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Annual Report

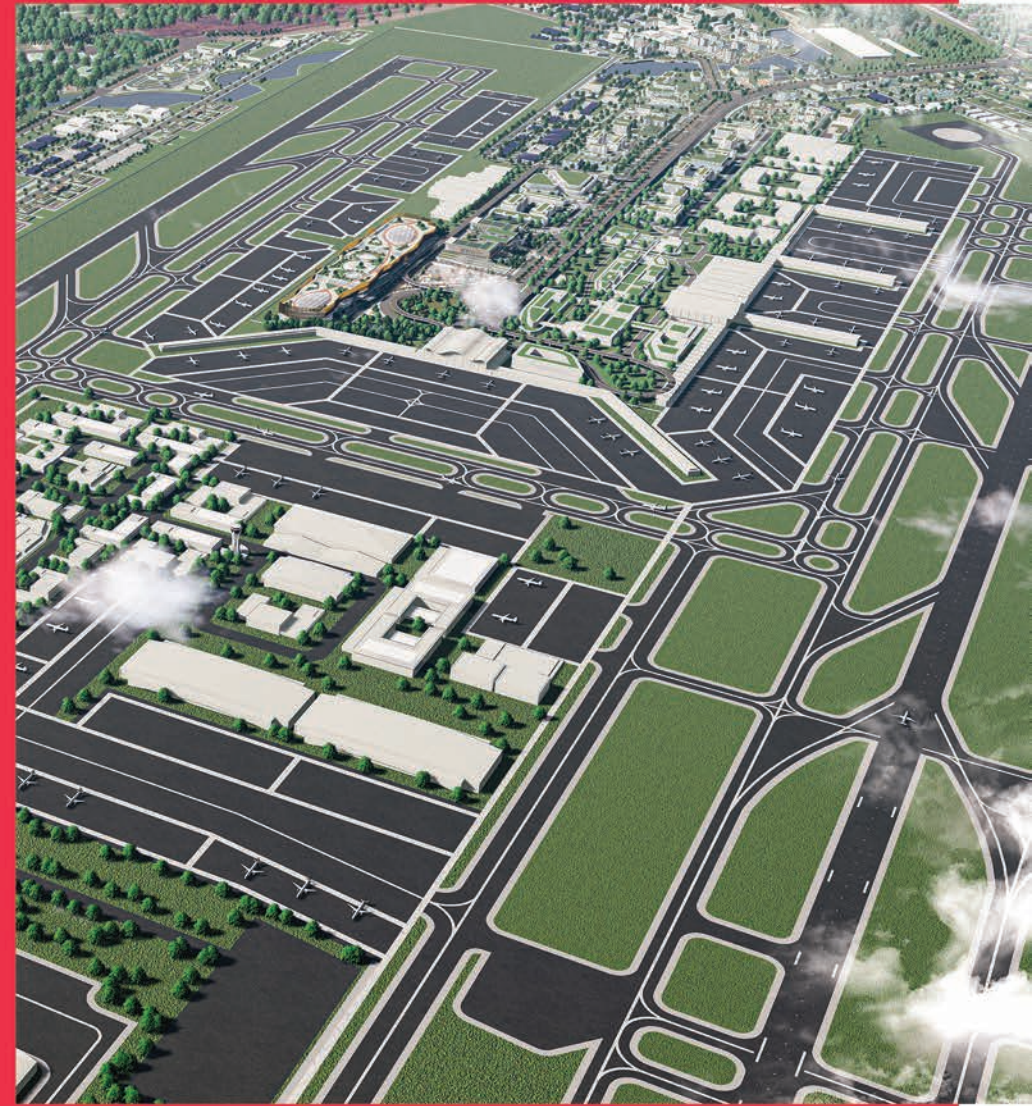
Developing an aerotropolis. Creating opportunities.

Clark Civil Aviation Complex Render
by Palafox Associates



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About CIAC

Operating for more than 27 years, the Clark International Airport Corporation (CIAC) is responsible for developing and managing the Clark Civil Aviation Complex (CCAC).

Located within Clark Freeport Zone (CFZ) in Pampanga, the CCAC covers an area of approximately 2,367 hectares with available land for lease for aviation, aviation-related, and aviation-related logistics businesses. Key drivers of regional growth are also situated within the CCAC – the Clark Global City and the Clark Gateway of FedEx.

At the heart of this burgeoning aerotropolis is the Clark International Airport (CRK), making CCAC the most viable and convenient choice for travellers from Northern and Central Luzon, and for investors from all over the globe.

Mandate

The mandate of CIAC, as stated in Executive Order 192, s. 1994, is “to develop, operate, and manage the Clark Civil Aviation Complex (CCAC)” and further stated in Executive Order 14, s. 2016 where in “CIAC shall engage in civil aviation, aviation-related services, and aviation-related logistics activities within the Clark Civil Aviation Complex (CCAC) and the Clark Industrial Estate (IE) 5 areas,” as defined in EO No. 716.

Mission

To develop, manage, and operate a globally-competitive aviation complex while ensuring viability and creating value for our stakeholders.

Vision

By 2022, CIAC shall be a strategic enabler in establishing an aerotropolis in the region with Clark International Airport as the premier gateway and the globally-competitive Clark Civil Aviation Complex as a key economic engine of the country.

Core Values

Our Core Values illuminate our plans and guide our actions, dictate the standards in evaluating performance, and define our being as an organization.

Integrity

We do our job with complete integrity, believing we must do what is both legal and just, what is both profitable and moral, what is good for the individual, the organization, the society, and the environment.

Innovation

We do our job with constant innovation, believing we must be responsive to what is in the present and ready for what awaits in the future, respecting our tradition but willing to learn and adopt the best.

Impressive

We do our job in the most impressive manner for the most impressive results, performing our tasks with urgency and purpose, achieving our goals beyond expectations, growing our pride in the satisfaction of our customers and stakeholders.

"CIAC's impressive oversight of the management and operation of a globally-competitive aviation complex convincingly demonstrates the solid gains of government partnering with the private sector."



After more than 27 years, the Clark International Airport Corporation (CIAC) has transformed into a trail-blazing aerropolis – site of the fast-evolving Clark International Airport, the country's premiere gateway to Northern and Central Luzon.

CIAC's impressive oversight of the management and operation of a globally-competitive aviation complex convincingly demonstrates the solid gains of government partnering with the private sector.

The debilitating two-year pandemic hardly made a dent on CIAC's growth momentum, as indicated by these 2022 figures –

- Aircraft movement increased by 137 percent
- Passenger movement shot up by 299 percent

- Cargo uplift increased by 33 percent
- Locator satisfaction level at 88.37 percent
- Completion of one – Airfield Ground Lighting System – out of three major airport infrastructure projects
- P369.9 million in dividends remitted to the Bureau of Treasury (50 percent of net earnings) – 183 percent increase vs. 2020 remittance

While we look forward to the completion of two major airport projects – new Air Traffic Control Tower and installation of two Surveillance Radars – we cannot be prouder of what CIAC had already accomplished.

By affirming adherence to the updated Master Development Plan, the Clark Civil Aviation Complex (CCAC) will continue to showcase global competitiveness and

industrial dynamism along with its stakeholders, including the Clark International Airport.

The Department of Transportation commits to support this growth by aligning transport infrastructure projects – such as the North-South Commuter Railway project of the Philippine National Railways – that will further catalyze the rapid development of the CCAC.

We will become more than relevant, we will become the new standard for airports as economic drivers.

Jaime J. Bautista
Jaime J. Bautista

Chairperson of the Board of Directors
Secretary of Transportation

Messages



This year's transition to a new administration which rode successfully on the unity agenda beckoned a truly promising period of collaboration and resurgence for the CIAC's aviation complex and the Clark International Airport.

The daunting yet doable task is how best to proceed with realizing the development plans not only for the international airport but also for the prime government land area that is suitable for commercial and economic development. We carried on in 2022 in the wake of the transition, encouraged to gain significant strides under the dynamic leadership of Transportation Secretary Jaime Bautista, and the auspices of President Aileen Zosa of the Bases Conversion and Development Authority, our parent company.

We prudently revisited our vision and

"...our marching order in the right direction is for "full speed ahead", to steer the airports and aviation industry towards full recovery and eventual modernization to world class standards."

goals over the long term. From no less than the Chief Executive, our marching order in the right direction is for "full speed ahead", to steer the airports and aviation industry towards full recovery and eventual modernization to world class standards, and to contribute to the overall efficiency of the Philippine air transportation system.

DOTr's eventual directive assigning CIAC as its implementing arm to exercise oversight functions over the privately-run Clark International Airport is an exceptionally impactful and crucial initiative. CIAC now has regulatory supervision and oversight of activities occurring within the Clark Civil Aviation Complex, working closely with the Luzon International Premier Airport Development Corporation for information and technology sharing and to ensure that airport operations abide by international standards and national government regulations.

As we venture into a post-pandemic business setting, the CIAC continued its adherence to the highest standards of corporate governance to ensure fiscal discipline and financial viability, the best part of which is that, on September 2022, all outstanding loans of the agency are now fully paid.

We also generated a profit margin from 27 percent in 2020 to 46 percent in 2021, and thereafter, to 58 percent by 2022, with a net income of Php438.75 million, or a 37 percent increase from the previous year. Hence, CIAC was able to remit around Php369 million as dividends to the Bureau of Treasury in several tranches from May to October of the current year that fulfilled our 2019-2021 obligations.

Meanwhile, locators being served at the aviation complex have given CIAC an 88 percent satisfaction rating in the 2022 Locator Satisfaction Survey; we have also set in place this year the CIAC Business Transaction System, including systems for electronic procurement and monitoring, asset management inventory, records management, and human resources information.

To top all these, the Commission on Audit conferred to the CIAC, for the fifth straight year from 2017 to 2021, the Unmodified Audit Opinion – the highest audit rating favorable to a government agency.

The updated Master Development Plan, one of the CIAC's strategic measures to apprise the areas suitable for landside development within the aviation complex, has also been completed in December.

Earlier in the year, the upgraded airfield ground lighting system has been completed and still ongoing are the installation of the primary and secondary surveillance radar, expected to be completed in the second quarter of 2023, along with the new Air Traffic Control Tower which is around 40 percent in completion.

The year 2022 is indeed a pivotal year, given that there are still some of the most binding constraints to growth and dynamism post-pandemic, while the government carefully navigates towards business normalcy. The CIAC shall continue to foster unity among the key movers of the Clark Freeport Zone, including LIPAD, and to reaffirm our relevancy and commitment to nation building.


Darwin L. Cunanan, ECE
*Officer In Charge, Office of the President
 and Chief Executive Officer*

CIAC at a glance

Php761.33 M

Revenue

768,826

Total Passengers

5,664

Total Aircraft Operations

88.37%

Satisfaction of Customers (Locators)

ISO 9001:2015 Certified

3,398 (leases and sub-leases within the CCAC)

New Employment Generated

51

Number of Lease Agreements

100%

Employees Meeting Required Competencies

- Rehabilitation and Upgrading of Airfield Ground Lightings System including New Airfield Ground Lightings Powerhouse for CRK
- CIAC Business Transaction System
- Records Management Information System
- Human Resource Information System
- Asset Management Inventory System
- Electronic Procurement Monitoring System
- Updating of the Master Development Plan and Preparation of a Detailed Site Development Plan for Select Areas Within the CCAC (96.28% underway)

Projects completed

Master Planning of the Clark Civil Aviation Complex

Consultancy Services for the Updating of the Master Development Plan and Preparation of a Detailed Site Development Plan for Select Areas Within the Clark Civil Aviation Complex

Since 2021 CIAC and Palafox Associates have been working together on the project “Updating of Master Development Plan and Preparation of a Detailed Site Development Plan for Clark Civil Aviation Complex (CCAC) Selected Areas” with the main objective of updating the existing Master Development Plan (MDP) of the CCAC to ensure CIAC lands are marketable, effective, viable, and in harmony with the recent, current, and planned developments for the complex, other areas of the Clark Freeport Zone, and New Clark City. As of 31 December 2022, the overall progress of the project is at 96.28 percent.

The project is comprised of the following phases: Phase 1: Situational Analysis and Technical Studies, Phase 2: Conceptual Master Development Plan (MDP) and Market Positioning, Phase 3: Site Development Plan (SDP), and Phase 4: Final Master Development Plan (MDP) with Development Phasing, Business Investment Plan, and Marketing Collaterals.

In 2021 Palafox Associates mobilized geodetic and transport surveys for the planning areas to understand and gather information on CIAC’s current state in terms of land use, development, and the potential the lands hold. In early 2022, a visioning workshop was held for internal and external stakeholders to align the project goals with the overall vision of its end-users. The goals and aspiration of national government agencies (NGAs), local government units (LGUs), corporations operating within CCAC, utilities and infrastructure providers, and businesses which the MDP will cater to were considered and out of this

collaboration a conceptual MDP was finalized.

On 25 April 2022, the CIAC BOD approved Phase 2- Conceptual Master Development Plan, which generated a balanced development concept. This concept integrates a balance of business, residential, leisure and entertainment land use. Under this scenario, a uniform allocation is assigned to Transport and Logistics, Industrial and Commercial land uses, while Mixed-Use Development becomes the dominant land use as it yields the highest probable revenue despite a lower investment infusion. With land use and development plans prepared, the projected gross benefits of the full implementation of the MDP project by 2050 is estimated at Php 85 Bn.

To ensure that CIAC secures its Final Master Development Plan by 2022, a negotiation with Palafox Associates and re-alignment of project timeline was undertaken. In September of 2022, the Notice to Proceed (NTP) for simultaneous work for Phase 3 and 4 of the project was approved by the CIAC Board of Directors (BOD).

One of the deliverables of Phase 4 of the project is the provision of a Capacity Building for CIAC Key Personnel. On 17 November 2022, the Capacity Building Training for the MDP Project was conducted in partnership with Palafox Associates. The objective of the training is to develop a guidance manual that will closely follow the technical process that will be utilized throughout the developments of the selected CCAC areas and equip CIAC with the knowledge in implementation of the master plan.

The proposed pricing methodology of the MDP implementation presented by Palafox Associates during the Capacity Building was also presented by the Project Management Office (PMO) of the Corporate Planning Department during the CIAC Strategic Planning. So as not to impede implementation and ensure that key departments understand the basis of the Floor-Area Ratio (FAR) Lease Pricing Methodology, FAR context and sample computations were presented. Briefings, consultations, and actual computation of lease rates on identified parcels were conducted which encouraged active participation among all representatives.

Deliverables for Phase 3- Site Development Plan, which provides details for the identified SDP areas through architectural and engineering drawings, and other tender documents for construction, and Phase 4- Final Master Development Plan, or the finalization and refinement of physical plan and other data needed for the development, including physical development plans and business investment plans, were submitted on 28 December 2022. Submissions have been checked by CIAC Technical Working Group (TWG) and requests for revisions are being integrated for project closeout.

With the submission of an updated financial viability for Phase 4, the present values of gross benefits of the MDP project is at Php 86.7 Bn, with a payback period of 9 years, and a funding requirement of Php 17.2 Bn.

Other deliverables required by the project's TOR include the provision of two (2) scale models, showing the full implementation of the CCAC Master Development Plan. One model was installed in the CIAC VIP Room, and the other within the CIAC lobby.

With the Final MDP and all major deliverables being submitted within project timeline, revisions are being integrated by Palafox Associates to facilitate final project print outs, and project completion.

The Conceptual Master Development Plan by Palafox Associates is approached under a balanced development concept. This concept integrates a balance of business, residential, leisure and entertainment land uses. Under this scenario, a uniform allocation is assigned to Transport and Logistics, Industrial and Commercial land uses, while Mixed-Use Development becomes the dominant land use as it yields the highest probable revenue despite a lower investment infusion. The Principle of Amenity and Accessibility was applied to this concept, meaning land use facing public spaces will have higher value and will appreciate more than any other land use.

As a rejoinder to CIAC's vision of making CCAC a world class aerotropolis with the Strategic Battle Cry of iHanda 2022: Preparing Clark to Embrace our World, the coming years of CIAC are dedicated to the economic cultivation of the land, for CCAC to become the aerotropolis it envisions itself to be.



Master Planning of the Clark Civil Aviation Complex



Year in Review

07
February

With safety protocols still in place, the 27th Anniversary of CIAC was conducted in a hybrid setting, with executives and loyalty awardees present on site and the rest of the employees present online; this year is marked by the transition to the new administration and the crucial role of CIAC as the implementing arm of the DOTr to exercise oversight functions over the privately-run Clark International Airport.

08
March

National Women's Day marked the start of the month-long series of activities and initiatives celebrating the women of CIAC.

07-08
April

Representatives from the Governance Commission for Government Owned or Controlled Corporations (GCG) visited for a presentation of updates, plans, programs, and activities of CIAC; and a tour of the CCAC, including the priority infrastructure projects of the Corporation.

04
May

The project Rehabilitation and Upgrading of the Airfield Ground Lighting System (AGLS) was completed at 100 percent.

14
November

To start the holiday festivities, a ceremonial light of the CIAC Christmas Tree was conducted; Christmas balls to be decorated at the Tree were sold to CIAC employees where all proceeds shall go to charity.

17
November

Palafox Associates conducted a Capacity Building Training on the updated MDP among officers and employees of CIAC; the training provided the participants with a comprehensive understanding of the project framework to successfully guide them in implementing the MDP and SDP in accordance with the Clark Freeport Zone Design Standard Guidelines, among others.

28 November

A Special Flag Raising Ceremony was conducted to start the 18-day campaign to end Violence Against Women and Children (VAWC).

06 December

CIAC held a Briefing and Consultation Meeting with several locators who were given the opportunity to discuss and consult with CIAC representatives and were appraised of plans and developments at the CCAC.

12-13 December

The CIAC Strategic Planning Workshop was conducted where plans and programs of the Corporation for 2023 to 2028 were discussed and deliberated.



Financial Highlights

The Clark International Airport Corporation (CIAC) with an asset size of Php 4.6 billion, continues to thrive financially and is strongly embracing the Now Normal with wide array of prospects to further expand its business operations in the aeronautical scene, highlighting its recognized authority over the Clark Civil Aviation Complex (CCAC) with the Clark International Airport (CRK) at its heart.

Results of Operations

The CIAC is on its fast-paced recovery from the COVID-19 pandemic as it recorded a 72.25% increase in net income. It is equivalent to a Php 179 million increase attributable to the Php 204 million increase in total income, compensated by a minimal increase in total expenses of only about Php 14million.

Four new business entities joined the now 51 active mixed-operations lessees and 22 sub-lessees within the CCAC, creating 3,398 additional jobs within the Clark Freeport Zone.

CIAC Attains its 6th Unqualified Audit Opinion

For the six consecutive years, the Commission on Audit confers the CIAC with an unmodified audit opinion for the fair presentation of its financial reports. The scope of the audit includes financial transactions, compliance to existing laws, utilization relating to Gender and Development, and payment of allowances, benefits and other emoluments.

Sufficient and appropriate audit evidence obtained by the Commission on Audit opined the fair presentation of the CIAC's financial statements, that is, in accordance with the Philippine Financial Reporting Standards, in all material respects.

CIAC Enters the New Normal Debt-Free

Finishing the year 2022 strong, the CIAC settled in full its long-term obligation with the Land Bank of the Philippines amounting to Php 95 million, and remitted to the National Government all of its outstanding dividends payable amounting to Php 370 million – all these, while sustaining operating costs and having a strong cash position at yearend.

CIAC Turns Over CRK's New Terminal Building Project

With a total project cost of Php 2.54 billion, the Horizontal Infrastructure project spearheaded by the technical experts of CIAC was completed with final acceptance and was finally turned over to the Bases Conversion and Development Authority (BCDA) for the consequent reopening of the CRK's New Terminal Building with a promising surge of domestic and international flights post-pandemic.

The transfer attributed to the 69.58% decrease in Property, Plant and Equipment, 92.12% decrease in current trust liabilities, and 85.11% decrease in non-current inter-agency payables.

Financial Highlights

CIAC Adopts New Salary Structure

An increase of around Php 9.2 million in salaries and wages reflected the full adoption of the agency of a more competitive salary structure mandated by the national government.

Pursuant to Executive Order No. 150, the CIAC adopted the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles, and Job Grades for Government Owned or Controlled Corporations (IOS-G) framework. This framework rationalizes the salaries of government employees in GOCCs to make it at par with the private sector with consideration of the dynamics in market economies.

Financial Outlook

A promising future for the developer of the country's first aerotropolis awaits as it welcomes the reopening of the local business enterprises and the anticipated inflows of foreign investment brought about by the opening of the country's gateways after the depressing COVID-19 pandemic.

The strong fiscal leadership of the CIAC has led to the consistent efficiency in resource management manifested by its upward annual profit margin from 27% in 2020 to 46% in 2021, and thereafter to 58% in 2022.

In 000s	2022	2021	2020
Revenue	761,326	557,395	471,254
Net Income	438,751	254,720	125,464
Profit Margin	58%	46%	27%

CIAC expects to maintain a positive strong yield in 2023 as it prepares to brace itself from the impending effects of the tax reforms, particularly the VAT-ability of transactions within the economic or freeport zones that will increase the cost of operations, and inflation causing instability of the Philippine peso.

Appraisal of Government Lands

The master planning and parcellation projects initiated by the CIAC with the Palafox Associates and private appraisers open the agency to the revaluation of the marketable lands within its jurisdiction. The optimal goal of these projects is to completely identify the value of the entire CCAC for future commercialization and to design a pricing framework that is dynamically consistent with the continuous development of the Central Luzon Administrative Region with Clark as one of its key economic drivers.

Oversight Function Over Airport Operations

As the Department of Transportation (DOTr) upholds the ruling of the Malacanang that CIAC has the sole authority over the CCAC that houses the CRK, aligning the strategic plans of the agency through an oversight function with the LIPAD Corporation, the new private operator of the CRK, synergizes the progressive vision of the CRK to become the country's premier gateway and the nearly three decades of airport operation expertise of its former operator, the CIAC.



Financial Highlights

CREATE Law and the Ease of Doing Business Law

On a national scale, the Corporate Recovery and Tax Incentives for Enterprise (CREATE) Law which reduces corporate tax rate from 30% to 25% and the related tax incentives for new foreign investors also paves way to the potential proliferation of local and foreign businesses inside the Clark Special Economic Zone.

This initiative is also supported by the streamlining of government service allowing business start-ups and big ticket corporations to invest in the country with ease, as provided by Republic Act No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act.

The timeliness of the tax reforms that competitively aligns the corporate tax rate of the Philippines with those of the ASEAN countries ultimately aids the recovery of the Philippine aviation industries from the closing of international borders during the peak of the pandemic.

It is expected that as the country starts to revitalize the tourism industry, domestic and foreign travels will definitely ensue.

CIAC and the Marcos Administration

Lessons from the recent crossroads that the Philippines experienced leads the Philippine Development Plan (PDP) for the years 2023-2028, consistent to the economic agenda of the administration of

President Ferdinand R. Marcos, Jr, to aim for a prosperous, inclusive and resilient society.

As echoed from the PDP 2023-2028, it includes six cross-cutting strategies that catalyze economic, social, institutional, and environmental transformation:



Digitalization

The digital transformation of the government will result in more efficient, transparent and faster service delivery, with fewer opportunities for corruptions.



Public-Private Partnerships

Reconfiguring public-private partnerships (PPP) can help address cross-cutting issues of a weak competition environment and the digital divide, as well as boost the country's campaign to attract foreign investments.



Servicification

The government will pursue policies building ecosystems around manufacturing clusters identified as potential sources of high growth. Priority servicification can also be targeted towards the industries of information and communications technology, creatives, tourism, and logistics to move up the global value chain.



Dynamic Innovation Ecosystem

A dynamic innovation ecosystem

will mean new products, more efficient processes, and even bigger market share. Technology and innovation-based strategies for the agriculture, industry, and services sectors lay out a whole-of-government approach to establishing and strengthening the innovation ecosystem.



Enhanced Connectivity

Digital and physical connectivity through infrastructure is important to link markets, connect urban centers to rural areas, and facilitate the movement of people where opportunities for employment or health care and education are better. This is especially important given the connectivity challenges due to the country's archipelagic feature. Connectivity will be ramped up within the country and to the rest of the world to revitalize tourism, facilitate trade, and attract more investments.



Greater Collaboration between Local and National Government

The PDP seeks to bring local governments in as equal partners in the development agenda of the country. The Plan aims to optimize the sharing of responsibility between local and national government to raise each LGU's capacity for delivering public services and raising local revenues.

The CIAC, being an economic arm of the government, invokes its relevance in the national stage by recalibrating its strategies towards the direction that the country is aiming for during the Marcos Administration.

It remains an essential government implementer of infrastructure projects in the transportation sector by working together with the BCDA to actualize major projects that require technical expertise in aviation-related operations.

It also started innovating and digitalizing its key functions to respond to the requirement of a more efficient delivery of government service while upholding the highest standard of internal business processes attested by its active ISO certification on Quality Management System.

The future is great for CIAC

With the reinforced thrust to oversee the Clark airport operations and the national directives that ultimately benefit the Clark Freeport Zone, it is expected that the capability of the CIAC to accommodate the investment that will come in the country with CRK as its premiere gateway, will be relied on once more, promising a higher revenue for CIAC in the coming years.

After all, CIAC is capable and is ready to hit the ground running.



Traffic Highlights

Aircraft and Passenger Movement

Easing travel restrictions and improving market and business outlook progressively increased the demand for aircraft and passenger movement for the year 2022. As a result, aircraft and passenger movement substantially increased from the previous year's figures.

With figures gradually picking up, aircraft movement volume increased by 137 percent, as compared to the previous year's figures, and reached 5,664 at year-end. Overall passenger traffic, on the other hand, reached 768,826 – an impressive 299 percent increase from last year's figures.

International Aircraft and Passenger Movement

International aircraft movement was recorded at 4,138, with international passenger traffic at 628,578 as of 31 December 2022.

Domestic Aircraft and Passenger Movement

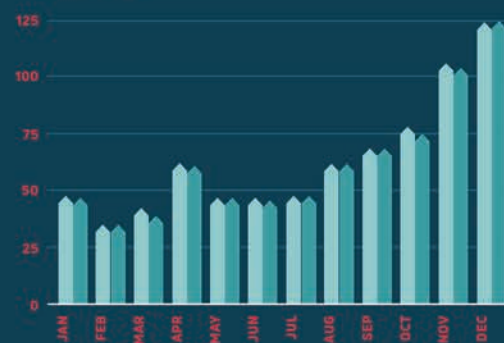
Domestic aircraft movement was recorded at 1,526, with domestic passenger traffic at 140,248 as of 31 December 2022.

General Aviation and Cargo Movement

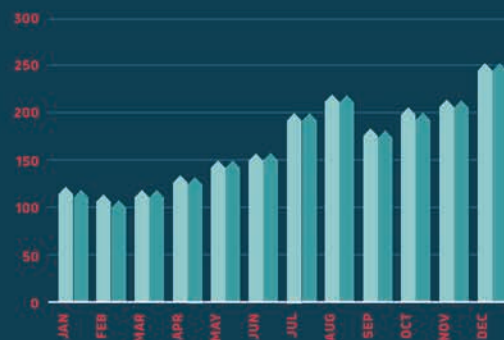
General aviation declined by 84 percent, with a total of 6,633 aircraft traffic movement at yearend. Cargo aircraft traffic movement decreased by 5 percent with a year-end total of 4,058; however, cargo tonnage increased by 33 percent with a year-end total of 49,253.85 for the year in review.

AIR TRAFFIC MOVEMENT

• Domestic

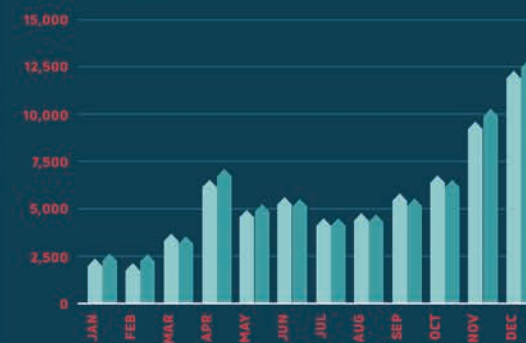


• International

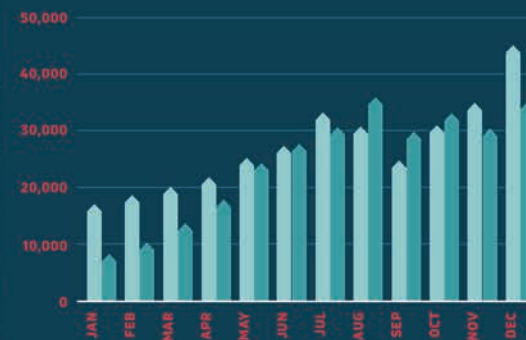


PASSENGER TRAFFIC

• Domestic



• International



CARGO AIR TRAFFIC MOVEMENT

• Domestic



• International

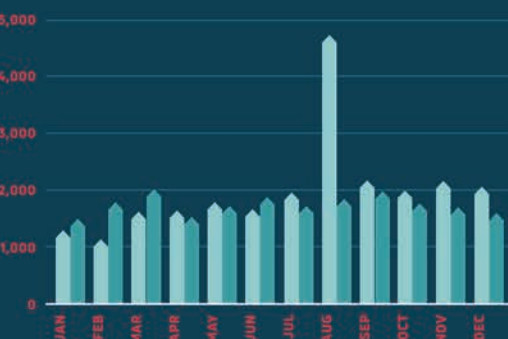


CARGO TONNAGE

• Domestic

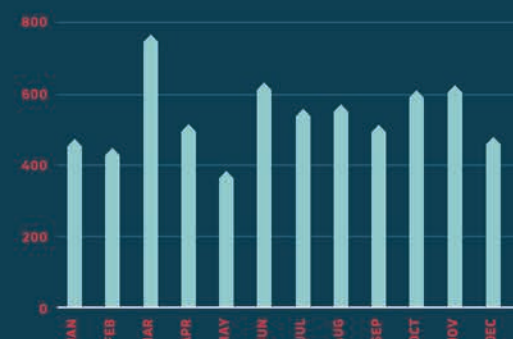


• International



GENERAL AVIATION AIR TRAFFIC MOVEMENT

• Domestic



Arrival
Departure

Source: LIPAD Statistics

| Business Review

The Clark Civil Aviation Complex (CCAC), with Clark International Airport (CRK) at the core, shall augment accessibility and connectivity of the region while ushering in business, employment, opportunities, and further growth. CIAC shall enable the realization of a fullfledged and globally-competitive aerotropolis by sustainably managing, operating, and developing the CCAC.

The Strategic Plan of CIAC is at the core

of all its processes – steering the organization towards fulfilling its mission and realizing its vision.

The strategy of CIAC is geared towards value creation and nation building by enabling optimal development of the CCAC, while sustaining financial performance, increasing economic opportunities, enhancing stakeholder experience, advancing business processes, developing and upgrading

airport infrastructure and equipment, and enriching employee performance and development.

Strategy Implementation

Defined in the CIAC Strategic Battle Cry and the Strategic Initiatives are the directives of the corporation, which serve as the guide of departments and offices in developing respective programs,

activities, and projects – ultimately leading to a unified corporate goal.

Undeniably, the COVID-19 pandemic slowed down the development of the region and the Philippine economy. Despite this, CIAC, inspired by the iHanda battle cry, is prepared in its operations and developments with its set of strategies and initiatives under the New Normal setting; and is certain in bouncing back better on its “paghahanda” for Clark to Embrace our World and in its vision of being the strategic enabler in establishing an aerotropolis in the region.

iHanda 2022: Preparing Clark to Embrace our World The CIAC Strategic Battle Cry

As encapsulated in iHanda, CIAC is dedicated to the economic cultivation of the land, so that the CCAC can become the aerotropolis it envisions itself to be. CIAC is targeting on three aspects of paghahanda:

• to prepare/set up

the infrastructure needed by the CRK and airport operators within the CCAC; including land, properties, and facilities for CCAC to become a global gateway

• to transform

the CCAC into a businesses and investors hub where the all components of the supply chain are present and available resulting to efficient and economical operations for businesses making the CCAC a destination in itself – a home for Filipino and foreign consumers, investors, and businesses to come to Clark; and

• a feast/meal

that is prepared to be shared as it facilitates achievement of the full potential of the CRK as the global gateway of the country, and CCAC as a business hub; CIAC is now an economic enabler of the region that contributes largely to the GDP and/or growth of the country. CIAC shall bring an economic feast to the Central Luzon and the Philippines leaning towards the national goals – Ambisyon Natin (2040) na magkaroon ng Matatag, Maginhawa, at Panatag na Buhay para sa lahat.

Strategic Initiatives Framework

Supporting the realization of the CIAC's paghahanda (Key Strategies and Directions), the Strategic Initiatives Framework for 2020-2022 outlines the necessary programs, activities, and projects to pursue.

This framework defines three main strategies – airport infrastructure development, civil aviation complex development, and economic development. The framework is also supported by two other strategies – technological deployment and new normal adoption in order to continuously develop the CCAC and manage CIAC operations under the New Normal while ensuring growth and delivery of services that contribute to the economic recovery of the region.

Strategic Initiatives Framework



Business Review

Key Perspectives

The Governance Commission of Government Owned or Controlled Corporations (GCG) provides direction on the Corporate Scorecard for all Government Owned or Controlled Corporations (GOCCs) through the Performance Evaluation System (PES) framework, which covers both financial and non-financial drivers of an achievements providing a balanced approach in formulating its business strategy.

This framework implemented by CIAC focuses on five key perspectives: Social Impact, Financial, Stakeholder, Internal Process, and Learning and Growth. The overall strategy of CIAC is manifested in all these five key perspectives.



Social Impact

CIAC creates value by positively contributing to the economic development of the region.

The availability of an airport facility and complex at the heart of Central Luzon provides the most viable and convenient airport of choice for travelers, and aviation complex for investors.

The CCAC is strategically located close and accessible to the Metro, less the traffic congestion.

In addition, the availability of an airport complex in the region provides for a multitude of opportunities and employment for Pampanga and its neighboring provinces.



Financial

CIAC strategically and effectively manages and allocates financial resources to sustain financial viability.

CIAC builds on its revenue base by providing competitive pricing and excellent service in its real estate and airport complex management.



Stakeholder

With the CCAC strategically located within the CFZ, the aviation complex facilitates economic activity as evidenced by the influx of infrastructure, employment, investments, and opportunities.

To maximize these opportunities, CIAC focuses on the development of its land assets as guided by the CCAC Master Plan.

Further, CIAC commits to enhance stakeholder experience through the delivery of exceptional service by meeting and exceeding stakeholder needs and expectations.



Internal Process

Key processes of CIAC are exceptionally administered to attain operational excellence.

CIAC maintained its ISO 9001:2015 Certification with a new scope of Estate Management and Processing of Lease of Land, Building, and Structures.

CIAC also pursues infrastructure and equipment development and upgrade and development of New Normal initiatives to continuously provide quality service to all stakeholders of the CCAC.



Learning and Growth

CIAC prioritizes its human, organizational, and informational capital to ensure successful achievement of the core processes of the organization.

With the aim of further enhancing the performance and productivity of every CIAC employee, competencies are measured and augmented by applying necessary interventions resulting to enriched employee performance and development.

Corporate Objectives and Measures

The mission and vision of CIAC are underpinned by strategic objectives, which the organization achieves through a number of strategic measures with increasing targets per year.

Corporate objectives are developed and corporate targets are set as guided by the mission, vision, and core values of CIAC as well as the National Government's (NG) Philippine Development Plan Socio-Economic Agenda through the National Economic and Development Authority's (NEDA) implementation of reforms for the acceleration of infrastructure development that includes projects on rural development and airport modernization.

CIAC is also directed by the Department of Transportation (DOTr) to assist and represent the latter in the discharge of its supervisory and oversight responsibilities over the entire CCAC, including the CRK, and consequently – LIPAD. Apart from the area dedicated for the CRK and for other locators under the project area of LIPAD, total of 1,608 hectares of land for development and for lease for aviation, aviation-related, and aviation-related logistics businesses. Within this 1,608-hectare land is the 167-hectare Clark Global City (CGC) and the Clark Gateway of FedEx – key drivers of economic growth within the region.

While the mandate of CIAC remains the

same as stated in Executive Order 192, s. 1994 “to develop, operate, and manage the CCAC” and further in Executive Order 14, s. 2016 where “*CIAC shall engage in civil aviation, aviation-related services, and aviation-related logistics activities within the Clark Civil Aviation Complex (CCAC) and the Clark Industrial Estate (IE) 5 areas, as defined in EO No. 716.*”, targets on increasing operational capability and capacity, enhancing organizational requirements and capability, and engaging stakeholders in the delivery of exceptional service were realized in 2022.

Given all these positive indicators, CIAC's strategic dashboard and strategic initiatives have been geared towards the realization of the NG's socio-economic direction, as well as its vision to be a strategic enabler in establishing an aerotropolis.

Enabled Optimal Development of the Clark Civil Aviation Complex

One of the primary objectives of CIAC is to significantly contribute to society by enabling the optimal development of the CCAC. Achievement of this objective is supported and strengthened by the NG's thrust of dispersing growth and development to the regions by increasing the utilization of CRK and growing investments and employment at the CCAC.

CIAC seized this opportunity by complementing LIPAD's management of the CRK resulting to 5,664 aircraft movement volume with business activity and travel demand gradually picking up, and by supporting existing locators and attracting new locators resulting to an aggregate of 3,398 new employments generated within the CCAC.

Sustained Financial Performance

CIAC proactively manages and allocates financial resources while attaining the organization's strategic direction to sustain and further progress operations, and to maintain financial viability.

The efficient and effective collection procedure of CIAC significantly contributed to the financial performance of CIAC for the year.

As a result, revenue reached Php761 million while EBITDA reached Php561 million.

Increased Economic Opportunities

Strategically located adjacent to the Clark Freeport Zone (CFZ), the CCAC facilitates continuous expansion of the business environment in the region as evidenced by the influx of infrastructure, employment, investments, and opportunities.

Competitive pricing for facilities and services is offered to locators to encourage operations at the CCAC.

To maximize these opportunities, CIAC focuses on the identified priority industries such as mixed-use, mixed-use logistics, light industrial, and others guided by the CCAC Master Development Plan; and pursues re-master planning of select areas within the CCAC. Further, CIAC provides excellent account management services to locators and concessionaires, thereby generating four new lease agreements for the year in review – resulting to a total of 51 lease agreements at year-end. These four new lease agreements are those of Conquest Phils, Inc., Yokohama Tire Philippines, Inc., L&T International Group Philippines, Inc., and Philippine Economic Zone Authority (PEZA).

Enhanced Stakeholder Experience

CIAC commits to enhance stakeholder experience through the delivery of exceptional service by meeting and exceeding stakeholder needs and expectations, while achieving high levels of satisfaction, loyalty, and advocacy.

By constantly achieving high levels of stakeholder satisfaction, CIAC ensures positive brand awareness and encourages stakeholder participation and loyalty.

| Business Review

CIAC realized an overall yearend locator satisfaction level of 88.37 percent as measured through the Standard Methodology and Questionnaire developed by GCG.

Results show that 38 out of 43 locators are satisfied with CIAC's services, with 18 or 41.86 percent being very satisfied, 20 or 46.51 percent being satisfied, 5 or 11.63 percent being neither satisfied nor dissatisfied, and none being dissatisfied.

Among the reasons cited by satisfied customers good service, efficient service and transactions, timely resolution of concerns, timely response of staff, and on-time and efficient processes.

Locators are also very satisfied with the staff and organization of CIAC and expressed satisfaction for lease, complaints handling, records keeping, information and communication, and website and facilities.

Aiming and realizing this target illustrate the commitment of CIAC in enhancing the experience of customers at the CCAC.

Advanced Business Processes

Organizational effectiveness and operational excellence are critical drivers to achieve efficiency and provide the highest quality of service.

CIAC aims to deliver quality service by championing in organizational management practices. Initiatives to achieve the thrust for quality and continual improvement are developed and implemented by departments and offices.

For 2022, CIAC maintained its ISO 9001:2015 Certification with the new scope of Estate Management and Processing of Lease of Land, Building, and Structures Under the Jurisdiction of CIAC. This certification is valid until 12 January 2024.

Developed and Upgraded Airport Infrastructure/Equipment

Since the inception of CIAC in 1995, overall numbers from passenger and aircraft traffic to lease agreements continue to grow up until travel restrictions and business activity slowdown due to the Covid-19 pandemic surfaced. While sustaining growth amidst the pandemic and with the economy gradually picking up, National Government, through CIAC, continues to invest in the development of infrastructure and equipment at the CCAC.

CIAC pursues infrastructure and equipment development and upgrade to continuously provide quality services to

passengers and to accommodate the imminent influx of traffic in the region. This objective is measured by the implementation of three identified airport infrastructure projects that would complement the new CRK Terminal Building. These airport infrastructure projects include (1) Rehabilitation and Upgrading of Airfield Ground Lightings System including New Airfield Ground Lightings Powerhouse for Clark International Airport, (2) Design and Build of the New Eighteen-Storey Air Traffic Tower Building Facility at Clark International Airport, and (3) Supply, Installation, Testing, and Commissioning of Primary Surveillance Radar (PSR) and Secondary Surveillance Radar (SSR) for Clark International Airport. For the CY 2022, the AGLS is already at 100%, the new Air Traffic Control Tower is 39.60% underway, and the PSR and SSR project is 10.83% underway.

In response to the development of New Normal initiatives, ongoing enhancement of the established Customer Business Transaction System and the Records Management Information System are being conducted.

Enriched Employee Performance and Development

With the aim of enhancing the

performance and productivity of each CIAC employee, required competencies for all positions are identified to be able to apply necessary interventions resulting to enriched employee performance and development.

For the year 2022, 100 percent of CIAC employees or 108 employees, including the 3 newly hired employees, met the required competencies

For the conduct of interventions, as of 31 December 2022, 10 internal trainings and 36 external trainings participated by 379 employees were facilitated and/or implemented by the Corporation.

Out of 115 employees (including separated employees), 108 or 94 percent attended trainings.

From the 110 employees listed in the training plan, 104 or 95 percent were trained based on the training plan or related topics.



Airport Infrastructure Projects

During the year, implementation of the three vital components of CIAC's infrastructure expansion, with a budget approved through the General Appropriations Act (GAA) of 2020 under the account of the Bases Conversion and Development Authority (BCDA), commenced.

1

Rehabilitation and Upgrading of Airfield Ground Lightings System Including New Airfield Ground Lightings Powerhouse for the CRK

This project includes upgrading, rehabilitation, supply, and installation of lighting system/equipment and its ancillaries. The project entails the Supply and Installation of LED Airfield Ground Lightings System (AGLS), Airfield Lighting Control and Monitoring System (ALCMS), gensets, transformers, primary/secondary cables, and Counterpoise System, rehabilitation of manholes and ducting, and construction of a new AGLS Powerhouse to further increase the safety, efficiency, and reliability of the Aircraft Movement Area (AMA).

Date of Start of Implementation:
November 2020

Completion Date:
04 May 2022

Status:

100%
COMPLETED

2

Design and Build of the New Eighteen-Storey Clark Air Traffic Control Tower Building Facility at Clark International Airport (CRK)

The project entails the design and build/construction of a new 18-Storey Air Traffic Control Tower Building Facility to address the existing line of sight (LOS) issue and future developments at the CRK per the ADPI Master Plan. The new control tower will create an optimal operational environment for Airways to undertake its air traffic control operations by providing maximum visibility for controllers.

Date of Start of Implementation:
January 2021

Target Completion Date:
January 2023

Status:

39.60%
COMPLETED

3

Supply, Installation, Testing, and Commissioning of Primary Surveillance Radar (PSR) and Secondary Surveillance Radar (SSR) For the Clark International Airport (CRK)

The project entails the supply, delivery, installation, integration, testing, training, commissioning, and other related services for the establishment of the Primary Surveillance Radar System (PSR) and Secondary Surveillance System (SSR) at the CRK.

Start of Implementation:
September 2021

Target Completion Date:
May 2023

Status:

10.83%
COMPLETED

Airport Infrastructure Projects



Business Development Highlights

Spotlight on Locators

In furtherance of the social and economic impact of CIAC to the region and to the country, a total of 51 locators (as of 31 December 2022) are doing business with CIAC at the Clark Civil Aviation Complex. Four of these are new lease agreements with Conquest Phils., Inc., Yokohama Tire Philippines, Inc., L&T International Group Philippines, Inc., and Philippine Economic Zone Authority. Majority of these locators are engaged in manufacturing. Other businesses are engaged in maintenance repair and overhaul of aircrafts, freight services, warehousing, data processing, business process outsourcing, tourism, information and technology, recycling, solar farming, agriculture, refueling, recycling, among others.

51
Locators

- Manufacturing
- Mixed Use
- Warehousing / Storage
- Vehicle parking / Depot
- Data enter / Data processing
- Tourist Establishment (Resort / Hotel housing)
- MRO
- BPO
- Freight Express
- Information and Technology
- Recycling
- Solar Farm
- Agriculture
- Refueling Station
- Batching Plants / Temporary Facility



Clark Civil Aviation Complex Render
by Patafox Associates

Business Development Highlights

FedEx Enhances Connectivity and Service to Drive Cross-border E-commerce

FedEx Express (FedEx), a subsidiary of FedEx Corp. (NYSE: FDX) and one of the world's largest express transportation companies, is bolstering its service in the Philippines by enhancing direct connectivity from the FedEx Philippines gateway in Clark, to support growing cross-border e-commerce trade in the country.

The FedEx gateway facility in Clark features enhanced sorting and storage capabilities, supported by state-of-the-art technology. FedEx strengthened its intra-Asia connectivity with the launch of seven weekly flights from the gateway in Clark to Japan, Singapore, and South Korea, providing customers with direct connections between North Pacific and Southeast Asian markets.

Reinforcing its commitment to boost the connectivity of local businesses to the rest of the world, FedEx continues to adapt with expanded offerings and tools that support the growth of numerous Filipino SMEs.

FedEx won multiple gold awards at the HR Excellence Awards 2022 for its efforts towards Excellence in Diversity and Inclusion' and 'Excellence in HR Communication Strategy'. FedEx was named among "Best Companies to Work for" at the HR Asia Awards 2022 and was recognized through the "WeCare" award for its pastoral care of employees during the pandemic.



Business Development Highlights



Business Development Highlights

L&T International Group Philippines Incorporated

L&T International Group Phils. Inc. (L&T) is one of the leading lifestyle and fashion apparel manufacturers in the world. The expert skills and facilities in Clark allow the company to produce fashion apparel of the highest levels of quality for brands like Ralph Lauren and Dillard's. In 2022, L&T exported around 5.6M pieces of garments to its US customers from its Clark facilities.

In 2022, L&T achieved a major milestone by setting up the first ever Victoria's Secret sleep wear and intimate wear production facility in the Philippines. The Victoria's Secret facility ceremonial opening happened in February, and it was fully operational by April. L&T is now Victoria's Secret Home for Glamour Sleep.

This is a major step for the company's capability build-up to produce a wide selection of women's glamour fashion, lounge, sleep wear and intimate wear for other popular brands like Savage X Fenty by Rihanna and Skims by Kim Kardashian.

Sustainability is ingrained in L&T's core values, that is why L&T thinks of the environment in every process in its production cycle. Since printing is one of the most toxic processes in garment production, the company invested in sustainable digital printing technology as a greener alternative. L&T was able to set up a sustainable digital printing facility, which is a water-based system with zero VOC (volatile organic compounds).



Business Review

Sustainable laundry is becoming increasingly important for apparel manufacturers. In 2022, L&T is one of the first to make development plans for a sustainable laundry facility in Clark. An advanced laundry facility with high efficiency machines, systems that will significantly consume less energy, reduce water usage, and produce less waste will be set up in Clark.

Safer and greener chemical alternatives for washing and laundry will also be considered. This is one of L&T's ways to contribute to a cleaner and healthier Clark.

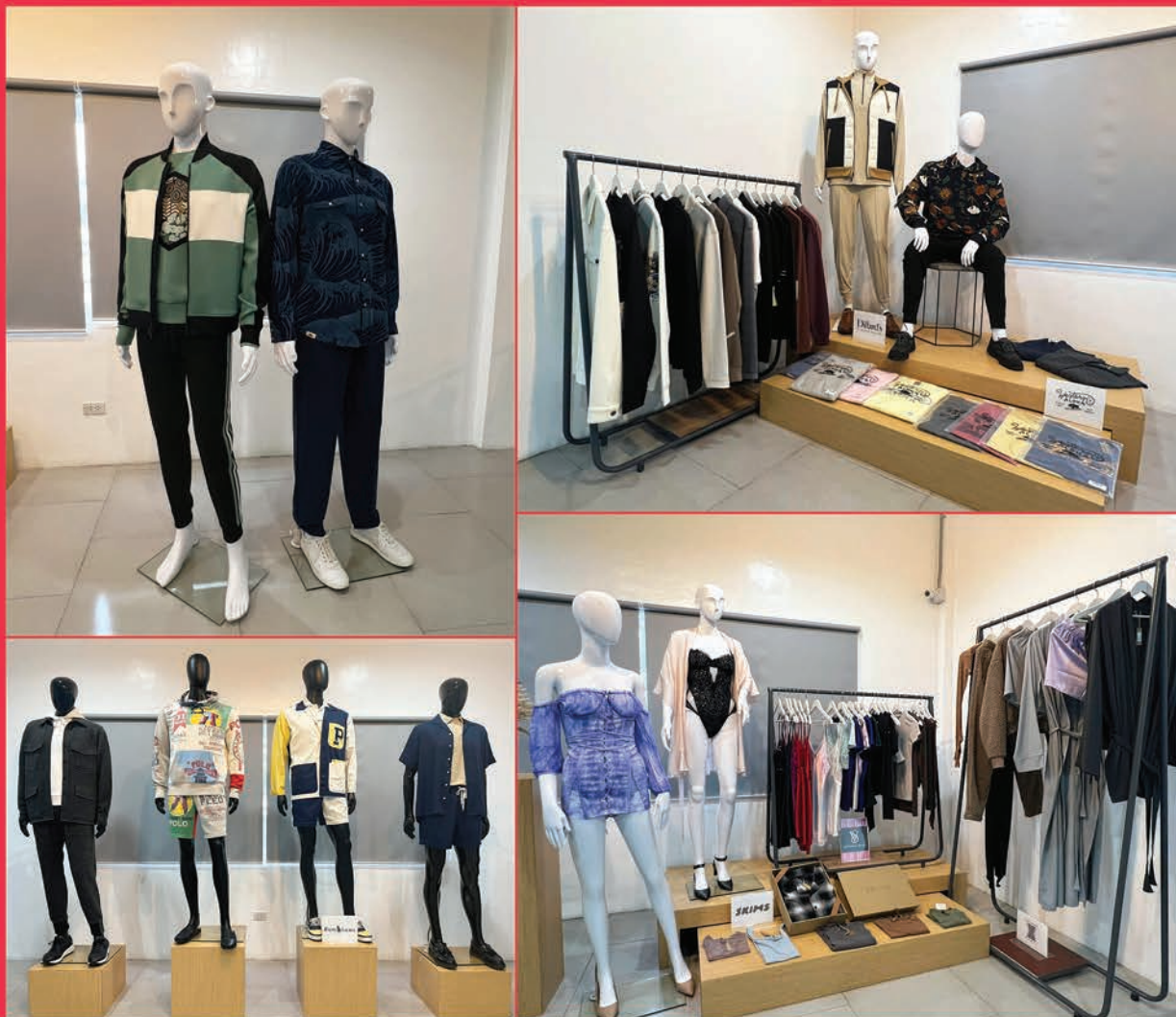
While most companies halted operations during the pandemic, L&T repurposed some of its facilities, resources and people in the medical PPE business. In 2022, L&T medical mask products under the brand RB (rhinocero blanco) have obtained European and UK certifications. RB masks are the first and only nano-fiber masks in the country having dual certification (EN 149 FFP2 + EN 14683 surgical respirators).

L&T remained resilient and was even able to generate employment opportunities which rekindled hope for our workers and the surrounding communities. We have generated roughly 2,000 employment opportunities in 2022. This includes the 1,040 jobseekers who received basic sewing skills training from L&T. This group of trainees and now employees of L&T initially had zero knowledge about sewing.

L&T will continue to expand its partnerships with local schools, community colleges, and other institutions to offer basic sewing training and other garment industry niche skills training to the local population.

With these milestones and development plans, L&T is confident to deliver premium quality products and services to continuously make our country proud.

Photos and write up courtesy of L&T International Group Philippines Incorporated



Business Development Highlights

Clark Global City

Clark Global City (CGC or the City) is a 177-hectare property managed by Global Gateway Development Corporation (GGDC), a wholly-owned subsidiary of Udenna Land, Inc. (ULI) that holds leasehold rights to the estate for 75 years.

CGC is a master-planned, state-of-the-art, modern, mixed-use city envisioned and uniquely positioned to be the next Primary Business District for the greater Clark Special Economic Zone (CSEZ), which includes the Clark Freeport Zone (CFZ) and New Clark City (NCC). CGC, due to its attractive value proposition, is positioned as the best location for fellow developers to increase and expand their portfolio outside the high city land prices and traffic congestion of Metro Manila.



CGC's location in the CFZ is at the heart of the country's best connectivity. The City is surrounded on all sides by easy access to multiple modes of transportation:



At the intersection of major expressways: NLEX and SCTEx, the city has efficient and traffic-free connection to Metro Manila and Northern Luzon via public and private transportations



On the eastern border of the City lies the right-of-way of the planned Manila-Clark Railway, where CGC will have a designated stop before approaching the Clark International Airport (CRK)



CRK is also a ten-minute drive from the City, giving CGC and its locators unfettered access to its new world class terminal; and international and local passengers

From its initial plans of building a logistics hub, CGC has revised the master plan of its estate into a world class Central Business District, by adding strategic access points, offering wider main roads, and resizing lot areas to fit standard office and commercial developments. This in turn has attracted partners that share the same aspiration of

building the next generation's center of commerce, culture, entertainment, and leisure.

As an estate developer, GGDC's main thrust is to sublease land to top-tier real estate developers, who will enhance the project by introducing office, residential, commercial, and recreational developments. Some of CGC's blue chip locators include SM Prime Holdings, Prime Philippines, Suyen Corporation, Mendrez Realty, Megawide, and W Group. To jumpstart the development, GGDC has taken the first step by building prime developments such as The Medical City Clark (TMCC), a top-tier, 173-bed, energy-efficient, smart building that features state-of-art medical equipment, and the West Aeropark Quad, a 5-building, LEED Gold, mixed-use development.

Long-term Strategy and Vision

GGDC's main focus will be on the development needs of the estate. The company aims to build, facilitate, and manage key properties in the project, and at the same time, attract long-term strategic investors who share in the vision of the city.

The company commits to build more premium mixed-use vertical developments that will contribute to CGC's skyline. In line with the city's efforts on sustainability, it will champion vibrant open public spaces, encourage walkability, and focus on pedestrian comfort.

GGDC will also continue to pursue top-tier partners, who share the same vision of Clark and intend to introduce developments that will enhance the overall quality and value of the estate. In line with GGDC's long term strategy, GGDC constantly maintains a healthy pipeline of land locators through marketing and sales initiatives.

GGDC's main value proposition to investors and partners, aside from the many unique characteristics of the development, is the high yield potential of the project – GGDC offers to its clients relatively lower capital requirements, competitive lease rates, and effectively above par returns.

Just this year, one of GGDC's locators, Myung Dang Development Inc., along with FineTME Inc., broke ground on 11 November 2022. As more businesses and people move to CGC, First Clark Serviced Residence will be there to serve as their second home. This 16-storey building will have 286 units will be completed by the end of 2024.

City Culture and Corporate Social Responsibility

To promote culture, CGC has allocated certain parcels of land for recreational activities and events, such as concerts, weekend markets, and sports fields. Together with the marketing efforts of CGC, these activities help drive foot traffic into the City, bringing families and communities to our estate. The City creates and hosts events that are safe and sustainable for the public:



• Rise, Ride and Run

CGC encourages living a healthy lifestyle. As there are many bikers and runners in the city, CGC saw an opportunity to give its city-goers a better experience. CGC created bike trails, running routes, and even a mini skate park for the public to enjoy.

• Weekend Night Market

CGC supports local entrepreneurs by hosting a Night Market every weekend where businesses are welcome to set up shop. After a fun-filled day around the city, people can enjoy shopping and eating their hearts out.

• Music Festivals

CGC is home to Aurora Music Festival. Live performances by renowned OPM acts such as Skusta Clee, Zack Tabudlo, and Ben & Ben were accompanied by a hot air balloon display and various types of food concessionaires. The event proved to be a success in re-invigorating the concert scene with more than 150,000 attendees from all over the Philippines.

• Earth Month: Restore Our Earth

CGC works towards nation building with its corporate social responsibility efforts. CGC, in partnership with its locators, hosts Earth Month. Every month of April, the City recognizes the need to raise awareness of humanities' impact to Mother Earth. CGC collects recyclable materials from The Medical City Clark and tenants of West Aeropark and donates these to its Aeta partner community in Sitio Haduan, Marcos Village, Pampanga. These recyclables are then exchanged into groceries and seedlings through another partner to benefit the Aeta Community.

| Related Developments

North-South Commuter Railway (NSCR) Clark Extension Project

The Malolos-Clark Railway Project (MCRP), also known as and Philippine National Railways (PNR) Clark Phase 2, is a 53.1-kilometer railway project and is one of the sections of the North-South Commuter Railway (NSCR) project of the Department of Transportation (DOTr) and PNR funded by the Asian Development Bank (ADB) and Japan International Cooperation Agency (JICA). The project is aimed at reducing travel time from Malolos, Bulacan to Clark International Airport to only 30 minutes from 1.5 hours.

The MCRP is divided into five contract packages. Contract Package (CP) N-01 is a 16.92-kilometer railway line that will run from Malolos, Bulacan to Minalin, Pampanga where Calumpit and Apalit Stations will be constructed. CP N-02 will be linking Minalin, Pampanga to San Fernando, Pampanga with 15.77 kilometers of elevated viaducts, including the elevated San Fernando Station. CP N-03 will connect the San Fernando, Pampanga to Clark Freeport and Special Economic Zone through 12.24 kilometers of elevated viaducts, bridges, and elevated Angeles and Clark Stations. CP N-04 entails the construction of 6.5 kilometers of viaducts, bridges, and underground railway section going to the underground Clark International Airport (CRK) Station located at the CRK Terminal 2. CP N-05 covers the development of 36 hectares of Clark Depot that will house major facilities and ancillary structures of the whole railway alignment.

As the construction works for the aforementioned contract packages commenced during the 4th quarter

of 2020, notable construction progress can be observed, especially within Clark Freeport and Special Economic Zone. The project perimeter has been properly enclosed, and the clearing and grubbing works have been completed. The bored piling works and construction of pile caps for the foundations of Clark Station and viaducts are in full swing.

Several pier columns can already be seen partially erected above ground as well. Excavation works and sheet piling works for the underground railway section and CRK Station are also on track. Significant progress can also be seen in the 36-hectare Clark Depot, which is accomplished at 33 percent as of the end of 2022. *Underground foundation works for Major Buildings has also been completed. Dolores River diversion works have been completed and 12 integral bridges over the Dolores River have been also completed. Construction of buildings and structures are on track and erection of structural steel, which is one of the major works, already commenced. Steel structure of workshop and light repair shop can already be seen from Gil Puyat Avenue. CP N-05 or the Clark Depot is targeted to finish by 2nd quarter of 2025.*

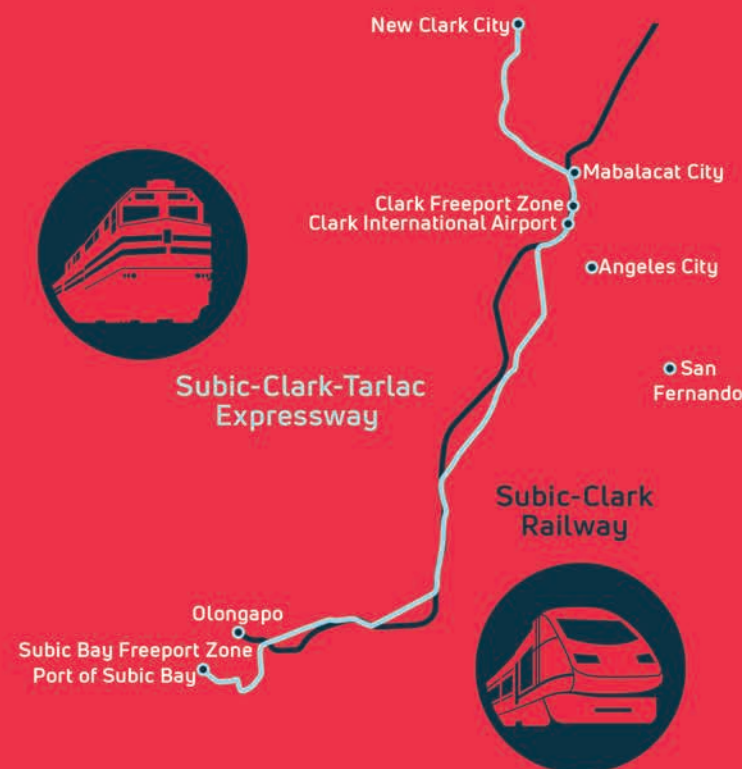
The project aims to provide about 6,900 job opportunities during construction and about 10,000 jobs for the whole NSCR during operations. The MCRP can cater up to 350,000 passengers daily and a total of 1 million passengers daily for the whole NSCR.



Related Developments



Subic-Clark Cargo Railway



The Subic-Clark Railway Project (SCRP) is a component of Philippine National Railways (PNR) Luzon System Development Framework. It is a 71-km freight railway connecting Subic Bay Freeport Zone (SBFZ) and Clark Freeport Zone (CFZ), providing a railway link between the Port of Subic Bay (PSB) and Clark International Airport (CRK). Eventually, the railway will accommodate passenger service and will be extended to New Clark City (NCC). SCRCP, costing Php50.031 billion will be a joint undertaking of the Department of Transportation (DOTr) and Bases Conversion and Development Authority (BCDA).

Construction of the SCRCP would develop the necessary infrastructure network that would promote the Central Luzon Corridor as a total logistics hub, boosting industrial and commercial activities. The SCRCP shall enhance connectivity and mobility as it complements the development of the Luzon Railway System and provide freight and passenger interoperability with PNR Manila-Clark, Manila-Bicol/Sorsogon, and Manila-Batangas. Construction of the SCRCP would also attract investments and spur economic activities outside of Metro Manila. And finally, construction would reduce congestion in Port of Manila and cargo traffic in Metro Manila.

Funding for the Project will be through Official Development Assistance (ODA) from China and through General Appropriations Act (GAA) allocations. The Department of Finance (DOF) will be the loan borrower with DOTr as the loan beneficiary. The loan will cover the EPCC (engineering, procurement, construction, and commissioning) contract for the Project. DOTr's GAA allocations will cover taxes for the Project. BCDA's GAA allocations will cover other project costs: Employer's Representative and administrative costs (including right-of-way acquisition cost).

The EPCC contract had been awarded to China Harbour Engineering Co. (CHEC) and the contract for the Employer's Representative had been awarded to the Consortium of AECOM Singapore Pte. Ltd. and Projects Design Plus Architecture Management Corp. DOF is currently negotiating the loan agreement with the Export-Import Bank of China, which is expected to be secured by the end of 2023.

Administrative Performance

27 Strong Years of CIAC

Year after year, CIAC continues to prove its strength and resiliency by rising above any and all adversities. The year 2022 marked the 27 years of CIAC with renewed plans of furthering the CCAC all while enhancing its internal processes and giving utmost priority to its employees.

The project Consultancy Services for the Updating of the Master Development Plan (MDP) and Preparation of a Detailed Site Development Plan (SDP) for Select Areas of the CCAC was the highlight of the year with an overall progress of 96.28 percent at year-end. The Project updated the areas suitable for landside development as envisioned by the Aéroports de Paris Ingénierie (ADPI) and provided a detailed SDP that is marketable, effective, viable, and in

harmony with the recent, current, and planned developments for CCAC, other areas of the CFZ, and NCC.

A masterplan was conducted on 584.41 hectares of land and a detailed SPD was conducted on 171.84 hectares of land. These optimal land uses for these areas were identified such as mixed-use commercial, light industrial (including agro-industrial), mixed-use residential, institutional, recreational, transport and logistics, commercial, airfield and passenger facilities, parks and open spaces, road developments, utilities, and even non-buildable area. By the fourth quarter of the year, a Capacity Building Training on the results of the Project was conducted among employees of CIAC to equip them with the appropriate plans, programs, and strategies to achieve the goal of optimal marketing of the CCAC lands.

Another pivotal occurrence for the year was DOTr's granting of supervision and oversight functions of the CRK to CIAC. DOTr tasked CIAC to be its implementing arm in exercising oversight functions on the now privately-run CRK. CIAC's functions now cover development of the CCAC, estate management of the CCAC, and regulatory supervision and oversight

on the CCAC, including the CRK.

While the operations and maintenance of the CRK was privatized in 2019 under a 25-year concession agreement between BCDA and LIPAD, DOTr directed CIAC to assist and represent the Department in the discharge of its supervisory and oversight responsibilities over the entire CCAC, including the CRK.

In March of 2022, all employees of CIAC received salary increases pursuant to the implementation of the Compensation and Position Classification System (CPCS). CIAC was given authorization by GCG to implement the CPCS on 24 March 2022, referenced on Executive Order No. 150 approved by then President Rodrigo Duterte on 01 October 2021.

The CPCS aims to provide a standardized compensation package and index of occupational services, position titles, and salary grades for GOCCs in accordance with Republic Act No. 10149 or the GOCC Governance Act of 2011.

The implementation of the CPCS at CIAC was retroactively applied from 05 October 2021, which increased the basic salaries of employees based on a standardized salary structure.

In September of 2022, GCG also approved CIAC's new organizational structure and staffing pattern (OSSP) with a total of 129 positions. The new OSSP was aligned CIAC's shift from airport operations to airport development and its strategic direction towards Airport Infrastructure Development, Civil Aviation Complex Development, and Economic Development, which all resulted from the transfer of the Operations and Maintenance (O&M) of the CRK to LIPAD.

The year 2022 was indeed a year filled with renewed plans and a promising direction for CIAC. And CIAC seized this time by furthering its internal processes, sustaining its employee welfare, and enhancing and cementing its plans for the CCAC.

CIAC played a vital role in the development of a burgeoning aerotropolis and expects to soar even greater heights in the coming years when the CCAC will become a smart, sustainable, and business-centric aviation complex catering to diverse investment opportunities.

Administrative Performance



| Administrative Performance

Supervision and Oversight on the CRK

The Department of Transportation (DOTr) tasked CIAC to be its implementing arm to exercise oversight functions on the now privately-run CRK.

While the operations and maintenance of the CRK was privatized in 2019 under a 25-year concession agreement between BCDA and LIPAD, DOTr directed CIAC to assist and represent the Department in the discharge of its supervisory and oversight responsibilities over the entire CCAC, including the CRK. This was relayed to CIAC in November of 2022.

This directive is anchored on (1) the mandate and powers vested in the DOTr through the Administration Code and Executive Order No. 14 (EO No. 14) authorizing DOTr to exercise policy supervision and full regulatory and operational control over the operations of the CRK and (2) the mandate and power vested in CIAC through EO No. 14 authorizing CIAC to engage in civil aviation, aviation-related services, and aviation-related logistics activities within the CCAC, including the CRK.

Specifically, CIAC is directed by DOTr to perform the following:

- 1 Promulgate rules and regulations governing the planning, development, and improvement of the CCAC, including ensuring that the CCAC Master Plan is followed.
- 2 Ensure that zoning restrictions within the CCAC and its adjoining areas are maintained in accordance with the CCAC Master Plan and all applicable laws and regulations.
- 3 Exercise oversight with respect to the day-to-day management, operation, and administration of the CCAC, including the CRK. With respect to the operations of LIPAD at the CRK, CIAC shall ensure that the airport facility is operated and maintained safely and securely by LIPAD in accordance with ICAO standards, CAAP law, and other safety and security laws, rules, and regulations.
- 4 Be responsible for coordinating the activities of all government agencies operating in the CCAC, including the CRK.
- 5 Ensure compliance of the CCAC to transportation security rules and regulations, and relevant policies and directives of the Office for Transportation Security (OTS).
- 6 Ensure compliance of the CCAC to relevant laws of the Republic of the Philippines.

ISO 9001:2015 Certification

CIAC is the first airport operator in the Philippines to be ISO certified, and has been certified since 2010.

The scope of the ISO 9001:2008 certification from 2010 to 2016 is International and Domestic Passenger Facilitation Process and All Internal Operating Processes. CIAC then successfully upgraded to ISO 9001:2015 in 2017 with the same scope.

CIAC then applied and was awarded an ISO 9001:2015 certification with a revised scope focusing on the administration and operation of CIAC's corporate services in 2020, i.e. Estate Management and Processing of Lease of Land, Building, and Structures Under the Jurisdiction of CIAC.

For 2022, CIAC maintained its ISO 9001:2015 certification with the same scope.



| Administrative Performance

Enhancing Stakeholder Experience: 2022 Customer Satisfaction Survey

CIAC commits to enhancing stakeholder experience through the delivery of exceptional service by meeting stakeholder needs and expectations while achieving high levels of satisfaction, loyalty, and advocacy.

Locators being served at the CCAC have given CIAC an 88.37 percent satisfaction rating in the 2022 Customer (Locator) Satisfaction Survey conducted in October.

Results show that 38 out of 43 locators are satisfied with CIAC's services, with 18 or 41.86 percent being very satisfied, 20 or 46.51 percent being satisfied, 5 or 11.63 percent being neither satisfied nor dissatisfied, and none being dissatisfied.

Among the reasons cited by satisfied

customers good service, efficient service and transactions, timely resolution of concerns, timely response of staff, and on-time and efficient processes.

Locators are also very satisfied with the staff and organization of CIAC and expressed satisfaction for lease, complaints handling, records keeping, information and communication, and website and facilities.

Employees Get Salary Adjustments Through the Compensation and Position Classification System

Employees of CIAC received adjustments in salaries following the airport agency's compliance with the government's Compensation and Position Classification System (CPCS).

The state-run firm was given authorization by the GCG to implement

the CPCS on 24 March 2022, referenced on Executive Order No. 150 approved by then President Rodrigo Duterte on 01 October 2021.

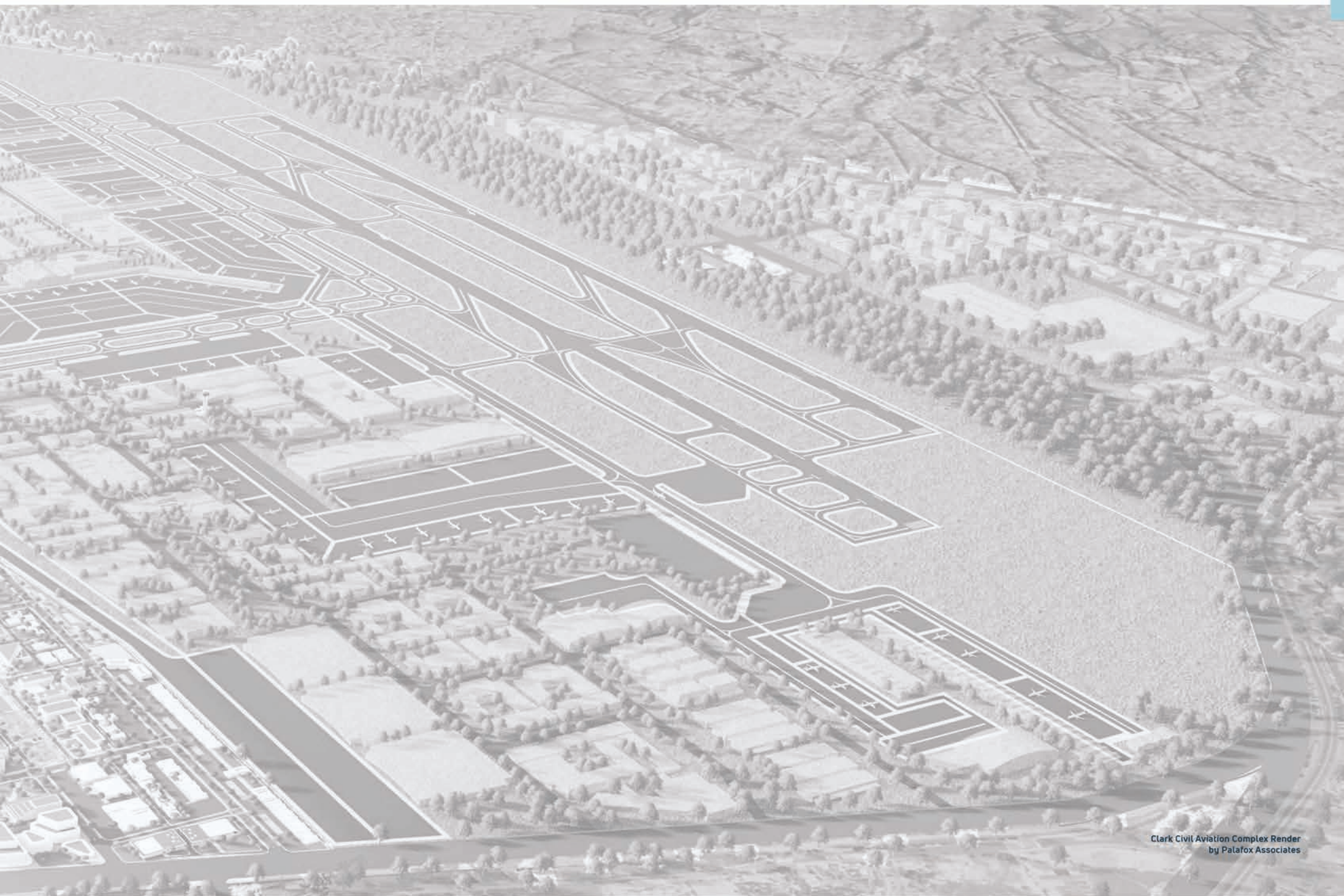
To implement the increases in salaries brought about by this adjustment, CIAC management requested the approval of a supplemental budget of Php17 million from its Board of Directors as well as from its parent company, the Bases Conversion and Development Authority (BCDA).

The CPCS aims to provide a standardized compensation package and index of occupational services, position titles, and salary grades for GOCCs in

accordance with Republic Act No.10149 or the GOCC Governance Act of 2011.

The implementation of the CPCS at the agency was retroactively applied from 05 October 2021, which increased the basic salaries of employees based on a standardized salary structure.

Implementation of the CPCS shall attract and retain the skill set of personnel while, allowing GOCCs like CIAC to be financially sound and sustainable.



Clark Civil Aviation Complex Render
by Palafox Associates

I Administrative Performance

New Organizational Structure and Staffing Pattern of CIAC

On 23 September 2022, GCG approved CIAC's organizational structure and staffing pattern (OSSP) with a new structure and a total of 129 positions.

The new OSSP aligned CIAC's shift from airport operations to airport development and its strategic direction towards Airport

Infrastructure Development, Civil Aviation Complex Development, and Economic Development, which all resulted from the transfer of the Operations and Maintenance (O&M) of the CRK to LIPAD.

Locators are also very satisfied with the staff and organization of CIAC and

expressed satisfaction for lease, complaints handling, records keeping, information and communication, and website and facilities.

PHP369 Million Remitted to the National Treasury

For the year 2022, CIAC remitted a total of Php 369,977,339.76 as dividends to the Bureau of Treasury.

Despite the overwhelming challenges brought about by the pandemic, CIAC's operational flexibility and fiscal discipline has generated an upward annual profit margin from 16 percent to 27 percent and thereafter to 46 percent from 2019 to 2021, and thus, the capacity to remit dividends.

From the total amount of dividends settled, Php156.74 million was remitted on 05 May 2022, Php95.06 million on 03 Oct 2022, Php20 million on 16 May 2022, Php40 million on 15 July 2022, and Php58.18 million on 03 October 2022 – these represent revenues derived from managing the aviation complex.

Further, this year's dividend remittance is 183 percent higher than the Php 130.5 million contribution of the agency to the

National Treasury at the height of the COVID-19 outbreak in 2020.

Remittance of dividends is in compliance with Republic Act No. 7656, which directs all government-owned and controlled corporations to declare and remit at least 50 percent of its net earnings to the National Treasury.

Other Financial Administration Updates

- Since 19 September 2022, CIAC has Php0 outstanding loans.

- CIAC was able to collect the long outstanding account amounting to Php274,408,958.00 from Global Gateway Development Corporation (GGDC) on 25 July 2022.

Said amount comprises its full settlement

on arrearages for monthly lease from April 2021 to July 2022, inclusive of interest and penalty charges. CIAC has been keen in collecting the subject amount since GGDC's default last year, citing its financial difficulties arising from the COVID-19 pandemic.



Corporate Social Responsibility and Gender and Development

Joining the Nation in Celebrating Women's Power

Various activities were conducted to empower women and promote the agency's advocacy towards a gender-balanced environment in accordance with the annual national celebration of International Women's Month. This is anchored on national and international declarations recognizing the role of women in nation-building.

The CIAC Gender and Development (GAD) Committee facilitated the conduct of activities, which include the display of the Women's Month information materials at the corporate office building and social media platforms and a visit to a shelter for abandoned, abused, and neglected girls in Pampanga.

CIAC also celebrated Purple Tuesdays where employees were urged to wear the official Women's Month t-shirt every Tuesday for the whole month of March.

A webinar for employees of CIAC and its locators was also conducted with the theme 'Matatag na Puso't Isipan ni Juana: A Talk on Mental Health,

Keeping Your Emotional Health'.

Women employees of CIAC were also treated to a mental health break with a day tour of Gintung Pakpak Ecopark in Arayat, Pampanga on 17 and 23 March 2022.

CIAC employees also visited the Duyan ni Maria orphanage in Mabalacat City on March as part of the celebration of Women's Month.

This year's Women's Month celebration focuses on the sub-theme "Agenda ng Kababaihan Tungo sa Kaunlaran", a celebration of women exercising their choices, taking chances to make their voices heard and benefiting from it, and trailblazing changes.

Women's Month is celebrated annually by virtue of Republic Act No. 6949 which declared 08 March of every year as National Women's Day. It was further augmented by Proclamation No. 227 in 1998 declaring the observance of the whole month of March every year as "Women's Role in History Month."





Corporate Social Responsibility and Gender and Development:

Year in Review

12 March

CIAC employees visited and celebrated with the children at Duyan Ni Maria with the theme Serbisyo Para Kay Juana, where supplies were also donated at the orphanage.

23-24 March

Women employees of CIAC were treated to a mental health break with a recollection and a day tour of Gintung Pakpak Ecopark in Arayat, Pampanga.

16 June

CIAC employees took part in the Bayanihan sa Tubig-Kanlungan, a tree planting activity organized by the Abacan River and Angeles Watershed Advocacy, Inc. (ARAW-ACI) and the Angeles City Local Government Unit.

10-11 October

A Gender Sensitivity Training was conducted among CIAC employees.

27-28 October

A GAD seminar and a series of activities were participated by all CIAC employees.

Training and Development

As every organization recognizes the importance of its most valued asset, CIAC invests in the learning and growth of its personnel through conduct of and participation in a number of trainings facilitated by esteemed professionals and organizations. This investment is also aimed at reconciling the competency gaps to further improve, maximize, and optimize personnel's skills and competencies.

Internal and External Trainings

At yearend, 10 Internal Trainings and 36 External Trainings were facilitated and/or implemented.

Out of 115 employees (including separated employees), 108 or 94 percent attended trainings. From the 110 employees listed in the training plan, 104 or 95 percent were trained based on the training plan or related topics.

Enhancing Employee Competency

As of 31 December 2022, 100 percent or 108 employees, including the 3 newly hired employees, met the required competencies.



Employee Safety and Wellness: Year in Review

05 January

With primary importance given to employee health and safety and as safety protocols in the New Normal are strictly enforced, COVID antigen testing for the first quarter was conducted among CIAC employees prior to physically reporting to work for the year.

10 March

Employees “duck, cover, and hold” as CIAC participated in the National Simultaneous Earthquake Drill for the first quarter of 2022

11 April

Employees participated in the annual recollection, facilitated by Fr. Deo Galang at the St. Joseph the Worker chapel inside the CFZ

18 April

The second quarter COVID antigen testing was conducted among all employees to ensure all stakeholders that CIAC continues to be a safe and secure workplace

06 June

CIAC employees participated in the first ever flag raising ceremony after gatherings were temporarily halted in view of safety protocols in place during the pandemic

10 November

Employees once again “duck, cover, and hold” as CIAC participated in the National Simultaneous Earthquake Drill for the fourth quarter

15-16 November

CIAC employees underwent the annual physical examination in batches at the CIAC Corporate Office; physical exams include ECG, blood and urine tests, and X-Ray tests to ascertain that employees are fit to work; health and safety protocols were strictly observed during the activity

Board of Directors

CIAC is a GOCC mandated to develop, operate, and manage the CCAC. Having been incorporated under the Corporation Code, CIAC is governed by the Board of Directors (BOD) composed of eleven (11) members, six (6) of whom come from the private sector with recognized competencies in their fields and are appointed by the President of the Philippines. Pursuant to Executive Order No. 14, Series of 2017, the Secretary of Transportation acts as the Ex-Officio Chairperson, the President of BCDA acts as the Ex-Officio Vice Chairperson, the President of CIAC and Secretary of Tourism also act as Ex-Officio Vice Chairperson, and the Director General of CAAP acts as an Ex-Officio Member.

Aside from the powers and responsibilities set forth in CIAC's Articles of Incorporation and By-laws, the CIAC BOD primarily adheres to Republic Act No. 10149 or the GOCC Governance Act of 2011. As such, CIAC adopted the Code of Corporate Governance for GOCCs and several pertinent issuances of GCG, the central advisory, monitoring, and oversight body of GOCCs, which were all incorporated in the Manual on Corporate Governance of CIAC. The manual contains the corporate powers, mandates, and responsibilities of the CIAC BOD; and the Code of Ethics and Conduct, including its commitment to the principles of good corporate governance and strict observance to the No Gift Policy.

The CIAC BOD provides corporate leadership to CIAC, subject to the rule of law and the objectives set by the National Government through supervising agencies such as the DOTr.



SECRETARY JAIME J. BAUTISTA Chairman

As Secretary of Transportation, Jaime J. Bautista serves as Chairman of the Board of Directors of Clark International Airport Corporation.

Prior to his appointment to his first government post, he was a member of the Board of Directors / Trustees of various companies ranging from mining, banking, shipping, and resort and leisure property development. He gained public recognition during his stint as President and Chief Operating Officer of Philippine Airlines from 2004 - 2012 and 2014 - 2019. He also served as President and Chief Operating Officer of Air Philippines, now PAL Express.

He led PAL through some of its most significant milestones, most significantly from 2014-2016 when the airline posted profits despite tough industry conditions. PAL's profit in 2015 was five times that of 2014's.

In September 2007, he successfully steered the flag carrier out of an eight-year receivership period, which earned him the recognition "Aviation Person of the Year" in 2007 by Orient Aviation magazine.

He was responsible for PAL getting certified as

a 4-Star airline by Skytrax, the international air transport rating organization, making the carrier the first and only airline in the Philippines to be ranked 4-Star.

His financial acuity, that germinated when he was an auditor at SGV allowed him to excel at various management posts and board memberships in different firms under the Lucio Tan Group of Companies from 1980 to 2019. He spent more than three decades in the Board of Directors and Board of Trustees of the UE Ramon Magsaysay Memorial Medical Center and the UERMMC Foundation, respectively, transforming UE into a financially stable and world-class university.

He is a member of several socio-civic professional organizations and recipient of numerous awards, including Doctor of Humanities (honoris causa) degree from the Central Luzon State University.

A certified public accountant, Mr. Bautista holds a Bachelor of Science in Commerce degree, magna cum laude, from the Colegio de San Juan de Letran in Manila.

Board of Directors



ATTY. ROBERTO C.O. LIM Alternate Chairman

Undersecretary Lim has a wealth of experience in the legal profession, corporate governance and also in the aviation industry. His legal experience involves contentious and non-contentious work. He has handled international/cross border litigations and transactions and contracts, mergers and acquisitions, debt financing, asset financing, regulatory and industry matters, insurance, legal, labor, and corporate compliance. He has also handled criminal and civil anti-trust cases arising from multiple jurisdictions. In corporate governance, he has served as independent director of the Philippine Stock Exchange (PSE) and other publicly listed companies and institutions.

His extensive aviation experience involves having been a member of the management committee of Philippine Airlines. He was Vice President General Counsel and Corporate Compliance Officer of PAL until 2008. He was also the Country Head of IATA Philippines from 2011-2016 where among his responsibilities was getting the Philippine aviation industry to modernize, embrace technology and innovation to achieve safe, secure, and profitable air transport industry that will contribute to national and economic development.

Usec. Lim has also been the Vice Chairman and Executive Director of the Air Carriers Association of the Philippines (ACAP), the association of the Philippine air carriers - PAL, Cebu Pacific, Air Asia, Air Philippines, and Cebgo. As Undersecretary for Aviation and Airports, he is responsible for formulating policy, plans, and programs to modernize, grow, and rationalize the sector. Moreover, he exercises oversight and supervision over the operating units such as CAAP, CAB, MIAA, Clark International Airport, Mactan-Cebu International Airport, OTS, etc.



AILEEN ANUNCIACION R. ZOSA Vice Chairman

Aileen Anunciacion R. Zosa, the first woman President and Chief Executive Officer (PCEO) of the Bases Conversion and Development Authority (BCDA), dedicated 27 years of service to the state-run firm before she took her oath of office as the new BCDA PCEO before President Ferdinand R. Marcos, Jr. in Malacanang Palace on Thursday, August 11, 2022.

Passionate about sustainability, diversity, and inclusion, Ms. Zosa was also designated as the Chief Sustainability Officer of the BCDA in June 2022, wherein she was tasked to provide guidance and direction in the design and implementation of a sustainability strategy for BCDA as well as its subsidiaries and affiliates.

Aside from 27 years of institutional knowledge with the BCDA, Ms. Zosa also brings to the table the know-how in the fields of business development and public policy, and more than a decade's worth of experience in various academic and bureaucratic positions in the public sector including the Senate, the Office of the President, and the Commission on Audit. Climbing the career ladder, Ms. Zosa started in BCDA in June 1995 as a manager for Corporate Planning and Project Development. She was then promoted to Vice President for Planning and Business Development in January 1997, and on to be the Executive Vice President and Chief Operating Officer of the state firm from February 2010 to July 2022.

Ms. Zosa started her career in government service in the Commission on Audit in 1984 under then Commission Secretary Leonor M. Briones, former Department of Education (DepEd) Secretary under the Duterte administration. She also worked in the Office of Senate Majority Leader Teofisto Guingona, Jr. where she undertook policy and legislative support functions, and actively participated via the Joint Executive-Legislative Bases Council in the research, formulation, and deliberations on the Bases Conversion Law and the

Special Economic Zones Law, which eventually laid the foundation of BCDA. Ms. Zosa's extensive involvement in research projects dealing with conversion and development of former military bases, Build-Operate-Transfer Scheme, Government Corporations, Public Utilities, Privatization and Public Debt served her in good stead in translating plans and programs into tangible, feasible and pioneering projects.

Also an academic, Ms. Zosa held teaching positions in the University of the Philippines - College of Public Administration from June 1987 to March 1992 in the fields of statistics and public fiscal administration. She also had a teaching stint as a Mathematics Instructor in the University of San Carlos (Cebu) after graduating Magna Cum Laude in Bachelor of Science in Mathematics from the same college in 1982.

Born on March 26, 1962 in Cebu City, Philippines, Ms. Zosa obtained her Master of Arts in Economics degree (with Merit Award for Academic Excellence) from the University of the Philippines in Diliman, Quezon City.

Aside from being the Vice-Chairperson of CIAC, Ms. Zosa is also a member of the following:

- **Board of Directors, Bases Conversion and Development Authority** - July 27, 2022 to present
- **Board of Directors, Subic-Clark Alliance for Development Council** - July 27, 2022 to present
- **Board of Trustees, Heritage Park Management Corporation** - March 30, 2017 to present
- **Board of Directors, Fort Bonifacio Development Corporation** - August 10, 2022 to present
- **Board of Directors, Bonifacio Estate Services Corporation** - November 07, 2022 to present
- **Board of Directors, Bonifacio Global City Estate Association** - February 15, 2023 to present
- **Board of Directors, Bonifacio Transport Corporation** - August 10, 2022 to present
- **Board of Directors, Crescent West Development Corporation** - August 10, 2022 to present
- **Board of Directors, Philippine Japan Initiative for CGC, Inc.** - September 29, 2022 to present
- **Board of Trustees, Fort Bonifacio Development Foundation, Inc.** - August 10, 2022 to present



**MA. ESPERANZA CHRISTINA
GARCIA-FRASCO**
Vice Chairman

Secretary Ma. Esperanza Christina Garcia Frasco is the current Secretary of the Department of Tourism. A multi-awarded Mayor of the Municipality of Liloan in the Province of Cebu, her transformational leadership fostered Liloan's development towards sustainability, livability, and innovation with aggressive infrastructure development, education support, economic recovery, and social protection programs earning awards for Liloan as the Top Model Municipality and Most Resilient Municipality in the Philippines.

Throughout the challenges of the pandemic and the super typhoon that recently devastated Central Visayas, she led Liloan's recovery and resurgence towards having the highest growth rate in Cebu. Under her leadership, Liloan has the distinction of being a four-time recipient of the highest audit rating given by the Commission on Audit, and it has received more than 40 good governance awards and citations from local and national award-giving bodies.

A lawyer by profession, she practiced international arbitration and commercial litigation and was a professor of law prior to joining public service in 2016. For her vast experience in local governance, Vice President Sara Z. Duterte appointed then Mayor Frasco her spokesperson for the 2022 National Elections.

After winning a fresh mandate for her third and final term as Mayor in the last elections, President Ferdinand R Marcos, Jr. handpicked her to lead the Department of Tourism (DOT), a challenge she wholeheartedly accepted as she committed to support the President's vision for tourism to become one of the country's major economic pillars and an effective driver of the Philippines' post-pandemic national recovery.

With Secretary Frasco at the helm of the tourism industry, the DOT aims to improve infrastructure and accessibility; push for comprehensive digitalization; enhance tourist experience; equalize tourism product development and promotion to increase livelihood and economic opportunities; diversify tourism products and widen tourism circuits; maximize domestic tourism while enhancing international tourism; and strengthen tourism governance through close coordination with local government units and stakeholders. Enhancing the overall tourist experience through connectivity, convenience, equality of promotion and development of tourist destinations across the country, and uplifting the quality of products and services to reflect a distinct Filipino brand, will be the main focus points of the tourism portfolio.

Now, as the country's Tourism Chief, Secretary Frasco brings her local government perspective, administrative and legal experience, and a collaborative and multi-dimensional approach to the short, medium and long term development of the Tourism Industry. With the goal of propelling The Philippines to exceed its current global standing and tourist arrival numbers, and transform it to a tourism powerhouse in Asia.



EDGARDO B. PANLILIO
Board Member

Mr. Panlilio was engaged in the field of banking and finance for over forty years. He rose from the ranks to become the Assistant Vice President of Prudential Bank Angeles, Clarks and San Fernando Branches -- his last assignment before he retired in 2006.

He also actively participated in civic, religious, and social organizations from 1980 to 2014. He became the President of Rotary Club of Angeles, President of El Circulo Fernandino, Grand Knight of Knights of Columbus Council 3709, and President of San Fernando and Metro Angeles Bankers' Association.

Owing to his expertise in the area of investment and business development, he is now involved in the restaurant business, and in the production of rice and corn in his family-owned 19-hectare farm in Anao, Mexico, Pampanga.

Aside from being a Member of the Board of Directors of Clark International Airport Corporation (CIAC), he is also the Chairman of the CIAC Board Audit Committee and a member of the Board Asset Appraisal Committee.

Mr. Panlilio obtained his Bachelor of Arts Degree, major in Economics, from the Ateneo De Manila University in 1963.

Trainings attended:

- What You Must Know About the 2016 Procurement Law IRR on 15 August 2019
- Executive Briefing on Business Continuity Planning on 11 December 2020
- Roles, Responsibilities, and Liabilities of Board Directors on 19 November 2021
- The Corporate Board's Roadmap to ESG-Driven Sustainability Strategy and Reporting on 21 June 2022

Board of Directors



MANUEL C. MORALES
Board Member

Director Morales is a former military pilot. In his 32 years of professional career as a Philippine Air Force (PAF) pilot, he has flown several types of military aircraft in the Philippines and in the USA. Among these aircrafts are "Huey" or UH-1H, Bell 205, Bell 214 "Heavyliifter", BO-105, Cessna T-41, Italian Marchetti SF-260, McDonnell Douglas MD905 and Blackhawk. He was a seasoned combat pilot on the "Huey" helicopter, an experienced search and rescue pilot and a diffident pilot of VIPs.

He spent the early years of his career as a combat pilot in Mindanao performing counter-insurgency operations. He spent most of this deployment tasking in Easter Mindanao, particularly in Region 11, which is Davao area. He spent a total of 15 years tour of duty in the Mindanao area.

About midway his career, he took up various schoolings both local and abroad. He was sent by the Air Force to study at United States Army Aviation School in Fort Rucker, Alabama; he was a graduate of Command and General Staff Course (CGSC), Class 44, at Fort Bonifacio, Taguig City; he took up Masters in Management, major in Public Administration at Philippine Christian College in Taft Ave., Manila; and had undergone post graduate schooling at

US Navy Postgraduate School in Monterey, California, USA.

Director Morales has held managerial positions while has was in the military service. During the second half of his career, he was a commander of the Aircraft Maintenance Unit in PAF Air Education and Training Command in Lipa City, Batangas. He has managed the airlift of troops and cargo by C-130 aircraft while assigned at the Joint Operations Center, GHQ, Armed Forces of the Philippines. He had been the Director of Safety in the PAF tasked to manage the ground and air safety program of the PAF.

Aside from being a Member of the Board of Directors of Clark International Airport Corporation (CIAC), he was elected as President of the Philippine Drone Association in October 2017, a non-profit organization with drone hobbyists and professionals as members. Director Morales earned his Bachelor of Science degree at Philippine Military Academy in 1981.

Trainings attended:

- What You Must Know About the 2016 Procurement Law IRR on 15 August 2019
- Executive Briefing on Business Continuity Planning on 11 December 2020
- Roles, Responsibilities and Liabilities of Board Directors on 19 November 2021
- ICD Masterclass: Sustainability and ESG: the What, Why, and How for Corporate Boards on 26 August 2022



JONATHAN G. PONCE, R.N.
Board Member

Mr. Ponce is a resident of Angeles City and a registered nurse by profession. He did not practice his profession because he is engaged in running their family businesses including a jewelry shop, pawnshops, and real estate. He is also involved in various charitable projects, especially when his older brother entered politics. He expresses that he is very honored for being appointed as Member of the CIAC Board of Directors.

His upbringing and exposure to their family business and his acumen in handling diverse business activities have molded his character towards the society in general. Having been appointed as a member of the Board of Directors of CIAC, his aim is to work towards the improvement of CIAC and the National Government.

Aside from being a Member of the Board of Directors of CIAC, he is also the Chairman of the CIAC Board Asset Appraisal Committee and a member of the Board Business Development Committee.

Trainings attended:

- Corporate Governance Orientation Program on 04 – 05 August 2020

- 2019 Revised Corporation Code of the Philippines on 19 November 2020
- Roles, Responsibilities and Liabilities of Board Directors on 19 November 2021
- The Corporate Board's Roadmap to ESG-Driven Sustainability Strategy and Reporting on 21 June 2022



**ATTY. ANNE-LORRAINE C.
ADORABLE-INTON**
Board Member

Atty. Adorable-Inton has a career in government service spanning more than 15 years. She held various positions in the House of Representatives starting in 2003 when she joined the Congressional team of then Representative (now Bulacan Governor) Wilhelmino M. Sy-Alvarado of the First District of Bulacan. She then held permanent positions in the Committee on Small Business and Entrepreneurship Development and the Committee on Banks and Financial Intermediaries where she was instrumental in the drafting of landmark legislations like the Magna Carta for Micro, Small and Medium Enterprises and the Credit Surety Fund Act. She was also OIC-Committee Secretary of the Congressional Oversight Committee on the Special Purpose Vehicle Act (COC-SPV) under the chairmanship of Rep. Fernando Gonzalez of the Third District of Albay.

In 2012, Atty. Adorable-Inton joined the Executive Committee of the Senatorial Campaign of Senator Joseph Victor "JV" Ejercito-Estrada in his bid for a slot in the Senate. She was part of the Legal Team that handled all election-related concerns of Senator Ejercito. In 2016, she headed the Legal Team of her husband, Mayor Antonio Joseph "Jopet" Inton in his Mayoralty bid in the Municipality of Hermosa, Bataan.

Atty. Adorable-Inton also has a Professorial Lecturer stint at the Central Colleges of the Philippines Main Campus in Sta. Mesa, teaching subjects such as Law on Sales, Agency and Partnership and Commercial Law.

Aside from her duties as a Member of the Board of Directors of Clark International Airport Corporation. She is also the Chairman of the CIAC Board Finance Committee and Nomination and Remuneration Committee of Clark International Airport Corporation. Atty. Inton also serves as Legal Consultant for Special Projects of San Miguel Corporation. She is also a member of the Board of Trustees of Bataan Peninsula Tourism Council Foundation representing Hermosa, Bataan.

Atty. Adorable-Inton earned her Bachelor of Arts degree in Public Administration at the University of the Philippines National College of Public Administration and Governance (UP-NCPAG). She completed her Juris Doctor program at the University of the Philippines College of Law.

Trainings attended:

- a. What you must know about the 2016 Procurement Law IRR on 15 August 2019
- b. 2019 Revised Corporate Code of the Philippines on 19 November 2020
- c. Rules on Administrative Cases in the Civil Service on 21-22 October 2021
- d. Making your Business Healthy through Diverse and Inclusive Policies on 28 October 2022



DR. GOLDWIN Z. POSADAS
Board Member

Dr. Posadas is a Pediatric Anesthesiologist by profession. After finishing his residency training in Anesthesiology at the National Kidney and Transplant Institute (NKTi) in 2011 and subsequently his sub-specialty training in Pediatric Anesthesia at the Philippine Children's Medical Center (PCMC) in 2013, he went to his home province of Pangasinan to practice. At the same time, he became a faculty member of the VMUF College of Medicine. In 2016, he moved back to Manila to practice at the NKTi, where he is currently a Visiting Consultant. He is affiliated with hospitals in the greater Clark and Angeles City areas such as The Medical City Clark and Philippine Rehabilitation Institute Medical Center among others.

Dr. Posadas obtained his medical degree at the University of Santo Tomas. Prior to that he took his pre-med course at the same institution earning him a bachelor's degree in Biology.

Trainings attended:

- a. What you must know about the 2016 Procurement Law IRR on 15 August 2019
- b. Executive Briefing on Business Continuity

- Planning on 11 December 2020
- c. Best Practices in Strategy Execution on 28 October 2021
- d. The Corporate Boards Roadmap to ESG-Driven Sustainability Strategy and Reporting on 22 June 2022

Board of Directors



ATTY. JULIUS N. RABOCA *Board Member*

Atty. Julius N. Raboca leads the Litigation Department of VeraLaw with over thirty years of extensive advocacy before regular courts and quasi-judicial government agencies specializing in civil, criminal, labor disputes and arbitration. He is involved in civil society advocacies for press freedom and represented the Philippine Press Institute in the Supreme Court when it questioned the COMELEC's order requiring newspapers to give free space to candidates. Atty. Raboca was also instrumental in securing favorable and lucrative exit terms for a client involved in hospital management. He also successfully recovered a multi-million claim by a multinational company against a domestic telecommunications corporation before the Construction Industry Arbitration Commission that was litigated all the way to the Supreme Court. He represents a port owner who has an on-going dispute with one of the largest free ports in the country.

Atty. Raboca once served as the Department Legal Counsel of the Department of Interior and Local Government. He was a lecturer of Corporation Law, Civil Law, Labor Law, Trial Technique, Insurance, and Administrative Law.

In his spare time, Julius enjoys biking and scuba diving.

Trainings attended:

- a. What you must know about the 2016 Procurement Law IRR on 15 August 2019
- b. Executive Briefing on Business Continuity Planning on 11 December 2020
- c. Rules on Administrative Cases in the Civil Service on 21 - 22 October 2021

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022	2021
ASSETS			
Current Assets			
Cash and Cash Equivalents	2, 3	P 2,626,393,327	3,233,430,765
Receivables	4	231,295,955	200,629,048
Inventories	5	2,672,290	2,984,870
Other Current Assets	6	90,348,838	828,561
Total Current Assets		2,950,710,410	3,437,873,245
Non-Current Assets			
Financial Assets	7	361,120,000	153,770,000
Other Investments	8	2,499,294	54,936,679
Property, Plant and Equipment, Net	2, 9	1,234,220,482	4,056,843,139
Intangible Assets, Net	10	2,104,766	950,647
Other Non-Current Assets	6	45,373,562	45,053,046
Total Non-Current Assets		1,645,318,104	4,311,553,511
TOTAL ASSETS		4,596,028,514	7,118,694,125
LIABILITIES			
Current Liabilities			
Financial Liabilities	11	47,354,684	97,263,544
Inter-Agency Payables	12	55,624,724	56,347,014
Trust Liabilities	14	22,105,706	280,657,910
Deferred Credits/Unearned Income	15	56,824,011	15,136,735
Other Payables	16	8,605,289	260,472,123
Total Current Liabilities		190,514,414	709,877,326
Non-Current Liabilities			
Financial Liabilities		0	40,807,258
Inter-Agency Payables	10	611,114,385	4,104,663,022
Trust Liabilities	11	257,749,353	247,979,449
Deferred Credits/Unearned Income	13	1,703,643,446	1,192,921,383
Total Non-Current Liabilities	14	2,572,507,184	5,586,371,112
TOTAL LIABILITIES		2,763,021,598	6,296,248,438
EQUITY			
Retained Earnings/(Deficit)		-168,016,731	-505,915,109
Stockholders' Equity	17	2,001,023,647	1,328,360,796
TOTAL EQUITY		1,833,006,916	822,445,687
TOTAL LIABILITIES AND EQUITY		P 4,596,028,514	7,118,694,125

Financial Statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTE	2022	2021
INCOME			
Service and Business Income	18	P 600,654,183	502,528,433
Gains	19	124,722,808	44,911,198
Other Non-Operating Income	20	35,949,150	9,955,171
Total Income		761,326,141	557,394,802
EXPENSES			
Personnel Services	21	(120,844,503)	(111,665,200)
Maintenance and Other Operating Expenses	22	(78,952,073)	(63,310,624)
Financial Expenses	23	(2,710,327)	(5,470,208)
Non-Cash Expenses	24	(102,582,026)	(110,871,360)
Total Expenses		(305,088,929)	(291,317,392)
Profit Before Tax		456,237,212	266,077,410
Income Tax Expense	25	(17,486,640)	(11,357,001)
Profit After Tax		438,750,572	254,720,409
Assistance and Subsidy		-	-
Net Income		438,750,572	254,720,409
Other Comprehensive Income for the Period		-	-
Comprehensive Income		438,750,572	254,720,409

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Retained Earnings/ (Deficit)	Contributed Capital	Donated Capital	Share Capital	TOTAL
BALANCE AT JAN. 1, 2021		P (313,960,847)	P 1,307,258,080	P 19,852,716.12	P 1,250,000.00	P 1,014,399,949
CHANGES IN EQUITY FOR 2021						
Add/(Deduct):						
Issuances of Share Capital		-	0	0	0	0
Additional Capital from National Government		-	0	0	0	0
Other Equity Instruments		-	0	0	0	0
Deposit for Future Stock Subscription		-	0	0	0	0
Members' Contribution		-	0	0	0	0
Comprehensive Income for the year		254,720,409	0	0	0	254,720,409
Dividends		(95,056,164)	0	0	0	(95,056,164)
Other Adjustments	26	(351,618,507)	0	0	0	(351,618,507)
BALANCE AT DECEMBER 31, 2021		P (505,915,109)	P 1,307,258,080	P 19,852,716	P 1,250,000	P 822,445,687
CHANGES IN EQUITY FOR 2022						
Add/(Deduct):						
Issuances of Share Capital		-	0	0	0	-
Additional Capital from National Government		-	0	0	0	-
Other Equity Instruments		-	0	0	0	-
Deposit for Future Stock Subscription	17	-	672,662,851	0	0	672,662,851
Members' Contribution		-	0	0	0	-
Comprehensive Income for the year		438,750,572	0	0	0	438,750,572
Dividends		(118,181,205)	0	0	0	(118,181,205)
Other Adjustments	26	17,329,011	0	0	0	17,329,011
BALANCE AT DECEMBER 31, 2022		(168,016,731)	P 1,979,920,931	P 19,852,716	P 1,250,000	P 1,833,006,916

Financial Statements

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
CASH INFLOWS			
Collection of Income/Revenue		56,203,868	P 16,377,618
Collection of Receivables		614,466,936	368,306,595
Receipt of Inter-Agency Fund Transfers		226,858,021	384,231,166
Trust Receipts		18,777,298	87,234,746
Other Receipts		1,112,630,904	859,038,272
TOTAL CASH INFLOWS		2,028,937,027	1,715,188,397
Adjustments		3,890,830	5,088,146
ADJUSTED CASH INFLOWS		P 2,032,827,857	P 1,720,276,543
CASH OUTFLOWS			
Payment of Expenses		138,814,497	109,334,699
Grant of Cash Advances		579,414	94,000
Prepayments		922,077	38,556
Payment of Deposits		240,892,334	2,929,523
Payment of Accounts Payable		46,001,503	641,217,553
Remittance of personnel benefit contributions and mandatory deductions		41,334,110	32,366,163
Remittance of taxes withheld-expanded and income tax		19,244,637	30,465,166
Grant of Financial Assistance/Subsidy/Contribution		-	-
Other disbursements		860,562,088	913,546,691
TOTAL CASH OUTFLOWS		P 1,348,350,660	P 1,729,992,351
Adjustments		5,070,146	3,294,632
ADJUSTED CASH OUTFLOWS		1,353,420,806	1,733,286,983
Net Cash Provided By (Used In) Operating Activities		P 679,407,051	P (13,010,440)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2022

	NOTES	2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH INFLOWS			
Receipt of Interest Earned		30,244,998	11,128,362
Proceeds from Matured Investments		339,525,075	324,129,046
TOTAL CASH INFLOWS		369,770,073	335,257,408
Adjustments		-	-
ADJUSTED CASH INFLOWS		P 369,770,073	P 335,257,408
CASH OUTFLOWS			
Purchase/Construction of Property, Plant and Equipment		396,635,700	538,448,931
Purchase of Investments		202,000,000	152,850,458
Termination of time deposits		341,314,017	346,913,789
TOTAL CASH OUTFLOWS		P 939,949,717	P 1,038,213,178
Net Cash Provided By (Used In) Investing Activities		(570,179,644)	(702,955,770)
CASH FLOWS FROM FINANCING ACTIVITIES			
TOTAL CASH INFLOWS		-	-
CASH OUTFLOWS			
Payment of Long-Term Liabilities		95,216,935	54,409,678
Payment of Interest on Loans and Other Financial Charges		2,652,835	5,407,800
TOTAL CASH OUTFLOWS		P 97,869,770	P 59,817,478
Net Cash Provided By (Used In) Financing Activities		(97,869,770)	(59,817,478)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		11,357,637	(775,783,688)
Effects of Exchange Rate Changes on Cash and Cash Equivalents		117,351,513	40,037,100
CASH AND CASH EQUIVALENTS, JANUARY 1	2,3	P 2,497,684,177	P 3,233,430,765
CASH AND CASH EQUIVALENTS, DECEMBER 31	2,3	P 2,626,393,327	P 2,497,684,177

Notes to Financial Statements

For the year ended December 31, 2022 (With comparative figures for CY 2021) (Amounts rounded to the nearest peso)

1. HISTORICAL BACKGROUND

By virtue of Executive Order (E.O.) No. 192, which was issued on July 27, 1994, Clark International Airport Corporation (CIAC) was organized as a wholly-owned subsidiary corporation of the Clark Development Corporation (CDC). CIAC is tasked and mandated to develop, operate, manage and maintain the Clark Civil Aviation Complex.

After two years, E.O. No. 360 was issued on August 16, 1996, which amended E.O. No. 192, making CIAC as a wholly-owned subsidiary corporation of the Bases Conversion and Development Authority (BCDA).

On July 5, 2002, the Securities and Exchange Commission (SEC) approved the merger of CDC and CIAC pursuant to E.O. No. 7 issued on March 26, 2001, with the former as the surviving entity. As such, the financial statements of CIAC for CY 2002 were combined with the financial statements of CDC.

CIAC was re-established as a subsidiary of the BCDA under E.O. No. 186 issued on March 10, 2003. After a month, E.O. No. 186 was repealed by E.O. No. 193 issued on April 4, 2003, reverting back CIAC as a subsidiary of CDC. The SEC subsequently approved this on September 4, 2003 and as a consequence, all transactions related to the CIAC operations were separated from the CDC books beginning October 1, 2003. However, the real accounts of CIAC prior to its re-incorporation in September 2003 were still carried in the books of CDC until October 31, 2006. It was only in November 2006 that the balances of the real accounts were transferred from the CDC's financial records to CIAC's books. Effective November 2006, the accounts of CIAC were fully segregated from the books of CDC.

On April 3, 2008, E.O. No. 716 was issued, which amended EO No. 193, transforming CIAC as a subsidiary of the BCDA. The Implementing Plan was finalized and approved in 2010. CIAC was able to collect from CDC the amount of P41,741,196.00 in December 2012, representing 50% share on revenues collected by CDC pursuant to EO No. 716. The full amount was included in the revenues of CIAC for the year 2012.

On December 21, 2011, E.O. No. 64 was issued attaching CIAC to the Department of Transportation (DOTr) which shall exercise administrative control and supervision over CIAC and further ordering the transfer of the shares of stocks of CIAC to the National Government which were partially realized in 2015 with the transfer of P1,250,000.00 worth of stocks from the BCDA to the National Government as approved by the SEC.

On February 28, 2017, E.O. No. 14 was issued, which restructured CIAC from an attached agency of DOTr to a subsidiary of the BCDA. The DOTr was ordered to facilitate the transfer and conveyance of the shares owned by the National Government and the nominee stockholders, in favor of BCDA and its nominees. However, the DOTr shall maintain the policy supervision and operational control of CIAC.

On April 30, 2018, BCDA started the process of bid-out of the Operation and Maintenance (O&M) of the terminal operation. On December 20, 2018, the Notice of Award was issued to the North Luzon Airport Consortium composed of Filinvest, JG Summit, Changi Airport and Philippine Airport Ground Support Solutions, Inc. (PAGSS), which was declared as the winning concessionaire.

On August 16, 2019, the terminal operations and maintenance of the Clark Airport (CRK) was handed-over to the winning O&M concessionaire. Consequently, a total of 215 employees of CIAC directly affected by the hand-over were separated from the service effective on even date. The separated employees were entitled to receive separation incentive pay from CIAC, as approved by President Duterte through the Office of the Executive Secretary, equivalent to a multiplier rate of 1.5 on the monthly salary multiplied by the number of years in service.

Except for leasehold improvements that are still to be appraised, the transfer of assets and inventories to the BCDA, with a net book value of P603,344,554.81, was recorded in CIAC books in December 2019 as an offset against BCDA's advances to CIAC. The transfer was covered by a Deed of Assignment approved by the CIAC Board on December 12, 2019. The transfer of the advance lease payment, security deposits and performance security pursuant to the approved Deed of Assignment of Contracts, based also on the Concession Agreement between BCDA and North Luzon Airport Consortium (NLAC), was made on January 17, 2020 (Peso accounts) and May 19, 2020 (Dollar accounts).

Immovable properties with an appraised value of P478,359,129.20, which are within the project area of the Concession Agreement between the BCDA and NLAC, are also subject for transfer. The execution of asset transfer to the BCDA is pending due to the ongoing review of the Deed of Assignment of Immovable Assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of the Revised Chart of Accounts pursuant to COA Circular No. 2016-006 dated December 29, 2016

CIAC has adopted the revised chart of accounts through conversion of the accounts based on the statement of financial position as at December 31, 2016 and henceforth.

Financial Statements

Property, Plant and Equipment

Under E.O. No. 716 issued on April 3, 2008, the whole aviation complex measures 2,367 hectares. Ownership of the land remains with the BCDA, therefore, not recorded in the books of CIAC. The property and equipment taken up in the books represent only those that were purchased or acquired by CIAC upon its organization in 1995.

In accordance with PAS 16, property and equipment are carried at cost less accumulated depreciation and accumulated impairment losses. To date, there were no recorded impairment losses due to non-appraisal of the properties. Significant improvements and renewals, including incidental costs are capitalized, while cost of maintenance and repairs is charged to expense. When property is disposed, the cost and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is credited or charged to current operations. Depreciation policies are as follows:

- a. Straight-line method of depreciation is used based on the economic life of the assets.
- b. Transportation equipment are depreciated for five years using the Sum of the Years Digit Method.
- c. COA Circular Nos. 2003-007 and 2004-005 were adopted by the Corporation starting January 2004.
- d. The estimated useful life in the computation of the depreciation of the radar equipment and its spare parts, under account Airport Equipment-Navigational Aids, is 15 years based on the Project Evaluation Report of the National Economic Development Authority (NEDA).
- e. Other fixed assets were depreciated with estimated useful lives based on past performance of such assets.

Adoption of the increase in capitalization threshold pursuant to COA Circular No. 2022-004 dated May 31, 2022

CIAC has adopted the retrospective application of the increase in the capitalization threshold of its property and equipment from P15,000.00 to P50,000.00 as at December 31, 2022.

Income Recognition

Accrual method is used in recognizing rent income, landing & parking fees and income from concessionaires, except for interest and penalty charged to locators which are recorded at the time of payment (Cash Method).

Extent of Compliance with Philippine Financial Reporting Standards (PFRS) and Philippine Accounting Standards (PAS)

CIAC has adopted the PFRS and PAS effective January 1, 2016. The presentation of the financial statements is in accordance with the following PAS:

PAS 2: Inventories - The various inventory accounts carried in the books of CIAC are inventories held for consumption which are valued using the weighted average method.

PAS 7: Statement of Cash Flows - The statement of cash flows is presented using the direct method, thus, generation and use of cash equivalents are classified by operating, investing and financing activities.

PAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors - Accounting Policies includes the depreciation based on COA Circular Nos. 2003-007 and 2004-005 adopted by the Corporation starting January 2004.

Accounting Estimates - The depreciation of the radar equipment and its spare parts was accordingly adjusted based on the evaluation made by the NEDA, in which the project life of the equipment was estimated to be at fifteen (15) years. Other fixed assets were depreciated with estimated useful life based on past performance of such assets.

Errors - Overstated/understated revenues/expenses in prior years were charged/ credited to Retained Earnings account.

PAS 16: Property, Plant and Equipment (PPE) - PPEs are valued at cost while the computation of depreciation is based on COA Circulars. Please refer to second paragraph of Note 2.

PAS 38: Intangible Assets - Finite useful life was adopted in the amortization of various computer softwares acquired by the Corporation. Please refer to Note 10.

PAS 36: Impairment of Assets - To date, there was no recorded impairment loss due to non-appraisal of the properties.

Notes to Financial Statements

The Provident Fund for CIAC employees was established in July 2002 during the merger of CDC and CIAC; thus, the Provident Fund was handled and managed by the CDC Provident Fund, Inc., since CDC is the surviving entity. On July 25, 2007, EO No. 641 was issued authorizing the establishment of a Provident Fund in each government agency. SEC approved the incorporation of CPFI as a non-stock, non-profit corporation on September 28, 2007. All transactions related to CIAC Provident Fund were separated from the CDC Provident Fund, Inc. beginning September 1, 2007.

The rate of contributions of the Provident Fund was included in the Collective Bargaining Agreement approved by the Board. The employer counterpart on the CPFI contributions is 2.5% of the basic salary and annual increase is 0.5%, which reached to 7% as of May 31, 2018, while the employees contribution is fixed at 2.5% of the basic salary. Effective June 2018, the rate of employer's contribution approved by the Department of Budget and Management (DBM) is 5%.

For the defined benefit plan, CIAC, in the previous years, implemented a retirement program for its regular employees as provided for under Section 4, Article XIII in the Collective Bargaining Agreement (CBA). To be eligible for the benefit, an employee must have rendered at least five (5) years of service in CIAC and has no pending administrative case.

The Commission on Audit has issued an Audit Observation Memorandum (AOM) No. 2014-007 (2013) dated March 7, 2014 questioning the aforementioned retirement package; thus, this benefit is on hold while awaiting for the response of COA on the appeal of Management.

PAS 21: The Effects of Changes in Foreign Exchange Rates - Refer to Note 3 related to foreign exchange rates.

PAS 23: Borrowing Costs - Refer to Note 9 on capitalization of borrowing costs directly attributable to the qualifying assets.

PAS 37: Provisions, Contingent Liabilities and Contingent Assets - Please refer to Note 4 for contingent income.

PAS 12: Income Taxes - Refer to Note 25 for income taxes.

PFRS 16: Leases - CIAC is engaging in leasing of properties. Revenue from lease is recognized based on the lease rates stated in the contract over the lease term, usually for a period ranging from one to 50 years. The lessee has the option to renew upon the expiration of the lease contract.

On July 23, 2020, the Board of Directors issued a policy on the grant of assistance to locators affected by the COVID-19 pandemic, in reference to R.A. No. 11469, otherwise known as Bayanihan to Heal as One Act; Presidential Proclamation No. 929, s. 2020; Memorandum from the Office of the Executive Secretary entitled "Implementation of Temporary Emergency Measures under R.A. 11469"; and DTI Memorandum Circulars 20-12, 20-29 and 20-31.

Assistance is specified as:

- a. A 30-day grace period granted on lease rentals, sub-lease share and other considerations falling due upon a lessee within the declared community quarantine, whether ECQ, MECQ and GCQ.
- b. For lease rentals, sub-lease share and other considerations falling due upon the lessee/s not permitted to operate during the ECQ, MECQ and GCQ, the 30-day grace period granted from the last due date or from the lifting of the ECQ, MECQ and GCQ, whichever is longer, without incurring interests, penalties, fees and other charges.
- c. The cumulative amount of lease rentals, sub-lease share and other considerations that fall due within the ECQ, MECQ and GCQ granted equal amortization of twelve (12) months following the end of the 30-day grace period, without interest, penalties, fees and other charges, which amount is added to the current monthly rent due.
- d. No obligation to refund lease rentals, sub-lease share and other considerations for payment made before or during the period of the community quarantine.
- e. Lessee/s may opt to pay on time despite the policy.
- f. A ninety (90)-day grace period granted on old unpaid accounts (outstanding accounts as of 15 March 2020), wherein no interests and/or penalty were imposed for the period March 16, 2020 to June 15, 2020.

As of December 31, 2022, CIAC has existing 51 active lease contracts and 22 sublease contracts.

As a lessor, the adoption of PFRS 16 from the previous PAS 17 has no significant change in the accounting of CIAC's books.

Financial Statements

3. CASH AND CASH EQUIVALENTS

This account consists of:

	2022	2021
Cash - Collecting Officers	P 0	P 0
Petty Cash	203,971	104,411
Cash in Bank - Local Currency (LC), Current Account (CA)		
Development Bank of the Philippines (DBP), Clark	59,686,738	6,242,501
Cash in Bank - LC, CA United Coconut Planters Bank (UCPB), Clark	14,621,139	24,038,227
Cash in Bank - LC, CA Land Bank of the Philippines (LBP), Clark	183,022,666	160,514,752
Cash in Bank - LC, CA LBP - Department of Transportation (DOTr) Funds	3,039,824	326,114,507
Cash in Bank - LC, CA LBP - CIAC Non- Infrastructure	9,043,348	7,804,271
Cash in Bank - LC, CA LBP - CIAC Operating Expense (OPEX)	34,417,307	30,290,879
Cash in Bank - LC, CA LBP - CIAC Infrastructure Projects	130,420	90,446,467
Cash in Bank - Foreign Currency (FC), Savings Account (SA) DBP, Clark	40,565,978	4,062,784
Cash in Bank - FC, SA LBP, Clark	86,831,461	108,436,397
Time Deposits – LC	1,171,278,366	1,079,709,885
Time Deposits - FC	1,023,552,109	659,919,096
TOTAL CASH AND CASH EQUIVALENTS	P 2,626,393,327	P 2,497,684,177

The Cash - Collecting Officers account consists of revenues collected by Collectors and Cashiers, which remain under their accountability until deposited the next banking day.

Petty Cash represents the revolving fund issued to designated petty cash custodians intended for petty and miscellaneous expenses.

Cash in Bank - DBP Clark is the bank account where some of CIAC's locators and concessionaires deposit their payments. This account was opened in February 2021.

Cash in Bank - UCPB Clark is the depository account of collected security fees until August 15, 2019, disbursed for expenses related to security matters.

Cash in Bank - LBP Clark is the bank account where most of the CIAC collections are deposited and most of the operating expenses, such as, but not limited to the personnel services and remittances to government agencies are drawn.

Cash in Bank – LBP Clark (DOTr Funds) is the depository account of the fund releases from DOTr intended for the procurement of safety and operations equipment; procurement of APEC related projects; pre-construction and supervision fund for the new terminal project; consulting services for the detailed engineering and design for the new terminal building project; and project cost of the horizontal infrastructure for the new terminal building project.

Cash in Bank – LBP Clark (CIAC Non-Infrastructure) is the bank account where funds for claims for non-infrastructure projects are drawn.

Cash in Bank – LBP Clark (CIAC OPEX) is the bank account where funds will be used to pay claims for operating expenses, such as, but not limited to outsourcing services, janitorial services, ground maintenance services, are drawn.

Notes to Financial Statements

Cash in Bank – LBP Clark (CIAC Infrastructure Projects) is the depository account of the fund releases from BCDA intended for various projects in Note 9.

Cash in Bank (Foreign Currency Account) - DBP Clark is the depository account of foreign currency denominated collections from locators and concessionaires. This account was opened in February 2021.

Cash in Bank (Foreign Currency Account) - LBP Clark is the depository account of foreign currency denominated collections from locators and concessionaires. Payments requiring settlement in foreign currency are drawn from this account.

Time Deposits - Local Currency represents short-term placements with maturity periods ranging from 60 to 365 days bearing interest rates from 1.40% to 3%.

Time Deposits - Foreign Currency represents short-term placements of foreign currency denominated funds with maturity periods ranging from 90 to 365 days bearing interest rates from 0.12% to .60%.

Foreign Currency Transactions

PAS 21: The Effects of Changes in Foreign Exchange Rates

The functional currency used by CIAC is Philippine peso, thus, foreign currency transactions are converted in Philippine peso. The presentation currency of the financial statements are also translated in Philippine peso. Transactions in foreign currency are recorded in Philippine peso using the spot exchange rate. Exchange gains or losses are being realized as follows: 1) at the end of the year/reporting date based on the closing rate; 2) periodic adjustments; 3) trade/conversion of dollar to peso; and 4) termination of dollar time deposits. First-in-first out (FIFO) method is used in recording dollar withdrawals on foreign currency transactions.

4. RECEIVABLES

This account consists of the following:

	2022	2021
Accounts Receivable-Trade	P 193,885,834	P 279,529,328
Allowance for Impairment-Accounts Receivable	(45,459,406)	(65,667,685)
Accounts Receivable-Others	7,779,848	7,581,237
Accounts Receivable-Bank Charges	7,646	7,646
Interest Receivable	6,407,355	8,375,595
Due from Government Corporations-CDC	49,861,652	49,861,652
Due from Government Corporations-BCDA	2,185,936	2,176,486
Due from Government Corporations-MIAA	173,434	173,434
Due from Government Corporations-CIAC Provident Fund	15,256,749	16,893,997
Receivables-Disallowances/Charges	74,468	74,468
Due from Officers and Employees	796,819	916,736
Other Receivables	325,620	4,993,575
TOTAL RECEIVABLES	P 231,295,955	P 304,916,469

Accounts Receivable – Trade - This account represents rent and aeronautical fees due from various locators, airline operators and concessionaires. Included in the account are the receivables previously recorded in CDC books, of which the outstanding balances (including the impairment in the amount of ₱3,487,256.34 as of October 31, 2006 were transferred by CDC to CIAC in November 2006.

Financial Statements

Included also under the **Accounts Receivable – Trade** account, booked in June 2010, are the lease rental arrears of Clark Airport Ground Handling Services, Inc. (CAGHSI) for the period January 2007 to December 2008 amounting to P12,009,644.24, covered under Memorandum of Agreement (MOA) between CIAC and CAGHSI dated December 12, 2008. An ongoing case in court has been pursued by CIAC against CAGHSI on its arrears. Aside from the P12,009,644.24 already booked, a contingent income of P96,582,139.42, representing unpaid lease rentals and utility bills for the period March 2002 to January 2013 inclusive of interest and penalty, remained unrecorded pending a resolution of the case filed against CAGHSI. In April 2017, pursuant to a court order, proceeds from sale of airport equipment of CAGHSI in the amount of P3,125,000.00 were offset from the P12,009,644.24 lease rental arrears of CAGHSI resulting to an outstanding balance from CAGHSI of P8,884,644.24.

The lease contract of Jet Ventures, one of CIAC's locators, was pre-terminated. It had unpaid accounts amounting to P1,296,995.00 when it prematurely ceased operations. The properties of Jet Ventures were taken over by Management in 2006 for the purpose of offsetting said properties against the outstanding receivables from Jet Ventures once cost is determined. However, as of to date, there is no recording of offset since the market value of the properties are unobtainable for the reason that the properties are no longer available in the market. The outstanding accounts of CAGHSI and Jet Ventures are 2 of about more than 20 accounts requested for write-off pursuant to the recommendation of COA per AOM No. 2021-004 (2020) dated February 23, 2021.

CIAC received an authority from COA to write off various accounts totaling P1,712,721.51 on May 31, 2022 and the dormant accounts of CAGHSI, Pacific East Asia Cargo Airlines Inc., Pacific Flier Airlines Pty. Ltd. and Spirit of Manila Airline Corporation totaling P17,562,940.87 on July 19, 2022. Accounts written off were transferred accordingly to the Registry of Accounts Written off (RAWO).

Allowance for Impairment-Accounts Receivable - The Allowance for Impairment of Accounts Receivable of P3,487,256.34 was included among the accounts transferred by CDC in November 2006. The said impairment of receivables was already set-up prior to the merger of CIAC and CDC in 2001. Pursuant to the existing policy approved in December 2013 per Board Resolution No. RM-12-05, series of 2013, the amount of impairment on the receivables as of December 31, 2022 is P45,459,405.84.

Accounts Receivable - Others - Under this account are charges to concessionaires representing their power consumption. Included also in this account were electrical charges of CAGHSI, recorded in June 2010, for the period March 2002 to December 2008 amounting to P4,270,120.21 as per Memorandum of Agreement (MOA) signed with CIAC.

Accounts Receivable – Bank Charges - Lodged in this account are bank charges on returned checks deposited by CIAC. Said checks were issued by locators/airline operators for payment of their outstanding accounts with CIAC; thus, the bank charges are included on the locators/airlines' account balance.

Interest Receivable - This account represents the accrued interest income from time deposits.

Due from Government Corporations – CDC - Entered under this account are remittances of UPS of its rent payment to CDC to service the payment of interest and bank charges on the balance of Deutsche Bank loan acquired by CDC for CIAC in financing the TRACON Project. However, starting January 2018, CIAC has started collecting the UPS rent payment. Only the transactions starting May 2011 are recorded under this account since the balance as of April 30, 2011 has been included in the reconciled intercompany balances among BCDA, CDC and CIAC. Also added under this account is the CIAC share on revenues collected by CDC pursuant to EO No. 716.

Due from Government Corporations - BCDA - This account represents the balance on the 50% share on the revenues as of December 31, 2016, previously advanced by the Clark Development Corporation to BCDA totaling to P220,395,171.32. As of March 31, 2017, the BCDA has remitted to CIAC the total amount of P220,000,000.00, thus, balance on the revenue share is P395,171.32. Included under the account are expenses incurred for terminal operations advanced by CIAC for BCDA's account. Balance as at December 31, 2022 is P2,185,935.72.

Due from Government Corporations – MIAA - This account refers to the expenses paid by CIAC for MIAA for the capsule laying activity. Efforts to collect the same have been exerted.

Due from Government Corporations – CIAC Provident Fund - This account represents the retirement portion on the CIAC's corporate share remitted to the Provident Fund.

Receivables - Disallowances/Charges - These were the accounts turned over by the CDC in November 2006. Based on the financial report of CIAC as of July 31, 2002, the receivable pertained to COA disallowance in the form of 13th month pay (allowance portion) granted in 1997 and cable charges. The balance, which was turned over, belongs to the CIAC resigned officers.

Due from Officers and Employees - These accounts are receivables from CIAC personnel for personal calls, medical expenses, utilities and SSS delinquent loans.

Other Receivables - This account includes creditable withholding tax which can be applied by CIAC as deduction from its income tax payment. This account also includes SSS benefit claims advanced by CIAC to its employees; personal telephone calls of employees of support agencies; and those which were turned over by CDC in November 2006.

Notes to Financial Statements

5. INVENTORIES

The various inventory accounts carried in the books of CIAC are inventories held for consumption which are valued using the weighted average method.

This account consist of:	2022	2021
Balance, January 1	P 3,126,083	P 2,984,870
Additions/Acquisitions during the year	1,724,612	1,814,622
Expensed during the year except write-down	(2,178,405)	(1,673,409)
Write-down during the year	0	0
Reversal of Write-down during the year	0	0
Balance, December 31	P 2,672,290	P 3,126,083

6. OTHER ASSETS

This account consist of:	2022	2021
Current Assets		
Prepaid Insurance	P 524,262	P 125,143
Other Prepayments	10,000	512,499
Guaranty Deposits	776,243	776,243
Advances to Contractors	89,038,333	0
Total Current Assets	90,348,838	1,413,885
Non-Current Assets		
Restricted Fund	6,530,041	6,530,041
Other Assets-Unserviceable Assets	38,843,521	38,523,005
Total Non-Current Assets	P 45,373,562	P 45,053,046

Prepaid Insurance represents unexpired portion of insurance premiums of CIAC occupied buildings.

Other Prepayments refers to various payments for the contracted services still in progress.

Guaranty Deposits pertains to payments to utility companies (electric, water, etc.) and various suppliers that are refundable upon cancellation/termination of contracts.

The **Advances to Contractors** account represents the mobilization, net of recoupment on progress billings, paid to contractors for their individual projects.

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Restricted Fund was posted on labor cases filed against CIAC, breakdown of which is as follows:

PARTICULARS	AMOUNT
1) Representing supersede as bond posted in August 2011 for non-payment of overtime pay, moral and exemplary damages and attorney's fees before the NLRC Regional Arbitration Branch No. III. A decision on this case was issued, however, CIAC filed for a reconsideration which was subsequently denied. In February 2013, the plaintiffs moved for the issuance of a writ of execution.	P 0.49 million
2) Representing cash bond posted in February 2015 for illegal dismissal per NLRC Case No. RAB-III-06-17828-11.	P2.02 million
3) Representing appeal bond posted in April 2018 for illegal dismissal, regularization, non-payment of salaries, overtime pay, 13th month pay and incentive leave per NLRC Case No. RAB-III-11-24892-16.	P4.02 million
Total Restricted Fund	P6.53 million

Other Assets - Unserviceable Assets refer to the airport equipment which is no longer serviceable that will be due for disposal.

7. FINANCIAL ASSETS

This account consists of:

	2022	2021
Particulars		
Investment Securities at Amortized Cost	P 361,120,000	P 153,770,000
Total Investments	P 361,120,000	P 153,770,000

Investment Securities at Amortized Cost consists of investment in retail dollar bonds with maturity date until 2031 bearing fixed interest rate of 2.25% and investments in retail peso bonds with maturity dates from 2027 until 2028 and bearing fixed interest rates ranging from 4.63% to 5.75%.

8. OTHER INVESTMENTS

This account consists of:

	2022	2021
Sinking Fund	P 2,498,994	P 37,867,584
Investments in Time Deposits - Foreign Currency	0	17,068,795
Investment in Stocks	300	300
Total Investments	P 2,499,294	P 54,936,679

Sinking Fund - LBP Debt Service Payment Account (DSPA) pertains to the deposit with the LBP pursuant to the provision of the Loan Agreement signed with LBP in 2012. Decrease on this account is in compliance with the terms and conditions of the loan agreement, while minor increase or decrease may represent interest earnings and documentary stamps charges on loan.

Investments in Time Deposits - Foreign Currency represents long-term placements of foreign currency denominated funds with maturity periods of two years bearing interest rate of 2.2%.

The Investment in Stocks represents subscription of three shares of stock to Subic-Clark Alliance Development Corporation (SCADC).

Notes to Financial Statements

9. PROPERTY, PLANT AND EQUIPMENT (PPE)

The details of this group of accounts follow:

2022	Land Improvements	Buildings and Other Structures	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Books	Construction in Progress	Total
Cost							
Balance, Jan.1	P 773,364,894	P 1,382,968,733	P 140,590,892	P 26,660,946	P 16,461,169	P 2,941,364,911	P 5,281,411,545
Adjustment (Note 2)	0	0	(30,215,538)	(36,000)	(12,097,560)	0	(42,349,098)
Balance, Jan.1	773,364,894	1,382,968,733	110,375,354	26,624,946	4,363,609	2,941,364,911	5,239,062,447
Additions	0	0	9,798,004	5,700,000	0	333,196,890	348,694,894
Disposals	0	0	0	(884,821)	0	0	(884,821)
Inter-agency Transfer	0	0	0	0	0	(3,047,743,808)	(3,047,743,808)
Reclassification	86,975,099	2,985,482	(2,423,500)	0	0	(97,702,003)	(10,164,922)
Balance, Dec. 31	860,339,993	1,385,954,215	117,749,858	31,440,125	4,363,609	129,115,990	2,528,963,790
Accumulated Depreciation							
Balance, Jan.1	401,572,089	680,789,262	106,385,624	23,495,006	12,326,425	0	1,224,568,406
Adjustment (Note 2)	0	0	(24,558,144)	(35,999)	(8,371,683)	0	(32,965,826)
Balance, Jan.1	401,572,089	680,789,262	81,827,480	23,459,007	3,954,742	0	1,191,602,580
Depreciation	52,244,737	39,445,220	6,815,775	955,578	55,608	0	99,516,918
Disposals	0	0	0	(796,339)	0	0	(796,339)
Inter-agency Transfer	0	0	0	0	0	0	0
Reclassification	6,523,132	0	(2,102,983)	0	0	0	4,420,149
Balance, Dec. 31	460,339,958	720,234,482	86,540,272	23,618,246	4,010,350	0	1,294,743,308
PPE, Net	P 400,000,035	P 665,719,733	P 31,209,586	P 7,821,879	P 353,259	P 129,115,990	P 1,234,220,482

2021	Land Improvements	Buildings and Other Structures	Machinery and Equipment	Transportation Equipment	Furniture, Fixtures and Books	Construction in Progress	Total
Cost							
Balance, Jan.1	P 773,364,894	P 1,380,834,990	P 354,413,444	P 51,124,038	P 16,573,475	P 1,884,627,008	P 4,460,227,747
Additions	0	2,843,845	937,089	0	48,960	1,056,737,903	1,060,567,797
Disposals	0	0	(13,429,326)	(24,463,092)	(161,266)	0	(38,053,684)
Inter-agency Transfer	0	0	(201,330,315)	0	0	0	(201,330,315)
Reclassification	0	(43,400)	0	0	0	0	0
Balance, Dec. 31	773,364,894	1,382,968,733	140,590,892	26,660,946	16,461,169	2,941,364,911	5,281,411,545
Accumulated Depreciation							
Balance, Jan.1	357,155,111	640,112,601	238,108,155	43,936,803	11,731,481	0	1,291,044,151
Depreciation	44,416,978	40,676,661	17,334,660	1,574,986	726,692	0	104,729,977
Disposals	0	0	(13,064,996)	(22,016,783)	(131,748)	0	(35,213,527)
Inter-agency Transfer	0	0	(135,992,195)	0	0	0	(135,992,195)
Reclassification	0	0	0	0	0	0	0
Balance, Dec. 31	401,572,089	680,789,262	106,385,624	23,495,006	12,326,425	0	1,224,568,406
PPE, Net	P 379,792,805	P 702,179,471	P 34,205,268	P 3,165,940	P 4,134,744	P 2,941,364,911	P 4,056,843,139

The properties of CIAC previously booked in CDC before and during the merger costing P1,186,766,200.13, with a net book value of P565,196,320.67 as of October 31, 2006, were turned over by CDC to CIAC in November 2006 and accordingly included in the property and equipment accounts.

The PPE group of accounts includes the Terminal Radar Approach Control (TRACON) which is a project awarded to Selex Sistemi Integrati (formerly Alenia Marconi). The project was funded through a term loan facility granted by Deutsche Bank S.P.A. and guaranteed by the Trade and Investment Development Corporation of the Philippines (TIDCORP). The project was completed on May 25, 2007 with a total cost of P593,178,280.93 as of August 31, 2007. The TRACON was commissioned by the Department of Transportation effective October 25, 2007.

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The depreciation of the radar equipment was adjusted based on the Project Evaluation Report of the NEDA, in which the project life of the equipment was estimated to be at 15 years. The computation of the adjusted depreciation of the said equipment and its spare parts was based on COA Circular No. 2004-005.

Included also under the PPE group of accounts is the cost of the Terminal I Expansion Phase II Project funded from a loan acquired from the Land Bank of the Philippines. The project was completed on May 31, 2014 with a total cost of P450,706,692.27 inclusive of the borrowing costs amounting to P9,716,910.88.

On February 10, 2015, the DOTr turned over to CIAC a Semi-Permanent Terminal Building costing P19,852,716.12. The construction of the said building was handled by the DOTr and completed per Certificate of Project Completion as of September 28, 2014.

In December 2019, CIAC booked up the properties and the inventories that were turned over to BCDA for the O&M concessionaire. The net book value of the properties amounted to P597,326,992.87 and the cost of inventories amounted to P6,017,561.94, thus, a total of P603,344,554.81 were offset by CIAC against its liability to BCDA.

Entered under the Construction in Progress account are the costs incurred for the updating of the master development plan and the projects for the development of Clark Airport facilities funded by BCDA. The development of Clark Airport facilities project includes the development of airfield ground lighting system, terminal radar system and control tower; and detailed engineering design of the secondary runway. Total cost as at December 31, 2022 is P129,115,989.51.

10. INTANGIBLE ASSETS

Lodged under the intangible assets are the various computer softwares in the total amount of P7,645,171.02, with a balance of P2,104,766.13, net of amortization. Finite useful life was adopted in the amortization of software with sixty (60) months estimated life. Residual value was presumed to be zero.

11. FINANCIAL LIABILITIES

This account includes:

	2022	2021
Current		
Accounts Payable	P 42,853,867	P 42,853,867
Tax Refunds Payable	0	0
Loans Payable Domestic (LBP)	54,409,677	54,409,677
TOTAL FINANCIAL LIABILITIES (CURRENT)	P 97,263,544	P 97,263,544
Non-Current		
Loans Payable Domestic (LBP)	P 40,807,258	P 40,807,258
Total Financial Liabilities Non-Current	P 40,807,258	P 40,807,258
TOTAL FINANCIAL LIABILITIES (NON-CURRENT)	P 138,070,802	P 138,070,802

Accounts Payable - This account refers to the accrual of various expenses incurred and various payables which remained unpaid.

Tax Refunds Payable - This account represents the taxes withheld from compensation of CIAC personnel in excess of taxes due, thus subject for refund to the personnel. In adoption of the revised chart of accounts, the account was reclassified under Other Payables as at December 31, 2021.

Loan Payable-Domestic - The current annual loan amortizations are payable in four quarters. Principal amortizations per LBP amounted to P13,602,419.36.

The Land Bank of the Philippines approved a P1,000,000,000.00 loan facility for CIAC on February 21, 2012 for the funding of the Terminal I Expansion Phase II Project, procurement of navigational aids equipment and contingent operating fund. Total drawdown as of December 17, 2015 amounted to P434,550,000.00.

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The payment of the first loan amortization of P12,875,000.00 was made in December 2015 and the succeeding payment of P13,602,419.36 every quarter thereafter. On September 19, 2022, the outstanding loan payable of P68,012,096.65 was paid in full.

12. INTER-AGENCY PAYABLES

This caption consists of:

	2022	2021
Current		
Due to BIR	P 2,119,557	P 6,081,255
Due to Pag-ibig	133,857	126,042
Due to Philhealth	123,590	80,344
Due to Government Corporations-CDC(Current)	49,022,859	48,808,814
Due to SSS	328,119	368,929
Income Tax Payable	3,896,742	881,630
TOTAL INTER-AGENCY PAYABLES-CURRENT	55,624,724	P 56,347,014
Non-Current		
Due to Government Corporations-BCDA	611,114,385	P 819,929,908
Due to Government Corporations-DOTr	0	3,284,733,114
TOTAL INTER-AGENCY PAYABLES-NON-CURRENT	611,114,385	4,104,663,022
TOTAL INTER-AGENCY PAYABLES	P 666,739,109	P 4,161,010,036

Due to BIR refers to withheld taxes on compensation of employees and withheld taxes - expanded on suppliers, which are due for remittance.

Due to Pag-IBIG are premiums and loans deducted from the payroll of personnel, which are due for remittance.

Due to PhilHealth are premiums deducted from the payroll of personnel, which are due for remittance.

Due to Government Corporations - CDC (Current) account were expenses of CIAC paid for by CDC after the cut-off date of April 30, 2011 on the reconciled intercompany accounts. In May 2017, CIAC recorded the Debit/Credit Advice issued by CDC; to wit: 1) advance lease and security deposit paid by Nanox Philippines, Inc. to CDC in the amount of P14,819,760.00; and 2) various capital expenditures and operating expenses implemented/paid by CDC for the leased area of Nanox, in which the total expenses amounted to P16,706,849.38. In December 2017, CIAC added to this account the May 2011 loan amortization amounting to P32,727,978.80 which was not charged by CDC to BCDA. The balance as at December 31, 2022 of the account is P49,022,859.21.

Due to SSS were the premiums and loans deducted from the payroll of personnel, which are due for remittance.

Income Tax Payable account represents the income tax which shall be due for remittance to the BIR and the Local Government Units (LGUs).

Inter-Agency Payables (Non-Current) - Due to Government Corporation - BCDA

This account pertains initially to the P37,074,315.60 advanced by BCDA to fund the payment to Selex Sistemi Integrati representing 35% initial payment for the purchase of spare parts for the Terminal Radar Approach Control (TRACON) Project and the supply of radome, spare parts, accessories and installation. In July 2011, the amount of P735,561,035.81 was added to this account representing the inter-company settlement of CDC-CIAC cash advances as of April 30, 2011 pursuant to the Implementing Plan of E.O. 716. Further, in November 2011, BCDA released P50,000,000.00 to finance the operating requirements of CIAC increasing the amount of Due to BCDA to P822,635,351.41 as of November 30, 2011. Another reason for the increase on this account is the loan amortization paid to Deutsche Bank by CDC and shouldered by BCDA for the account of CIAC.

Other funds released by BCDA to CIAC, in the form of advances, on July 27, 2015 and September 8, 2016 amounted to P25,000,000.00 and P100,000,000.00, respectively, and on February 10, 2017, funds released amounted to P45,000,000.00. In March 2017, the BCDA advanced a total of P220,000,000.00, inclusive of the P50,000,000.00 advanced in November 2011, applied as payment on the net revenue share of CIAC on the CCAC area under account Due from GOCC (BCDA).

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The net book value of the properties and equipment and cost of inventories amounting to P603,344,554.81, that were turned over to BCDA, was recorded as an offset by CIAC from the Due to BCDA account.

In August, November and December 2021, BCDA released funds to CIAC as advances amounted to P124,470,060.69, P112,826,900.29 and P146,934,204.58, respectively.

As at December 31, 2022, released funds of P89,038,333.22 for the primary surveillance radar and monopulse secondary surveillance radar project and P86,377,309.15 for the new air traffic control tower building facility project are still outstanding. The balance as at December 31, 2022 of Due to BCDA account is P611,114,385.13.

Inter-Agency Payables (Non-Current) - Due to Government Corporation – DOTr

Due to DOTr refers to funding from the DOTr for the procurement of safety and operations equipment, which shall eventually be booked up as equity contribution pursuant to the Memorandum of Agreement (MOA) signed between CIAC and DOTr on December 26, 2013.

On December 18, 2013, the Department of Budget and Management (DBM) issued a Special Allotment Release Order (SARO) to the Department of Transportation (DOTr) for the funding of the following projects of CIAC:

1. Supply, Installation, Testing and Commissioning of Dual Passenger Boarding Bridges	92.88 million
2. Supply and Delivery of Two Units Firetrucks	115.48 million
3. Supply, Delivery, Testing and Commissioning of Instrument Landing System (ILS) and Doppler Very High Frequency Omni Directional Range (DVOR)	225.54 million
4. Installation of Security Fence and Perimeter Lighting System	157.58 million
Total	591.48 million

In CY 2014, another tranche of funds in the amount of P270,000,000.00 was appropriated from the DOTr for the funding of APEC-related projects.

Initial funds released by the DOTr to CIAC on April 29, 2014 amounted to P75,000,000.00 and additional funds were released on March 18, June 30 and December 29, 2015 in the amount of P141,540,570.00, P132,114,895.00 and P142,609,551.00, respectively. On June 9 and December 29, 2016, funds released amounted to P172,807,515.00 and P8,859,664.00 respectively; thus, the balance as of December 31, 2016 stood at P672,932,197.00.

In December 2016, another MOA was signed between CIAC and DOTr for the downloading of the following:

Funding Source	Amount	Purpose
1. GAA 2015 (R.A. 10651)	0.800 billion	New Terminal Building
2. GAA 2016 (R.A. 10717)	2.093 billion	New Terminal Building

Funds released by the DOTr on March 12, 2017 amounted to P6,600,000.00 (1st tranche) for the 2% pre-construction and supervision fund. On October 5, 2017 a total of P27,710,000.00 (2nd tranche) was downloaded for the procurement of the consulting services for the detailed engineering and design of the horizontal infrastructure projects for the new terminal building project. On September 25, 2018, funds were released for P21.83 million (3rd tranche) intended for consulting services for the detailed engineering and design for the new terminal building project.

On December 27, 2018, funds were released for P1.24 billion for the project cost of the horizontal infrastructure for the new terminal building project. Balance of the account Due to DOTr stood at P1,971,976,226.66 as of December 31, 2018.

On August 15, 2019, funds were released for P70,120,612.00 for consulting services of the detailed engineering and design for the new terminal building project. On September 26, 2019, CIAC returned to DOTr excess funds in the amount of P269,346.36.

On June 26, 2020, additional funds released amounted to P1.24 billion for the project cost of the horizontal infrastructure for the new terminal building project.

Upon the completion and commissioning of the new terminal building project, CIAC transferred the infrastructure with the total project cost of P2,535,224,248.56 to the BCDA pursuant to the Memorandum of Agreement (MOA) between DOTr, BCDA and CIAC dated May 23, 2022.

The remaining balance of the account Due to DOTr of P672,662,850.83 was reclassified to equity account, "Deposit for Future Stock Subscription".

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13. INTRA-AGENCY PAYABLES

This account consists of premiums and loans due for remittance to the Provident Fund and CIAC EMPC and union dues and union special assessment due for remittance to SMD.

The intra-agency payables of P1,261,296 as at December 31, 2021 previously reported under this account were reclassified and presented under Other Payables in Note 16.

14. TRUST LIABILITIES

This account consists of:

	2022	2021
Current		
Trust Liabilities-Bidders	P 6,900,711	P 6,900,711
Trust Liabilities-Concessionaires	1,872,346	2,233,052
Guaranty/Security Deposits Payable	11,525,110	269,611,617
Customers' Deposits Payable-Concessionaires	1,807,539	1,912,530
TOTAL TRUST LIABILITIES (CURRENT)	P 1,807,539	P 280,657,910
Non-Current		
Trust Liabilities -Locators (Long-Term)	134,834,771	P 130,834,451
Customers' Deposits Payable-Locators (Long-Term)	134,834,771	117,144,998
Deposit from Prospective Investors	0	0
TOTAL TRUST LIABILITIES (NON-CURRENT)	P 134,834,771	P 247,979,449

Trust liabilities – Bidders/Concessionaires pertain to cash performance security tendered by the bidders and concessionaires, in compliance with the provisions of the contract. Cash bond or bid security is posted by a bidder to guarantee the faithful performance of its obligations of an awarded contract, which may be forfeited or refunded in accordance with R.A. No. 9184. Also, the performance bond is paid by a concessionaire to ensure faithful compliance with all the terms and conditions of the lease agreement which shall be forfeited as liquidated damages in the event of (1) failure to perform any or all obligations, undertakings and performance commitments, (2) pre-termination of lease agreement, or (3) failure to correct said failure within a period specified by the CIAC as stipulated in the lease agreement.

Guaranty/Security Deposits Payable refers to the payment of suppliers to guarantee the faithful performance of an awarded project/contract. These may be forfeited in case of non-compliance of the terms of the contract, thus, income is realized, or may be refunded to the supplier once the performance is satisfactorily completed.

Customers' Deposits Payable - Concessionaires (Current) represents security deposit, equivalent to three months rental being required from a concessionaire as a proof of intent to cover for any damage or unpaid rentals that may arise.

Trust liabilities - Locators (Long-Term) refers to the performance bond, either in the form of cash bond or surety bond equivalent to six months of rentals, which is included in the lease agreement to guaranty the faithful performance of a locator in accordance with the said lease agreement.

Customers' Deposits Payable - Locators (Long-Term) refers to security deposit, one of the requirements under the lease agreement, to be paid by the locator equivalent to three months rental refundable at the time of termination of lease agreement less for any unpaid rentals, utility bills or damages that may arise. This shall be forfeited in favor of CIAC in case of pre-termination by the lessee.

Deposit from Prospective Investors refers to reservation deposit posted by a prospective locator.

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15. DEFERRED CREDITS/UNEARNED INCOME

This account consists of the following other deferred credits:

	2022	2021
Current		
Advance Rent (Current)	P 32,165,200	P 13,603,659
Advance Landing and Parking Fees	318,066	318,066
Advance Concessionaire Fee (Current)	24,782	42,241
Unapplied Rent & Concessionaire Privilege Fees	24,315,963	1,172,769
TOTAL DEFERRED CREDITS (CURRENT)	P 56,824,011	P 15,136,735
Non-Current		
Advance Rent (Long-Term)	P 1,703,643,446	P 1,192,921,383
TOTAL DEFERRED CREDITS (NON-CURRENT)	P 1,703,643,446	P 1,192,921,383

Advance Rent (Current) refers to advance payment made by locators as required in the lease agreement equivalent to three months rental which are chargeable against future payments.

Advance Landing and Parking Fees refers to advance payment by airlines which will be applied to future billings.

Advance Concessionaire Fee (Current) refers to advance payment made by concessionaires as required in the lease agreement equivalent to three months rental which are chargeable against future payments.

Unapplied Rent and Concessionaire Privilege Fees account are the payments of locators/concessionaires whose contracts are being processed for renewal. Once the contracts are signed, the said payments will be applied on locators/concessionaires rent.

Advance Rent (Long-Term) equivalent to three months rental is required to be paid by a locator per lease agreement chargeable against future lease payments.

16. OTHER PAYABLES

This account includes:

	2021	2021
Dividends Payable	P 0	P 251,796,135
Accounts Payable-Others	355,288	355,287
Untraced Deposits	6,085,063	6,365,150
Unapplied Concessionaires' Utilities	588,884	588,884
Tax Refunds Payable	49,509	105,371
Provident Fund Payable	1,498,148	1,227,699
CIAC Employees Multi-Purpose Cooperative (EMPC) Payable	8,097	8,097
Samahan ng mga Manggagawa sa DMIA(SMD) Union Dues	20,300	21,000
Others	0	4,500
TOTAL OTHER PAYABLES	P 8,605,289	P 260,472,123

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Dividends payable refers to the dividends for CY2020 and CY2019 due for remittance to the Bureau of Treasury in the amount of P95,056,163.69 and P156,739,971.12, respectively. For CY2017 to CY2020, the CIAC Board approved the declaration of dividends but it also approved the request of management for a downward adjustment of dividend rate from 50% to 0% due to the negative retained earnings of the corporation pursuant to Section 7 of the revised IRR of RA No. 7656. A letter was sent to the Department of Finance (DOF) for approval.

In 2020, despite CIAC's pending request for the downward adjustment of the dividend rate for 2017, its Board approved the payment of the dividend due in 2017 amounting to P130,535,078.00. The remittance was made on April 02, 2020. This was in support of the Bayanihan to Heal as One Act, a law enacted to address the effects of the pandemic brought about by the COVID-19 disease.

Furthermore, on July 29, 2020, pursuant to COA Audit Observation Memorandum No. 2020-003(2019), dated June 18, 2020, CIAC remitted the dividend due in 2013 in the amount P9,469,928.98 to the Bureau of Treasury.

On June 15, 2021, the DOF denied CIAC's request for the downward adjustment of dividend rate and instead granted an installment payment plan for CY2020 and CY2019 dividends due on May 15, 2023 and May 15, 2022, respectively.

CIAC remitted in full the dividends for CY2018 in the amount of P161,391,533.50 in 2021 and the dividends for CY2019, CY2020 and CY2021 in the amount of P156,739,971.12, P95,056,163.69 and P118,181,204.95 in 2022, respectively, to the Bureau of Treasury.

The Accounts Payable - Others refer to payables to various employees for unclaimed honoraria and additional expenses incurred during official travel. Also included under this account are interbranch deposits to CIAC's account for the O&M concessionaire.

The Untraced Deposits account refers to the inter-branch deposits of locators which shall be applied to appropriate accounts once identified.

Credited under the **Unapplied Concessionaires' Utilities** account are the advance payments of concessionaires on their power consumption which will be reversed in the books once due.

17. STOCKHOLDERS' EQUITY

This account consists of the following:

Capital Share	No. of Shares	Amount
Authorized (200,000 shares @ P100.00 par value)	200,000	P20,000,000.00
Subscribed (25% of P20 million)	50,000	P5,000,000.00
Paid-up Capital (25% of P5 million)	12,500	P1,250,000.00

An increase in capital authorization from P20,000,000.00 to P5,000,000,000.00 was approved by the Board of Directors in its Stockholders' Meeting on June 10, 2011.

The requirements of the Securities and Exchange Commission (SEC) have been completed in November 2011 which were to be reviewed by the BCDA, but the latter's action had been overtaken by the issuance of E.O. No. 64 transferring CIAC as an attached agency of the DOTr and providing for the transfer of the shares of stock of the CIAC to the National Government.

To date, the move to increase authorized capital stock has been put on hold mainly due to the privatization of the airport operations despite a board resolution approving the initial increase to P1,000,000,000.00 on December 14, 2015.

Stockholders' Equity - Other Equity Instruments (Deposit for Future Stock Subscription – BCDA and DOTr)

The CDC investment in CIAC in the amount of P832,248,261.32 represents the investment of BCDA to CIAC after recording in July 2011 the agreed booking entries of the reconciled intercompany account balances as of April 30, 2011 pursuant to the Implementing Plan of E.O. 716.

The amount of P832,248,261.32 represents the book value of the CIAC fixed assets transferred from the BCDA to CDC upon the merger of the CDC and CIAC in 2002. The value of the fixed assets is entered under Deposit for Future Stock Subscription account.

Added under this account are the BCDA fund releases intended for the ASEAN related projects. For CY 2017, total funds released by BCDA to CIAC amounted to P358,415,083.64. On January 17, February 22, March 13, May 23, September 12, and November 8, 2018, BCDA funds received by CIAC amounted to P21,152,563.56, P20,382,189.95, P8,586,094.53, P41,800,878.65, P21,170,123.50, and P3,502,885.13, respectively. Added

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also are the DOTr releases from 2014 to 2016 totaling P672,662,850.83 (Note 12). The balance stood at P1,979,920,931.11 as at December 31, 2022.

Stockholders' Equity - Other Equity Instruments (Donated Capital)

Pending further clarification of the nature of transfer, entered under this account is the Semi-Permanent Terminal Building costing P19,852,716.12 which was turned over by the DOTr to the CIAC on February 10, 2015.

18. SERVICE AND BUSINESS INCOME

This account includes:	2022	2021
Rent/Lease Income	P 559,444,560	P 473,437,665
CPF Share on Gross Income	11,431,526	3,750,003
Ad Space Rentals	1,200,000	600,000
Interest Income	28,578,097	32,660,653
TOTAL SERVICE AND BUSINESS INCOME	P 600,654,183	P 502,528,433

19. GAINS

This account includes:	2022	2021
Gain on Foreign Exchange (FOREX)	P 124,722,808	P 44,490,397
Gain on Sale of Property, Plant and Equipment	0	420,201
TOTAL GAINS	P 124,722,808	P 44,911,198

The gains on FOREX of P124,722,808.44 and P44,490,397.35 for year 2022 and 2021, respectively, were mainly attributed from year-end revaluation of dollar denominated funds and from dollar trading.

20. OTHER NON-OPERATING INCOME

This account pertains to miscellaneous income mainly from forfeited security deposits and interest and penalties charged to locators. Other non-operating income earned for the years 2022 and 2021 amounted to P35,949,150.01 and P9,955,170.51, respectively.

21. PERSONNEL SERVICES

This account includes:	2022	2021
Salaries and Wages	P 76,240,208	P 66,966,479
Other Compensation	30,754,612	37,096,084
Personnel Benefits Contribution	7,210,752	3,657,063
Other Personnel Benefits	6,638,931	3,945,574
TOTAL PERSONNEL SERVICES	P 120,844,503	P 111,665,200

Increase in PS in 2022 of P9,179,303.33 was mainly attributable to the implementation of Executive Order No. 150, or the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles, and Job Grade for GOCCs (IOS-G) Framework. The GCG issued the authorization of CIAC to implement on March 04, 2022 with a retroactive application effective on October 05, 2021.

Notes to Financial Statements

22. MAINTENANCE AND OTHER OPERATING EXPENSES (MOOE)

This caption consists of:

	2022	2021
Travelling Expenses	P 237,416	P 264,080
Training and Scholarship Expenses	3,382,477	1,398,053
Supplies and Materials Expenses	4,679,081	3,264,162
Utility Expenses	3,997,936	3,700,481
Communication Expenses	1,729,899	1,722,380
Awards and Indemnities	5,628,479	0
Professional Services	10,429,899	7,587,358
General Services	36,532,820	28,627,965
Repairs and Maintenance	7,475,271	12,241,024
Taxes, Insurance Premiums and Other Fees	533,920	747,859
Other MOOE	4,324,875	3,757,262
TOTAL MOOE	P 78,952,073	P 63,310,624

23. FINANCIAL EXPENSES

This caption consists of:

	2022	2021
Interest Expenses	P 2,652,835	P 5,407,800
Bank Charges	2,652,835	62,408
TOTAL FINANCIAL EXPENSES	P 2,710,327	P 5,470,208

24. NON-CASH EXPENSES

This caption consists of:

	2022	2021
Depreciation	P 99,516,918	P 104,729,977
Amortization	514,647	514,647
Impairment Loss	0	3,316,445
Loss on Foreign Exchange (FOREX)	2,550,461	1,164,860
Loss on Sale of Property, Plant and Equipment	0	1,145,431
TOTAL NON-CASH EXPENSES	P 102,582,026	P 110,871,360

Financial Statements

25. NON-CASH EXPENSES

This account consists of:

	2022	2021
Net income per books	P 438,750,572	P 254,720,409
Non-deductible expenses/taxable other income	34,277,828	25,709,007
Non-taxable income and income subj. to final tax	(123,295,592)	(53,289,379)
Gross taxable income	349,732,808	227,140,037
Special tax rate under R.A. 7227	5%	5%
INCOME TAX EXPENSE	P 17,486,640	P 11,357,001
BIR share (60%)	10,491,984	P 6,814,201
LGU share (40%)	6,994,656	4,542,800
Tax due - BIR share	P 10,491,984	P 6,814,201
Quarterly tax payments	(2,229,998)	(4,675,611)
Tax credits	(5,943,179)	(6,809,470)
INCOME TAX PAYABLE (OVERPAYMENT) TO BIR	P 2,318,807	P (4,670,880)
Tax due - LGU share	P 6,994,656	P 4,542,800
Quarterly tax payments	(5,416,721)	(3,661,171)
Tax credits	0	0
INCOME TAX PAYABLE TO LGU	P 577,935	P 881,629

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted at the reporting date in the country where CIAC operates and generates taxable income.

26. OTHER ADJUSTMENTS

This account consists of:

	2021	2021
Various income accounts	P (33,862,220)	P 33,717,673
Various operating expenses	3,927,717	1,450,355
Salary adjustment pursuant to CPCS	3,222,220	0
Semi-expendable acquired prior to CY2022 pursuant to COA circular 2022-004	9,383,272	0
PF Employer Share for CY 2020	0	(3,316,910)
Dividend for CY 2018 paid to Bureau of Treasury	0	(161,391,534)
Dividend for CY 2019 declared in 2020	0	(156,739,971)
Airport capital expenditures written off in 2021	0	(65,338,120)
TOTAL OTHER ADJUSTMENTS	P (17,329,011)	P (351,618,507)

Notes to Financial Statements

27. CONTINGENCIES

A labor case was filed against CIAC before the NLRC Regional Arbitration Branch No. III for non-payment of overtime pay, moral and exemplary damages and attorney's fees. On June 7, 2013, a Notice of Order/Resolution on the case docketed as NLRC Case No. RAB III-07-16541-10 was issued stating that the issuance of a writ of execution may not be forthcoming even as the complainants are directed to file claim for payment of their judgment award with the Commission on Audit in accordance with Commonwealth Act No. 327 as amended by Presidential Decree (P.D.) No. 1445.

Another two labor cases were filed against CIAC before the NLRC. To date, one of the cases per NLRC Case No. RAB-III-06-17828-11 is pending for resolution on the Motion for Reconsideration filed by the complainant; while the other case per NLRC Case No. RAB-III-11-24892-16 is pending for resolution on the Motion for Reconsideration filed by the respondent.

28. SUPPLEMENTARY INFORMATION

In compliance with the requirements set forth by BIR RR No. 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued during the taxable year.

a. Value-Added Tax

VAT input taxes	None
VAT output taxes	None

CIAC, being a locator inside the Clark Freeport Zone, applies tax rulings under R.A. No. 9400, which entitles it to zero VAT rating. Further, it is exempted from paying local and national taxes, rather it pays taxes following the 5% rate on gross income earned (GIE).

b. Documentary stamps tax (DST)

For the year 2022, no DST was paid due to non-incurrence of transactions requiring documentary stamps tax.

c. Withholding Taxes

Particulars	2022
Tax on compensation and benefits	P 19,128,234
Creditable withholding tax- expanded	10,836,182
TOTAL WITHHOLDING TAXES	P 29,964,416

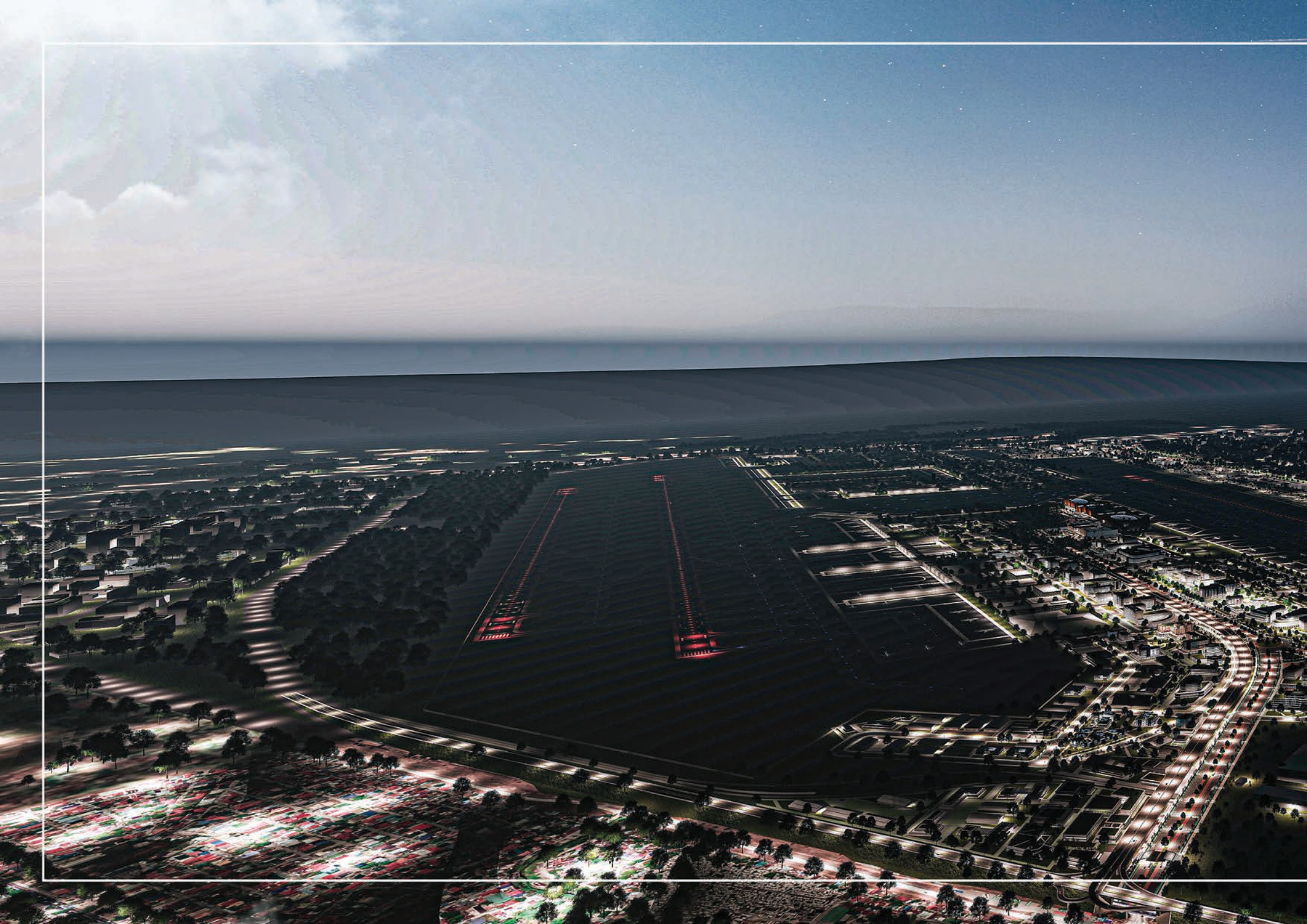
Accruals of P1,999,662.23 and P119,894.46 were recorded for taxes on compensation and expanded withholding taxes, respectively, as of year-end which will be remitted in January 2023.

d. Other Taxes and Licenses

Particulars	2022
5% Tax on Gross Income Earned (GIE):	P 6,298,351
Local Government Units (LGUs) share	
National Government/BIR share	9,447,527
BIR Annual Registration	500
TOTAL OTHER TAXES AND LICENSES	P 15,746,378



Clark Civil Aviation Complex Render
by Palafox Associates





Clark Civil Aviation Complex Render
by Patafox Associates



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