

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17 – Q
QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC
RULE 17(2) (b) THEREUNDER**

1. For the quarterly period ended **June 30, 2020**

2. Commission identification number **7443**

3. BIR Tax Identification No. **000 – 062 – 736**

4. Exact name of issuer as specified in its charter

VULCAN INDUSTRIAL & MINING CORPORATION

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

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office **125 Pioneer Street Mandaluyong City** Postal Code **1550**

8. Issuer's telephone number, including area code **Tel (632) 8631 – 51 – 39**

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

N/A

10. Securities registered pursuant to Sections 8 and 12 of the RSA

Title of each class	Number of shares of common stock outstanding
Common	1,450,000,000

11. Are any or all of the securities listed on the Philippine Stock Exchange?

Yes No

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and RSC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11 (a)-1 thereunder, and Sections 28 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or such shorter period the registrant was required to file such reports)

Yes No

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

Yes No

PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

The financial statements are filed as part of this Form 17-Q.

The interim financial reports of the Company are in compliance with the generally accepted accounting principles applied on a basis consistent with that of the preceding quarters/period.

The financial statements are prepared in conformity with the same accounting policies and methods of computation are followed in the interim financial statements as compared with the most recent annual financial statements.

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

The Company has no revenue for the period ended June 30, 2020 and June 30, 2019 and incurred a net loss of P0.37 million and P0.98 million, respectively. The net loss pertains to administrative expenses incurred such as PSE annual listing fees, security cost, and professional fees.

The Company has total assets of P0.11 million and P0.29 million as of June 30, 2020 and June 30, 2019, respectively. The decrease in total assets was mainly due to administrative expenses incurred such as PSE annual listing fees, security cost, and professional fees.

The Company's total liabilities substantially increased as of June 30, 2020 as compared to June 30, 2019 due to additional advances from related party.

Deficit increased to P993 million as of June 30, 2020 compared to P992.5 million as of June 30, 2019. The increase in deficit was due to the net losses incurred by the Company during the period.

Total Stockholders' equity deficit of P0.85 million as of June 30, 2020 compared to P0.02 million as of June 30, 2019 due to net loss incurred by Company during from June 30, 2019 to June 30, 2020.

The top five (5) key performance indicators of the Company and its wholly owned subsidiary are as follows:

	<u>30 June 2020</u>	<u>31 Dec. 2019</u>	<u>30 June 2019</u>
Current Ratio	0.12	0.11	0.81:1
<u>Current Assets</u>	<u>111,846</u>	<u>58,546</u>	<u>250,802</u>
Current Liabilities	959,140	535,260	310,461
Debt to Equity Ratio	(1.13):1	(1.12):1	(15.67):1
<u>Total Liabilities</u>	<u>959,140</u>	<u>535,261</u>	<u>310,461</u>
Stockholders Equity	(847,294)	(476,714)	(19,816)

Equity to Debt Ratio	(0.88):1	(0.89):1	(0.06):1
<u>Stockholders Equity</u>	<u>(847,294)</u>	<u>(476,714)</u>	<u>(19,816)</u>
Total Liabilities	959,140	535,260	310,461
Book Value Per Share	(0.0006)	(0.0003)	(0.00001)
<u>Stockholders' Equity</u>	<u>(847,294)</u>	<u>(476,714)</u>	<u>(19,816)</u>
Total # of shares	1,450,000,000	1,450,000,000	1,450,000,000
Earnings (Loss) per share	(0.0003)	(0.0009)	(0.0007)
<u>Net Income (Loss)</u>	<u>(370,579)</u>	<u>(1,435,563)</u>	<u>(978,665)</u>
Total # of shares	1,450,000,000	1,450,000,000	1,450,000,000

The change in key indicators as of June 30, 2020 as compared to June, 2019 and December 31, 2019 noted a significant decrease in all areas due to net loss incurred during each period.

Because the Company has written off and assigned all its mineral and petroleum assets in line with its decision to cease to engage in the business of mining, oil, petroleum, industrial development, mineral processing and other related activities, the Company is looking for other options to give value to its stakeholders.

In general, Management is not aware of any material event or uncertainty that has affected the current fiscal period and/or would have a material impact on future operations of the Company. The Company will continue to be affected by the Philippine business environment as may be influenced by any local/regional financial and political crises.

There are NO known trends, demands, commitments, events or uncertainties that have or are reasonably likely to have material impact on the Company's liquidity. Should the Company's cash position be not sufficient to meet current requirements, the Company may consider a) collecting a portion of accounts receivable; and b) private placement.

The Company has NO material commitments for capital expenditures.

The standards mentioned in SEC Memorandum Circular No. 6 Series of 2013 are not applicable to the Company's interim financial statements as of the period ended-June 30, 2020.

There will be no purchase /sale of significant equipment in the next twelve months.

The number of employees will have no significant change in the next twelve (12) months.

Any material commitment for capital expenditures- the Company has NO material commitments for capital expenditures.

Any known trends, events or uncertainties that have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations is not applicable

Any significant elements of income or loss that did not arise from the issuer's continuing operations is not applicable

Any seasonal aspects that had material effect on the financial condition or results of operations is not applicable

The Company activities expose it to a variety of financial risks. The Board of Directors reviews and approves on policies for managing each of these risks namely:

Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company's objective to managing liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking adverse effect to the Company's credit standing.

The company manages liquidity risk by maintaining balance between continuity of funding and flexibility. As part of its liquidity risk management, the Company regularly evaluates its projected cash flows.

The financial assets held by the Company for liquidity purposes consist of cash, all of the Company's financial liabilities are either due and demandable or payable within the year.

Equity Price Risk

Equity price risk is the risk that the value of a financial instrument will fluctuate because of changes in market prices. The Company has no financial assets and liabilities.

Financial instruments

The Company's financial instruments consist of cash. The main purpose of the financial instruments is to fund the Company's operations. The Company has various other financial instruments such as accrued expenses and other payables that arise directly from its operations.

Financial instruments are recognized initially at fair value, which is the fair value of the consideration given (in case of asset) or received (in case of a liability). The initial measurement of financial instruments, except for those financial assets and financial liabilities at fair value through profit or loss (FVPL), includes transaction cost.

On initial recognition, the Company classifies its financial assets in the following categories: Held-for-Maturity (HTM) investments, AFS financial assets, and loans and receivables. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Management determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates such designation at every financial reporting date.

Under PAS 39, all financial liabilities are recognized initially at fair value and in case of loans and borrowings, plus directly attributable transaction costs. Financial liabilities are classified as FVPL, loans and borrowings and derivatives designated as hedging instruments in an effective hedge, as appropriate.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity net of any related income tax benefits.

The Company's financial assets consist of loans and receivables and AFS investments. The Company's financial liabilities are classified as loans and borrowings. The Company has no financial assets and liabilities at FVPL and HTM investment.

The fair value of financial instruments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For investments and all other financial instruments where there is no active market, fair value is determined by using generally accepted valuation techniques. Such techniques include using arm's length market transactions; reference to the current market value of another instrument, which are substantially the same; discounted cash flow analysis and other valuation models.

Financial Soundness Indicators

<i>Profitability Ratios</i>	June 30, 2020	June 30, 2019
Return on Assets	-98.06%	-98.06%
Return on Equity	-40.95%	-4,939%
Gross profit margin	0	0
Net profit margin	0	0
<i>Liquidity and Solvency Ratios</i>		
Current Ratio	0.12 : 1	0.81 : 1
Quick Ratio	0.12 : 1	0.81 : 1
Solvency Ratio	-0.39 : 1	-3.15: 1
<i>Financial Leverage Ratios</i>		
Asset to Equity Ratio	-0.42	-14.67 : 1
Debt Ratio	8.58	1.07 : 1
Debt to Equity Ratio	-1.13	-15.67: 1
Interest Coverage Ratio	0	0

PART II - OTHER INFORMATION

There were items for disclosure that were made under SEC Form 17-C during the current interim period (01 January to June 30, 2020).

SIGNATURES

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

Issuer: VULCAN INDUSTRIAL & MINING CORPORATION

A handwritten signature in black ink, appearing to read 'C. Gotanco', with a large loop at the top and a horizontal stroke at the bottom.

CHRISTOPHER M. GOTANCO

Vice-Chairman and COO

Date: August 14, 2020

VULCAN INDUSTRIAL AND MINING CORPORATION
STATEMENT OF FINANCIAL POSITION

	Unaudited 30-Jun-20	Audited 31-Dec-19
ASSETS		
Current Assets		
Cash	73,326	58,546
Other current assets	38,520	-
Total Current Assets	<u>111,846</u>	<u>58,546</u>
TOTAL ASSETS	<u><u>111,846</u></u>	<u><u>58,546</u></u>
LIABILITIES AND EQUITY		
Current Liabilities		
Accrued expenses and other payables	266,529	342,649
Due to Related Parties	692,611	192,611
Total Current Liabilities	<u>959,140</u>	<u>535,260</u>
TOTAL CURRENT LIABILITIES	<u>959,140</u>	<u>535,260</u>
EQUITY		
Capital Stock - P1 par value		
Authorized - 4,000,000,000 shares		
Issued - 600,000,000 shares	600,000,000	600,000,000
Subscribed - 850,000,000 shares	850,000,000	850,000,000
Subscription Receivable	(457,502,880)	(457,502,880)
Capital Stock	992,497,120	992,497,120
Deficit	(993,344,414)	(992,973,834)
TOTAL EQUITY	<u>(847,294)</u>	<u>(476,714)</u>
TOTAL LIABILITIES AND EQUITY	<u><u>111,846</u></u>	<u><u>58,546</u></u>

VULCAN INDUSTRIAL AND MINING CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME

	Unaudited Apr to June. 2020	Unaudited Apr to June. 2019	Unaudited Jan. to June 2020	Unaudited Jan to June 2019
REVENUE				
Interest income	-	113	-	569
General and Administrative expenses	40,000	265,027	370,579	979,234
Income/(Loss) from continuing operations before income tax	(40,000)	(264,914)	(370,579)	(978,665)
Provision for current income tax	-	-	-	-
Income/(Loss) from continuing operations after tax	(40,000)	(264,914)	(370,579)	(978,665)
Loss from discontinued operations after tax				
Net Income/(Loss)	(40,000)	(264,914)	(370,579)	(978,665)
Other Comprehensive Income/Loss				
Net unrealized gains/(losses) on AFS investment	-	-	-	-
Total Other comprehensive Income/(Loss)	-	-	-	-
Total Comprehensive Income/(Loss)	(40,000)	(264,914)	(370,579)	(978,665)
Earnings/(Loss) per share was computed as follows:				
	Apr to June. 2020	Apr to June. 2019	Jan. to June 2020	Jan to June 2019
Net Income/(Loss) Attributable to Equity	(40,000)	(264,914)	(370,579)	(978,665)
Weighted Average Number of Shares	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000
Earnings/(Loss) Per Share	(0.0000)	(0.0002)	(0.0003)	(0.0007)

VULCAN INDUSTRIAL & MINING CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

	30-Jun-20	30-Jun-19
Balances, at January 1		
Capital Stock - P1 par value		
Authorized - 4,000,000,000 shares		
Issued - 600,000,000 shares	600,000,000	600,000,000
Subscribed - 850,000,000 shares	850,000,000	850,000,000
Subscription Receivable	(457,502,880)	(457,502,880)
	<u>992,497,120</u>	<u>992,497,120</u>
Deficit, beginning	(992,973,835)	-991,538,271
Add: Net Income/(Loss) during the period	(370,579)	-978,665
Deficit, ending	(993,344,414)	(992,516,936)
Other Comprehensive Income/(Loss)	-	-
Balances, at June 30	<u>(847,294)</u>	<u>(19,816)</u>

VULCAN INDUSTRIAL & MINING CORPORATION
 STATEMENTS OF CASH FLOWS

	FOR THE PERIOD			
	Apr to June 2020 2020	Apr to June 2020 2019	Jan. 1 to June 30 2020	Jan. 1 to June 30 2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income/(Loss)	(40,000)	(264,914.00)	(370,579)	(978,665)
Loss from discontinued operations before income tax				
Adjustment to reconcile net income to net cash provided by (used in) operating activities:				
Changes in operating assets & liabilities				
Decrease (increase) in:				
Prepaid expenses and other current assets	(4,800)	(3,602)	(38,520)	(39,843)
Increase (decrease) in:				
Accounts payable and accrued expenses	(184,800)	(251,650)	(76,121)	(436,199)
Net cash used in operating activities	(229,600)	(520,166)	(485,220)	(1,454,707)
CASH FLOWS FROM INVESTING ACTIVITIES				
Net cash used in investing activities	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES				
Advances from related party	-	-	500,000	-
Net cash provided by financing activities	-	-	500,000	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(229,601)	(520,166)	14,781	(1,454,707)
CASH AND CASH EQUIVALENTS, BEGINNING	302,926	770,968	58,546	1,705,509
CASH AND CASH EQUIVALENTS, END	73,326	250,802	73,326	250,802

Corporate Information

Corporate Information

Vulcan Industrial & Mining Corporation (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on January 13, 1953 under the name “Vulcan Manufacturing Corporation” and was listed in the Philippine Stock Exchange (PSE) on August 31, 1970. On June 15, 1977, the Company amended its articles of incorporation and changed its name to “Vulcan Industrial & Mining Corporation”. The Company’s corporate life was extended for another 50 years on January 13, 2003.

The Company is a 58.6% subsidiary of National Book Store, Inc. (NBS; the Parent Company).

The Company was involved in finding, developing and producing oil and gas reserves and other mineral properties. The Company was a participant in several Service Contracts (SCs), Mineral Production Sharing Agreements (MPSAs) and Geophysical Survey and Exploration Contracts (GSECs) entered with the Philippine Government, through the Department of Energy (DOE).

On December 7, 2018, the Company’s Board of Directors (BOD) and the Stockholders resolved that the Company cease to engage in the business of mining, oil, petroleum, industrial development and mineral processing. Further, the BOD and Stockholders resolved to amend the primary and secondary purposes from mining to holding and such other purposes as management deems fit and in the best interest of the Company. The Company is still in the process of filing the amendment to the SEC.

The Company’s registered office address is at 6F Quad Alpha Centrum, 125 Pioneer Street, Mandaluyong City, Philippines.

Status of Operations

On December 21, 2018, the BOD approved to waive all the Company’s rights and interests in all SCs, MPSAs and GSECs where it is a participant, except for its interest in Negros Copper Projects which the BOD also resolved to assign to United Paragon Mining Corporation (UPMC), in line with its decision to cease to engage in the business of mining, oil, petroleum, industrial development, mineral processing and other related activities. On the same day, the BOD also approved the following:

- Write off of all mining and oil-related assets, including deferred exploration costs; and
- Donation of parcels of land owned by the Company in Roxas, Palawan.

The Company has incurred cumulative losses resulting to deficit amounting to ₱993.3 million and ₱993.0million as at June 30, 2020 and December 31, 2019, respectively. The deficit as at June 30, 2020 resulted to capital deficiency amounting to ₱0.85 million. In addition, the Company has negative operating cash flows of ₱0.49 million as of end June30, 2020. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern, and, therefore, that the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. This factor, among others, indicates that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Management has neither the intention nor the need to liquidate the Company in the foreseeable future. NBS, the Company’s Parent Company, is committed to provide financial support to enable the Company to continue paying its expenses and settle its liabilities, for at least 12 months from the balance sheet date, and to enable the Company to operate as a going concern.

Basis of preparation

The Company’s financial statements have been prepared under the historical cost basis except for financial assets at FVTPL, which are carried at fair value. The financial statements are presented in Philippine peso (₱), which is the Company’s functional currency.

Statement of Compliance

The financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

Changes in Accounting Policies and Disclosures

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended standards, which are effective for annual periods beginning on or after January 1, 2018. The following amended standards did not have any significant impact on the Company's financial statements:

PFRS 2 (Amendments), Share-based Payment, Classification and Measurement of Share-based Payment Transactions

The amendments to PFRS 2 address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. Entities are required to apply the amendments to: (1) share-based payment transactions that are unvested or vested but unexercised as of January 1, 2018, (2) share-based payment transactions granted on or after January 1, 2018 and to (3) modifications of share-based payments that occurred on or after January 1, 2018. Retrospective application is permitted if elected for all three amendments and if it is possible to do so without hindsight.

PFRS 9, Financial Instruments

PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. Retrospective application is required, but comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company has adopted this new standard without restating comparative information.

As of January 1, 2018, the Company has reviewed and assessed all of its existing financial instruments. The accounting policies adopted by the Company in its evaluation of the classification and measurement categories under PFRS 9 are discussed below.

(a) Classification and measurement

PFRS 9 requires that the Company classifies debt instruments based on the contractual cash flow characteristics of the assets and the business model for managing those assets. These factors determine whether the financial assets are measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL).

The Company's debt financial assets consist of cash in banks, receivables and due from related parties. The Company assessed that the contractual cash flows of its debt financial assets are solely payments of principal and interest (SPPI) and are expected to be held to collect all contractual cash flows until their maturity. As a result, the Company concluded these debt financial assets to be measured at amortized cost.

For other financial assets, investments in quoted equity securities and in unquoted equity shares previously carried at fair value under PAS 39 and classified as AFS investments are measured at FVTPL under PFRS 9.

There were no changes to the classification and measurement of financial liabilities, other than the changes in fair value of financial liabilities designated at fair value through profit or loss that are attributable to changes in the instruments' credit risk, which are now presented in other comprehensive income. As of June 30, 2020 and December 31, 2019, the Company does not hold financial liabilities designated at fair value through profit or loss.

(b) Impairment

The adoption of PFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking Expected Credit Loss (ECL)

approach. PFRS 9 requires the Company to record ECL for trade and other receivables and for other debt financial assets not classified as at FVTPL, together with contract assets, loan commitments and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The Company has applied the simplified approach and recorded lifetime ECL on all trade receivables and contract assets. The Company has established a provision matrix that is based on the Company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Company considers a financial asset in default when contractual payment are more than 90 to 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

The Company has determined that financial assets that are more than 90 to 120 days past due are considered in default because based on historical experience, counterparties are typically unable to settle their financial obligations to the Company by this period despite expending reasonable efforts to enforce collection. For trade receivables, it is also normally within the more than 90 to 120 days past due range that permanent disconnection is imposed on customers.

For other debt financial assets measured at amortized cost, the general approach will be applied, measuring either a 12-month or lifetime expected losses, depending on the extent of the deterioration of their credit quality from origination. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The ECL calculation using general approach is composed of three major components - probability of default (PD), loss given default (LGD), and exposure at default (EAD). The 12-month ECL is computed for Stage 1 accounts, while the lifetime ECL is calculated for Stage 2 and Stage 3 accounts. Accounts with objective evidence of impairment are classified under Stage 3 and shall follow the Company's impairment methodology. On the other hand, Stage 1 and Stage 2 accounts shall use future values derived from the term structures of the PD and LGD. These future values also take into consideration prospective business environment conditions through the inclusion of macroeconomic forecasts.

Altogether, the resulting value is called the baseline ECL. To compute for the probability-weighted ECL, calibration factors and scenario weights are embedded into the baseline model. Finally, risk management policies complement the application of probability-weighted ECL models. Together, ECL models and their corresponding policies, shall enhance the assessment and monitoring of accounts.

The table below illustrates the classification and measurement of financial assets and financial liabilities under PFRS 9 and PAS 39 at the date of initial application.

The measurement category and the carrying amount of financial assets and liabilities in accordance with PAS 39 and PFRS 9 as of June 30, 2020 are compared as follows:

Financial Assets	Original Measurement Category Under PAS 39	Original Carrying Amount Under PAS 39	New Measurement Category Under PFRS 9	New Carrying Amount Under PFRS 9
Cash in banks	Loans and receivables	₱73,326	Financial assets at amortized cost	₱73,326

The Company does not have financial assets and financial liabilities which had previously been designated at FVTPL to reduce an accounting mismatch in accordance with PAS 39 which had been reclassified to amortized cost or FVOCI upon transition to PFRS 9.

PFRS 4 (Amendments), *Insurance Contracts, Applying PFRS 9, Financial Instruments, with PFRS 4*

The amendments address concerns arising from implementing PFRS 9, the new financial instruments standard before implementing the new insurance contracts standard. The amendments introduce two options for entities issuing insurance contracts: a temporary exemption from applying PFRS 9 and an overlay approach. The temporary exemption is first applied for reporting periods beginning on or after January 1, 2018. An entity may elect the overlay approach when it first applies PFRS 9 and apply that approach retrospectively to financial assets designated on transition to PFRS 9. The entity restates comparative information reflecting the overlay approach if, and only if, the entity restates comparative information when applying PFRS 9.

PFRS 15, Revenue from Contracts with Customers

PFRS 15 supersedes PAS 11 Construction Contracts, PAS 18 Revenue, and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. PFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. The new standard establishes a five-step model to account for revenue arising from contracts with customers. The five-step model is as follows:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Under PFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with the customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Company adopted PFRS 15 using the modified retrospective method, effective January 1, 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Company elected to apply the method to only those that were not completed at the date of initial recognition.

The adoption of PFRS 15 has no impact to the statements of financial position, statements of comprehensive income and statements of cash flows.

PAS 28 (Amendments), Investments in Associates and Joint Ventures, Measuring an Associate or Joint Venture at Fair Value (Part of Annual Improvements to PFRSs 2014-2016 Cycle)

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. They also clarify that if an entity that is not itself an investment entity has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. Retrospective application is required.

PAS 40 (Amendments), Investment Property, Transfers of Investment Property

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a

change in use. Retrospective application of the amendments is not required and is only permitted if this is possible without the use of hindsight.

Effective beginning on or after January 1, 2019

PFRS 9 (Amendments), Prepayment Features with Negative Compensation

Under PFRS 9, a debt instrument can be measured at amortized cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to PFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from January 1, 2019, with earlier application permitted.

PFRS 16, Leases

PFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under PAS 17, *Leases*. The standard includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognize a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset). Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

Lessees will be also required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases.

PFRS 16 also requires lessees and lessors to make more extensive disclosures than under PAS 17.

A lessee can choose to apply the standard using either a full retrospective or a modified retrospective approach. The standard's transition provisions permit certain reliefs.

Since the Company does not have lease arrangements, the new standard will not have an impact on the financial statements.

PAS 19 (Amendments), Employee Benefits, Plan Amendment, Curtailment or Settlement

The amendments to PAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments specify that when a plan amendment, curtailment or settlement occurs during the annual reporting period, an entity is required to:

- Determine current service cost for the remainder of the period after the plan amendment, curtailment or settlement, using the actuarial assumptions used to remeasure the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event
- Determine net interest for the remainder of the period after the plan amendment, curtailment or settlement using: the net defined benefit liability (asset) reflecting the benefits offered under the plan and the plan assets after that event; and the discount rate used to remeasure that net defined

benefitliability (asset).

The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognized in profit or loss. An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognized in other comprehensive income.

The amendments apply to plan amendments, curtailments, or settlements occurring on or after the beginning of the first annual reporting period that begins on or after January 1, 2019, with early application permitted.

PAS 28 (Amendments), Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies PFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in PFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying PFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying PAS 28, *Investments in Associates and Joint Ventures*.

The amendments should be applied retrospectively and are effective from January 1, 2019, with early application permitted.

The Company expects the adoption of these amendments will not have any impact on the financial statements and plans to adopt these on the required effective date.

Philippine Interpretation IFRIC-23, Uncertainty over Income Tax Treatments

The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, *Income Taxes*, and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- How an entity considers changes in facts and circumstances.

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

The Company is currently assessing the impact of adopting this interpretation.

Annual Improvements to PFRSs 2015-2017 Cycle

PFRS 3 (Amendments), Business Combinations, and PFRS 11, Joint Arrangements, Previously Held interest in a Joint Operation

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted.

The amendments are currently not applicable to the Company but may apply to future transactions.

PAS 12 (Amendments), Income Tax Consequences of Payments on Financial Instruments Classified as Equity

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted.

The Company is currently assessing the impact of these amendments and expects that it will have no effect on the financial statements.

PAS 23 (Amendments), Borrowing Costs, Borrowing Costs Eligible for Capitalization

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

These amendments may apply to future transactions of the Company.

Effective beginning on or after January 1, 2020

PFRS 3 (Amendments), Definition of a Business

The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business. An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

These amendments are currently not applicable to the Company but may apply to future transactions.

PAS 1 (Amendments), Presentation of Financial Statements, and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material

The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

An entity applies those amendments prospectively for annual reporting periods beginning on or after January 1, 2020, with earlier application permitted.

Effective beginning on or after January 1, 2021
PFRS 17, *Insurance Contracts*

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

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

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

PFRS 17 is effective for reporting periods beginning on or after January 1, 2021, with comparative figures required. Early application is permitted.

Deferred effectivity

PFRS 10 and PAS 28 (Amendments), *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

Current versus Noncurrent Classification

The Company presents assets and liabilities in the statement of financial position based on current/noncurrent classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting date; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months after the reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

The Company classifies all other liabilities as noncurrent.

Fair Value Measurement

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

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

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

As of June 30, 2020 and June 30, 2019, the Company has no AFS investments.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Financial Instruments – Classification and Measurement (upon adoption of PFRS 9)

Classification of financial assets

Financial assets are classified in their entirety based on the contractual cash flows characteristics of the financial assets and the Company's business model for managing the financial assets. The Company classifies its financial assets into the following measurement categories:

- financial assets measured at amortized cost
- financial assets measured at fair value through profit or loss
- financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are reclassified to profit or loss
- financial assets measured at fair value through other comprehensive income, where cumulative gains or losses previously recognized are not reclassified to profit or loss

Contractual cash flows characteristics

If the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows or within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, the Company assesses whether the cash flows from the financial asset represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

In making this assessment, the Company determines whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes consideration only for the time value of money, credit risk and other basic lending risks and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual terms that introduce exposure to risks or volatility in the contractual cash flows that is unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

Business model

The Company's business model is determined at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Company's business model does not depend on management's intentions for an individual instrument.

The Company's business model refers to how it manages its financial assets in order to generate cash flows. The Company's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. Relevant factors considered by the Company in determining the business model for a group of financial assets include how the performance of the business model and the financial assets held within that business model are evaluated and reported to the Company's key management personnel, the risks that affect the performance of the business model (and the financial assets held within that business model) and how these risks are managed and how managers of the business are compensated.

Financial assets at amortized cost

A financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the EIR method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortization is included in 'Interest income' in the statement of income and is calculated by applying the EIR to the gross carrying amount of the financial asset, except for (i) purchased or originated credit-impaired financial assets and (ii) financial assets that have subsequently become credit-impaired, where, in both cases, the EIR is applied to the amortized cost of the financial asset. Losses arising from impairment are recognized in 'Provision for credit and impairment losses' in the statement of income.

Financial assets at fair value through other comprehensive income (FVOCI)

A financial asset is measured at FVOCI if (i) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest income and foreign exchange gains and losses are recognized in profit and loss until the financial asset is derecognized. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss. This reflects the gain or loss that would have been recognized in profit or loss upon derecognition if the financial asset had been measured at amortized cost. Impairment is measured based on the expected credit loss (ECL) model.

The Company may also make an irrevocable election to measure at FVOCI on initial recognition investments in equity instruments that are neither held for trading nor contingent consideration recognized in a business combination in accordance with PFRS 3. Amounts recognized in OCI are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Dividends are recognized in profit or loss only when:

- the Company's right to receive payment of the dividend is established
- it is probable that the economic benefits associated with the dividend will flow to the Company; and
- the amount of the dividend can be measured reliably.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are measured at FVTPL unless these are measured at amortized cost or at FVOCI. Included in this classification are equity investments held for trading and debt instruments with contractual terms that do not represent solely payments of principal and interest. Financial assets held at FVTPL are initially recognized at fair value, with transaction costs recognized in the statement of income as incurred. Subsequently, they are measured at fair value and any gains or losses are recognized in the statement of income.

Additionally, even if the asset meets the amortized cost or the FVOCI criteria, the Company may choose at initial recognition to designate the financial asset at FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) that would otherwise arise from measuring financial assets on a different basis.

Trading gains or losses are calculated based on the results arising from trading activities of the Company, including all gains and losses from changes in fair value for financial assets and financial liabilities at FVTPL, and the gains or losses from disposal of financial investments.

Classification of financial liabilities

Financial liabilities are measured at amortized cost, except for the following:

- financial liabilities measured at fair value through profit or loss;
- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the Company retains continuing involvement;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in accordance with PFRS 3.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (an accounting mismatch) or:

- if a host contract contains one or more embedded derivatives; or
- if a group of financial liabilities or financial assets and liabilities is managed and its performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Company's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income.

Reclassifications of financial instruments (upon adoption of PFRS 9)

The Company reclassifies its financial assets when, and only when, there is a change in the business model for managing the financial assets. Reclassifications shall be applied prospectively by the Company and any previously recognized gains, losses or interest shall not be restated. The Company does not reclassify its financial liabilities.

The Company does not reclassify its financial assets when:

- A financial asset that was previously a designated and effective hedging instrument in a cash flow hedge or net investment hedge no longer qualifies as such;
- A financial asset becomes a designated and effective hedging instrument in a cash flow hedge or net investment hedge; and

There is a change in measurement on credit exposures measured at fair value through profit or loss.

Impairment of Financial Assets (prior to adoption of PFRS 9)

Date of recognition

The Company recognizes a financial asset or a financial liability in the balance sheet on the date when it becomes a party to the contractual provisions of the instrument. All regular way purchases and sales of financial assets are recognized on trade date, which is the date that the Company commits to purchase the asset. Regular way purchases or sales of financial assets are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. Derivatives are recognized on a trade date basis.

Initial recognition of financial instruments

All financial assets and financial liabilities are recognized initially at fair value. Except for financial assets at fair value through profit or loss (FVPL), the initial measurement of financial assets includes transaction costs. The Company classifies its financial assets in the following categories: financial assets at FVPL, loans and receivables, held-to-maturity (HTM) investments, and AFS investments.

For financial liabilities, the Company also classifies them into financial liabilities at FVPL and other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. The Company determines the classification of its financial assets at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

'Day 1' Difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a 'Day 1' difference) in the statement of income unless it qualifies for recognition as some other type of asset. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the 'Day 1' difference amount.

Financial assets and financial liabilities at FVPL

Financial assets and financial liabilities at FVPL include financial assets held for trading and financial assets designated upon initial recognition as FVPL.

Financial assets and financial liabilities are classified as held for trading if they are acquired for the purpose of selling and repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or a financial guarantee contract. Gains or losses on investments held for trading are recognized in the statement of income.

Financial assets and financial liabilities may be designated at initial recognition as at FVPL if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing the gains or losses on them on a different basis; or (ii) the assets and liabilities are part of a group of financial assets, liabilities or both which are managed and their performance evaluated on fair value basis, in accordance with a documented risk management strategy; or (iii) the financial instrument contains an embedded derivative that would need to be separately recorded.

When a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset or financial liabilities at FVPL, except when the embedded derivative does not significantly modify

the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets and liabilities at FVPL are recorded in the balance sheet at fair value. Subsequent changes in fair value are recognized in the statement of income. Interest earned or incurred is recorded as interest income or expense, respectively, while dividend income is recorded as other income when the right to receive payment has been established.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as financial assets held for trading, designated as AFS financial assets or designated at FVPL.

Loans and receivables are recognized initially at fair value, which normally pertains to the billable amount. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate method, less allowance for impairment losses. 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. The amortization, if any, is included in "Interest income" account in the statement of comprehensive income. The losses arising from impairment of loans and receivables are recognized in profit or loss. The level of allowance for impairment losses is evaluated by management on the basis of factors that affect the collectibility of accounts.

This accounting policy applies primarily to the Company's "Cash in banks", "Receivables", "Due from related parties" and other types of receivables.

AFS Financial Assets

AFS financial assets are non-derivative financial assets that are either designated in this category or not classified as FVPL, loans and receivables or HTM investments after initial recognition. AFS financial assets are carried at fair value in the statement of financial position. The unrealized gains and losses arising from the fair valuation of AFS financial assets are excluded, net of tax as applicable, from reported earnings and is recognized as other comprehensive income and reported under a separate account in the equity section of the statement of financial position. AFS financial assets are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions.

The fair value of instruments that are actively traded in organized financial markets are determined by reference to quoted market prices at the close of the business at reporting date.

AFS financial assets that do not have quoted prices in an active market and whose fair values cannot be reliably measured are carried at cost.

When the investment is disposed of, the gains or losses are recognized in profit or loss.

The Company's equity investments are classified under this category.

Other Financial Liabilities

Issued financial liabilities or their components, which are not designated at FVPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

This accounting policy applies primarily to the Company's "Accrued expenses and other payables", "Due to related parties", "Subscriptions payables" and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as retirement benefit obligation).

Offsetting Financial Instruments

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

Classification of Financial Instruments Between Liability and Equity

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

A financial instrument is classified as debt if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue.

Impairment of Financial Assets (upon adoption of PFRS 9)

PFRS 9 introduces the single, forward-looking "expected loss" impairment model, replacing the "incurred loss" impairment model under PAS 39.

The Company recognizes expected credit losses (ECL) for the following financial assets that are not measured at FVTPL:

- debt instruments that are measured at amortized cost and FVOCI;
- loan commitments; and
- financial guarantee contracts.

No ECL is recognized on equity investments.

ECLs are measured in a way that reflects the following:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial assets migrate through the following three stages based on the change in credit quality since initial recognition:

Stage 1: 12-month ECL

For credit exposures where there have not been significant increases in credit risk since initial recognition and that are not credit-impaired upon origination, the portion of lifetime ECLs that represent the ECLs that result from default events that are possible within the 12-months after the reporting date are recognized.

Stage 2: Lifetime ECL - not credit-impaired

For credit exposures where there have been significant increases in credit risk since initial recognition on an individual or collective basis but are not credit-impaired, lifetime ECLs representing the ECLs that result from all possible default events over the expected life of the financial asset are recognized.

Stage 3: Lifetime ECL - credit-impaired

Financial assets are credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of those financial assets have occurred. For these credit exposures, lifetime ECLs are recognized and interest revenue is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

Loss allowances are recognized based on 12-month ECL for debt investment securities that are assessed to have low credit risk at the reporting date. A financial asset is considered to have low credit risk if:

- the financial instrument has a low risk of default
- the borrower has a strong capacity to meet its contractual cash flow obligations in the near term
- adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade', or when the exposure is less than 30 days past due.

Determining the stage for impairment

At each reporting date, the Company assesses whether there has been a significant increase in credit risk for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Company considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

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

The simplified approach, where changes in credit risk are not tracked and loss allowances are measured at amounts equal to lifetime ECL, is applied to 'Trade loans and other receivables'. The Company has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of Financial Assets (prior to adoption of PFRS 9)

Financial Assets Carried at Amortized Cost

The Company assesses at each reporting date whether a financial asset or group of financial assets is impaired. If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Time value is generally not considered when the effect of discounting is not material. The carrying amount of the

asset shall be reduced either directly or through use of an allowance account. The amount of the loss shall be recognized in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in profit or loss to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.

AFS Financial Assets Carried at Fair Value

The Company assesses at each reporting date whether there is objective evidence that an AFS financial asset or group of AFS financial assets are impaired. For equity investments classified as AFS financial assets, objective evidence would include a significant or prolonged decline in the fair value of the investments below its cost. Significant decline in fair value is evaluated against the original cost of instruments, while prolonged decline is assessed against the periods in which the fair value has been below its original cost. When there is evidence of impairment, the cumulative gains and losses, measured as the difference between the acquisition cost and the current fair value, less any impairment loss previously recognized in profit or loss, is removed from other comprehensive income and recognized in profit or loss. Impairment losses on equity investments are not reversed through profit or loss, while increases in the fair value after impairment are recognized in other comprehensive income.

In the case of unquoted equity investments that are not carried at fair value because their fair values cannot be reliably measured, or on derivative assets that are linked to and must be settled by delivery of such unquoted equity investments has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Derecognition of Financial Instruments (prior to and upon adoption of PFRS 9)

Financial Asset

A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized when:

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

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled, or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

Other Current and Noncurrent Assets

Advances to Suppliers

Advances to suppliers represent payments made in relation to the operational agreements entered into by the Company. These are carried at cost and will generally be applied as services are provided.

Input Value-added Tax (VAT)

Expenses and assets are recognized net of the amount of VAT, if applicable.

When VAT from sales of goods and/or services (output VAT) exceeds VAT passed on from purchases of goods or services (input VAT), the excess is recognized as payable in the statement of financial position. When VAT passed on from purchases of goods or services (input VAT) exceeds VAT from sales of goods and/or services (output VAT), the excess is recognized as an asset in the statement of financial position to the extent of the recoverable amount.

Property and Equipment

Property and equipment, except for land, is stated at cost less accumulated depreciation and any impairment in value. Land is stated at cost less any impairment in value.

The initial cost of property and equipment consists of its purchase price, including import duties, nonrefundable taxes, and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use. Expenditures incurred after the assets have been put into operation, such as repairs and maintenance, are normally charged to income in the period in which 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 an additional cost of property and equipment.

Depreciation of office furniture, fixtures and equipment is computed using the straight-line method over the estimated useful lives of the assets ranging from two (2) to five (5) years.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The estimated useful lives and depreciation method are reviewed periodically to ensure that the periods and method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Fully depreciated property and equipment are retained in the accounts until these are no longer in use.

When property and equipment are retired or otherwise disposed of, their cost, accumulated depreciation and any allowance for impairment in value are eliminated from the accounts and any gain or loss resulting from their disposal is recognized in profit or loss.

Deferred Exploration Costs

Deferred exploration costs include costs incurred after the Company has obtained legal rights to explore in a specific area, including the determination of the technical feasibility and commercial viability of extracting mineral resources. Deferred exploration costs include, among others, acquisition of rights to explore, topographical and geophysical studies, exploratory drilling, trenching, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting mineral resources. All

exploration costs and related expenses are carried as deferred exploration costs, net of impairment losses, if any.

If and when recoverable reserves are determined to be present in commercially producible quantities, the deferred exploration expenditures and subsequent mine development costs shall be capitalized as part of property and equipment and amortized using the unit of production method based on estimated recoverable reserves upon the start of commercial operations; otherwise, these costs shall be written off.

Impairment of Property and Equipment, Deferred Exploration Costs, Other Current and Noncurrent Assets

The Company assesses at each reporting date whether there is an indication that the other current assets, property and equipment and deferred exploration costs may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher between an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Any impairment loss is recognized in profit or loss. A valuation allowance is provided for unrecoverable deferred exploration costs based on the Company's assessment of the future prospects of the exploration project.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss.

Subscriptions Payable

Subscriptions payable pertains to subscription of shares of stock relating to financial assets at FVTPL which remains outstanding as of the end of the reporting period.

Income Taxes

Current Income Tax

Current income tax liabilities for the current and prior periods are measured at the amount expected to be paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that have been enacted or substantively enacted as of the reporting date.

Deferred Income Tax

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences and carryforward benefits of unused net operating loss carryover (NOLCO) and unused tax credits from excess minimum corporate income tax (MCIT) to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused NOLCO and unused tax credits from excess MCIT can be utilized in the future.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax assets to be utilized in the future. Unrecognized deferred income tax assets are

reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow all or part of the deferred income tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Capital Stock

The Company has issued capital stock that is classified as equity. Incremental costs directly attributable to the issue of new capital stock are shown in equity as a deduction, net of tax, from the proceeds.

Subscription receivable pertains to the amount of subscribed capital stock less the amount paid-up. Subscription receivable is presented as deduction from capital stock.

Deficit

Deficit includes accumulated profits and losses attributable to the Company's stockholders. Deficit may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Revenue Recognition

Prior to adoption of PFRS 15

Revenue is recognized to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company and the revenue can be measured reliably. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or an agent.

Upon adoption of PFRS 15

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

In determining the transaction price for the sale of goods or services, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer, if any.

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

The Company has concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized:

Dividend Income

Dividend income is recognized when the right to receive the payment is established which is usually at the date of declaration.

Interest Income

Interest income is recognized as it accrues taking into account the effective yield of the asset.

Expenses

Expenses are decreases in economic benefits during the accounting period in the form of outflows or depletions of assets or incurrence of liabilities that result in decreases in equity, other than those relating to distributions to equity participants. General and administrative expenses are incurred in the direction

and general administration of day-to-day operations of the Company. General and administrative expenses are generally recognized when incurred.

Basic/Diluted Losses Per Share

Basic earnings (losses) per share (EPS) is computed by dividing net income attributable to equity holders of the Company for the year by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and stock rights exercised during the year, if any. The Company currently does not have potential dilutive common shares.

Segment Reporting

An operating segment is a component of an entity that: (a) engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity); (b) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available. The Company has two reportable segments and are presented in the financial statements.

Provisions

Provisions are recognized when the Company 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. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as interest expense.

When the Company expects some or all of a provision to be reimbursed, 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.

Contingencies

Contingent liabilities are not recognized in the 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 financial statements but disclosed when an inflow of economic benefits is probable.

Events After the Reporting Date

Post year-end events that provide additional information about the Company’s position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

Cash and Cash Equivalents

	June 30, 2020	December 31, 2019
Cash on hand and in bank	73,326	58,546
Cash equivalents	-	-
	<u>73,326</u>	<u>58,546</u>

Cash in banks earns interest at the respective bank deposit rates. Cash equivalents are short-term investments that are made for varying periods of up to three months depending on the cash requirements of the Company, and earn interest at the respective short-term deposit rates.

Accrued Expenses and other Payables

	June 30, 2020	December 31, 2019
Accrued expenses	266,529	342,649
	<u>266,529</u>	<u>342,649</u>

Capital Stock

	June 30, 2020	December 31, 2019
Issued	963,944,338	963,944,338
Subscribed	486,055,662	486,055,662
Total	1,450,000,000	1,450,000,000

SCHEDULE A
VULCAN INDUSTRIAL & MINING CORPORATION FINANCIAL ASSETS
FINANCIAL ASSETS
PURSUANT TO SRC RULE 68, AS AMENDED
June 30, 2020

Name of issuing entity and association of each issue	Number of shares or principal amounts of bonds and notes	Amount shown in the balance sheet	Income received and accrued
Loans and Receivables	N/A		
Cash	N/A	73,326	-0-

SCHEDULE B

**VULCAN INDUSTRIAL MINING CORPORATION
AMOUNTS RECEIVABLE FROM DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)**

June 30, 2020

Name and Designation of Debtor	Balance at Beginning period	Amounts		Current	Not Current	Balance at end period
		Collected / Settlements	Amounts Written-off			

NOT APPLICABLE

SCHEDULE C

**VULCAN INDUSTRIAL MINING CORPORATION
AMOUNTS RECEIVABLE FROM RELATED PARTIES
WHICH ARE ELIMINATED DURING THE
CONSOLIDATION OF FINANCIAL STATEMENTS
June 30, 2020**

Name and Designation of Debtor	Balance at Beginning period	Additions	Amounts Collected/Settlements	Amounts Written-off	Current	Not Current	Balance at end period
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NOT APPLICABLE

SCHEDULE D

VULCAN INDUSTRIAL MINING CORPORATION
INTANGIBLE ASSETS - OTHER ASSETS
June 30, 2020

Description	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
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NOT APPLICABLE						
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SCHEDULE E

VULCAN INDUSTRIAL MINING CORPORATION
LONG-TERM DEBT
June 30, 2020
(Amounts in Thousands)

Title of Issue and type of obligation	Amount authorized by: Indenture	Amount shown under the caption "Current Portion of long-term borrowings" in related balance sheet	Amount shown under the caption "Long-term borrowings- net of current portion" in related balance sheet
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NOT APPLICABLE

SCHEDULE F

**VULCAN INDUSTRIAL MINING CORPORATION
INDEBTEDNESS TO RELATED PARTIES
(LONG-TERM LOANS FROM RELATED COMPANIES)
June 30, 2020**

Name of Related Party	Balance at beginning of period	Balance at end of period
	NOT APPLICABLE	

SCHEDULE G

VULCAN INDUSTRIAL MINING CORPORATION
GUARANTEES OF SECURITIES OF OTHER ISSUERS
June 30, 2020

Name of issuing entity of securities guaranteed by the Parent Company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owed by person for which statement is filed	Nature of guarantee
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NOT APPLICABLE

SCHEDULE H

VULCAN INDUSTRIAL MINING CORPORATION
CAPITAL STOCK
June 30, 2020

The Company's authorized share capital is ₱4.0 billion divided into 4 billion shares at ₱1.0 par value. As at June 30, 2020, total shares issued and outstanding is 1.45 billion shares held by 1,901 shareholders.

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under related financial condition caption and other rights	Number of shares reserved for option, warrants, conversions Directors and Officers	Principal/ Substantial Stockholders		No of shares held by Government	Banks	Others
				Stockholders	Government			
Common Stock	4,000,000,000	1,450,000,000	-10,821,675	850,000,000	-	-	-	584,741,704