporate Counsel (OGCC) noted the comment filed by NDC in September 2020. On October 22, 2021, the OGCC conducted a Case Management Conference. During the said conference, OGCC required the counsels of the parties to secure authority from their respective Board of Directors to represent the parties in the arbitration and to negotiate for the possible settlement of the case. On November 5, 2021, NDC received the settlement proposal of PMDC. On November 8, 2021, NDC submitted the Secretary's Certificate showing the authority granted to its counsels to represent NDC in the arbitration. On November 22, 2021, NDC submitted its proposed settlement to PMDC. The OGCC scheduled the Preliminary Conference in April 2022. On July 6, 2022, NDC filed a memorandum relative to the complaint for arbitration filed by PMDC against NDC, alleging that the P25 million advances made by NDC were for additional equity and not a loan. As of December 31, 2023, the committee of the Arbitration Panel has not yet issued a resolution in regard to the case.

Further, the loans receivable from PPPI amounting to P291.795 million represents the outstanding principal and accrued interest, exclusive of penalties from the loan that was restructured on June 30, 2013, between NDC and PPPI. The loan is payable every quarter for a period of eight years and bears an interest rate of seven per cent per annum. Since CY 2014, PPPI has been unable to make any installment payments or pay the accrued interest on its restructured loan. In CY 2015, considering PPPI's unfavorable financial condition and in accordance with the Manual of Regulations for Non-Bank Financial Institutions, NDC suspended the recognition of interest income from PPPI loans in the books of accounts of NDC. In CY 2017, a 100 per cent allowance for impairment was provided for the outstanding principal and interest balance of PPPI.

Furthermore, the loan receivables account includes a P40 million payment to Davao Thermo Biotech Corporation under the Investment Agreement, with the option for NDC to convert the same into equity through the issuance of Subordinated Convertible Zero-Coupon Debt Notes by the former. NDC also released P5.700 million, with Convertible Notes as the investment instrument, to Humble Sustainability Inc. as additional capital to expand the latter's business.

Due from subsidiaries/associates/affiliates consists of advances made to the NDC's various subsidiaries and affiliates. This also pertains to the various advances to the Philippine National Construction Corporation (PNCC), totaling P214 million between CYs 1990 to 1999 for foreign and peso accounts for which it issued promissory notes and interest and penalties thereon of P989 million as of December 31, 2009. The collection of the various advances made by NDC was the subject of an arbitration case before the OGCC Arbitral Tribunal:

- The arbitration case filed by NDC was consolidated by the Department of Justice (DOJ) with the arbitration case filed by the Privatization and Management Office against PNCC.

- The DOJ, in its Consolidated Decision dated February 18, 2014, granted NDC's Petition against PNCC; the dispositive portion was as follows:

"However, the Petition filed by NDC against PNCC is GRANTED. As prayed for, respondent PNCC is ordered: (1) to pay petitioner NDC the principal amount of the Promissory Notes, plus accrued interests and penalties as provided for in the said Notes; and (2) to reimburse the petitioner the amount of mortgage loan, including interest thereon."

- On March 13, 2014, PNCC filed a Motion for Reconsideration on the Consolidated Decision of the DOJ.
- On January 22, 2015, the DOJ denied PNCC's Motion for Reconsideration.
- On June 26, 2015, the PNCC filed a Notice of Appeal with the Office of the President (OP) of the Republic of the Philippines.
- On May 19, 2022, the OP dismissed the appeal filed by PNCC. A Motion for Reconsideration (MR) and Supplemental MR were filed by PNCC on July 21, 2022, and February 16, 2023, respectively.
- NDC is still awaiting the resolution of the OP on the appeal.

Due from NG represents the amount due from the Republic of the Philippines, representing expenses accompanying the NDC's transferred accounts to the NG. These accounts, consisting of loans, equity investments, advances, acquired assets, and other assets and liabilities, were identified and approved for transfer to the NG pursuant to Administrative Order No. 64 dated March 31, 1987.

Non-current receivables include accounts that were classified as dormant which have no financial activity for several years. Dormant accounts include loans, interest, and advances to subsidiaries that are either non-operational, dissolved, or in inactive status. The receivables from former officers and employees consist of housing and car loan accounts that have remained unpaid for over 10 years. These long-outstanding accounts have been referred to the legal department for appropriate action.

NDC continues to monitor such accounts and is in the process of completing all necessary documentation and procedures in accordance with the COA Circular for the proper write-off and disposition of these accounts. Impairment has been recognized on these balances based on the aging or years of inactivity, and Management's assessment that the full amount is no longer recoverable.

A reconciliation of the allowance for impairment losses at the beginning and end of CYs 2024 and 2023 are shown below:

	2024	2023
Beginning balance	**2,457,510,247**	2,454,977,751
Impairment loss during the year		
Rental Receivables	**(1,947,848)**	2,195,770
Others	**923,953**	336,726
	2,456,486,352	2,457,510,247

10. INVENTORIES

This account consists of the following:

	2024	2023
Inventory held for consumption:		
Carrying amount, January 1	**1,671,740**	1,627,648
Additions/acquisitions during the year	**1,106,093**	1,386,133
Expensed during the year	**(1,266,994)**	(1,342,041)
Carrying amount, December 31	**1,510,839**	1,671,740

Inventory held for consumption pertains to office supplies, accountable forms, and fuel, oil, and lubricants that were deployed for utilization or consumption in the ordinary course of operation.

11. OTHER CURRENT ASSETS

This account consists of:

	2024	2023 (As restated)
Restricted fund (held-in-trust)	**737,547,316**	655,122,152
Prepayments	**32,735,784**	32,494,031
Advances	**482,046**	238,407
	770,765,146	687,854,590

Restricted fund (held-in-trust) refers to the Mintex escrow fund invested in treasury bills with maturity dates of three months or less than one year. The distribution of the fund is governed by a deed of undertaking among the Human Settlements Development Corporation, the Southern Philippines Development Authority, and NDC. The purpose of the fund includes the entire settlement and liquidation of liabilities, which the shareholders of the old Mintex assumed, and the eventual distribution of the remaining trust assets. On February 9, 2023, the Mintex escrow funds were distributed following the new Memorandum of Agreement (MOA) based on their proportionate shareholdings.

This account also includes the fund for the hydropower project with the Philippine National Oil Company Renewables Corporation (PNOC RC), amounting to P45 million. On July 1, 2014, PNOC RC and NDC entered into a MOA for the development, commercialization, operation, and maintenance of the Pampanga River Irrigation System Main Canal Hydroelectric Power Project (Rizal Hydropower Project) for energy commercialization. On September 4, 2014, the Department of Energy confirmed the declaration of commerciality and approved the conversion of the Rizal Hydropower Service Contract from pre-development to development/commercial stage. This commenced the development and utilization of the Rizal Hydropower plant facility, which has a capacity of one megawatt. The plant started commercial operation on

July 1, 2016. Cash and cash equivalents from Rizal Hydro Power amounted to P5.304 million as of December 31, 2024. NDC recognized a 50 per cent share amounting to P2.652 million, which are funds reserved for the operation of the project.

Further, it includes the inter-agency fund transfer from the Department of Trade and Industry to NDC amounting to P95 million for the Philippine Innovation Hub – Marikina Enterprise Scale Up Hub or MESH Project, for the establishment of an innovation center to support the digital transformation of Micro, Small, and Medium Enterprises.

Furthermore, it includes cash earmarked for the Startup Venture Fund, amounting to P499.973 million, the Waste to Fuel project, amounting to P150 million and P5.900 million from the NDC provident fund.

Interest earned on these investments amounted to P22.095 million and P26.734 million in CYs 2024 and 2023, respectively.

Prepayments account includes amounts advanced for property insurance, contractors for various projects, input tax, and creditable withholding tax.

Advances account pertains to unliquidated cash advances granted to officers and employees for official travel, various special events, and operating expense payments.

12. FINANCIAL ASSETS

This account consists mainly of investments in bonds and other securities, as summarized below:

	2024	2023
Financial assets at amortized cost	**1,172,126,110**	1,217,164,655
Financial assets at fair value through other comprehensive income	**152,893,975**	137,493,895
	1,325,020,085	1,354,658,550

Financial assets at amortized cost

This account consists of long-term investments in retail treasury bonds purchased by NDC from the Land Bank of the Philippines with an interest rate ranging from 1.38 per cent to 4.00 per cent.

Interest earned on these investments amounted to P65.495 million and P34.168 million in CYs 2024 and 2023, respectively.

Financial assets at fair value through other comprehensive income

This account consists of investments in the following:

	2024	2023
Manila Golf and Country Club	**120,000,000**	115,000,000
Philippine Long Distance Telephone Company	**15,993,895**	16,469,085
Makati Sports Club	**1,200,000**	1,100,000
Philippine Columbian Association	**300,000**	120,000
	137,493,895	132,689,085
Market adjustment	**15,400,080**	4,804,810
	152,893,975	137,493,895

13. INVESTMENTS IN ASSOCIATES/AFFILIATES

This account consists of the following investments in associates of which the NDC has significant influence, and that is neither a subsidiary nor an interest in a joint venture.

		% of Ownership	2024	2023 (as restated)
Cost				
Refractories Corporation of the Phils.	RCP	33.00	**193,620,979**	193,620,979
San Carlos Bio-Energy, Inc.	SCBI	3.86	**172,900,000**	172,900,000
Manila Exposition Complex, Inc.	MECI	36.36	**120,000,000**	120,000,000
Philippine Dockyard Corporation	PDC	35.00	**101,650,000**	101,650,000
Triad Asia, Ltd.	TAL	50.00	**65,435,000**	65,435,000
Alabang-Sto. Tomas Development, Inc.	ASDI	49.00	**58,432,010**	58,432,010
Philippine Mining Development Corp.	PMDC	20.00	**25,000,000**	25,000,000
Phividec Industrial Estate	PIE	23.95	**17,000,000**	17,000,000
Philippine Pharma Procurement, Inc.	PPPI	40.00	**15,000,000**	15,000,000
Metro Hospital Waste Conversion	MHWC	40.00	**12,000,000**	12,000,000
First International Document Masters, Inc.	FIDMI	40.00	**4,000,000**	4,000,000
UP-NDC Basilan Plantations, Inc.	UNBPI	40.00	**2,400,000**	2,400,000
Interbank Venture Capital Corporation	IVCC	20.00	**1,000,000**	1,000,000
Philbancor Venture Capital Corporation	PBVCC	20.00	**1,000,000**	1,000,000
Veterans Venture Capital Corporation	VVCC	20.00	**1,000,000**	1,000,000
LIDE Management Corporation	LMC	20.00	**20,000**	20,000
San Jose Oil Company	SJOC	20.00	**1,716**	1,716
			790,459,705	790,459,705
Accumulated equity in net earnings (losses)				
Balance at the beginning of the year			**(235,079,071)**	(263,584,922)
Share in net profit for the year.			**34,023,754**	29,060,440
Dividends received			**(3,676,744)**	(554,589)
Balance at the end of the year			**(204,732,061)**	(235,079,071)
Share in the revaluation increment of an associate			**28,883,100**	28,883,100
Share in prior period adjustment of associates			**(152,007,705)**	(152,007,705)
			462,603,039	432,256,029
Allowance for impairment losses			**(204,486,716)**	(204,486,716)
			258,116,323	227,769,313

Refractories Corporation of the Philippines (RCP) is a minority-owned affiliate of NDC at 33 per cent (4.328 million shares equivalent to P108.223 million in equity). On September 2, 2009, RCP filed for corporate rehabilitation before the Regional Trial Court (RTC) Branch 159 in Pasig City. The Court approved the rehabilitation on May 7, 2010. As part of the rehabilitation, RCP's total debt as of March 31, 2010, was converted into common shares. As a result, NDC's shareholdings in RCP were diluted from 33 per cent to 11 per cent. The RCP is undergoing court litigation on its corporate rehabilitation plan. A court hearing was held on February 26, 2016, at the Pasig RTC. The Court has not yet issued an order on the issues of the case.

14. INVESTMENTS IN SUBSIDIARIES

This account consists of the following investments in subsidiaries over which the NDC exercises control over the investee's financial and operating policy decisions.

		% of Ownership	**2024**	2023
Common Shares				
Operational				
Philippine International Trading Corp.	PITC	99.50	**199,000,000**	199,000,000
Batangas Land Company, Inc.	BLCI	60.00	**55,659,300**	55,659,300
GY Real Estate, Inc.	GYREI	60.00	**13,084,200**	13,084,200
First Cavite Industrial Estate, Inc.	FCIEI	100.00	**8,845,038**	8,845,038
Kamayan Realty Corporation	KRC	60.00	**7,447,000**	7,447,000
Pinagkaisa Realty Corporation	PRC	60.00	**2,508,629**	2,508,629
Non-operational				
First Centennial Clark Corporation	FCCC	60.00	**400,000,000**	400,000,000
Manila Gas Corporation	MGC	91.70	**74,616,000**	74,616,000
NDC-Philippine Infrastructure Corp.	NPIC	100.00	**80,000,000**	80,000,000
For dissolution				
Luzon Stevedoring Corporation	LSC	100.00	**330,987,000**	330,987,000
Preferred Shares				
Non-operational				
First Centennial Clark Corporation	FCCC	60.00	**500,000,000**	500,000,000
			1,672,147,167	1,672,147,167
Allowance for impairment losses			**(1,269,832,038)**	(1,269,832,038)
			402,315,129	402,315,129

The Luzon Stevedoring Corporation had ceased operations in 1999. The records and books of accounts were not turned over to NDC.

The First Centennial Clark Corporation (FCCC) had ceased operations way back in CY 2007, when Clark Development Corporation (CDC), a subsidiary of the Bases Conversion and Development Authority, terminated with finality the Lease Agreement dated October 30, 1997, between CDC and FCCC for the failure of FCCC to pay the rental fees. Prior to such termination, FCCC and CDC entered into a Management

Agreement whereby CDC operated the FCCC leasehold area. However, the CDC simultaneously canceled the said Memorandum of Agreement and the Lease Agreement. Both NDC and FCCC requested that the CDC reconsider such termination, but to no avail. As a consequence of the CDC's cancellation of leasehold rights, the CDC took over and appropriated the structures and buildings of FCCC erected on the leased area.

The dividend income earned by the NDC from its investment in subsidiaries amounted to P2.393 million and P1.915 million in CYs 2024 and 2023, respectively.

15. OTHER INVESTMENTS

This account consists of investment in equity instruments as shown below:

		% of Ownership	**2024**	2023
Common Shares				
Operational				
Asean Bintulu Fertilizer Sdn. Bhd.	ABFSB	9.50	**158,895,989**	158,895,989
Manila HealthTek, Inc.	MHTI	9.33	**70,000,000**	0
Science Park of the Philippines, Inc.	SPPI	4.59	**24,951,957**	24,951,957
Non-operational				
Paper Industries Corp. of the Phils.	PICOP	0.28	**15,000,000**	15,000,000
Menzi Development Corporation	MDC	5.20	**10,000,000**	10,000,000
For dissolution				
P.T Asean Aceh Fertilizer	PTAAF	13.00	**106,605,963**	106,605,963
Resort Hotels	RH	6.30	**6,474,300**	6,474,300
LSCO- PDCP	LPDCP	0.00	**188,550**	188,550
LSCO – Republic Planters Bank	LRPB	0.00	**96,000**	96,000
LSCO- PLDT	LPLDT	0.00	**15,250**	15,250
Pre-operating				
Asean Potash Mining Corporation	APMC	1.00	**12,598,944**	12,598,944
Under receivership				
National Steel Corporation	NSC	0.53	**622,305,756**	622,305,756
Preferred Shares				
Under receivership				
National Steel Corporation	NSC	0.53	**1,196,967,152**	1,196,967,152

	% of Ownership	2024	2023
Other Investments			
Solx Technologies, Inc.		**11,000,000**	0
Investments in the project (NDC Rattan)		**62,406,520**	62,406,520
Others		**99,455,145**	99,455,145
		2,396,961,526	2,315,961,526
Allowance for impairment losses		**(2,119,514,636)**	(2,119,514,636)
		277,446,890	196,446,890

Update on National Steel Corporation (NSC)

The NSC Liquidation Plan involves, among others, the disposition of the NSC plant assets as an integral facility in order to allow a prospective buyer to resume the operation thereof within a short period of time from acquisition. Under the Plan, the NSC plant assets are to be used exclusively in settling the claims of all the NSC Secured Creditors, who are to waive their right to claim against the other assets of NSC for any deficiency in their secured credit and their unsecured credit.

Two years after NSC's liquidation, the majority of the secured creditors and the stockholders of NSC came into a general understanding and agreement as to the disposition of the NSC plant assets, the payment of the liabilities owing to the NSC secured creditors, and the business operation of the Special Purpose Vehicle (SPV), which shall eventually purchase the NSC plant assets.

On January 29, 2004, the NSC Liquidator, the NSC Secured Creditors, the NSC Shareholders, and Global Ispat Holdings Ltd. (GIHL) entered into an Initial Agreement that set out the basic terms and conditions of the sale and purchase of the NSC plant assets. The proposed sale to and purchase of the NSC plant assets by GIHL was approved by the Securities and Exchange Commission (SEC) in its Order issued on May 6, 2004.

On September 10, 2004, the Parties executed an Asset Purchase Agreement (APA) to document the detailed terms and conditions of the sale and purchase of the right, titles, and interests in and to, including the ownership of the NSC plant assets. However, at the time of signing, NDC was not able to obtain Board approval for its authorized signatory. Thus, its share in the down payment was held in escrow with the Philippine National Bank (PNB). To remedy the situation, an accession agreement was executed among NDC, GIHL, and Global Steel Corporation (Global Steel). As soon as the Accession Agreement is signed by all Parties, the Corporation shall withdraw the escrow fund held by PNB and recognize the sale accordingly.

NDC, in its capacity as a Government-Owned and Controlled Corporation secured creditor of NSC, sought the Department of Finance's approval to consider the transaction as a "true sale" and, thus, be eligible for all the incentives available under the SPV Law of 2002. The Bangko Sentral ng Pilipinas, the appropriate regulatory authority for creditor banks, considered the transaction structure on the sale of NSC plant assets to GIHL a "true sale" under the SPV Law as confirmed by the Monetary Board under Resolution No. 514 dated April 15, 2004.

NDC's primary consideration in consenting to the sale is twofold. First, the national interest was taken into account, given the government's commitment to reopen NSC as soon as possible and the mandate given to the Department of Trade and Industry to facilitate the same. Second, NDC's corporate interest was also considered, with the opportunity to partially recover its investments in NSC, which were unlikely in the first place given NSC's liquidation status.

On October 15, 2004, the Parties executed the Omnibus Agreement, which set the terms and conditions governing the deferred payment of the balance of the agreed price in the remaining sum of P12.250 billion, spread over eight years. However, Global Steel has not paid the real property taxes on the Iligan Plant since the NSC plant assets were turned over to it in CY 2005. Global Steel has interposed due to the following reasons: the alleged over-assessment by the City, the pendency of its application for tax incentive under a city ordinance, and the alleged misapplication by the City of its previous real property tax payments to other NSC properties. By 2006, therefore, Global Steel began defaulting on its installment payments and/or obligation to provide the standby letters of credit as required under the APA and the Omnibus Agreement.

Global Steel filed an action with the RTC of Makati City on October 2, 2008, praying for an injunctive relief specifically to prohibit the NSC Secured Creditors from declaring an event of default in case it fails to pay the maturing installments. The trial court denied its prayer for injunctive relief.

Global Steel then filed for arbitration with the Singapore International Arbitration Center on October 13, 2008. Using the arbitration proceedings as the legal excuse, Global Steel sought provisional relief from the Singapore High Court where it prayed that the NSC Secured Creditors be restrained from declaring Global Steel to be in default under the Agreement and from declaring due and payable the balance of the purchase price and all other amounts payable under the Agreement. Global Steel claimed that the Liquidator and the Secured Creditors failed to deliver title to the NSC plant assets free and clear from all liens since the real property tax lien of the City of Iligan had not been discharged. Thus, Global Steel allegedly could not obtain title to the NSC plant assets and seek additional financing.

At this point, NDC did not become a signatory to the Implementing Agreements (Omnibus Agreement, the Asset Purchase Agreement, and Purchase Price Sharing Agreements) for the sale of NSC assets. While NDC has signed the Accession Agreement, a document that makes a creditor accede to and adhere to the Implementing Agreements, the same was not perfected due to Global Steel's failure to sign, given their filing for arbitration.

On May 9, 2012, the Arbitral Tribunal issued the Partial Award (the "Award") in favor of Global Steel and against NSC Liquidator Danilo L. Concepcion and the Secured Creditors. The Award specifically held Danilo L. Concepcion and the Secured Creditors solidarily liable to Global Steel. In sum, the Award ordered Danilo L. Concepcion and the Secured Creditors to pay Global Steel the amount of USD 80 million by way of damages and to transfer all NSC plant assets free from all liens to Global Steel and for the Secured Creditors to pay Global Steel the amount of USD 1.043 billion with respect to the Lost Land Claim. The majority of the Secured Creditors of Global Steel then filed an application to set aside the Award with the Singapore High Court on July 9, 2012.

The High Court of Singapore issued a Decision dated July 31, 2014 ("High Court Decision") that set aside the arbitral Award in its entirety. In addition, the High Court granted the Secured Creditors' claims for the payment of their legal costs for the court proceedings, which shall be subject to further submissions.

Global Steel appealed the High Court's Decision to the Singapore Court of Appeals on all points. The Singapore Court of Appeals allowed and dismissed Global Steel's appeals in part. The practical effect of the decision is that certain parts of the Award remain to be set aside. However, the Court of Appeals reinstated the findings of the Tribunal in the Award that the Liquidator and the Secured Creditors breached the APA in failing to transfer a clean title over the NSC plant assets to Global Steel.

On August 23 and 30, 2016, the City Treasurer of Iligan City caused the publication of a Notice of Real Property Tax Delinquency in the Gold Star Daily, covering all real properties declared in the name of NSC in Iligan City pertaining to the period beginning on the 4th quarter of 1999 ending on the 2nd quarter of 2016. The Liquidator wrote the City Treasurer a letter to remind them that any attempt to levy on the subject properties will be in contravention of the Stay Order issued by the SEC on November 30, 2006. SEC affirmed the continuing validity of the said Stay Order in its letter to the Office of the City Treasurer of Iligan City, dated January 5, 2016. Notwithstanding the writ of execution issued by Branch 57 of the RTC of Makati, the City of Iligan, through the City Treasurer, proceeded with the tax sale on October 19, 2016. No bid was submitted. Pursuant to the Local Government Code, there being no bidder, the City Treasurer shall purchase the property for the local government.

While the petition for Ex-Parte motion for annotation on the titles of NSC assets regarding the omnibus order nullifying the auction sale was granted on October 19, 2016, the secured creditors are implementing the other legal remedies to secure the NSC properties, which were taken over by the City of Iligan.

On August 6, 2020, NDC received a forwarded letter from BDO Trust stating Platinum Paramount Pacific Group of Companies Inc.'s intent to acquire the NSC. On November 10, 2020, BDO Trust informed NDC and other stakeholders that a building is about to be constructed at the lower portion of the former NSC Administrative Building 1 and NSC Gym at the Hilltop, which will serve as housing for the New People's Army surrenderees.

On July 15, 2021, GJL Real Estate GMBH, a foreign company in Germany, and its Philippine partner, Platinum Paramount Pacific Group of Companies, Inc., submitted their letter of intent to acquire NSC, including all its assets.

The receiver of the entire property has been in constant communication with the NDC to discuss various strategies to address the long-standing issues surrounding the NSC and its creditors. One such idea is for the NDC to consider exercising its expropriation powers on the property sold to Global Steel Corporation. In order to make this possible, the law dictates that a sum of money should be deposited with the court in the amount equivalent to the assessed value of the property being considered.

The dividend income earned by the NDC from its stock investments amounted P5.695 million to P11.390 million for CYs 2024 and 2023, respectively.

16. INVESTMENT PROPERTY

The NDC's investment properties consist of 53 real properties with an aggregate area of 12,845,734.29 square meters (sq. m.), three buildings, two residential houses, and one condominium unit located in various cities and municipalities across the country. These properties include land and buildings that are held to earn rentals under operating leases, capital appreciation, and project development. Reconciliation between the carrying amounts of investment property at the beginning and end of the period is shown below:

	Land	Building	Total
Restated ending balance, December 31, 2022	**26,414,961,702**	**327,410,502**	**26,742,372,204**
Add:			
Net gain from changes in fair value	4,423,232,508	6,783,030	4,430,015,538
Cost recognized in the carrying value	0	8,951,628	8,951,628
Restated ending balance, December 31, 2023	**30,838,194,210**	**343,145,160**	**31,181,339,370**
Add:			
Net gain from changes in fair value	1,490,998,477	50,462,620	1,541,461,097
Cost recognized in the carrying value	0	6,298,020	6,298,020
Less:			
Sale of portion of Pandacan Property	718,090,380	0	718,090,380
Ending balance, December 31, 2024	**31,611,102,307**	**399,905,800**	**32,011,008,107**

The NDC uses the Fair Value Model for its investment properties. Cal-Fil Appraisal and Management, Inc., Value Metrics, Inc., and Toppers Performer Appraisal, Inc., appraised the fair market value of investment properties as of December 31, 2024. Details are presented below:

Investment Properties with lease

Location of the Property	**2024**	2023 (As restated)
Land		
Philphos Assets-LIDE	**7,671,155,268**	6,895,600,800
Isabel, Leyte	**1,832,547,700**	2,527,652,000
M Fortich/Libona, Bukidnon	**1,658,436,460**	1,298,041,000
Pandacan, Manila	**1,435,764,541**	2,707,449,300
Lapu-Lapu City, Cebu	**1,407,728,000**	1,256,900,000
Tordesillas St., Salcedo Village, Makati City	**1,096,188,000**	601,200,000
Sen. Gil Puyat, Makati City	**1,083,180,000**	1,072,864,000
Barangka, Mandaluyong City	**826,599,000**	607,916,000
P.Tamo & Dela Rosa Sts., Makati City	**481,911,000**	438,880,000
Kamagong & Sampaloc Sts., Makati City	**290,512,800**	288,880,000
Bugo Dist.,Cagayan De Oro City	**244,293,000**	205,279,000
Bagong Ilog, Pasig City	**223,633,600**	209,050,000
Lacson & Rizal Sts. Bacolod City	**101,312,000**	106,535,000
Pingag Property	**65,220,075**	341,020,000

Location of the Property	2024	2023 (As restated)
Aguinaldo & Luna St., Iligan City	**38,863,000**	31,840,000
San Roque, Tarlac	**33,610,500**	32,920,000
	18,490,954,944	18,622,027,100
Buildings and Condominium		
Industry & Investment Building	**205,581,000**	197,357,760
NDC Building	**149,266,000**	127,405,000
Manila Luxury Condominium	**17,490,000**	15,950,000
Leyte Port Complex	**26,035,000**	925,400
	398,372,000	341,638,160
	18,889,326,944	18,963,665,260

Investment Properties without lease

Location of the Property	2024	2023 (As restated)
Land		
Macapagal Blvd., Pasay City	**5,899,455,000**	6,230,586,000
Sucat, Muntinlupa	**2,778,272,400**	2,161,055,000
Dasmarinas, Cavite	**1,255,184,000**	1,201,230,000
Toril, Davao City	**1,272,935,000**	798,700,000
San Juan St. Bacolod City	**492,248,000**	401,190,000
San Andres & E. Quirino Ave. Manila*	**297,599,128**	144,980,000
Sta. Mesa, Manila**	**210,492,320**	506,122,110
Diliman, Quezon City	**201,777,075**	202,500,000
San Dionisio, Paranaque	**99,392,000**	73,010,000
Bo. Langihan, Butuan City	**83,688,000**	13,800,000
Meycauayan, Bulacan	**71,665,000**	53,880,000
Hermosa, Bataan	**67,500,000**	65,000,000
Sta. Fe, Bantayan, Cebu	**60,916,000**	46,080,000
Bo. San Juan & Sto. Nino Pampanga	**60,430,000**	44,410,000
Sambag, Cebu	**37,620,000**	40,210,000
San Francisco Del Monte, Quezon City	**34,800,000**	44,980,000
Mariveles, Bataan***	**27,106,000**	22,880,000
Baliwasan, Zamboanga City	**25,874,000**	31,550,000
Los Baños, Laguna	**25,771,000**	29,380,000
Dao, Tagbilaran, Bohol	**23,449,000**	22,340,000
San Fernando, Pampanga	**20,682,000**	19,160,000
Poblacion, Parang, Cotabato	**13,974,800**	12,980,000
Puerto, Cagayan de Oro City	**13,073,000**	11,060,000
Sta. Rosa, Laguna	**8,904,000**	7,610,000
Suyong, Echague, Isabela	**8,652,000**	6,920,000
Bongabon, Nueva Ecija	**5,819,000**	3,765,000
Bonot, Legazpi City	**3,760,000**	3,760,000
Cagayan de Oro City	**3,077,000**	3,010,000

Location of the Property	2024	2023 (As restated)
Tanay, Rizal	**2,960,640**	2,260,000
Calatagan, Batangas	**2,828,000**	2,600,000
Bo. Bia-an, Mariveles, Bataan***	**2,400,000**	1,680,000
San Roque, Antipolo City	**2,106,000**	2,990,000
San Isidro, Antipolo City	**2,026,000**	1,395,000
San Jose, Antipolo City	**1,400,000**	1,100,000
Talakag, Bukidnon	**990,000**	900,000
Pueblocillo Village, Dasmarinas Cavite	**745,000**	714,000
Porac, Pampanga	**576,000**	380,000
	13,120,147,363	12,216,167,110
Residential houses		
San Roque, Antipolo City	**1,276,800**	1,260,000
Pueblocillo Village, Dasmarinas Cavite	**257,000**	247,000
	1,533,800	1,507,000
	13,121,681,163	12,217,674,110
	32,011,008,107	31,181,339,370

* Lease of property ended on December 31, 2023

** No lease contract was executed between NDC and the occupant. Property is subject of a pending case which hinders the contract negotiation between parties. Accordingly, the occupant regularly remits rental payments to NDC but records them under Trust Liabilities and Miscellaneous Long-term Liabilities.

*** No substantial increase in fair market values of Bo. Bia-an, Mariveles, Bataan and Mariveles, Bataan Properties. Changes in values were due to incorrect presentation in previous years of these properties. No effect on the total balance of the Investment Property account as the error only pertains to the presentation of the location of these properties.

Meanwhile, the lease income earned and the operating expenses, which consist of real property taxes, security services, and repairs and maintenance of the properties, incurred by the NDC arising from these investment properties, are presented below:

Location of the Property	2024	2023 (As restated)
Investment Properties with lease		
Lease income	**255,614,584**	221,420,924
Operating expenses	**25,338,726**	25,813,349
Investment Properties without lease		
Operating expenses	**36,027,538**	29,079,183

NDC owns several parcels of land in the Municipalities of Manolo Fortich and Libona, Province of Bukidnon, and Bugo, Cagayan de Oro City, with an area of 9,524,958 sq. m., evidenced by various Transfer Certificates of Title (TCTs) and Tax Declarations. Additionally, NDC has the right of use on a parcel of land with an area of 302,037 sq. m. These properties with a total aggregate area of 9,826,995 sq. m. were leased by NDC to Del Monte Philippines, Inc. (DMPI). The Lease Contract has a term of 25 years, effective on March 1, 2007, and set to expire on March 1, 2032.

NDC acquired these properties through irrevocable donations of American-owned private agricultural lands, which were transferred to the National Government under the Laurel-Langley Agreement and subsequently donated to NDC under various Presidential Decrees issued by former President Ferdinand E. Marcos in 1975.

The distribution of properties currently leased to DMPI is as follows.

Classification	Total Area (in sq. m.)	Distribution of Leased Properties (in sq. m.)		
		Libona, Bukidnon	Manolo Fortich, Bukidnon	Bugo, Cagayan de Oro City
Commercial/ Residential	3,475,260	463,345	2,691,787	320,128
Pasture Land	4,007,328	3,126,279	881,049	
Roads/ Open Spaces	1,682,586	1,149,190	533,396	
Schools/ Churches/ Cemeteries	661,821	227,116	434,705	
TOTAL	**9,826,995**	**4,965,930**	**4,540,937**	**320,128**

Of the total area of Bugo, Cagayan de Oro City, 115,657 sq. m. is covered by a Foreshore Lease Agreement (FLA) with the Department of Environment and Natural Resources (DENR) – Community Environment and Natural Resources Office (CENRO) No. X-5-B, Cagayan de Oro City. The FLA was executed by and between the DENR-CENRO and the NDC on December 12, 1994, to occupy, develop, utilize, and manage the subject foreshore land for the full term of 25 years, which expired on December 11, 2020. The FLA renewal with DENR-CENRO for twelve years or until December 2032, which is aligned with DMPI lease expiration, is still in process. Also, 13,719 sq. m and 4,372 sq. m. were covered by a Transfer Certificate of Title and a Tax Declaration, respectively. On the other hand, the nature of rights over 186,380 sq. m. has yet to be established.

Only 13,719 sq. m. of the total area of Bugo, Cagayan de Oro City, was appraised and recorded in the books of accounts of NDC. On the other hand, the fair value of 4,372 sq. m, evidenced by a Tax Declaration, and NDC's right of use on the 302,037 sq. m. were not yet recognized since no measurement was made in calendar years (CYs) 2024 and 2023.

NDC's property located at Tomas Claudio St., Pandacan, Manila, with an area of 50,137.95 sq. m. and covered by Transfer Certificate of Title (TCT) No. 121218, was affected by the Right-of-Way (ROW) requirement of the Metro Manila Skyway Stage 3 (MMSS3) Project. In a meeting with the representatives of the Toll Regulatory Board (TRB) and the Department of Public Works and Highways (DPWH) held on November 22, 2021, TRB/DPWH intends to acquire only the portion of the property with an area of 13,297.97 sq. m. that was directly affected by the ROW of the MMSS3 Project.

The viability for commercial purposes of the remaining 36,839.98 sq. m portion of the subject property was gravely affected because it was subdivided into three irregularly shaped fragments. Moreover, the accessibility of the property has been severely limited by the skyway above it. Thus, the NDC Board of Directors directed the Management to sell the entire property to the National Government (NG)/TRB.

On June 19, 2024, the NDC and TRB executed a Memorandum of Agreement (MOA) and the corresponding Deeds[1] of Absolute Sale (DOAS) for the 13,297.97 sq. m. affected areas of the ROW. On the same date, the NDC received the first payment representing 50 per cent of the consideration of the affected areas. Meanwhile, the remaining 50 per cent shall be paid upon the annotation of the DOAS on the TCT, which was recorded in TCT No. 121218 by the Registry of Deeds Manila on November 20, 2024. Hence, the final payment of the compensation price shall be paid accordingly by TRB.

Under the same MOA, NDC and TRB have a five-year period, within which the parties are to undertake negotiations for the acquisition of the 36,839.98 sq. m. remaining portion of the Pandacan property. Accordingly, TRB needs to undertake the necessary actions for the negotiation, as follows: a) Revision of the approved parcellary plans, sb) Approval of the inclusion of the cost of acquisition of the entire NDC property in the Project cost; and c) Secure the necessary approvals for the acquisition and payment of the just compensation for the subject remaining portion.

The negotiation for the remaining portion has yet to commence, pending NDC's receipt[2] of the full payment for the affected areas of the MMSS3 Project ROW.

In the interim, Management has taken prudent and proactive steps to derive economic value from the remaining portions of the property. Of the remaining portion of Pandacan Property, 13,839.40 sq. m was leased for the period commencing on October 23, 2023, until October 22, 2028.

The NDC's Cadastral Lot 5044, located in Sitio Pingag, Barangay Matlang, Isabel, Leyte, covers an area of 85,255 sq. m. The NDC took possession of the Cadastral Lot 5044 by virtue of Section 3 of the Letter of Instructions No. 962, Series of 1979, establishing the Leyte Industrial Development Estate in Isabel, Leyte. The NDC is the listed Survey Claimant of Cadastral Lot 5044, in the Department of Environment and Natural Resources (DENR) records, and a Tax Declaration in the name of NDC was correspondingly issued by the Local Government Unit of Isabel, Leyte, in this regard.

In 2009, Management initiated the relocation survey to facilitate the registration/titling of the property, which was submitted for approval to the DENR, Regional Office No. 8. However, the investigation of from DENR Regional Officer revealed that the entire Cadastral Lot 5044 is within timberland/forestland and cannot be declared as Alienable and Disposable (A&D) land and is not eligible for titling. The conversion thereof into A&D land would require Congressional approval. The Management shall conduct further studies in the pursuit of this track.

[1] Two DOAS' were executed for the sale of 11,109.49 sq. m and 2,188.48 sq. m.
[2] As at December 31, 2024

The NDC's Sta. Fe, Bantayan, Cebu property is a 5,297 sq. m. untitled parcel of land, covered by Tax Declaration in the name of NDC.

The property is covered by Proclamation No. 2151, Series of 1981, which declares Bantayan Island as part of the wilderness area. As such, the land has been withdrawn from entry, sale, settlement, or any other form of disposition or exploitation. The conversion of the land into A&D requires congressional action. In 2019, a House Bill was passed to reclassify the island; however, it still requires approval from the Senate.

Moreover, the following investment properties are yet to be titled in NDC's name due to the complexity of the titling process for each property:

No.	Property/Location	Land Use	Area (in sq. m.)
1	Langihan District, Butuan City	Residential/Agricultural	24,974
2	Meycauayan, Bulacan	Residential/Commercial	5,231
3	Brgy. Puerto, Cagayan de Oro City	Residential	3,352
4	San Dioniso, Parañaque City*	Residential	1,426
5	Calatagan, Batangas*	Residential/Agricultural	1,131
6	San Francisco del Monte, Quezon City*	Residential	623
7	Talakag, Bukidnon*	Residential	450

*International Corporate Bank (ICB) Assigned Assets

Among the properties, the San Dionisio, Parañaque Property has a pending case of unlawful detainer filed by the International Corporate Bank Inc. against Marita M. Alegre et. al. This case was ordered archived by the Metropolitan Trial Court of Parañaque Branch 78 on December 11, 1992. In CY 2015, when the NDC Legal Department went to the court to secure copies of the case records for possible revival of the case, they were informed that the records of the case were no longer available because they were destroyed/damaged due to water exposure.

Upon verification of the status of the property, the NDC Asset Management Group discovered that it remained registered under the name of Asia Pacific Finance Corporation (APCOR), as indicated in the certified true copy obtained from the Registry of Deeds. However, records from the Tax Mapping Division of the Assessor's Office of Parañaque revealed that the area where the APCOR property is located is registered under the name of Love Jean B. Tee, who possesses a consolidated title. Further, the records indicate that the property was transferred to Ms. Tee by the Alegres.

Nonetheless, Management is exerting utmost effort to expedite the titling of the subject properties. Management has commenced the registration of the pertinent instruments with the Registry of Deeds, evidencing NDC's ownership and rights over the assigned assets from the ICB.

Likewise, several investment properties are occupied by illegal occupants when acquired by NDC through a Deed of Assignment/Donation:

No.	Property	Land Use	Area (in sq. m)
1	Bo. San Pedro, Hermosa, Bataan*	Agricultural/ Residential	54,892
2	Bongabon, Nueva Ecija*	Agricultural/ Residential	8,952
3	Los Baños, Laguna	Residential	8,901
4	Campo Islam, Zamboanga City	Commercial/ Industrial	6,594
5	Puerto, Cagayan de Oro	Residential	3,352
6	San Felipe, San Fernando, Pampanga*	Residential	877
7	San Francisco Del Monte, Quezon City*	Residential/Commercial	623
8	Sambag District, Cebu City*	Residential/Commercial	613
9	Fernandino Subdivision, San Nicolas, San Fernando, Pampanga*	Residential	600
10	Aurea Subdivision, San Nicolas, San Fernando, Pampanga*	Residential	340

*ICB Assigned Assets

The Legal Department shall evaluate the matter and undertake the appropriate legal actions necessary to address the unauthorized occupancy, enforce NDC's property rights, and pursue any potential compensation claims, if warranted.

Among the investment properties without lease, 191,773 sq. m. of Dasmariñas, Cavite Property is being developed as an Industrial Estate. Also, Sucat, Muntinlupa Property is under a Joint Venture with a private entity. Meanwhile, some properties are currently idle/vacant and are marketed for lease. Management remains steadfast in its commitment to optimize the value and utilization of the properties. Thus, Management continues to promote and advertise the properties for lease and utilizes the online real estate platforms as a new avenue to attract prospective lessees. On the other hand, Management has identified properties for disposition, which, based on evaluation, shall contribute to the NDC's income maximization and overall strategic goals.

17. PROPERTY AND EQUIPMENT

This account consists of the following:

	Land and Improvements	Buildings & Building Improvements	Furniture & Equipment	Rizal Hydro-power Plant	Total
December 31, 2024					
Cost					
At January 1, 2024	609,958,883	146,709,041	681,295,456	34,049,808	1,472,013,188
Additions	0	1,910,321	15,221,501	148,264	17,280,086
Adjustments	0	(15,642)	(8,026,119)	(1,375,939)	(9,417,700)
Disposal	0	0	(506,480)	0	(506,480)
At December 31, 2024	609,958,883	148,603,720	687,984,358	32,822,133	1,479,369,094
Accumulated depreciation					
At January 1, 2024	609,421,548	5,698,944	658,524,768	10,080,263	1,283,725,523
Depreciation for the year	282,613	5,185	3,013,711	3,338,116	6,639,625
Disposal	0	0	(934,252)	148,264	(785,988)
Adjustments	0	0	(506,480)	0	(506,480)
At December 31, 2024	609,704,161	5,704,129	660,097,747	13,566,643	1,289,072,679
Net carrying amount, December 31, 2024	**254,722**	**142,899,591**	**27,886,611**	**19,255,490**	**190,296,414**

	Land and Improvements	Buildings & Building Improvements	Furniture & Equipment	Rizal Hydro-power Plant	Total
December 31, 2023					
Cost	609,958,883	146,709,041	681,295,456	34,049,808	1,472,013,188
Accumulated Depreciation/ Adjustment	609,421,548	5,698,944	658,524,768	10,080,262	1,283,725,522
Net carrying amount, December 31, 2023	**537,335**	**141,010,097**	**22,770,688**	**23,969,546**	**188,287,666**

Included in the Improvement and Equipment accounts are the properties at the Leyte Port Complex at Isabel, Leyte, which are being leased to PHILPHOS, and 50 per cent share of NDC to the Rizal Hydro Power Plant Facility located at Rizal, Nueva Ecija.

18. OTHER NON-CURRENT ASSETS

This account consists of:

	2024	2023
Other non-current assets		
Lands not used in operation	**9,794,105**	9,794,105
Prepayments	**2,374,634**	3,413,992
Deposits	**329,170**	325,990
Others	**982,971,125**	982,971,125
Allowance for impairment loss	**(968,478,762)**	(968,478,762)
	26,990,272	28,026,450
Deferred charges		
Coal Operating Contract	**42,000,000**	42,000,000
Allowance for impairment loss	**(42,000,000)**	(42,000,000)
Miscellaneous	**828,305**	828,305
	828,305	828,305
	27,818,577	28,854,755

Lands not used in operation pertains to the properties located at San Jose del Monte and San Idelfonso, Bulacan, and Camarines Sur, which were covered by the Comprehensive Agrarian Reform Program (CARP) of the Department of Agrarian Reform (DAR). The Land Bank of the Philippines (LBP) has not yet paid for the value of these lands, and NDC is still in the process of completing the necessary documents as required by the DAR. It also includes property located in Guadalupe, Cebu City which is currently designated as "road right-of-way" for residents of the community in the area.

Deposits account consists mainly of long-term refundable deposits made to various companies for the supply of communication, water, electricity, and other similar deposits.

Prepayments account pertains to advances made to contractors for various goods and services procured.

Restricted fund (held-in-trust) refers to the Mintex escrow fund with a maturity of more than one year. On February 9, 2023, the Mintex escrow funds were distributed following the new MOA based on their proportionate shareholdings (see Note 11).

Others account principally includes assets acquired from the former ICB amounting to P962.110 million through a Deed of Assignment dated September 16, 1983. ICB sold these assets to NDC as a means of rehabilitating the former pursuant to a MOA executed by and among NDC, the then Central Bank of the Philippines, the Development Bank of the Philippines, and ICB.

Deferred charges - Coal Operating Contract pertains to the project for the exploration, development, exploitation, production, and utilization of the country's coal resources pursuant to the Coal Development Program under Presidential Decree No. 972 - Coal Development Act of 1976. NDC acquired the rights, titles, and interests of the coal operating project from Vulcan Industrial and Mining Corporation. The project, however, did not commence commercial operations and the account had been outstanding since CY 1980. The amount of the project, which was provided with full allowance for non-recovery, is part of the accounts requested for write-off from the Commission on Audit (COA). Under COA Decision No. 2015-297, dated November 24, 2015, COA denied NDC's request to write off the account in the amount of P42 million.

19. FINANCIAL LIABILITIES

This account consists of:

	2024	2023 (As restated)
Interest payable	**456,620,150**	456,620,150
Loans payable	**140,000,000**	140,000,000
Accounts payable	**30,798,367**	44,234,696
	627,418,517	640,854,846

Interest payable pertains to the interest on advances from the Bureau of the Treasury.

Loans payable consist of guarantee fees amounting to P140 million for the 2nd tranche bond flotation of NDC Agri-Agra bonds.

Accounts payable consist of various expenditures already incurred but remain unpaid as of the statement of financial position date.

20. INTER-AGENCY PAYABLES

This account consists of:

	2024	2023 (as restated)
Income tax payable	**7,342,742**	9,972,792
Due to Treasurer of the Philippines	**6,976,073**	7,393,324
Due to Bureau of Internal Revenue (BIR)	**5,364,563**	5,435,345
Due to Government Service Insurance System (GSIS)	**849,980**	730,222
Due to PhilHealth	**127,767**	79,236
Due to Pag-IBIG	**44,850**	34,271
	20,705,975	23,645,190

Income tax payable pertains to the NDC's current tax liability based on 25 per cent regular corporate income tax in compliance with Republic Act No. 11534 or the Corporate Recovery and Tax Incentives for Enterprises Act.

Due to Treasurer of the Philippines pertains to cost of audit rendered by COA.

Due to BIR pertains to taxes withheld on salaries, goods, and services.

Due to GSIS, Pag-IBIG, and PhilHealth accounts represent premiums and loan amortization deductions from employees' salaries and employer share for remittance to the concerned offices.

21. TRUST LIABILITIES

This account consists of:

	2024	2023
Current	**107,482,499**	11,696,380
Non-current	**49,613,461**	43,006,081
	157,095,960	54,702,461

The *current account* refers to an escrow account for the shareholders of a former affiliate (see Note 11), bid bonds, and performance security received from bidders and suppliers.

The account also includes the inter-agency fund transfer from Department of Trade and Industry to NDC amounting P95.721 million, with interest from money-market placements, for the Philippine Innovation Hub – Marikina Enterprise Scale Up Hub or MESH Project (see Note 11).

Non-current account refers to security deposits received from various lessees under long-term lease.

22. DEFERRED CREDITS/UNEARNED INCOME

This account pertains to advance rental received from various lessees amounting to P19.072 million and P25.919 million in CYs 2024 and 2023, respectively.

In relation to the leases with various tenants, the NDC receives advance rentals upon signing the lease contracts, which the lessees can apply to the last three to four months of the leases.

23. PROVISIONS

This account consists of the following:

	2024	2023
Settlement of legal cases	**317,561,467**	313,806,761
Leave benefits	**8,951,124**	8,468,610
	326,512,591	322,275,371

Settlement of legal cases represents money payable to Sta. Ines Melale Forest Products Corporation (Sta. Ines), et al., involving a case filed to collect a sum of money.

On April 22, 1985, Sta. Ines et al. instituted a collection suit against NDC for the payment of advances made to Galleon and the value of their equity in the Corporation.

On September 16, 2003, the Regional Trial Court (RTC) ruled in favor of Sta. Ines et al. and ordered NDC to pay the total amount of P61.890 million with an interest of six per cent per annum from the date of the filing of the case in CY 1985 up to full payment, plus 10 per cent of the total amount due as attorney's fees, plus the cost of the suit.

NDC, through the Office of the Government Corporate Counsel (OGCC), appealed the case to the Court of Appeals (CA). The CA, in its Decision dated March 24, 2010, upheld the Decision of the RTC and increased the interest rate from six per cent per annum to 12 per cent per annum from the date of filing of the case until the satisfaction of the judgment award. NDC filed a Motion for Reconsideration of the said Decision. On July 21, 2010, the CA denied NDC's Motion for Reconsideration. On August 17, 2010, NDC filed a Petition for Certiorari with the Supreme Court (SC). On February 14, 2012, OGCC received an SC Resolution dated December 12, 2011, requiring NDC to file its comment to the Development Bank of the Philippines' petition. NDC, through the OGCC, filed a Motion for Extension of Time to File Comment on February 21, 2012. On March 21, 2012, OGCC filed a comment with a Motion to Consolidate the Case.

On February 1, 2017, the SC rendered a Decision affirming the March 24, 2010, Decision and the July 21, 2010, Resolution of the CA with modifications. On March 21, 2017, OGCC filed a Motion for Reconsideration. On July 26, 2017, OGCC filed its Consolidated Comment with a Motion to Refer the Case to the Court En Banc.

On July 1, 2020, OGCC forwarded a copy of Cuenca's Motion to Resolve re: Motion for reconsideration of the Decision dated February 1, 2017, and June 11, 2020.

On October 15, 2020, OGCC received the SC's order dated September 14, 2020. The Court noted the consolidated comment dated July 24, 2017 of NDC on the separate motions for partial reconsideration of respondents Cuenca, Tinio, Cuenca Investment Corporation, and Universal Holdings Corporation, and respondent Sta. Ines Melale Forest Products Corporation with a motion to refer the case to the Honorable Court En Banc and the motion to resolve re: motion for partial reconsideration on the decision dated June 11, 2020, of respondents Rodolfo Cuenca, Manuel Tinio, Cuenca Investment Corporation, and Universal Holdings Corporation.

On June 13, 2024 the case is declared final and executory. The Court rendered judgment denying with finality the NDC's Motion for Reconsideration, and declaring NDC as liable to pay Sta. Ines Melale the advances made and the payment for the shares of stock, attorney's fees and damages.

Leave benefits pertains to the accrual of the money value of leave credits earned by NDC employees as of December 31, 2024, and 2023, respectively.

24. OTHER PAYABLES

This account represents various unpaid personnel services, terminal leave, claims of former NDC employees who are already retired/resigned, and the provident fund established, which consists of contributions from both employees and employers. It serves as a loan facility and provider of supplementary benefits to its members, amounting to P6.568 million and P1.988 million in CYs 2024 and 2023, respectively.

25. BUSINESS INCOME

This account consists of the following:

	2024	2023 (As restated)
Lease income	**255,614,584**	221,421,194
Interest income	**147,185,379**	135,928,663
Share in profit of associates/affiliates	**34,023,754**	0
Dividend income	**8,087,659**	13,304,348
Management fees	**140,000**	140,000
	445,051,376	370,794,205

Lease income represents the revenue derived from the NDC's investment properties located in various parts of the country. NDC leases out its investment properties under an operating lease agreement with various entities and government agencies.

Lease contracts are negotiated for varying terms from one to twenty-five years with an option to renew clauses. An escalation rate ranging from six per cent to 10 per cent is imposed either yearly or at specific intervals, while in certain cases, the escalation rate is based on the actual inflation rate. Some lease contracts contain provisions stating that the lessee shall pay the real property taxes (RPT) for the leased premises.

The lease income earned by the NDC from its investment properties under operating leases amounted to P255.615 million and P221.421 million in CYs 2024 and 2023, respectively. Meanwhile, direct operating expenses consisting of RPT, security services, and repairs and maintenance of the properties incurred from these investment properties amounted to P25.339 million and P25.813 million in CYs 2024 and 2023, respectively (see Note 16).

Interest income consists mainly of interest income from bank deposits, investments in treasury bills, and loans.

Share in profit of associates/affiliates pertains to proportionate share in the profit of investee under-investment in associates.

Dividend income pertains to dividends received from its subsidiaries and other investments.

Management fees pertain to fees charged to its subsidiaries for services such as procurement, messenger, janitorial, and information technology.

26. GAINS

This account consists of the following:

	2024	2023 (As restated)
Gain from changes in fair value of investment property	**1,541,461,097**	4,430,015,539
Gain on sale of investment property	**39,893,910**	0
Gain on foreign exchange	**24,061,979**	1,314,853
Gain on redemption of investments	**0**	14,974,252
	1,605,416,986	4,446,304,644

Gain from changes in fair value of investment property pertains to the net increase in the fair value of investment properties based on the appraisal conducted in CYs 2024 and 2023.

Gain on sale of investment property pertains to the gain arising from disposal of the a portion of the Pandacan, Manila property in CY 2024.

Gain on foreign exchange represents the foreign exchange differential arising from the translation of foreign currency-denominated items.

Gain on redemption of investments pertains to the gain arising from the distribution of the Mintex Fund (See Note 11).

27. OTHER NON-OPERATING INCOME

This account consists of the following:

	2024	2023
Reversal of impairment loss	**2,039,299**	0
Sale of unserviceable property	**87,409**	495
Miscellaneous income	**4,778,231**	6,032,919
	6,904,939	6,033,414

Reversal of impairment loss pertains to the reversal of allowance for impairment of various receivable accounts recovered in CY 2024.

Sale of unserviceable property pertains to income from the sale of its various unserviceable properties.

Miscellaneous income includes income from assessment charges from lessees.

28. PERSONNEL SERVICES

This account consists of the following:

	2024	2023 (As restated)
Salaries and wages	**36,694,544**	30,301,117
Other compensation	**16,770,708**	13,253,776
Personnel benefit contributions	**5,045,144**	4,083,806
Other personnel benefits	**3,770,518**	3,224,526
	62,280,914	50,863,225

29. MAINTENANCE AND OTHER OPERATING EXPENSES

This account consists of the following:

	2024	2023 (As restated)
Taxes and licenses	**67,443,128**	66,840,308
General services	**45,283,014**	39,596,498
Professional services	**14,477,373**	12,704,779
Confidential, intelligence and extraordinary	**7,592,292**	7,156,586
Repairs and maintenance	**5,491,049**	5,186,561
Supplies and materials	**5,176,088**	4,577,188
Utility	**3,817,017**	3,912,532
Traveling	**3,019,564**	2,181,408
Communication services	**1,746,325**	986,713
Training and scholarship	**1,101,617**	368,935
Other maintenance and operating expenses	**4,912,139**	4,847,200
	160,059,606	148,358,708

30. FINANCIAL EXPENSES

This account consists of the following:

	2024	2023
Interest expenses	**3,754,706**	3,754,706
Bank charges	**93,472**	171,120
	3,848,178	3,925,826

Interest expenses account pertains to interest charges paid for the use of borrowed money, bank, and financial charges.

Bank charges account pertains to the fee charged by banks for manager's checks and treasury bills.

31. NON-CASH EXPENSES

This account consists of the following:

	2024	2023 (As restated)
Loss on foreign exchange	**13,770,812**	4,179,779
Depreciation	**6,639,625**	4,771,374
Share in the loss of joint venture	**2,114,188**	2,028,094

	2024	2023 (As restated)
Impairment loss	**1,260,119**	3,163,665
Share in the loss of associates/affiliates	**0**	18,480,117
	23,784,744	32,623,029

Loss on foreign exchange represents the foreign exchange differential arising from the translation of foreign currency-denominated items.

Depreciation pertains to the periodic allocation of cost for the wear and tear of the NDC's property and equipment.

Share in the loss of joint venture pertains to the proportionate share of Philippine National Oil Company-Renewables Corporation and NDC in the profit or loss of Rizal Hydro Power Project.

Impairment loss pertains to the loss in the future economic benefits of the NDC's lease receivables.

Share in the loss of associates/affiliates pertains to the proportionate share in the profit or loss of the investee under-investment in associates/affiliates.

32. INCOME TAX EXPENSE

Income tax expense for the years ended December 31 consists of:

	2024	2023 (As restated)
Current	**149,387,779**	29,073,922
Deferred	**204,459,639**	1,107,388,497
	353,847,418	1,136,462,419

Reconciliation between statutory tax and effective tax is as follows:

	2024	2023 (As restated)
Income tax at statutory rate	**451,849,965**	1,159,911,603
Dividend income not subject to income tax	**(2,021,915)**	(3,326,087)
Income subjected to final tax	**(36,721,685)**	(33,805,518)
Share in net income of associates	**(8,505,938)**	(7,265,110)
Other reconciling items	**(50,753,009)**	20,947,531
	353,847,418	1,136,462,419

Analysis of deferred tax assets and deferred tax liabilities is as follows:

	2024	2023 (As restated)
Deferred tax assets on:		
Allowance for impairment	**614,121,588**	614,377,562
Unrealized foreign exchange loss	**3,442,703**	1,044,945
Deferred tax liabilities on:		
Rental receivables	**(14,474,456)**	(17,534,459)
Interest receivables	**(16,897,317)**	(22,800,789)
Investment property	**(7,770,801,498)**	(7,560,923,381)
Unrealized foreign exchange gain	**(6,015,494)**	(328,713)
Net deferred tax liability	**(7,190,624,474)**	(6,986,164,835)

33. SHARE CAPITAL

This account represents the capital infusion of the National Government (NG) from CYs 1937 to 2002 aggregating P8.603 billion. The NDC has an authorized capital stock of P10 billion, the amount to be subscribed by the NG and to be paid up in accordance with project funding requirements.

34. RETAINED EARNINGS

The components of retained earnings are summarized below:

	2024	2023 (As restated)
Retained earnings, beginning	**19,055,143,992**	15,693,397,536
Unrealized gain from the revaluation of Investment property	**1,541,461,097**	4,430,015,539
Income before tax, net of unrealized gain	**265,938,762**	157,345,936
Income tax expense	**(353,847,418)**	(1,136,462,419)
Dividend payment	**(156,291,319)**	(89,152,600)
Retained earnings, ending	**20,352,405,114**	19,055,143,992

As of December 31, 2024, the retained earnings balance reflects a material increase primarily attributable to the recognition of unrealized gains from changes in fair value of investment properties in accordance with the fair value model under Philippine Accounting Standard (PAS) 40.

The revaluation of investment properties resulted in an unrealized gain amounting to P1.541 billion and P4.430 billion for CYs 2024 and 2023, respectively, which was recognized under profit or loss and subsequently accumulated in retained earnings. However, these gains are non-distributable until realized through the sale or disposal of the assets. The unrealized gain may be subject to changes in subsequent periods based on current market conditions. The total unrealized gain since CY 2016 amounts to P28.740 billion, net of all realized gains from the disposal of investment properties.

35. RESTATEMENT OF ACCOUNTS

The 2023 financial statements were restated to reflect the following transactions/adjustments:

CY 2022 errors discovered in 2024

	December 31, 2022 (As previously reported)	Restatements/ Adjustments	January 1, 2023 (As restated)
STATEMENT OF FINANCIAL POSITION			
Investment Property	**27,033,272,204**	**(290,900,000)**	**26,742,372,204**
Adjustment on investment property		*(290,900,000)*	
Restatement of total asset – net decrease		(290,900,000)	
Financial liabilities	**616,100,350**	**(477,862)**	**615,622,488**
Over accrual of salaries, allowances, benefits, various maintenance and other operating expenses		*(477,862)*	
Deferred tax liability	**5,951,501,338**	**(72,725,000)**	**5,878,776,338**
Adjustment on deferred tax		*(72,725,000)*	
Restatement of total liabilities – net decrease		(73,202,862)	
Restatement of statement of financial position-net increase		**(217,697,138)**	

CY 2023 errors discovered in 2024

	December 31, 2023 (As previously reported)	Restatements/ Adjustments	December 31, 2023 (As restated)
STATEMENT OF FINANCIAL POSITION			
Receivables, net -current	**231,246,979**	**11,088,835**	**242,335,814**
Over accrual of rental receivables		*(2,410,895)*	
Over accrual of assessment fees		*(270)*	
Error in the presentation of loans receivable from noncurrent to current		*13,500,000*	

	December 31, 2023 (As previously reported)	Restatements/ Adjustments	December 31, 2023 (As restated)
Investment in associates/affiliates	**275,309,871**	**(47,540,558)**	**227,769,313**
Adjustment on investments related to equity share under-investment in associates		*(47,540,558)*	
Receivables, net -non-current	**79,111,059**	**(13,500,000)**	**65,611,059**
Error in the presentation of loans receivable from noncurrent to current		*(13,500,000)*	
Investment Property	**31,472,238,370**	**(290,899,000)**	**31,181,339,370**
Adjustment on investment property		*(290,899,000)*	
Restatement of total assets - net decrease		(340,850,723)	
Financial liabilities	**638,903,456**	**1,951,390**	**640,854,846**
Over and under accrual of salaries, allowances, benefits, various maintenance and other operating expenses		*1,951,390*	
Inter-agency payables	**23,616,605**	**28,585**	**23,645,190**
Adjustment to GSIS contribution		*28,585*	
Deferred credits/unearned income	**26,048,915**	**(130,000)**	**25,918,915**
Under amortization of unearned rent		*(130,000)*	
Other payables	**2,330,260**	**5,371**	**2,335,631**
Adjustment to Provident fund		*5,371*	
Deferred tax liability	**7,059,492,309**	**(73,327,474)**	**6,986,164,835**
Adjustment on deferred tax		*(72,724,750)*	
Under accrual of deferred tax for the year		*(602,724)*	
Restatement of total liabilities – net decrease		(71,472,128)	
Restatement of the statement of financial position – net decrease		**(269,378,595)**	
STATEMENT OF COMPREHENSIVE INCOME			
Lease income	**402,135,541**	**(31,341,336)**	**370,794,205**
Over accrual of rental receivables		*(31,341,336)*	
Other Income	**6,033,684**	**(270)**	**6,033,414**
Over accrual of assessment fees		*(270)*	
Gains	**4,446,303,644**	**1,000**	**4,446,304,644**
Adjustment on gain on revaluation of investment property		*1,000*	
Restatement of income-net decrease		(31,340,606)	

	December 31, 2023 (As previously reported)	Restatements/ Adjustments	December 31, 2023 (As restated)
Personnel Services	**50,571,131**	**292,094**	**50,863,225**
Adjustments on accrual of salaries, allowances and benefits		*292,094*	
Maintenance and operating expenses	**148,109,429**	**249,279**	**148,358,708**
Adjustments on accrual of various maintenance and operating expenses		*249,279*	
Non-cash expenses	**12,221,077**	**20,401,952**	**32,623,029**
Adjustment of investments on associates/affiliates and joint venture		*20,401,952*	
Deferred tax	**1,107,990,971**	**(602,474)**	**1,107,388,497**
Under accrual of deferred tax for the year		*(602,474)*	
Restatement of expenses – net decrease		20,340,851	
Restatement of the statement of comprehensive income – net decrease		***(51,681,457)***	

NDC presented three Statements of Financial Position in compliance with the requirements of PAS 1, *Presentation of Financial Statements,* to include in a complete set of financial statements a statement of financial position as at the beginning of the earliest comparative period whenever the entity retrospectively applies an accounting policy or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements.

36. RELATED PARTIES

Key Management includes the Board of Directors, all members of Management, and other NDC Officers. Key Management compensation totaled P24.029 million and P19.497 million in CYs 2024 and 2023, respectively. The breakdown of the amounts is as follows:

	2024	2023
Salaries and allowances	**17,156,424**	13,646,846
Other Benefits	**6,872,378**	5,850,387
	24,028,802	19,497,233

37. COMPLIANCE WITH REPUBLIC ACT (RA) NO. 7656

Pursuant to Republic Act No. 7656, requiring Government-Owned or Controlled Corporations and their subsidiaries to declare dividends under certain conditions and remit the same to the NG, NDC remitted to the Bureau of the Treasury P156.291 million and P89.153 million in CYs 2024 and 2023, respectively.

38. CONTINGENCIES

In the ordinary course of business, the NDC became a party litigant to several cases/petitions filed for or against the NDC and pending before the appellate courts, the lower courts, and certain administrative bodies. These cases involve civil actions for the collection of sums of money, reconveyance of property/title, payment of just compensation, specific performance, and action for refund of taxes withheld.

Since the outcome of the cases cannot be determined, claims for assets and provisions for any liability that may result have not been recognized in the financial statements.

The details of NDC pending cases as of December 31, 2024 are as follows:

Title of Case	Nature	Amount	Status
NDC vs. JAO & Company. (CA-GR CV No. 50087 Civil Case No. R-81-1226 RTC-Manila, Br. 38).	Sum of money	P7.520 million plus six per cent interest per annum and liquidated five per cent damages for the principal obligation and interest.	On May 22, 2015, NDC received the court's Order dated September 22, 2014. The Motion for Execution filed by NDC through counsel was Granted. Waiting for the issuance of the Writ of Execution to implement the Decision of the Court dated March 20, 1995, which was affirmed in *toto* by the Court of Appeals (CA) in the Decision promulgated on July 28, 2005.

Title of Case	Nature	Amount	Status
Victoria Corcelles Abunda, et al. vs. NDC, et al. (DARAB Case No. X-678-SC-2000).	Reconveyance	No amount involved as the issue to be resolved is ownership.	As of December 2018, no other related documents have been received. Awaiting Court's Order for submission of position paper.
Liwanag L. Cruz, et al. vs. Juanito F. Galumo and Register of Deeds of South Cotabato. (Civil Case No. 12-4396, RTC-Br. 39, Polomolok, South Cotabato).	Annulment of deed of sale, reconveyance of real properties, damages with prayer for preliminary mandatory injunction	No amount involved as the issue to be resolved is ownership.	RTC issued Order dated November 13, 2023 re: Court considers the Notice of Appeal. On July 12, 2023, NDC filed a Notice of Appeal with the CA. On June 29, 2023, the Office of the Government Corporate Counsel (OGCC) received the Omnibus Order dated June 6, 2023, denying NDC's Partial Motion for Reconsideration (MR) with Manifestation of the Order dated December 2, 2020. The NDC's Partial MR was denied due course, while DARBCI's Motion for Execution was given due course. On May 2021, OGCC filed its Opposition to Motion for Execution and Reply to DARBCI's

Title of Case	Nature	Amount	Status
			Opposition to Partial MR of NDC. On March 31, 2021, DARBCI filed its Opposition for Partial MR of NDC and Motion for Execution of the Notice of Judgment on the Court order dated December 2, 2020. NDC filed a Partial MR praying that the properties be reconveyed instead to NDC. In the Order dated December 2, 2020, the court granted plaintiff's and DARBCI's Motion for Reconsideration and declared null and void the deed of sale allegedly executed by Cruz in favor of Galumo and the properties to be reconveyed to DARBCI.
Primo Gelacio vs. And Luzviminda Gelacio-Bahala v. NDC-Guthrie Plantations, Inc. & NDC Civil Case Nos. 560 & 561 GR No. 138736 (CA-GR CV No. 43924).	For recovery of possession with damages and attorney's fees.	P100,000, more or less (principal only).	On November 10, 2018, the Court issued a Writ of Execution, a copy of which was received by NDC on December 11, 2018. To date, no other related documents have been received.

Title of Case	Nature	Amount	Status
NDC represented by its Asst. General Manager, Esmeraldo E. Sioson vs. DAR, represented by its Provincial Agrarian Reform Officer (PARO) Pedro P. Gumbao, et al. (DARAB Case No. 10999. Reg. Case No. XI-608-SC-99).	Reconveyance	No amount involved as the issue to be resolved is ownership.	On September 17, 2020, OGCC received a copy of the Supreme Court's (SC) July 13, 2020 resolution noting the comments of Dolefil Agrarian Reform on NDC's MR dated July 11, 2018, and waiting for the comments of respondents DAR and Register of Deeds of south Cotabato on NDC's MR.
NDC vs. DAR & LBP. (Civil Case No. 7172 RTC-Branch I, Balanga, Bataan) LBP vs. NDC. (CA-GR-SP No. 99765 15th Division).	Determination of just compensation	P2.737 million	SC remanded the case to RTC to determine just compensation.
Heirs of Pacabis vs. NDC. (Civil Case No. 3442-0 Br. 35, Ormoc City).	Determination of just compensation	Per the Commissioner's Report, P40 per square meter involving 80,000 sq. m. or approximately P3.200 million (principal only).	The plaintiffs filed a Motion to Withdraw as counsel of the Plaintiffs dated August 4, 2023, for the Execution of Judgment. On March 23, 2023, OGCC received the March 9, 2023 Order. The Court found no basis to reconsider its Order dated March 12, 2021. The MR filed by NDC was denied. The Court ordered a Writ of Execution to be issued.

Title of Case	Nature	Amount	Status
NDC vs. Commissioner of Internal Revenue (CIR). [Department of Justice (DOJ) Case No. 91-06]	Refund of taxes	P0.660 million.	It was submitted for the DOJ's resolution. OGCC has yet to receive the CIR's resolution.
NDC vs. Hon. Jim O. Sampulna, in his capacity as Regional Executive Director of Department of Environment & Natural Resources (DENR), Region XII, Koronadal City, Sps. Valencia. CA-GR SP No. 02444 [Ildefonso Tabiling (Dec) (now Enriqueta Montaño) s. Pascual Boada, NDC represented by its GR or President and DOLE Phils.). RED CLAIM NO. 038-2003 CENRO CLAIM NO. 84 LOT NO. 13-Gss-390]	Petition for Certiorari with TRO or Preliminary Injunction	No amount involved as the issue to be resolved is ownership.	On January 7, 2014, OGCC received a Resolution dated November 19, 2013, directing the Division Clerk of Court to issue an Entry of Judgment in this case.
Mateo Rubio et al. vs. DOLE Phils., et al. (DARAB Case No. XII-1067-SC-2009).	For Declaration of Nullity of Transfer, Recovery of Possession Cancellation of Title of Lot No. 65 (1161) PLS 247-D	No amount is involved, as ownership is to be resolved in this case.	Last pleading filed on August 20, 2009: NDC filed its answer with Compulsory Counterclaim. As of June 11, 2012, no further court order or related pleadings have been received.
Teodora Denila vs. NDC/DOLE, DARBCI (RTC Br. 36, Gen San City)		- P2.541 million as back rentals - Rental from 1996 up to the present - 20 per cent Attorney's fees	The CA ordered the Appellants to file their respective briefs. Awaiting further instructions from CA.

Title of Case	Nature	Amount	Status
Philippine Associated Smelting and Refining Corp. (PASAR) v. NDC Case No. R-ORM-09-00009-CV RTC-Br. .35 Ormoc City CC R-ORM-15-00078-CV	For quieting of title with prayer for temporary restraining order and/or writ of preliminary injunction	No amount involved as the issue to be resolved is ownership.	Put on hold. PASAR paid arrears. Filed Manifestation and Compliance (with the Order dated March 17, 2023) on May 12, 2023. On March 16, 2023, OGCC received the copy of the Order (Constancia) dated February 17, 2023; the hearing set on February 17, 2023, was canceled and re-set to March 17, 2023 at 8:30 a.m. On January 9, 2023, OGCC received a copy of PASAR's Motion for Partial Reconsideration dated December 15, 2022 of the Decision dated July 1, 2022. On December 5, 2022, the RTC's Decision dated July 1, 2022 was received. NDC filed a Partial Motion for Reconsideration on December 20, 2022. PASAR also moved for reconsideration of the court's decision.

Title of Case	Nature	Amount	Status
NDC vs. CIR CTA Case 9633 Third Division.			The OGCC received on December 12, 2023 the CA En Banc Resolution dated November 30, 2023 re: resolves to Note the Compliance filed by the petitioner. On November 30, 2023, OGCC filed MR of the Court's November 13, 2023 Decision denying the petition. On November 16, 2023, OGCC filed Compliance of the November 13, 2023 Notice of Decision denying the petition for lack of merit. The OGCC received on November 15, 2023 the CA Decision dated November 13, 2023 re: petition for review is denied.

39. GENDER AND DEVELOPMENT (GAD)

The NDC allotted P884.054 million for the GAD program for the calendar year 2024. The NDC undertook various activities, but only P1.034 million was utilized during the year.

40. SUPPLEMENTARY INFORMATION ON TAXES

In compliance with the requirements set forth by the Bureau of Internal Revenue (BIR) Revenue Regulations No. 15-2010, hereunder is the information on taxes, duties, and license fees paid during the year:

a. Taxes and licenses (National and Local):

	2024	2023
Real estate tax	**34,538,578**	35,371,807
Mayor's Permit	**1,713,532**	1,595,657
Community tax certificate	**10,650**	10,500
Annual registration-BIR	**500**	500
	36,263,260	36,978,464

b. Withholding taxes paid:

	2024	2023
Tax on compensation	**6,721,515**	5,213,694
Creditable withholding taxes	**6,573,287**	12,473,317
	13,294,802	17,687,011

NDC ORGANIZATIONAL STRUCTURE

As of December 31, 2024