

# ATN HOLDINGS, INC.

9F Summit One Tower, 530 Shaw Blvd. Mand. City  
Tel. No. 717-0523, Fax No. 533-5052

August 17, 2012

**JANET A. ENCARNACION**  
HEAD, DISCLOSURE DEPARTMENT  
THE PHILIPPINE STOCK EXCHANGE  
PSE Center, Exchange Road  
Ortigas Complex, Pasig City

Dear Ms. Encarnacion,

In compliance with PSE's requirement, we are sending you herewith SEC Form 17Q for quarter ending June 30, 2012. Hope you will find everything in order.

Thank you.

Very truly yours,



Celinia H. Faelmoca

SEC Number 37535  
File Number \_\_\_\_\_

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**ATN HOLDINGS, INC.**

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(Company)

**9th Floor, Summit One Tower,  
530 Shaw Blvd., Mandaluyong**

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(Address)

**717-0523/718-3721**

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(Telephone Number)

**March 31**

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(Fiscal Year Ending)  
(month & day)

**SEC 17Q**

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(Form Type)

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Amendment Designation (if applicable)

**June 30, 2012**

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(Period Ended Date)

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(Secondary License Type and File Number)

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, 2012
2. Commission identification no. 37535                      3. BIR Tax Identification No. 005-056-869
4. ATN Holdings, Inc. (the "Company")
5. Philippines
6. Industry Classification Code:
7. 9th Floor, Summit One Tower, 530 Shaw Blvd., 1550 Mandaluyong City
8. Telephone No. 717-0523/ 718-3721
9. The Company did not change its name, address or fiscal year during the period covered by this report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

Title of each Class	Number of shares of common stock outstanding and amount of debt outstanding
Common Stock, P1.00	
Class "A"	370,000,000
Class "B"	80,000,000

11. These securities are not all listed on the Philippine Stock Exchange.
  - (a) The company has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
  - (b) The company has been subject to such filing requirements for the past ninety (90) days.

I. Financial Statements.

**ATN HOLDINGS, INC. and Subsidiaries**
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

		(Unaudited) June 30	Audited March 31
	Notes	2012	2012
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalent	3	P582,704	P1,539,703
Financial assets at fair value through profit and loss	4	630,000	630,000
Account receivables	5	5,964,341	6,458,478
Real estate inventories	6	8,872,500	8,872,500
Other current assets	7	3,904,275	4,206,917
		<b>19,953,820</b>	<b>21,707,598</b>
<b>Noncurrent Assets</b>			
Receivable from related parties	8	90,352,822	89,405,748
Available-for-sale investments	9	42,126,418	42,126,418
Investment in properties	10	1,606,871,662	1,610,215,548
Investment in and advances to associates	11	31,256,000	31,256,000
Property and equipment - net	12	36,564,493	38,442,957
Intangible asset	13	10,525,000	10,950,000
		<b>1,817,696,395</b>	<b>1,822,396,671</b>
<b>TOTAL ASSETS</b>		<b>P1,837,650,215</b>	<b>P1,844,104,269</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued expenses	14	P2,386,212	P3,296,878
Bank loans	15	41,625,320	46,736,954
		<b>44,011,532</b>	<b>50,033,832</b>
<b>Noncurrent Liabilities</b>			
Deposits	16	12,102,347	6,911,287
Subscription payable		9,375,000	9,375,000
Payable to related parties		22,211,058	25,357,684
Deferred tax liabilities		376,473,525	376,488,044
		<b>420,161,930</b>	<b>418,132,015</b>
<b>Total Liabilities</b>		<b>464,173,462</b>	<b>468,165,847</b>
<b>EQUITY</b>			
Share capital		450,000,000	450,000,000
Share premiums		22,373,956	22,373,956
Unrealized gain on available-for sale financial asset-net of tax		59,969,791	59,969,791
Retained earnings		841,133,006	843,594,675
<b>TOTAL EQUITY</b>		<b>1,373,476,753</b>	<b>1,375,938,422</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>P1,837,650,215</b>	<b>P1,844,104,269</b>

*See accompanying Notes to Financial Statements.*

ATN HOLDINGS, INC. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	First Quarter Ending	
		June 30, 2012	June 30, 2011
REVENUES	17	P9,402,388	P10,517,525
DIRECT COST	18	8,515,077	8,312,579
GROSS PROFIT (LOSS)		887,311	2,204,946
OTHER INCOME			
Rent		115,719	93,023
Interest		10,163	1,312
		1,013,193	2,299,281
ADMINISTRATIVE EXPENSES	19	2,742,103	3,095,422
FINANCE COST		679,737	1,150,793
INCOME (LOSS) BEFORE INCOME TAX		(2,408,647)	(1,946,934)
PROVISION FOR (BENEFIT FROM) INCOME TAX		53,022	6,295
NET PROFIT (LOSS) FOR THE PERIOD		(P2,461,669)	(P1,953,229)
EARNINGS PER SHARE	20	(0.00547)	(0.00434)

See accompanying Notes to Financial Statements.



ATN HOLDINGS, INC. and Subsidiaries

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	1st Qtr. Ending	
	June 30, 2012	June 30, 2011
<b>SHARE CAPITAL</b>		
Balance at beginning of fiscal year	P450,000,000	P450,000,000
Issuance during the year	-	-
Balance at end of fiscal year	450,000,000	450,000,000
<b>SHARE PREMIUM</b>	22,373,956	22,373,956
<b>UNREALIZED GAIN ON AVAILABLE-FOR-SALE</b>		
FINANCIAL ASSETS - net of tax		
Balance at beginning of fiscal year	59,969,791	65,522,120
Change in fair value	-	-
	59,969,791	65,522,120
<b>RETAINED EARNINGS</b>		
Balance at beginning of fiscal year	843,594,675	850,180,836
Net profit (loss)	(2,461,669)	(1,953,229)
	841,133,006	848,227,607
	<b>P1,373,476,753</b>	<b>P1,386,123,683</b>

*See accompanying Notes to Financial Statements.*

**ATN HOLDINGS, INC. and Subsidiaries**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	First Quarter Ending	
	June 30, 2012	June 30, 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit (loss) before tax	(P2,461,669)	(P1,953,229)
Adjustments to reconcile net income to cash		
Depreciation and amortization	2,381,750	2,464,710
Interest income	10,163	(1,312)
Interest expense	679,737	1,150,793
Operating income before working capital changes	609,981	1,660,962
Decrease (increase) in current assets		
Receivables	494,137	106,979
Real estate inventories	-	2,957,500
Other current assets	302,642	180,836
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	(910,666)	(405,863)
Deposits	5,191,060	(3,647,007)
Cash (used in) provided by operations	5,687,154	853,407
Interest income	(10,163)	1,312
Interest expense	(679,737)	(1,150,793)
Income taxes paid	(14,519)	6,432
Cash flows from Operating Activities	4,982,735	(289,642)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Increased) decreased in investment properties	3,343,886	-
(Increased) decreased in receivable from related parties	(947,074)	-
(Increased) decreased in property and equipment	(78,286)	-
	2,318,526	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase (decrease) of bank loans	(5,111,634)	(3,595,950)
Increase (decrease) of payables to related parties	(3,146,626)	2,287,992
	(8,258,260)	(1,307,958)
<b>NET INCREASE/(DECREASE) IN CASH</b>	(956,999)	(1,597,600)
<b>CASH AT BEGINNING OF PERIOD</b>	1,539,703	2,157,635
<b>CASH AT END OF PERIOD</b>	P582,704	P560,035

*See accompanying Notes to Financial Statements.*

**ATN HOLDINGS, INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**June 30, 2012**

**1. Basis for Financial Presentation**

The interim financial statements have been prepared in conformity with Philippine Financial Reporting Standards (PFRS).

**2. Segment Information**

The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The industry segments where the Group operates are (i) Real estate development and (ii) Health care management.

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

The segment information in the consolidated financial statements as of June 30, 2012, 2011, follows:

	Real estate	Healthcare	Corporate and others	Total
Segment revenue	7,323,907	2,078,481	115,719	9,518,107
Intersegment revenue	-	-	115,719	115,719
Net	7,323,907	2,078,481	-	9,402,388
Segment result	-18,230	-2,293,860	-149,579	-2,461,669
Segment assets	1,547,888,738	43,804,762	214,009,509	1,1805,703,009
Segment liabilities	453,310,705	33,511,939	10,549,758	497,372,402
Other information:				
Depreciation and amortization	657,258	1,686,748	37,744	2,381,750
Non-cash expenses other than depreciation	-	-	-	-
Capital expenditure	-	-	-	-

**3. Cash and Cash Equivalents**

As of June 30, 2012 and March 31, 2012 cash and cash equivalents represent cash on hand and cash in banks of P582,704 and P1,539,703 respectively. Cash in bank represents current account and USD dollar account that earn interest at the prevailing bank deposit rates.

**4. Financial Assets at Fair Value Through Profit or Loss**

The Group's financial assets at fair value through profit or loss (FVTPL) consist of shares of stocks of publicly listed companies.

All amounts presented have been determined directly by reference to published price quoted in the stock market.

	June 30, 2012	March 31, 2012
Balance at beginning of year	P630,000	P630,000
Unrealized gain (loss) on financial assets at fair value through profit or loss	-	-
	P630,000	P630,000

**5. Accounts Receivables**

The composition of this account is as follows:

	June 30, 2012	March 31, 2012
Trade		
Real estate	5,465,906	P5,989,287
Medical and health related services	498,435	469,191
	P5,964,341	P6,458,478



As of June 30, management believes that amounts are fully collectible and no provision for doubtful accounts is necessary.

**6. Real Estate Inventories**

Real estate inventories consist of residential lots stated at cost amounting to P8,872,500 as of June 30, 2012 and same as of March 31, 2012. Portion of these inventories is mortgaged to secure the Company's bank loans.

**7. Other Current Assets**

	June 30, 2012	March 31, 2012
Input tax	P2,470,578	P2,923,995
Prepaid expenses	1,334,897	1,184,122
Rental deposits	98,800	98,800
	P3,904,275	P4,206,917

**8. Receivable from Related Parties**

	June 30, 2012	March 31, 2012
Unipage Management Inc.	P68,668,822	P68,718,822
Transpacific Broadband Group Int'l., Inc.	21,684,000	20,686,926
	P90,352,822	P89,405,748

No allowance for doubtful accounts was provided as management believes that all of the accounts are fully collectible. These receivables are interest-free.

**9. Available for Sale Financial Assets**

	June 30, 2012	March 31, 2012
Balance at beginning of the year	P42,126,418	P97,928,714
Sold	-	(50,222,066)
Changes in fair value	-	(5,580,230)
	P42,126,418	P42,126,418

**10. Investment Properties**

	June 30, 2012	March 31, 2012
Cost:		
Balance at beginning of the year	P355,546,968	P359,041,703
Additions (deductions) resulting from expenditures	842,013	2,111,954
Sale/disposal during the year	(4,185,899)	(5,606,689)
	352,203,082	355,546,968
Unrealized gain on fair value adjustment		
Of investment properties:		
Balance at beginning of the year	P1,254,668,580	P1,254,668,580
Fair value adjustment during the year	-	-
	P1,254,668,580	1,254,668,580
	P1,606,871,662	P1,610,215,548

**11. Investment in and Advances to Associates**

	June 30, 2012	March 31, 2012
Cost:		
Mariestad Mining Corporation	P7,000,000	P7,000,000
ATN Solar	12,500,000	12,500,000
	P19,500,000	P19,500,000
Advances to MMC and Sierra Madre Consolidated Mines (SMCM)	11,756,000	11,756,000
	P31,256,000	P31,256,000

**12. Property and Equipment**

June 30, 2012	Medical Equipment & Fixtures	Office Furniture & Fixtures	Leasehold Improvements	Transportation Equipment	Total
<b>Costs</b>					
April 1, 2012	P34,194,095	P8,158,853	P19,792,673	P6695,536	P63,141,157
June 30, 2012	P34,194,095	P8,158,853	P19,870,959	P6695,536	P63,219,443
<b>Accumulated dep'n</b>					
At April 1, 2012	P11,061,653	P5,461,110	P7,196,495	P978,942	P24,698,200
Provisions	902,882	262,377	774,897	16,594	1,956,750
At June 30, 2012	11,964,882	5,723,487	7,971,392	995,536	26,654,950
<b>Net Book Value</b>					
At June 30, 2012	P22,229,560	P2,435,366	P11,899,566	-	P36,564,492

Depreciation allocated to direct cost and administrative expenses are as follows:

	June 30, 2012	June 30, 2011
Direct costs	P1,077,882	P1,769,707
Administrative expenses	1,303,868	695,003
	P2,381,750	P2,464,710

**13. Intangible Asset**

	June 30, 2012	March 31, 2012
Cost	P15,000,000	P15,000,000
<b>Accumulated amortizations</b>		
Balance, April 1	4,050,000	3,200,000
Provisions	425,000	850,000
Balance, June 30	4,475,000	4,050,000
Net Book Value at June 30	P10,525,000	P10,950,000

The amortization allocated to direct cost and administrative expenses are as follows:

	June 30, 2012	June 30, 2011
Direct costs	P175,000	P175,000
Administrative expenses	250,000	250,000
	P425,000	P425,000

**14. Accounts Payable and Accrued Expenses**

	June 30, 2012	March 31, 2012
Trade	P1,503,954	P2,296,033
Accrued expenses	400,573	519,160
Others	481,685	481,685
	P2,386,212	P3,296,878

Terms and conditions of the above financial liabilities are as follows:

- Trade payables are noninterest-bearing and are normally settled on a 90-day term;
- Accrued expenses are noninterest-bearing and have an average term of two (2) months;
- Other current liabilities are noninterest-bearing and have a maximum term of six (6) months.

**15. Bank Loans**

Bank loans pertain to the principal amount of peso, dollar and yen loans with Rizal Commercial Banking Corporation and China Banking Corporation represented by promissory notes. Interest on these loans at the end of reporting period ranges from 6.5% to 8% for peso loan, 4% to 5% for dollar loan and 3% for yen loan per annum. These loans are secured by a mortgage on certain investment property with a fair value of P69,115,443.

	June 30, 2012	March 31, 2012
Peso loan	P-	P240,000
USD loan	3,148,542	3,148,542
Yen loan	38,476,778	43,348,411
	P41,625,320	P46,736,954

**16. Deposit from Buyer**

Deposits represent the reservation fees from real estate buyers. The same will be applied to contract price when the buyer committed to purchase the unit. Reservation fees are not refundable should the buyer decided not to purchase the unit.

**17. Revenues**

	June 30, 2012	June 30, 2011
Real estate sales	P3,416,250	P4,093,750
Health care services	2,078,481	3,213,758
Lease of properties	4,023,376	3,209,629
	P9,402,388	P10,517,137

**18. Direct Costs**

	June 30, 2012	June 30, 2011
Cost of property	P4,185,899	P2,957,500
Depreciation	1,077,882	1,769,707
Medical supplies	360,401	360,426
Professional fees	397,184	451,531
Real estate and other taxes	446,899	354,596
Rent	242,278	346,607
Salaries, wages and other benefits	737,781	861,788
Utilities and communications	1,066,753	1,190,333
Miscellaneous	-	20,089
	P8,515,077	P8,312,577

**19. Administrative expenses**

	June 30, 2012	June 30, 2011
Communication, dues and utilities	P129,109	P349,171
Depreciation and amortization	1,266,124	695,003
Office supplies	38,905	146,071
Professional fees	243,593	140,000
Repairs and maintenance	10,853	9,282
Representation and entertainment	26,662	28,923
Salaries, wages and other benefits	208,292	209,150
Security services	78,571	78,571
Taxes, licenses and permits	127,903	1,050,070
Transportation and travel	412,936	368,099
Miscellaneous	199,155	21,083
	P2,742,103	P3,095,422

**20. Loss per Share**

Loss per share is computed by dividing the loss by the weighted average number of common shares as follows:

	June 30, 2012	June 30, 2011
Loss (A)	(P2,461,669)	(P1,953,229)
Divided by:		
Weighted Average Shares (B)	450,000,000	450,000,000
Loss per share (A/B)	(0.00547)	(P0.00434)

**21. Early Adoption of PFRS**

PFRS 9, Financial Instruments: Classification and Measurement

PFRS 9 as issued reflects the first phase on the replacement of PAS 39, Financial Instruments: Recognition and Measurement, and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. The standard is effective for annual periods beginning on or after January 1, 2015. In subsequent phases, hedge accounting and impairment of financial assets will be addressed with the completion of this project expected on the first half of 2012. The Company decided not to early adopt PFRS 9 for its 2011 financial reporting. The Company will conduct in early 2012 another impact evaluation using the outstanding balances of financial statements as of FY March 31 2011. Its decision whether to early adopt PFRS 9 for its 2012 financial reporting will be disclosed in the Company's interim financial statements as of September 30, 2012. Should the Company decide to early adopt PFRS 9 for its



2012 financial reporting, its interim report as of September 30, 2012 will already reflect the application of the requirements under the said standard and will contain a qualitative and quantitative discussion of the result of the Company's impact evaluation. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on classification and measurements of financial liabilities.

## 22. Fair values of financial instruments

The following table presents the summary of the Group's financial assets and liabilities recognized in the Consolidated Statements of Financial Position as of June 20, 2012 and March 31, 2012:

	30-Jun-12		31-Mar-12	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Loans and receivables</b>				
Cash and cash equivalents	P582,704	P582,704	P1,539,703	P1,539,703
Account receivables	5,964,341	5,964,341	6,458,478	6,458,478
Receivables from related party	90,352,822	90,352,822	89,405,748	89,405,748
<b>Financial assets at fair value through profit and or loss</b>	630,000	630,000	630,000	630,000
Available-for-sale investments	42,126,418	42,126,418	42,126,418	42,126,418
	P139,656,285	P139,656,285	P140,160,347	P140,160,347
<b>Accounts payable and accrued expenses</b>				
Bank loans	P2,386,212	P2,386,212	P3,296,878	P3,296,878
Deposits	41,625,320	41,625,320	46,736,954	46,736,954
Payable to related party	12,102,347	12,102,347	6,911,287	6,911,287
	22,211,058	22,211,058	25,357,684	25,357,684
	P78,324,937	P78,324,937	P82,302,803	P82,302,803

Due to short-term nature of the transactions, their fair values approximate the carrying amounts at the end of reporting period.

### Fair values hierarchy

The Parent company uses the following hierarchy in determining and disclosing the fair value of financial instruments.

- (i) Level 1: Quoted prices in an active market for identical instruments;
- (ii) Level 2: Valuation techniques based on observable inputs other than the quoted prices for identical assets and liabilities in active markets at the measurement date
- (iii) Level 3: Valuation techniques based on unobservable inputs. The inputs are adjusted for information that is inconsistent with market expectations that takes into account the risk premium inherent in the unobservable inputs.

The table below summarizes the Parent company's financial instruments carried at fair value as of June 30, 2012 by the level in the fair value hierarchy recognized in the statement of financial position.

	Level 1	Level 2	Level 3
Fair value through profit or loss	P630,000	P -	P -
Available-for-sale	42,126,418	-	8,613,500
	P42,756,418	P -	P 8,613,500

There were no transfer from level 1 and level 3.

The main risks arising from the Group's financial instruments are liquidity risk, credit risk, fair value risk, price risk, market risk, foreign exchange risk and internal rate risk. The Group has no formal risk management program.

### Liquidity Risk

Liquidity or funding risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from either the inability to sell financial assets quickly at their fair values; or counterparty failing on repayment of a contractual obligation; or inability to generate cash inflows as anticipated.



Liquidity risk is a risk due to uncertain liquidity. An institution may suffer liquidity problem when its credit rating falls. The Group is also exposed to liquidity risk if markets on which it depends on are subject to loss of liquidity.

The Group manages its liquidity profile to: a) ensure that adequate funding is available at all times; b) meet commitments as they arise without incurring unnecessary costs; c) be able to access funding when needed at the least possible cost, and d) maintain an adequate time spread of financial maturities.

The table below summarizes the maturity profile of the Group's financial liabilities at June 30, 2012 based on contractual undiscounted payments:

June 30, 2012	Not later than one month	Later than 1 Month & not later than 3 months	Later than 3 Months & not later than 1 year	Later than 1 Year & not later than 5 years	Total
Accounts payable and accrued expenses	P549,659	P1,836,553			P2,386,212
Bank loans	375,000	4,500,000	P36,750,320		41,625,320
Deposits	12,102,347	-	-		12,102,347
Payable to related parties	886,173	-	3,000,000	18,324,885	22,211,058
	P13,913,179	P6,336,553	P39,750,320	P18,324,885	P78,324,937

#### Credit Risk

Credit risk is risk due to uncertainty in a counterparty's (also called an obligor) ability to meet its obligation.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the face of the consolidated statements of financial position (or in the detailed analysis provided in the notes to consolidated financial statements). Credit risk, therefore, is only disclosed in circumstances where the maximum potential loss differs significantly from the financial asset's carrying amount.

The table below shows the gross maximum exposure to credit risk of the Group as of June 20, 2012 and March 31, 2012. Net maximum exposure is the effect after considering the collaterals and other credit enhancements.

	Gross Exposure maximum	
	30-Jun-12	31-March-12
Cash and cash equivalents	P582,704	P1,534,703
PVTPL	630,000	630,000
AFS	42,126,418	42,126,418
Accounts receivable	5,964,341	6,458,478
Receivable from related parties	90,352,822	89,405,748
	P139,656,285	P140,155,347

Credit quality of the Group's assets as of June 30, 2012 follows:

June 30, 2012	Neither High grade	past due nor Standard grade	impaired Substandard grade	Past due But not impaired	Total
Cash and cash equivalents	P582,704	P -	P -	P -	P582,704
FVTPL	-	630,000	-	-	630,000
AFS	-	42,126,418	-	-	42,126,418
Accounts receivable	-	2,853,718	1,527,123	1,583,500	5,964,341
Receivables from related parties	-	-	-	90,352,822	90,352,822
	P582,704	P45,610,136	P1,527,123	P91,936,322	P139,656,285

