



GT CAPITAL
HOLDINGS, INCORPORATED

May 13, 2015

Securities and Exchange Commission
SEC Building, EDSA
Greenhills, Mandaluyong City

Attention: **Mr. Vicente Graciano P. Felizmenio, Jr.**
Director – Markets and Securities Regulation Department

Philippine Stock Exchange, Inc.
Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Janet A. Encarnacion**
Head – Disclosure Department

Attention: **Mr. Norbert T. Moreno**
Assistant Head – Disclosure Department

Subject: Submission of 17Q Report as of March 31, 2015

Gentlemen /Mesdames:

In line with the reportorial requirements of the Securities Regulation Code and the Revised Disclosure Rules, we hereby submit the attached 2015 First Quarter Report on SEC Form 17-Q.

Very truly yours,

A handwritten signature in black ink, appearing to read 'F. Suarez, Jr.', written over a horizontal line.

Francisco H. Suarez, Jr.
Chief Finance Officer

COVER SHEET

C S 2 0 0 7 1 1 7 9 2

S.E.C. Registration Number

G T C A P I T A L H O L D I N G S , I N C .

(Company's Full Name)

G T T O W E R I N T E R N A T I O N A L , A Y A L A

A V E N U E C O R N E R H . V . D E L A C O S T A

S T R E E T , M A K A T I C I T Y

(Business Address: No. Street/City/Province)

FH Suarez, Jr. / RP Manon-og
Contact Person

836-4500
Company Telephone Number

1 2 **3 1**
Month Day
Fiscal Year

1 7 - Q
FORMTYPE

2nd Monday in May
of each year
Month Day
Annual Meeting

N A
Secondary License Type, if Applicable

SEC General Accountant &

C F D

Dept. Requiring this Doc.

N A
Amended Articles Number/Section

As of March 31, 2015
70
Total No. of Stockholders

Total Amount of Borrowings

_____ Domestic _____ Foreign

To be accomplished by SEC Personnel concerned.

File Number

Document I.D.

LCU

Cashier

STAMPS

Remarks = pls. Use black ink for scanning

SEC Number CS200711792
File Number _____

GT CAPITAL HOLDINGS, INC.

(Company's Full Name)

43rd Floor, GT Tower International, Ayala Avenue cor H.V. Dela Costa St, Makati City

(Company's Address)

836-4500

(Telephone Number)

December 31

(Fiscal year ending)

17-Q

(Form Type)

(Amendment Designation, if applicable)

March 31, 2015

(Period Ended Date)

None

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

**QUARTERLY REPORT PURSUANT TO SECTION 17 OF THE SECURITIES
REGULATION CODE AND SRC RULE 17(2)(b) THEREUNDER**

1. For the quarterly period ended: **March 31, 2015**
2. Commission identification number: **CS200711792**
3. BIR Tax Identification No.: **006-806-867**
4. Exact name of issuer as specified in its charter: **GT CAPITAL HOLDINGS, INC.**
5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**
6. Industry Classification Code: (SEC Use Only)
7. Address of issuer's principal office: **43/F GT Tower International, Ayala Avenue
corner H.V. de la Costa Street, Makati City
Postal Code: 1227**
8. Issuer's telephone number, including area code: **632 836-4500; Fax No: 632 836-4159**
9. Former name, former address and former fiscal year, if changed since last report: **Not applicable**
10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Outstanding Common Stock	Amount of Debt
Common Stock -Php10.00 par value	174,300,000 shares	None
Corporate Retail Bonds	-	Php21.8 billion

11. Are any or all of the securities listed on a Stock Exchange? Yes No
- The Philippine Stock Exchange, Inc., for common shares and Philippine Dealing & Exchange Corporation for corporate retail bonds
12. Indicate by check mark whether the registrant:
- (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)
- Yes No
- (b) has been subject to such filing requirements for the past ninety (90) days. Yes No

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please see attached Interim Condensed Consolidated Financial Statements and General Notes to Interim Condensed Consolidated Financial Statements (Refer to Annex A) and Financial Soundness Indicators (Refer to Annex B).

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

Consolidated Results of Operations- For the Three Months Ended March 31, 2015 and For the Three Months ended March 31, 2014

GT CAPITAL CONSOLIDATED INCOME STATEMENT (In millions, except for Percentage)	UNAUDITED		Increase (Decrease)	
	Quarter Ended March 2015	2014	Amount	Percentage
REVENUE				
Automotive operations	27,601	23,626	3,975	17%
Net fees	3,952	4,004	(52)	(1%)
Real estate sales and interest income on real estate sales	1,505	1,691	(186)	(11%)
Equity in net income of associates and joint ventures	1,573	723	850	118%
Net premium earned	499	441	58	13%
Rent income	196	175	21	12%
Sale of goods and services	132	163	(31)	(19%)
Interest income	141	86	55	64%
Commission income	56	47	9	19%
Other income	160	167	(7)	(4%)
	35,815	31,123	4,692	15%
COST AND EXPENSES				
Cost of real estate sales	978	998	(20)	(2%)
Cost of goods and services	16,734	14,827	1,907	13%
Cost of goods manufactured	6,658	5,983	675	11%
Cost of rental	90	48	42	88%
Power plant operation and maintenance	2,249	2,331	(82)	(4%)
General and administrative expenses	2,774	2,539	235	9%
Interest expense	939	823	116	14%
Net insurance benefits and claims	225	180	45	25%
COSTS AND EXPENSE	30,647	27,729	2,918	11%
INCOME BEFORE INCOME TAX	5,168	3,394	1,774	52%
PROVISION FOR INCOME TAX	826	605	221	37%
NET INCOME	4,342	2,789	1,553	56%
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENT COMPANY	2,798	1,737	1,061	61%
NON-CONTROLLING INTEREST	1,544	1,052	492	47%
	4,342	2,789	1,553	56%

GT Capital Holdings, Inc. ("GT Capital" or the "Parent Company" or the "Company") consolidated net income attributable to equity holders of the Parent Company grew by 61% from Php1.7 billion in the first quarter of 2014 to Php2.8 billion in the first quarter of 2015. The increase was principally due to the 15% growth in consolidated revenues from Php31.1 billion to Php35.8 billion.

The revenue growth came from: (1) auto sales of Toyota Motor Philippines Corporation ("TMP") and Toyota Cubao Inc. ("TCI") as combined sales increased from Php23.6 billion to Php27.6 billion contributing 77% of total revenue; (2) higher equity in net income of associates which more than doubled from Php0.7 billion to Php1.6 billion; and (3) increase in net premium earned from Charter Ping An Insurance Corporation ("CPAIC") from Php441 million to Php499 million.

Federal Land, Inc. ("Fed Land"), Global Business Power Corporation ("GBPC"), TMP, CPAIC and TCI are consolidated in the financial statements of the Company. The other component companies Metropolitan Bank and Trust Company ("Metrobank"), Philippine AXA Life Insurance Corporation ("AXA Philippines"), Toyota Manila Bay Corporation ("TMBC") and Toyota Financial Services Philippines Corporation ("TFSPC") are reported through equity accounting.

Of the nine (9) component companies, TMP, GBPC, AXA Philippines and TFSPC posted double digit net income growth for the period in review while Fed Land, CPAIC, TCI, Metrobank and TMBC registered decreases in net income.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts increased by 17% from Php23.6 billion in the first quarter of 2014 to Php27.6 billion in the first quarter of 2015.

Net fees from GBPC was stable at Php4.0 billion primarily due to mandatory preventive maintenance shutdowns of the Cebu Energy Development Corporation and Panay Energy Development Corporation coal-fired plants from the fourth quarter 2014 up to the first quarter of 2015 in preparation for the summer months.

Real estate sales and interest income on real estate sales declined by 11% from Php1.7 billion in the first quarter of 2014 to Php1.5 billion in the first quarter of 2015 as Fed Land completed seven (7) vertical residential condominium projects in 2014 resulting in a lower percentage-of-completion for ongoing vertical residential condominium projects from 31% as of March 31, 2014 to 23% as of March 31, 2015.

Equity in net income of associates and jointly controlled entities more than doubled from Php723 million to Php1.6 billion due to improvements in the core net income of Metrobank and net income of AXA Philippines from Php2.1 billion and Php230.7 million to Php5.1 billion and Php366.3 million, respectively and net income contribution from TFSPC.

Net premium earned from CPAIC comprising gross premiums on non-life insurance contracts, net of reinsurer's share, increased by 13% from Php441 million to Php499 million.

Sale of goods and services consisting of the sale of petroleum products on a wholesale and retail basis in the Blue Wave mall situated in Pasay City and Marikina City decreased by 19% from Php163 million to Php132 million due to lower fuel sales realized from a series of price increases and decreases during the period in review.

Rent income mainly from the GT Tower International office building, Blue Bay Walk, and Florida Sun Estates increased by 12% from Php175 million to Php196 million.

Interest income increased by 64% from Php86 million to Php141 million due to an increase in cash available for short-term investments.

Commission income increased by 19% from Php47 million in the first quarter of 2014 to Php56 million in the first quarter of 2015 due to commissions earned by CPAIC originating from its reinsurance business.

Consolidated costs and expenses grew by 11% from Php27.7 billion in the first quarter of 2014 to Php30.6 billion in the first quarter of 2015. TMP contributed Php23.1 billion comprising cost of goods sold for manufacturing and trading activities, selling, general and administrative expenses and interest expenses. GBPC contributed Php3.5 billion comprising power plant operations and maintenance, general and administrative expenses and interest expenses. Fed Land contributed Php1.7 billion consisting of cost of real estate sales, cost of goods and services, general and administrative expenses and interest expenses. TCI contributed Php1.4 billion consisting of cost of goods and services, general and administrative expenses and interest expenses. CPAIC contributed Php0.5 billion comprising general and administrative expenses and net insurance benefits and claims. GT Capital Parent Company accounted for the balance of Php0.4 billion consisting of general and administrative and interest expenses.

Cost of goods and services rose by 13% from Php14.8 billion to Php16.7 billion with TMP's and TCI's completely built-up units and spare parts accounting for Php16.6 billion and the balance coming from Fed Land's petroleum service station business.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP rose by 11% year-on-year from Php6.0 billion to Php6.7 billion.

Power plant operations and maintenance expenses from the power generation companies of GBPC declined by 4% from Php2.3 billion to Php2.2 billion due to the mandatory maintenance shutdowns for the Cebu Energy Development Corporation and Panay Energy Development Corporation coal-fired plants and decrease in other expenses.

Cost of rental increased by 88% from Php48 million to Php90 million due to an increase in expenses incurred in relation to the leasing business such as depreciation, maintenance and other overhead expenses.

General and administrative expenses grew by 9% from Php2.5 billion to Php2.8 billion. TMP accounted for Php1.1 billion consisting of advertisements and promotional expenses, salaries and wages, taxes and licenses and delivery and handling expenses. GBPC contributed Php801 million representing salaries and wages, amortization of intangible asset, taxes and licenses, outside services, administrative and management fees, and insurance expenses. Fed Land accounted for Php413 million composed of salaries and wages, commission expenses, taxes and licenses and advertising and promotions expenses. CPAIC contributed Php285 million consisting of commission expenses, salaries and wages and depreciation; and GT Capital contributed Php108 million representing salaries and wages and taxes and licenses. The remaining balance of Php89 million came from TCI's salaries, advertising and promotions, commission and utility expenses.

Interest expenses increased by 14% from Php823 million in the first quarter of 2014 to Php939 million in the first quarter of 2015 with GBPC, GT Capital, Fed Land, TMP and TCI accounting for Php504 million, Php322 million, Php83 million, Php26 million and Php4 million, respectively

Net insurance benefits and claims representing benefits and claims paid to policyholders, including changes in the valuation of insurance contract liabilities and internal and external claims handling costs directly related to the processing and settlement of claims increased by 25% from Php180 million to Php225 million.

Provision for income tax increased by 37% from Php605 million to Php826 million due to an increase in taxable income.

Balance Sheet (March 31, 2015 versus December 31, 2014)
 In Millions except for Percentage

	Unaudited	Audited	Increase (Decrease)	
	March 2015	December 2014	Amount	Percentage
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	34,176	29,702	4,474	15%
Short-term investments	1,370	1,309	61	5%
Receivables	16,801	16,223	578	4%
Reinsurance assets	3,625	3,879	(254)	(7%)
Inventories	36,052	31,426	4,626	15%
Due from related parties	178	171	7	4%
Prepayments and other current assets	5,968	5,468	500	9%
Total Current Assets	98,170	88,178	9,992	11%
NON CURRENT ASSETS				
Noncurrent receivables	4,892	4,897	(5)	0%
Available-for-sale investments	4,414	4,127	287	7%
Investments in associates and jointly controlled entities	56,847	47,451	9,396	20%
Investment properties	8,602	8,643	(41)	0%
Property and equipment	45,794	44,801	993	2%
Goodwill and intangible assets	17,689	17,806	(117)	(1%)
Deferred tax assets	1,773	1,726	47	3%
Other noncurrent assets	559	634	(75)	(12%)
Total Noncurrent Assets	140,570	130,085	10,485	8%
	238,740	218,263	20,477	9%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	20,072	19,280	792	4%
Insurance contract liabilities	5,468	5,665	(197)	(3%)
Short-term loans payable	4,261	2,347	1,914	82%
Current portion of long-term debt	3,023	3,061	(38)	(1%)
Current portion of liabilities on purchased properties	783	783	-	0%
Customers' deposit – current	2,688	2,549	139	5%
Due to related parties – current	175	176	(1)	(1%)
Dividends payable	2,557	2,034	523	26%
Income tax payable	1,106	476	630	132%
Other current liabilities	798	882	(84)	(10%)
Total Current Liabilities	40,931	37,253	3,678	10%
Noncurrent Liabilities				
Retirement benefit obligation	2,265	2,261	4	0%
Long-term debt – net of current portion	54,403	42,117	12,286	29%
Bonds payable	21,781	21,775	6	0%
Liabilities on purchased properties - net of current portion	2,535	2,729	(194)	(7%)
Deferred tax liabilities	3,528	3,532	(4)	0%
Other noncurrent liabilities	3,056	2,654	402	15%
Total Noncurrent Liabilities	87,568	75,068	12,500	17%
	128,499	112,321	16,178	14%
EQUITY				
Equity attributable to equity holders of the Parent Company				
Capital stock	1,743	1,743	-	0%
Additional paid-in capital	46,695	46,695	-	0%
Treasury shares	(9)	(2)	(7)	(350%)
Retained earnings				
Unappropriated	26,707	24,432	2,275	9%
Appropriated	6,000	6,000	-	0%
Other equity adjustments	583	583	-	0%
Other comprehensive income	271	(104)	375	361%
	81,990	79,347	2,643	3%
Non-controlling interest	28,251	26,595	1,656	6%
Total Equity	110,241	105,942	4,299	4%
	238,740	218,263	20,477	9%

The major changes in GT Capital's consolidated balance sheet from December 31, 2014 to March 31, 2015 are as follows:

Consolidated assets of the Group slightly increased by 9% or Php20.4 billion from Php218.3 billion as of December 31, 2014 to Php238.7 billion as of March 31, 2015. Total liabilities increased by 14% or Php16.2 billion from Php112.3 billion to Php128.5 billion while total equity increased by 4% or Php4.3 billion from Php105.9 billion to Php110.2 billion.

Cash and cash equivalents increased by Php4.5 billion from Php29.7 billion to Php34.2 billion with GBPC, TMP, Fed Land, GT Capital-Parent Company, CPAIC and TCI accounting for Php14.8 billion, Php14.1 billion, Php2.7 billion, Php2.1 billion, Php436 million and Php71 million, respectively.

Short-term investments increased by 5% from Php1.3 billion to Php1.4 billion mainly from TMP's short-term placements.

Reinsurance assets representing due from reinsurance companies declined by 7% from Php3.9 billion to Php3.6 billion due to settlement of claims reinsured to reinsurers.

Inventories increased by 15% from Php31.4 billion to Php36.1 billion with Fed Land contributing Php29.8 billion comprising condominium units for sale and land acquisitions for development and TMP contributing Php4.9 billion mostly finished goods. GBPC and TCI also contributed Php1.2 billion and Php0.2 billion consisting of coal and spare parts and supplies and vehicles and spare parts.

Prepayments and other current assets increased by 9% from Php5.5 billion to Php6 billion comprising input VAT, advances to contractors and suppliers and prepaid expenses from Fed Land, (Php3.1 billion); GBPC, (Php1.8 billion); TMP, (Php522 million); CPAIC, (Php388 million); TCI, (Php65 million) and GT Capital (Php37 million).

Available-for-sale investments increased by 7% from Php4.1 billion to Php4.4 billion, with GBPC, CPAIC and TMP accounting for Php2.4 billion, Php1.4 billion and Php0.6 billion, respectively.

Investments in associates and jointly controlled entities increased by 20% from Php47.4 billion to Php56.8 billion due to 1) Php8.3 billion additional investment in the Metrobank stock rights offering; 2) Php1.6 billion share in net income of associates and jointly controlled entities; and 3) Php0.2 billion share in other comprehensive income; offset by Php0.7 billion cash dividends received from associates and jointly-controlled entities.

Other noncurrent assets decreased by 12% from Php634 million to Php559 million comprising Fed Land's amortization of deferred input tax.

Short-term loans payable increased by 82% from Php2.3 billion to Php4.3 billion due to the Php2.5 billion loan availments made by GT Capital offset by loan payments made by TMP subsidiaries (Php450 million) and TCI (Php155 million).

Customers' deposits increased by 5% from Php2.5 billion to Php2.7 billion mainly due to increase in reservation sales from Fed Land projects.

Dividends payable increased by Php523 million from Php2.0 billion to Php2.5 billion due to cash dividends declared by GT Capital in March 2015 payable in May 2015.

Income tax payable increased by Php630 million from Php476 million to Php1.1 billion due to the increase in taxable income of certain subsidiaries.

Other current liabilities declined by 10% from Php882 million to Php798 million due to settlement of withholding taxes as of December 31, 2014 which were paid in the first quarter of 2015.

Long-term debt increased by 29% from Php42.1 billion to Php54.4 billion due to GT Capital's availment of a Php13.0 billion bilateral fixed-rate term loans to finance its investment in the Metrobank stock rights offering and investment in Series B preferred share offering in Fed Land, offset by a Php0.7 billion debt service payment and amortization of fair value adjustment in GBPC's long-term debt.

Noncurrent portion of liabilities on purchased properties declined by 7% from Php2.7 billion to Php2.5 billion due to scheduled principal payment by Fed Land in the first quarter of 2015.

Other noncurrent liabilities reached Php3.1 billion, composed of long-term accrued expenses of TMP, (Php1.6 billion); non-current retention payable of Fed Land, (Php0.5 billion); non-current deferred output tax of Fed Land, (Php0.4 billion); decommissioning liability of GBPC, (Php0.3 billion) and refundable and other deposits of Fed Land, (Php0.2 billion).

Treasury shares amounted to Php9 million representing investment in shares of stock by CPAIC in GT Capital.

Unappropriated retained earnings increased by 9% from Php24.4 billion to Php26.7 billion mainly due to the Php2.8 billion consolidated net income in the first three (3) months of 2015, net of Php0.5 billion cash dividends declared in March 2015.

Other comprehensive income improved by Php375 million from negative Php104 million to Php271 million due to mark-to-market gains recorded on available-for-sale investments of GT Capital's subsidiaries and associates.

Equity before non-controlling interests increased by 3% from Php79.3 billion to Php82.0 billion after accounting for the Php2.8 billion net income realized for the period, Php523 million cash dividends declared, and Php375 million increase in other comprehensive income.

Non-controlling interests increased by 6% from Php26.6 billion to Php28.3 billion representing the net effect of the Php1.5 billion net income attributable to non-controlling interest, and the Php113 million other comprehensive income attributable to non-controlling interest.

Key Performance Indicators (In Million Pesos, except %)

Income Statement	March 31, 2014	March 31, 2015
Total Revenues	31,123	35,815
Net Income attributable to GT Capital Holdings	1,737	2,798
Balance Sheet	December 31, 2014	March 31, 2015
Total Assets	218,263	238,740
Total Liabilities	112,321	128,499
Equity attributable to GT Capital Holdings	79,347	81,990
Return on Equity	12.2%	13.9%*

* Annualized net income attributable to GT Capital Holdings divided by the average equity; where average equity is the sum of equity attributable to GT Capital Holdings at the beginning and end of the period/year divided by 2.

Component Companies Financial Performance

Metrobank

Metrobank core net income grew by 50% from Php3.4 billion in the first quarter of 2014 to Php5.1 billion in the first quarter of 2015. Core net income excludes last year's divestment of non-core assets and the sale of bank-owned property.

Net interest income reached Php1.7 billion mainly due to the 19% growth in loans and receivables from Php623.5 billion to Php743.8 billion and the 18% increase in deposit liabilities from Php1 trillion to Php1.2 trillion. Non-interest income for the period included Php2.7 billion in bank commissions, service fees and income from trust operations, Php2.3 billion in trading and foreign exchange gains, and Php1.6 billion in miscellaneous income.

Total resources increased by 15% from Php1.4 trillion to Php1.6 trillion due to the double digit growth in loans and receivables and deposits.

Metrobank successfully completed a Php32 billion stock rights offer to further enhance its capital ratios keeping it well above the Philippine Basel III requirements and to further grow its loan portfolio especially the middle market and small-to-medium enterprises, as well as the growing consumer sector.

Federal Land

Fed Land total revenue declined by 10% from Php2.3 billion in the first quarter of 2014 to Php2.1 billion in the first quarter of 2015. Real estate sales and interest income on real estate sales, a major component of total revenue, dropped by 11% from Ph1.7 billion to Php1.5 billion as Fed Land completed seven (7) vertical residential condominium projects in 2014 resulting in lower average percentage-of-completion from 31% in the first quarter of 2014 to 23% in the first quarter of 2015. For 2015, Fed Land is targeting to launch approximately ten (10) vertical residential condominium projects, two (2) of which have already been launched (Six Senses Resort Tower 4 and Paseo de Roces Tower 2). Reservation sales grew by 32% from Php3.2 billion in the first quarter of 2013 to Php4.3 billion in the first quarter of 2014 with a bulk of the increase coming from the master-planned communities in Veritown, Fort Bonifacio Global City and Macapagal, Pasay City. Rent income increased by 11% from Php176.8 million to Php195.5 million owing to annual price escalation and contribution of the Blue Bay Walk retail and commercial complex. Net income attributable to shareholders decreased by 25% from Php424 million to Php318 million as revenues booked were mostly middle market projects which have lower margins.

Fed Land recently entered into a joint venture agreement with Alveo Land Corp. (Alveo), a fully-owned subsidiary of Ayala Land, Inc., for the development of a 45-hectare property along Laguna Boulevard, Binan, Laguna. Envisioned to be a master-planned residential community, the project is directly accessible from Makati via South Metro Manila Skyway and the South Luzon Expressway. It is in close proximity to the De La Salle University Science and Technology Complex and the Ayala Laguna Technopark. The project is also a few kilometers away from the planned Laguna Boulevard interchange of the proposed Cavite-Laguna Expressway (CALAX) and is in the general vicinity of Ayala Land's Ayala Westgrove Heights and NUVALI projects.

Global Business Power

GBPC's net fees, comprising energy fees supplied by its operating companies to its customers, declined from Php4 billion in the first quarter of 2014 to Php3.9 billion in the first quarter of 2015. The drop in net fees was mainly due to Cebu Energy Development Corporation and Panay Energy Development Corporation implementing mandatory preventive maintenance shutdown of their coal-fired units from fourth quarter 2014 to first quarter 2015.

Power plant operation and maintenance decreased by 4.8% from Php2.4 billion to Php2.3 billion resulting in a 21% improvement in net income attributable to equity holders from Php224.9 million in the first quarter of 2014 to Php272.3 million in the first quarter of 2015. The first quarter of 2014 was an extraordinary period as most of GBPC's bilateral customers suspended their operations due to Typhoon Yolanda-related expenses and the imposition of the administrative price cap.

Panay Energy started a 150-megawatt clean coal-fired plant expansion in Iloilo City to complement its two (2) existing units of 82-megawatt per unit coal-fired facility. Expected to be completed by June 2016, construction is already 40% complete. Panay Energy recently raised Php11 billion twelve (12) year syndicated loan facility to fund the ongoing plant expansion. Panay Energy also disclosed that the Panay-Guimaras Power Supply Consortium signed a 25 year electric power purchase agreement for an aggregate power supply of 24 megawatts from the expansion project.

Toyota Motor Philippines

TMP recorded a 11% growth in consolidated sales from Php23.6 billion in the first quarter of 2014 to Php26.2 billion in the first quarter of 2015 as wholesale volume grew by 20% to 28,077 units. TMP retail sales volume likewise grew by 22% outpacing industry's 17%. The sales improvement was attributed to the launching of the all new Vios in July 2013, new model introductions in 2014 – Corolla Altis, Wigo, and Yaris, volume increments across all models and aggressive sales and promotions.

The sales growth, managed cost efficiencies, favorable foreign exchange rates, and models mix resulted in improvements in gross profit margin from 12.6% to 16.1%, operating profit margin from 8.1% to 12.3% and net profit margin from 5.9% to 9.3%. Consolidated net income attributable to equity holders grew by 79% from Php1.3 billion to Php2.4 billion.

Year-to-date, two (2) new dealer outlets were inaugurated namely Toyota Zamboanga and Toyota Roxas City thereby bringing TMP's dealer network to 47. For 2015, TMP is planning to open ten (10) new dealer outlets.

TMP also includes the following four (4) dealer outlets: Toyota Makati with one (1) branch Toyota Bicutan, Toyota San Fernando in Pampanga with one (1) branch Toyota Plaridel, Bulacan and Lexus Manila Bonifacio Global City, Taguig City.

AXA Philippines

AXA Philippines generated a 36% increase in new business or Annualized Premium Equivalent from Php829 million in the first quarter of 2014 to Php1.1 billion in the first quarter of 2015 due to recovery in investment-linked products due to strong market. As a result, premium revenue grew by 62% from Php3.5 billion in the first quarter of 2014 to Php5.6 billion in the first quarter of 2015 with single premium and regular premium contributing 69% and 31% of premium income due to intensified sales initiatives. By distribution platform, bancassurance and sales agency accounted for 76% and 24% of premium revenue. Net income rose by 59% from Php230.7 million in the first quarter of 2014 to Php366.3 million in the first quarter of 2015.

Charter Ping An

CPAIC reported a 1% decline in gross premium written from Php840.9 million in the first quarter of 2014 to Php828.9 million in the first quarter of 2015 due to reallocation of gross premium written from property to motor car and completion of projects secured by bonds and engineering insurance lines. CPAIC incurred higher underwriting expenses in the first quarter thereby resulting in a 10% decline in gross profit from Php152.9 million to Php138.2 million and a 19% decline in operating income from Php50.7 million to Php40.9 million, respectively. Net income declined by 20% from Php55 million in 2014 to Php44.3 million in 2015.

Toyota Manila Bay

TMBC consolidated sales comprising vehicle sales, spare parts and maintenance services grew by 4.1% from Php2.7 billion in the first quarter of 2014 to Php2.8 billion in the first quarter of 2015. Vehicle sales, accounting for 92% of TMBC sales, grew by 3.3% from Php2.46 billion to Php2.54 billion coming from the 3.4% increase in retail sales volume from 2,610 units to 2,700 units. Sales from spare parts and maintenance services, accounting for a combined 8% of TMBC sales, increased by 12% and 19%, respectively. Gross profit margins for vehicle sales decreased from 3.7% to 2.9% due to intensified competition. As a result, overall gross profit margins dropped from 5.8% to 5.4%. Net income for the first quarter declined by 27.6% from Php31.8 million to Php23.1 million.

TMBC has three (3) outlets located in Roxas Boulevard, Pasay City, Jose Abad Santos, Manila and Dasmariñas, Cavite.

Toyota Cubao, Inc.

TCI consolidated sales comprising vehicle sales, spare parts and maintenance services rose by 28.7% from Php1.1 billion as of the first quarter of 2014 to Php1.4 billion in the first quarter of 2015. Vehicle sales, accounting for 93% of TCI sales, grew by 30% from Php987.5 million to Php1.3 billion as retail sales volume increased by 10.5% from 1,175 units to 1,298 units. Sales from spare parts and maintenance services, accounting for a combined 7% of TCI sales, increased by 20% and 6%, respectively. Although gross profit improved by 16% from Php82.1 million to Php95 million, operating expenses increased by 28% from Php69.2 million to Php88.9 million owing to accelerated depreciation, rent, taxes, and salaries and benefit expenses. Net income dropped by 65% from Php5.7 million in 2014 to Php2 million in 2015.

TCI has two (2) outlets situated Cubao, Quezon City and Marikina.

Toyota Financial Services Corporation

TFSPC recorded a 32% growth in gross interest income from Php541.8 million in the first quarter of 2014 to Php716.6 million in the first quarter of 2015 as bookings increased by 6% from 4,741 units in 2014 to 5,024 units in 2015 equivalent to a penetration rate of 18% as of the first quarter of 2015. Although net income for the period improved by 69% from Php102.6 million to Php173 million this was mainly due to a Php80 million reversal of provision based on a new risk-based methodology effective March 2015 and a Php37 million increase in other expenses (taxes and licenses, litigation and credit investigation).

Except for (ii), (iv) and (vii) as discussed below, the Company does not know of:

- (i) Any known trends or any known demands, commitments, events, uncertainties that will result or that are reasonably likely in the Company's liquidity increasing or decreasing in any material way;
- (ii) Any events that would trigger direct or contingent financial obligation (including contingent obligation) that is material to the Company, including any default or acceleration of an obligation except those disclosed in the notes to the interim condensed unaudited financial statements;
- (iii) Any material off-balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons created during the reporting period;
- (iv) Any material commitments for capital expenditures, their purpose, and sources of funds for such expenditures;

The GT Capital Group's 2015 capital expenditures ("capex") budget is presented as follows:

Component Company	2015 Capex (In Billion Pesos)	Nature	Source of Funding
Metrobank	3.00	Branch expansion and ATM network and enhancement of IT systems	Internally generated funds
Fed Land	15.00	Ongoing vertical residential condominium projects, retail and commercial developments and land acquisitions	Internally generated funds, end-user financing from banks, preferred shares and debt
GBPC	20.50	Phase II expansion of Panay Energy Unit 3 (Php15.5 billion); and Bio Mass (Php5 billion)	Debt and Equity
TMP	2.76	Dealership software, new car models, new dealer outlet, building expansion, Takt time improvement, and plant rehabilitation	Internally generated funds
AXA Philippines	0.12	Replacement capital expenditures and office renovation	Internally generated funds
Charter Ping An	.05	Enhancement of IT systems and office renovation	Internally generated funds
TMBC	0.209	Dasmarinas expansion, and Abad Santos parking structure	Debt and equity
TCI	0.307	Cubao renovation and Marikina relocation	Debt and equity
TFSPH	0.10	Enhancement of IT systems	Internally generated funds
GT Capital - Parent	8.032	Participation in the Metrobank stock rights offering	Debt
Total	50.078		

- (v) Any know trends, events or uncertainties that have had or are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations;
- (vi) Any significant elements of income or loss that did not arise from the Company's continuing operations;
- (vii) The causes of any material change from period to period including vertical and horizontal analysis of any material item, the causes of material changes are discussed in the MD & A; and
- (viii) Any seasonal aspects that had a material effect on financial condition or results of operation of the Company.

PART II--OTHER INFORMATION

On March 13, 2015, the BOD of the Parent Company approved the amendment of Article SEVENTH of its Amended Articles of Incorporation to create a new class of shares (Perpetual Preferred Shares). The authorized capital stock of the Corporation of Five Billion Pesos (₱5,000,000,000.00) in lawful money of the Philippines, will be divided into Two Hundred Ninety Eight Million, Two Hundred Fifty Seven Thousand (298,257,000) Common Shares with a par value of Ten Pesos (₱10.00) per share, Twenty Million (20,000,000) Perpetual Preferred Shares with a par value of One Hundred Pesos (₱100.00) per share and One Hundred Seventy Four Million Three Hundred Thousand (174,300,000) Voting Preferred Shares with a par value of Ten Centavos (₱0.10) per share.

The Perpetual Preferred Shares shall have the following features, rights and privileges:

- a. The Issue Value and Dividend Rate shall be determined by the BOD at the time of the issuance thereof;
- b. The Perpetual Preferred Shares shall be entitled to the payment of current as well as any accrued or unpaid dividends before any dividends can be paid to the holders of Common Shares. No dividend shall be declared or paid on the Common Shares unless the full accumulated dividends on all the Perpetual Preferred Shares for all past dividend periods and for the current dividend period shall have been declared and paid by the Corporation;
- c. The holders of Perpetual Preferred Shares shall have preference over holders of Common Shares in the distribution of corporate assets in the event of dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary;
- d. The Perpetual Preferred Shares shall not be entitled to vote, except in those cases specifically provided by law;
- e. The Perpetual Preferred Shares shall be non-participating in any other further dividends beyond that specifically payable thereon;
- f. The Perpetual Preferred Shares shall be non-convertible to common shares or Voting Preferred Shares;
- g. The Perpetual Preferred Shares shall be redeemable at the option of the Corporation under such terms that the Board may approve at the time of the issuance thereof;
- h. The Perpetual Preferred Shares shall have no pre-emptive rights to any issue of shares, common or preferred; and
- i. Other features, rights and privileges as determined by the BOD.

The foregoing amendment was approved by the stockholders at the Annual Stockholders Meeting on May 11, 2015 and shall be submitted for approval of the Securities and Exchange Commission.

Also, at the Annual Stockholders Meeting of the Company on May 11, 2015, the following directors were elected:

- | | |
|------------------------------------|------------------------|
| 1. Mr. George S.K. Ty | - Group Chairman |
| 2. Mr. Francisco C. Sebastian | - Chairman |
| 3. Mr. Arthur Vy Ty | - Co-Vice Chairman |
| 4. Mr. Alfred Vy Ty | - Co-Vice Chairman |
| 5. Mr. Carmelo Maria Luza Bautista | - Director/President |
| 6. Mr. Roderico V. Puno | - Director |
| 7. Mr. David T. Go | - Director |
| 8. Mr. Jaime Miguel G. Belmonte | - Independent Director |
| 9. Mr. Christopher P. Beshouri | - Independent Director |
| 10. Mr. Wilfredo A. Paras | - Independent Director |
| 11. Mr. Peter B. Favila | - Independent Director |

* As provided under Section 38 of the Securities Regulation Code (Republic Act No. 8799, as amended) and SRC Implementing Rule 38.1.

At the Organizational Meeting of the Board of Directors ("Organizational Meeting") that followed immediately after the Annual Stockholders Meeting, the following officers of the Company were appointed:

1. Carmelo Maria Luza Bautista - President
2. Anjanette T. Dy Buncio - Treasurer
3. Alesandra T. Ty - Assistant Treasurer
4. Antonio V. Viray - Corporate Secretary
5. Jeanne Frances T. Chua - Assistant Corporate Secretary
6. Jocelyn Y. Kho - Assistant Corporate Secretary
7. Francisco H. Suarez, Jr. - Executive Vice President and Chief Finance Officer
8. Joselito V. Banaag - First Vice President and Head, Legal and Compliance
9. Jose B. Crisol, Jr. - First Vice President and Head, Investor Relations and Corporate Communications
10. Susan E. Cornelio - Vice President and Head, Human Resources
11. Richel D. Mendoza - Vice President and Chief Audit Executive
12. Reyna Rose P. Manon-og - Vice President/Controller and Head, Accounting and Financial Control
13. Ms. Elsie D. Paras - Vice President and Deputy Chief Finance Officer

Furthermore, the Board of Directors of the Company appointed the following as Advisers to the Board of Directors:

1. Mary Vy Ty
2. Pascual M. Garcia III
3. Antonio S. Abacan, Jr.

Also during the Organizational Meeting, the following were appointed to the various Board Committees of the Company:

Executive Committee	
Mr. Arthur Vy Ty	Chairman
Mr. Alfred Vy Ty	Vice Chairman
Mr. Francisco C. Sebastian	Member
Mr. Carmelo Maria Luza Bautista	Member
Ms Mary Vy Ty	Adviser

Corporate Governance Committee	
Mr. Christopher P. Beshouri	Chairman
Mr. Wilfredo A. Paras	Member
Mr. Jaime Miguel G. Belmonte	Member

Audit Committee	
Mr. Wilfredo A. Paras	Chairman
Mr. Christopher P. Beshouri	Member
Dr. David T. Go	Member
Mr. Peter B. Favila	Member

Risk Oversight Committee	
Mr. Peter B. Favila	Chairman
Mr. Christopher P. Beshouri	Member
Mr. Wilfredo A. Paras	Member
Atty. Roderico V. Puno	Member

Compensation Committee	
Mr. Jaime Miguel G. Belmonte	Chairman
Mr. Alfred Vy Ty	Member
Atty. Roderico V. Puno	Member

Nominations Committee	
Mr. Wilfredo A. Paras	Chairman
Mr. Jaime Miguel G. Belmonte	Member
Mr. Peter B. Favila	Member

Re-Appointment of External Auditors

Finally, the stockholders, upon recommendation of the Audit Committee of the Company, by a majority vote of its outstanding capital stock, re-appointed Sycip Gorres Velayo & Company as the external auditors of the Company for the year 2015-2016.

**GT CAPITAL HOLDINGS, INC.
AGING OF ACCOUNTS RECEIVABLE
IN MILLION PESOS
AS OF MARCH 31, 2015**

Number of Days	Amount
Less than 30 days	Php 1,121
30 days to 60 days	348
61 days to 90 days	324
91 days to 120 days	485
Over 120 days	1,386
Current	13,030
Noncurrent receivables	4,892
Total	21,586

**GT CAPITAL HOLDINGS, INC.
LIST OF STOCKHOLDERS AND PERCENTAGE OF HOLDINGS
AS OF MARCH 31, 2015**

The following stockholders own more than 5% of the total issued and outstanding shares of the Company as of March 31, 2015:

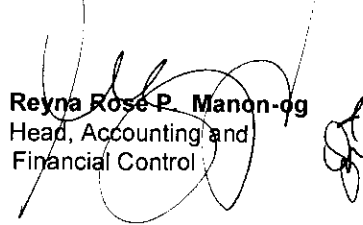
Name Of Stockholder	Total Number Of Shares Held	Percent To Total Number Of Shares Issued
Grand Titan Capital Holdings, Inc.	94,656,110	54.306%
PCD Nominee-Non Filipino	65,136,819	37.371%
PCD Nominee-Filipino	13,903,179	7.977%
Others	603,892	0.346%
Total	174,300,000	100.000%

SIGNATURES


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

Issuer: **GT Capital Holdings, Inc.**

Signature and Title:



Reyna Rose P. Manon-og
Head, Accounting and
Financial Control



Francisco H. Suarez, Jr.
Chief Finance Officer

Date: May 13, 2015

GT Capital Holdings, Inc. and Subsidiaries

Interim Condensed Consolidated Financial Statements

As of March 31, 2015 (Unaudited) and December 31, 2014
(Audited)

and for the quarters ended March 31, 2015 and 2014
(Unaudited)

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Millions)

	Unaudited March 31, 2015	Audited December 31, 2014
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	34,176	29,702
Short-term investments	1,370	1,309
Receivables	16,801	16,223
Reinsurance assets	3,625	3,879
Inventories	36,052	31,426
Due from related parties	178	171
Prepayments and other current assets	5,968	5,468
TOTAL CURRENT ASSETS	98,170	88,178
NONCURRENT ASSETS		
Noncurrent receivables	4,892	4,897
Available-for-sale investments	4,414	4,127
Investments in associates and joint ventures	56,847	47,451
Investment properties	8,602	8,643
Property and equipment	45,794	44,801
Goodwill and intangible assets	17,689	17,806
Deferred tax assets	1,773	1,726
Other noncurrent assets	559	634
TOTAL NONCURRENT ASSETS	140,570	130,085
	238,740	218,263
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts and other payables	20,072	19,280
Insurance contract liabilities	5,468	5,665
Short-term debt	4,261	2,347
Current portion of long-term debt	3,023	3,061
Current portion of liabilities on purchased properties	783	783
Customers' deposit - current	2,688	2,549
Due to related parties - current	175	176
Dividends payable	2,557	2,034
Income tax payable	1,106	476
Other current liabilities	798	882
TOTAL CURRENT LIABILITIES	40,931	37,253
NONCURRENT LIABILITIES		
Pension liability	2,265	2,261
Long term debt-net of current portion	54,403	42,117
Bonds payable	21,781	21,775
Liabilities on purchased properties - net of current portion	2,535	2,729
Deferred tax liabilities	3,528	3,532
Other noncurrent liabilities	3,056	2,654
TOTAL NONCURRENT LIABILITIES	87,568	75,068
	128,499	112,321
EQUITY		
Equity attributable to equity holders of the Parent Company		
Capital stock	1,743	1,743
Additional paid-in capital	46,695	46,695
Treasury shares	(9)	(2)
Retained earnings		
Unappropriated	26,707	24,432
Appropriated	6,000	6,000
Other equity adjustments	583	583
Other comprehensive income	271	(104)
	81,990	79,347
Non-controlling interest	28,251	26,595
TOTAL EQUITY	110,241	105,942
	238,740	218,263

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Millions, Except Earnings Per Share)

	UNAUDITED	
	Quarter Ended March	
	2015	2014
REVENUE		
Automotive operations	27,601	23,626
Net fees	3,952	4,004
Real estate sales	1,205	1,438
Equity in net income of associates and joint ventures	1,573	723
Net premium earned	499	441
Rent income	196	175
Sale of goods and services	132	163
Interest income	441	339
Commission income	56	47
Other income	160	167
	35,815	31,123
COST AND EXPENSES		
Cost of goods and services sold	16,734	14,827
Cost of goods manufactured	6,658	5,983
Cost of rental	90	48
General and administrative expenses	2,774	2,539
Power plant operation and maintenance expenses	2,249	2,331
Cost of real estate sales	978	998
Interest expense	939	823
Net insurance benefits and claims	225	180
	30,647	27,729
INCOME BEFORE INCOME TAX	5,168	3,394
PROVISION FOR INCOME TAX	826	605
NET INCOME	4,342	2,789
ATTRIBUTABLE TO:		
Equity holders of the Parent Company	2,798	1,737
Non-controlling interest	1,544	1,052
	4,342	2,789
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	16.05	9.97

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)

	Unaudited	
	Quarter Ended March 31	
	2015	2014
NET INCOME	P4,342	P2,789
OTHER COMPREHENSIVE INCOME		
<i>Items that may be reclassified to profit or loss in subsequent periods:</i>		
Changes in fair value of available-for-sale investments	261	59
Equity in other comprehensive income of associates:		
Changes in fair value of available-for-sale investments of associates	238	(1,169)
Translation adjustment of associates	2	(26)
	<u>501</u>	<u>(1,136)</u>
<i>Items that may not be reclassified to profit or loss in subsequent periods:</i>		
Remeasurement of defined benefit plans	(17)	2
Equity in remeasurement of defined benefit plans of associates	(4)	(1)
Income tax effect	6	-
	<u>(15)</u>	<u>1</u>
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX	486	(1,135)
TOTAL COMPREHENSIVE INCOME, NET OF TAX	P4,828	P1,654
Attributable to:		
Equity holders of the GT Capital Holdings, Inc.	P3,172	P576
Non-controlling interest	1,656	1,078
	<u>P4,828</u>	<u>P1,654</u>

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
QUARTER ENDED MARCH 31, 2015 AND 2014 (UNAUDITED)
(In Millions)

	Equity Attributable to Equity Holders of the Parent Company												
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Unappropriated Retained Earnings	Appropriated Retained Earnings	Net Unrealized Gain on Available-Investments for-Sale Associates	Net Unrealized Gain (Loss) on Remeasurement of Defined Benefit Plans	Equity in Net Unrealized Gain (Loss) on Available-Investments for-Sale Associates	Equity in Net Unrealized Loss on Remeasurement of Defined Benefit Plans of Associates	Other Equity Adjustment	Non-controlling Interests	Total	
At January 1, 2015	P1,743	P46,695	(P2)	P24,432	P6,000	P618	(P419)	(P78)	P391	(P615)	P563	P28,595	P105,943
Total comprehensive income	-	-	-	2,796	-	149	(12)	238	2	(3)	-	1,656	4,828
Dividends declared	-	-	-	(523)	-	-	-	-	-	-	-	-	(523)
Appropriation of retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
Reissuance of treasury shares	-	-	(7)	-	-	-	-	-	-	-	-	-	-
At March 31, 2015	P1,743	P46,695	(P9)	P26,707	P6,000	P767	(P431)	P160	P393	(P616)	P583	P28,251	P110,241

(Forward)

Equity Attributable to Equity Holders of the Parent Company

	Capital Stock	Additional Paid-in Capital	Treasury Shares	Unappropriated Retained Earnings	Appropriated Retained Earnings	Net Unrealized Gain on Available-for-Sale Investments	Net Unrealized Gain (Loss) on Remeasurement of Defined Benefit Plans	Equity in Net Unrealized Gain (Loss) on Available-for-Sale Investments of Associates	Equity in Translation of Associates	Equity in Remeasurement of Defined Benefit Plans of Associates	Other Equity Adjustment	Non-controlling Interests	Total
	₱1,743	₱46,695	(₱6)	₱21,802	₱-	₱80	(₱216)	₱5	₱417	(₱723)	₱729	₱22,038	₱92,564
At January 1, 2014													
Total comprehensive income	-	-	-	1,737	-	33	2	(1,169)	(26)	(1)	-	1,078	1,654
Dividends declared	-	-	-	(523)	-	-	-	-	-	-	-	-	(523)
Appropriation of retained earnings	-	-	-	(3,000)	3,000	-	-	-	-	-	-	-	-
Effect of acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition of non-controlling interest in a subsidiary	-	-	-	-	-	-	-	-	-	-	-	24	24
Movement in non-controlling interest of subsidiaries	-	-	-	-	-	-	-	-	(376)	-	(376)	(336)	(712)
Reissuance of treasury shares	-	-	4	-	-	-	-	-	-	-	-	1,621	1,621
At March 31, 2014	₱1,743	₱46,695	(₱2)	₱20,016	₱3,008	₱113	(₱214)	(₱1,164)	₱391	(₱724)	₱353	₱24,425	₱94,632

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Millions)

	Unaudited	
	Quarters Ended March 31	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P5,168	P3,394
Adjustments for:		
Interest expense	939	823
Depreciation and amortization	915	681
Pension expense	97	30
Unrealized foreign exchange losses	71	-
Provision for impairment losses	1	-
Dividend income	(1)	-
Gain on disposal of property and equipment	(2)	(18)
Gain on sale of available-for-sale investments	(3)	(2)
Interest income	(441)	(339)
Equity in net income of associates and joint ventures	(1,573)	(723)
Operating income before changes in working capital	5,171	3,846
Decrease (increase) in:		
Short-term investments	(61)	212
Receivables	(85)	(711)
Reinsurance assets	254	15,698
Due from related parties	(7)	194
Inventories	(4,622)	(21,454)
Prepayments and other current assets	(500)	1,127
Increase (decrease) in:		
Accounts and other payables	672	241
Insurance contract liabilities	(197)	194
Customers' deposits	139	74
Other current liabilities	(83)	(146)
Cash provided by operations	681	(725)
Interest received	402	329
Interest paid	(932)	(892)
Contributions to pension plan	(105)	-
Dividends received	241	689
Income taxes paid	(196)	(868)
Net cash provided by (used in) operating activities	91	(1,467)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of:		
Property and equipment	53	470
Available-for-sale investments	100	160
Additions to:		
Property and equipment	(1,796)	(1,814)
Investments in associates and joint ventures	(8,279)	(237)
Available-for-sale investments	(129)	(340)
Long-term cash investments	-	(2)
Intangible assets	(2)	(1)
Investment properties	(5)	-
Acquisition of subsidiary, net of cash acquired	-	(282)
Acquisition of non-controlling interests in consolidated subsidiaries	-	(712)
Decrease (increase) in other noncurrent asset	28	(1,038)
Net cash provided by (used in) investing activities	(10,030)	(3,796)
(Forward)		

	Unaudited	
	Quarters Ended March 31	
	2015	2014
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan availment	P19,540	P5,165
Proceeds from issuance of capital stock		-
Proceeds from bond issuance		-
Payment of loans payable	(5,256)	(1,015)
Increase (decrease) in:		
Due to related parties	(1)	(5)
Liabilities on purchased properties	(194)	-
Other noncurrent liabilities	395	64
Capital contribution from non-controlling interests	-	1,621
Net cash provided by financing activities	14,484	5,830
Effect of exchange rate changes on cash and cash equivalents	(71)	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	4,474	567
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	29,702	27,167
CASH AND CASH EQUIVALENTS AT END OF PERIOD	P34,176	P27,734

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
GENERAL NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL
STATEMENTS

1. Corporate Information

GT Capital Holdings, Inc. (the Parent Company) was organized and registered with the Philippine Securities and Exchange Commission (SEC) on July 26, 2007. The primary purpose of the Parent Company is to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, exchange, develop or otherwise dispose of real property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any corporation or corporations, associations, domestic or foreign, and to possess and exercise in respect thereof all the rights, powers and privileges of ownership, including all voting powers of any stock so owned.

The common shares of the Parent Company were listed beginning April 20, 2012 and have since been traded in the Philippine Stock Exchange, Inc.

Group Activities

The Parent Company, Federal Land, Inc. (Fed Land) and Subsidiaries (Fed Land Group), Charter Ping An Insurance Corporation (Charter Ping An or Ping An), Toyota Motor Philippines Corporation (Toyota or TMPC) and Subsidiaries (Toyota Group), Global Business Power Corporation (GBPC) and Subsidiaries (GBPC Group) and Toyota Cubao, Inc. (TCI) and Subsidiary (TCI Group) are collectively referred herein as the "Group". The Parent Company, the holding company of the Fed Land Group (real estate business), Charter Ping An (non-life insurance business), Toyota Group (automotive business), GBPC Group (power generation business) and TCI Group (automotive business) is engaged in investing, purchasing and holding shares of stock, notes and other securities and obligations.

The principal business interests of the Fed Land Group are real estate development and leasing and selling properties and acting as a marketing agent for and in behalf of any real estate development company or companies. The Fed Land Group is also engaged in the business of trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintaining a petroleum service station and food and restaurant service.

GBPC was registered with the Philippine SEC on March 13, 2002 primarily to invest in, hold, purchase, import, acquire (except land), lease, contract or otherwise, with the limits allowed for by law, any and all real and personal properties of every kind and description, whatsoever, and to do acts of being a holding company except to act as brokers dealers in securities.

Toyota Group is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of motor vehicles including vehicle parts, accessories and instruments.

Charter Ping An is engaged in the business of nonlife insurance which includes fire, motor car, marine hull, marine cargo, personal accident insurance and other products that are permitted to be sold by a nonlife insurance company in the Philippines.

TCI is engaged in purchasing, trading, exchanging, distributing, marketing, repairing and servicing automobiles, trucks and all kinds of motor vehicles and automobile products of every kind and description, motor vehicle parts, accessories, tools and supplies and equipment items.

The Parent Company also has significant shareholdings in Metropolitan Bank & Trust Co. (MBTC or Metrobank), Philippine AXA Life Insurance Corporation (AXA Philippines or Phil AXA), Toyota Manila Bay Corporation (TMBC) and Toyota Financial Services Philippines Corporation (TFSPC).

The registered office address of the Parent Company is at 43rd Floor, GT Tower International, Ayala Avenue corner H.V. de la Costa St., Makati City.

The accompanying interim condensed consolidated financial statements of the Company were approved for issue by the Company's Audit Committee on May 8, 2015.

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34 Interim Financial Reporting. Accordingly, the interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Group's annual audited financial statements as at December 31, 2014.

The interim condensed consolidated financial statements of the Group have been prepared using the historical cost basis except for available-for-sale (AFS) investments which have been measured at fair value. The Group's interim condensed consolidated financial statements are presented in Philippine Peso (₱), the Group's functional currency. Values are rounded to the nearest million pesos (₱000,000) unless otherwise indicated.

Presentation of Financial Statements

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense are not offset in the consolidated statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Basis of Consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Parent Company and the following wholly and majority-owned domestic subsidiaries:

	Country of Incorporation	Direct Percentages of Ownership		Effective Percentages of Ownership	
		March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014
Fed Land and Subsidiaries	Philippines	100.00	100.00	100.00	100.00
Charter Ping An	-do-	100.00	100.00	100.00	100.00
Toyota and Subsidiaries	-do-	51.00	51.00	51.00	51.00
GBPC and Subsidiaries	-do-	51.27	51.27	52.45	52.45
TGI and Subsidiary	-do-	52.01	52.01	52.01	52.01

As of March 31, 2015 and December 31, 2014, the Parent Company has effective ownership over GBPC of 52.45% (51.27% direct interest and 1.18% indirect interest). The Parent Company's indirect interest comes from its 25.11% direct interest in MBTC, which has 99.23% direct interest in First Metro Investments Corporation (FMIC). FMIC, in turn, has 4.73% direct interest in GBPC as of March 31, 2015 and December 31, 2014.

Fed Land's Subsidiaries

	Percentage of Ownership
FLI - Management and Consultancy, Inc. (FMCI)*	100.00
Baywatch Project Management Corporation (BPMC)*	100.00
Horizon Land Property and Development Corp. (HLPDC)	100.00
Top Leader Property Management Corp. (TLPMC)	100.00
Central Realty and Development Corp. (CRDC)	75.80
Federal Brent Retail, Inc. (FBRI)	51.66

*On July 4, 2014, the BOD of Fed Land approved the merger of Fed Land and its two subsidiaries namely FMCI and BPMC, where Fed Land will be the surviving entity and the two subsidiaries will be the absorbed entities. The merger was approved by the Philippine SEC on March 20, 2015.

GBPC's Subsidiaries

	Percentage of Ownership
ARB Power Venture, Inc. (APVI)	100.00
Toledo Holdings Corp. (THC)	100.00
Toledo Cebu Int'l Trading Resources Corp. (TCITRC)	100.00
Toledo Power Company (TPC)	100.00
GBH Power Resources, Inc. (GPRI)	100.00
Global Energy Supply Corp. (GESC)	100.00
Mindanao Energy Development Corporation (MEDC)	100.00
Global Hydro Power Corporation (GHPC)	100.00
Global Renewables Power Corporation	100.00
Global Luzon Energy Development Corporation (GLEDC)**	100.00
Global Formosa Power Holdings, Inc. (GFPHI)	93.00
Panay Power Holdings Corp (PPHC)	89.30
Panay Power Corp. (PPC)	89.30
Panay Energy Development Corp. (PEDC)	89.30
Cebu Energy Development Corp. (CEDC)	52.18

***GBPC acquired 51% of GLEDC from Meralco PowerGen Corporation by virtue of a Deed of Assignment dated 30 October 2014. Registration in the name of GBPC is still pending.*

Toyota's Subsidiaries

	Percentage of Ownership
Toyota Makati Inc.	100.00
Toyota San Fernando Inc.	55.00
Lexus Manila Inc.	75.00

TCI has investments in Oxfordshire Holdings, Inc., a wholly owned subsidiary.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if, and only if, the Parent Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies except for Charter Ping An which uses the revaluation method in accounting for its condominium units included as part of 'Property and equipment' account in the interim condensed consolidated statement of financial position. The carrying values of the condominium units are adjusted to eliminate the effect of revaluation and to recognize the related accumulated depreciation based on the original acquisition cost to align the measurement with the Group's accounting policy. All intragroup transactions, balances, income and expenses resulting from intragroup transactions and dividends are eliminated in full on consolidation.

Non-controlling interests (NCI) represent the portion of profit or loss and net assets in a subsidiary not attributed, directly or indirectly, to the Parent Company. NCI are presented separately in the interim condensed consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from the Parent Company's equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if that results in the NCI having a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any NCI and the cumulative translation differences, recorded in equity;
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Business Combinations Involving Entities Under Common Control

A business combination involving entities under common control is accounted for using the uniting of interest method, except when the acquisition is deemed to have commercial substance for the Group, in which case the business combination is accounted for under the acquisition method. The combined entities accounted for by the uniting of interests method reports the results of operations for the period in which the combination occurs as though the entities had been combined as of the beginning of the period. Financial statements of the separate entities presented for prior years are also restated on a combined basis to provide comparative information. The effects of intercompany transactions on assets, liabilities, revenues, and expenses for the periods presented, and on retained earnings at the beginning of the periods presented are eliminated to the extent possible.

Under the uniting of interest method, the acquirer accounts for the combination as follows:

- the assets and liabilities of the acquiree are consolidated using the existing carrying values instead of fair values;
- intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the acquiree in accordance with applicable PRFS;
- no amount is recognized as goodwill.
- any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities; and
- comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented.

The acquiree's equity are included in the opening balances of the equity as a restatement and are presented as "Effect of uniting of interest" in the consolidated statement of changes in equity. Cash consideration transferred on acquisition of a subsidiary under common control is deducted in the "Retained earnings" at the time of business combination.

When evaluating whether an acquisition has commercial substance, the Group considers the following factors, among others:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as NCI or other third parties; and
- whether or not the transaction is conducted at fair value.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the date of acquisition. Acquisition-related costs are expensed and included in the interim condensed consolidated statement of income.

When the Group acquires a business, it assesses the financial assets and liabilities of the acquiree for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. The Group also assesses whether assets or liabilities of the acquiree that are previously unrecognized in the books of the acquiree will require separate recognition in the interim condensed consolidated financial statements of the Group at the acquisition date.

In a business combination achieved in stages, the Group remeasures its previously-held equity interest in the acquiree at its acquisition-date fair value and recognizes the resulting gain or loss, if any, in the interim condensed consolidated statements of income. Any recognized changes in the value of its equity interest in the acquiree previously recognized in other comprehensive income are recognized by the Group in profit or loss, as if the previously-held equity interests are disposed of.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized either in the interim condensed consolidated statements of income or as changes to other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured until it is finally settled within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that if known, would have affected the amounts recognized as at that date. The measurement period is the period from the date of acquisition to the date the Group receives complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one year.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount recognized for any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held interest, if any, over the fair value of the net assets acquired.

If after reassessment, the fair value of the net assets acquired exceeds the consideration transferred, the amount recognized for any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held interest, if any, the difference is recognized immediately in the interim condensed consolidated statements of income as 'Gain on bargain purchase'.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss is recognized immediately in the interim condensed consolidated statement of income and is not subsequently reversed. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating unit (CGU) that are expected to benefit from the combination from the acquisition date irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Change in Ownership without Loss of Control

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling interest and NCI are adjusted by the Group to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Parent Company.

Changes in Accounting Policies

The accounting policies adopted in preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the audited annual consolidated financial statements as of and for the year ended December 31, 2013 except for the following new and amended Philippine Financial Reporting Standards (PFRS), PAS and Philippine Interpretations which were adopted as of January 1, 2015.

PFRS 9, Financial Instruments – Classification and Measurement (2010 version)

PFRS 9 (2010 version) reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, Financial Instruments: Recognition and Measurement. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward into PFRS 9, including the embedded derivative separation rules and the criteria for using the FVO.

PFRS 9 (2010 version) is effective for annual periods beginning on or after January 1, 2015. This mandatory adoption date was moved to January 1, 2018 when the final version of PFRS 9 was adopted by the Philippine Financial Reporting Standards Council (FRSC). Such adoption, however, is still for approval by the Board of Accountancy (BOA).

PAS 19, Employee Benefits – Defined Benefit Plans: Employee Contributions (Amendments)

PAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognize such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after January 1, 2015. It is not expected that this amendment would be relevant to the Group, since it has noncontributory defined benefit plan.

Annual Improvements to PFRSs (2010-2012 cycle)

PFRS 2, Share-based Payment – Definition of Vesting Condition

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- a performance condition must contain a service condition
- a performance target must be met while the counterparty is rendering service
- a performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- a performance condition may be a market or non-market condition
- if the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

This amendment does not apply to the Group as it has no share-based payments.

PFRS 3, Business Combinations – Accounting for Contingent Consideration in a Business Combination

The amendment is applied prospectively for business combinations for which the acquisition date is on or after July 1, 2014. It clarifies that a contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PAS 39, Financial Instruments: Recognition and Measurement (or PFRS 9, Financial Instruments, if early adopted). The Group shall consider this amendment for future business combinations.

PFRS 8, Operating Segments – Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets

The amendments are applied retrospectively and clarify that: An entity must disclose the judgments made by management in applying the aggregation criteria in the standard, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'. The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. These amendments are applied retrospectively and affect disclosures only.

PAS 16, Property, Plant and Equipment, and PAS 38, Intangible Assets – Revaluation Method – Proportionate Restatement of Accumulated Depreciation and Amortization

The amendment is applied retrospectively and clarifies in PAS 16 and PAS 38 that the asset may be revalued by reference to the observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. The amendment has no impact on the Group's financial position or performance.

PAS 24, Related Party Disclosures – Key Management Personnel

The amendment is applied retrospectively and clarifies that a management entity, which is an entity that provides key management personnel services, is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

Annual Improvements to PFRSs (2011-2013 cycle)

PFRS 3, Business Combinations – Scope Exceptions for Joint Arrangements

The amendment is applied prospectively and clarifies the following regarding the scope exceptions within PFRS 3:

- Joint arrangements, not just joint ventures, are outside the scope of PFRS 3.
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself.

PFRS 13, Fair Value Measurement – Portfolio Exception

The amendment is applied prospectively and clarifies that the portfolio exception in PFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of PAS 39. The amendment has no significant impact on the Group's financial position or performance.

PAS 40, Investment Property

The amendment is applied prospectively and clarifies that PFRS 3, and not the description of ancillary services in PAS 40, is used to determine if the transaction is the purchase of an asset or business combination. The description of ancillary services in PAS 40 only differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment has no significant impact on the Group's financial position or performance.

Except as otherwise indicated, the impact of the revised standards adopted effective January 1, 2015 has been reflected in the interim condensed consolidated financial statements, as applicable.

Significant Accounting Policies

Fair Value Measurement

The Group measures financial instruments, such as AFS investments, at fair value at each consolidated statement of financial position date.

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

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

The principal or the most advantageous market must be accessible to the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

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

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

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

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

For assets and liabilities that are recognized in the interim condensed consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the fair value hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Financial Instruments – Initial Recognition and Subsequent Measurement

Date of recognition

The Group recognizes a financial asset or a financial liability in the interim condensed consolidated statement of financial position when it becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date, which is the date when the Group commits to purchase or sell assets.

Initial recognition of financial instruments

All financial assets are initially recognized at fair value. Except for financial assets and financial liabilities at fair value through profit or loss (FVPL), the initial measurement of financial assets and financial liabilities includes transaction costs. The Group classifies its financial assets in the following categories: financial assets at FVPL, held-to-maturity (HTM) investments, AFS investments, and loans and receivables. The Group classifies its financial liabilities as financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

As of March 31, 2015 and December 31, 2014, the Group's financial assets are of the nature of loans and receivables and AFS investments while financial liabilities are of the nature of other financial liabilities. The Group made no reclassifications in its financial assets in 2015 and 2014.

Determination of fair value

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and asking price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not designated as AFS investments or financial assets at FVPL. This accounting policy relates to the interim condensed consolidated statement of financial position captions "Cash and cash equivalents", "Short-term investment", "Receivables", "Due from related parties" and "Long term cash investments".

Loans and receivables are recognized initially at fair value which normally pertains to the billable amount. After initial measurement, the loans and receivables are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in "Interest income" in the interim condensed consolidated statement of income. The losses arising from impairment of such loans and receivables are recognized in the interim condensed consolidated statement of income.

AFS investments

AFS investments are non-derivative financial assets which are designated as such or do not qualify to be classified as designated at FVPL, HTM investments, or loans and receivables. They are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. The Group's AFS investments pertain to quoted and unquoted equity securities.

After initial recognition, AFS investments are measured at fair value with gains or losses recognized as a separate component of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously included in equity are included in the consolidated statement of comprehensive income. Dividends on an AFS equity instrument are recognized in the interim condensed consolidated statement of comprehensive income when the Group's right to receive payment has been established. Interest earned on holding AFS debt instruments are reported in the statement of income as "Interest income" using the effective interest method.

The fair value of investments that are traded in active markets is determined by reference to quoted market bid prices at the close of business on the reporting date. The unquoted equity investments are carried at cost less any impairment losses because fair value cannot be measured reliably due to the unpredictable nature of future cash flows and the lack of suitable methods of arriving at a reliable fair value.

Other financial liabilities

Other financial liabilities are financial liabilities not designated at FVPL where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

This accounting policy applies primarily to the Group's "Accounts and other payables", "Loans payable", "Bonds payable", "Liabilities on purchased properties", "Due to related parties" and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable).

Standards Issued But Not Yet Effective

The Group will adopt the following standards and interpretations when these become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on its financial statements.

PAS 16, Property, Plant and Equipment and PAS 38, Intangible Assets— Clarification of Acceptable Methods of Depreciation and Amortization (Amendments)

The amendments clarify the principle in PAS 16 and PAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets. The amendments are effective prospectively for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group since it does not use a revenue-based method to depreciate its non-current assets.

PAS 16, Property, Plant and Equipment, and PAS 41, Agriculture – Bearer Plants (Amendments)

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of PAS 41. Instead, PAS 16 will apply. After initial recognition, bearer plants will be measured under PAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of PAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, PAS 20, *Accounting*

for *Government Grants and Disclosure of Government Assistance*, will apply. The amendments are retrospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. These amendments are not expected to have any impact to the Group as it does not have any bearer plants.

PAS 27, Separate Financial Statements - Equity Method in Separate Financial Statements
(Amendments)

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying PFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of PFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to PFRS. The amendments are effective for annual periods beginning on or after January 1, 2016, with early adoption permitted. It is not expected that the amendment would be relevant to the Group's consolidated financial statements.

PFRS 10, Consolidated Financial Statements and PAS 28, Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
These amendments address an acknowledged inconsistency between the requirements in PFRS 10 and those in PAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

PFRS 11, Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations
(Amendments)

The amendments to PFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant PFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to PFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after January 1, 2016, with early adoption permitted.

The Group shall consider this amendment for future joint arrangements.

PFRS 14, Regulatory Deferral Accounts

PFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of PFRS. Entities that adopt PFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. PFRS 14 is effective for annual periods beginning on or after January 1, 2016. The standard would not apply to the Group since it is an existing PFRS preparer.

PFRS 9, Financial Instruments – Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39 (2013 version)

PFRS 9 (2013 version) already includes the third phase of the project to replace PAS 39 which pertains to hedge accounting. This version of PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on

that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a derivative instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 (2013 version) has no mandatory effective date. The mandatory effective date of January 1, 2018 was eventually set when the final version of PFRS 9 was adopted by the FRSC. The adoption of the final version of PFRS 9, however, is still for approval by BOA.

PFRS 9, Financial Instruments (2014 or final version)

In July 2014, the final version of PFRS 9, *Financial Instruments*, was issued. PFRS 9 reflects all phases of the financial instruments project and replaces PAS 39, *Financial Instruments: Recognition and Measurement*, and all previous versions of PFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. PFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of PFRS 9 is permitted if the date of initial application is before January 1, 2015.

The adoption of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets and impairment methodology for financial assets, but will have no impact on the classification and measurement of the Group's financial liabilities. The adoption will also have an effect on the Group's application of hedge accounting. The Group is currently assessing the impact of adopting this standard.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognizing revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted.

Annual Improvements to PFRSs (2012-2014 cycle)

The Annual Improvements to PFRSs (2012-2014 cycle) are effective for annual periods beginning on or after January 1, 2016.

PFRS 5, Non-current Assets Held for Sale and Discontinued Operations – Changes in Methods of Disposal

The amendment is applied prospectively and clarifies that changing from a disposal through sale to a disposal through distribution to owners and vice-versa should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in PFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

PFRS 7, Financial Instruments: Disclosures – Servicing Contracts

PFRS 7 requires an entity to provide disclosures for any continuing involvement in a transferred asset that is derecognized in its entirety. The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance in PFRS 7 in order to assess whether the disclosures are required. The amendment is to be applied such that the assessment of which servicing contracts constitute continuing involvement will need to be done retrospectively. However, comparative disclosures are not required to be provided for any period beginning before the annual period in which the entity first applies the amendments.

PFRS 7, Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements
This amendment is applied retrospectively and clarifies that the disclosures on offsetting of financial assets and financial liabilities are not required in the condensed interim financial report unless they provide a significant update to the information reported in the most recent annual report.

PAS 19, Employee Benefits – regional market issue regarding discount rate
This amendment is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

PAS 34, Interim Financial Reporting – disclosure of information ‘elsewhere in the interim financial report’

The amendment is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report).

Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11 or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion. The SEC and the FRSC have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

3. Investment in subsidiaries, associates and jointly controlled entities

Investment in MBTC

On January 21, 2015, the BOD of MBTC approved the entitlement of one (1) rights share for every 6.3045 common shares held by eligible shareholders as of record date of March 18, 2015. The offer price was ₱73.50 per share and the offer period was from March 23 to 27, 2015. As of March 18, 2015, the Parent Company held 689.2 million shares and is entitled to 109.3 million shares.

In March 2015, the Parent Company exercised its stock rights and subscribed for additional shares which aggregated to 112.6 million shares with a total cost of ₱8.28 billion. This increased the Parent Company's investment in MBTC from ₱22.48 billion to ₱30.76 billion. Consequently, the Parent Company's percentage of ownership in MBTC increased from 25.11% to 25.22% respectively.

Investment in TMBC

On December 18, 2013, the Parent Company acquired 101.87 million common shares of TMBC for a total consideration of ₱502.24 million, representing 40.75% of TMBC's outstanding capital stock.

On March 4, 2014 the Parent Company acquired 48.12 million common shares of TMBC from FMIC, a majority owned subsidiary of MBTC, for a total purchase price of ₱237.26 million. The acquisition represents 19.25% of TMBC's outstanding capital stock and raised the Parent Company's ownership interest in TMBC to 60.00%.

The Parent Company assessed that it has joint control over TMBC based on the existing contractual arrangement among TMBC's shareholders.

Investment in TFSPC

On August 29, 2014, GT Capital signed a Sale and Purchase Agreement with MBTC and Philippine Savings Bank (PSBank), a majority owned subsidiary of MBTC, to purchase their respective shares in TFSPC representing 15.00% and 25.00%, respectively, of ownership interest for an aggregate consideration of ₱2.10 billion.

On September 26, 2014 and November 27, 2014, the Parent Company remitted ₱70.00 million and ₱210.00 million, respectively to TFSPC in response to the latter's equity call upon its stockholders.

Cash dividends from MBTC

On January 27, 2015, the BOD of MBTC approved the declaration of a 5.00% cash dividend or ₱1.00 per share based on a par value of ₱20.00 to all stockholders of record as of March 26, 2015 payable on March 31, 2015. The BSP approved such dividend declaration on March 12, 2015.

Investment in Fed Land Preferred Shares–Series B

On January 20, 2015 and February 16, 2015, the Parent Company disbursed funds totaling ₱3.50 billion and ₱2.50 billion, respectively representing its deposit for future stock subscription of Fed Land's Preferred Shares–Series B.

Business Combinations

2014

Acquisition of TCI

In March 2014, the Parent Company acquired an aggregate of 69.62 million common shares of TCI for a total purchase price of ₱347.40 million. The acquisition represents 89.05% of the TCI's outstanding capital stock. The Parent Company assessed that it has control over TCI through its ability to direct the relevant activities of TCI and accounted for TCI as a subsidiary.

The acquisition of TCI was accounted for as a business combination using the acquisition method. The Group engaged a third party valuer to conduct the purchase price allocation. The Group elected to measure the non-controlling interest in TCI at the proportionate share of the non-controlling interest in the identifiable net assets of TCI.

In December 2014, the fair values of the identifiable assets and liabilities of TCI as of acquisition date were finalized. Details of final the purchase price allocation relating to the Parent Company's acquisition of control over TCI are extensively discussed in the 2014 Audited Financial Statements.

2013

Acquisition of Toyota

In January 2013, the Parent Company and MBTC executed a Sale and Purchase Agreement for the acquisition of 2,324,117 common shares of stock of Toyota from MBTC for a total consideration of ₱4.54 billion. This represented 15.00% of Toyota's outstanding capital stock and increased the Parent Company's shareholdings in Toyota to 51.00%.

The acquisition of Toyota was accounted for as a business combination achieved in stages, wherein the cost of consideration included the cash consideration paid for acquiring direct interests, fair value of previously held interest and the cost of indirect interest. The Parent Company's 36.00% direct ownership interest over Toyota was regarded as the previously held interest and remeasured at fair value.

The Group engaged a third party valuer to conduct the purchase price allocation. The Group elected to measure the non-controlling interest in Toyota at the proportionate share of the non-controlling interest in the fair value of the identifiable net assets of Toyota.

In December 2013, the fair values of the identifiable assets and liabilities of Toyota as of acquisition date were finalized. Details of final the purchase price allocation relating to the Parent Company's acquisition of control over Toyota are extensively discussed in the 2013 Audited Financial Statements.

Acquisition of Charter Ping An

In October 2013, GT Capital acquired 2,334,434 common shares of Ping An from Ty family investment holding companies at a fixed price of ₱614.3 per share for a total consideration of ₱1.4 billion. The acquisition represented 66.67% of the firm's outstanding capital stock. The Parent Company has effective ownership over Ping An of 74.97% (66.67% direct holdings and 8.30% indirect ownership). The Parent Company's 8.30% indirect ownership came from its 25.11% direct interest in MBTC which has 99.23% direct interest in FMIC. FMIC, in turn, has 33.33% direct interest in Ping An.

The acquisition of Ping An was accounted for as a business combination achieved in stages, wherein the cost of consideration included the cash consideration paid for acquiring direct interests, fair value of previously held interest and the cost of indirect interest. The Parent Company's indirect ownership interest over Ping An through its associate MBTC which owns 99.23% of FMIC which in turn owns 33.33% of Ping An before the business combination date was regarded as the previously held interest and remeasured at fair value.

The Group elected to measure the non-controlling interest in Ping An at the proportionate share of the non-controlling interest in the identifiable net assets of Ping An. In October 2014, the Parent Company finalized its purchase price allocation. There were no changes in the provisional values as the additional information subsequently obtained was not significant to affect the preliminary values.

Details of the purchase price allocation and the fair values of the identifiable assets and liabilities of Ping An as of acquisition date are discussed in the 2014 Audited Financial Statements.

4. Cash and cash equivalents

This account consists of:

	March 31, 2015	March 31, 2014	December 31, 2014
Cash on hand	₱7	₱8	₱32
Cash in banks	7,025	5,679	17,170
Cash equivalents	27,144	22,047	12,500
	₱34,176	₱27,734	₱29,702

5. Inventories

Additional inventories in 2015 mainly pertain to acquisition of land for development amounting to ₱4.3 billion located in Macapagal, Pasay City.

6. Property and Equipment

The increase in the property and equipment account is primarily attributable to the ongoing construction of the PEDC Unit 3 Plan Expansion Project of the GBPC Group amounting to ₱0.9 billion.

7. Loans Payable

The increase in the Group's short-term loans payable in 2015 is primarily due to availment of short-term loans by the Parent Company amounting to ₱2.5 billion, offset by loan payments made by TMP subsidiaries and TCI amounting to ₱0.5 billion and ₱0.2 billion, respectively.

The increase in long-term debt is due to GT Capital's availment of ₱13.0 billion bilateral fixed-rate term loans to finance its investment in the Metrobank stock rights offering and increase in the land bank of Fed Land, offset by a ₱0.7 billion debt service payment and amortization of fair value adjustment in GBPC's long-term debt.

8. Equity

Treasury shares

As of March 31, 2015 and December 31, 2014, treasury shares of the Group pertain to 11,180 shares and 5,000 shares of the Parent Company held by Ping An with original acquisition cost of ₱9.37 million and ₱2.28 million, respectively.

Amendment of Articles of Incorporation to Create Voting Preferred Shares of Stock

On January 9, 2015, the stockholders of the Parent Company by the affirmative vote of over two-thirds (2/3) of the outstanding capital stock of the Parent Company, approved the amendment of Article Seventh of the Parent Company's Articles of Incorporation by creating of a new class of shares – voting preferred shares, taken out of the Parent Company's existing and unissued portion of the Authorized Capital Stock. The Amended Articles of Incorporation was approved by the Securities and Exchange Commission on February 18, 2015.

Voting Preferred Shares Stock Rights Offering and Issuance

On March 13, 2015, the BOD of the Parent Company approved the issuance of 174,300,000 Voting Preferred Shares with a par value of Ten Centavos (₱0.10) per share through a 1:1 Stock Rights Offering, to all stockholders of record as of March 25, 2015, offered to eligible shareholders from April 1 to 8, 2015 and issued on April 13, 2015.

Amendment of Articles of Incorporation to Create Perpetual Preferred Shares of Stock

On March 13, 2015, the BOD of the Parent Company approved the amendment of Article SEVENTH of its Amended Articles of Incorporation to create a new class of shares (Perpetual Preferred Shares). The authorized capital stock of the Corporation of Five Billion Pesos (₱5,000,000,000.00) in lawful money of the Philippines, will be divided into Two Hundred Ninety Eight Million, Two Hundred Fifty Seven Thousand (298,257,000) Common Shares with a par value of Ten Pesos (₱10.00) per share, Twenty Million (20,000,000) Perpetual Preferred Shares with a par value of One Hundred Pesos (₱100.00) per share and One Hundred Seventy Four Million Three Hundred Thousand (174,300,000) Voting Preferred Shares with a par value of Ten Centavos (₱0.10) per share.

The Perpetual Preferred Shares shall have the following features, rights and privileges:

- a. The Issue Value and Dividend Rate shall be determined by the BOD at the time of the issuance thereof;
- b. The Perpetual Preferred Shares shall be entitled to the payment of current as well as any accrued or unpaid dividends before any dividends can be paid to the holders of Common Shares. No dividend shall be declared or paid on the Common Shares unless the full accumulated dividends on all the Perpetual Preferred Shares for all past dividend periods and for the current dividend period shall have been declared and paid by the Corporation;
- c. The holders of Perpetual Preferred Shares shall have preference over holders of Common Shares in the distribution of corporate assets in the event of dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary;
- d. The Perpetual Preferred Shares shall not be entitled to vote, except in those cases specifically provided by law;
- e. The Perpetual Preferred Shares shall be non-participating in any other further dividends beyond that specifically payable thereon;

- f. The Perpetual Preferred Shares shall be non-convertible to common shares or Voting Preferred Shares;
- g. The Perpetual Preferred Shares shall be redeemable at the option of the Corporation under such terms that the Board may approve at the time of the issuance thereof;
- h. The Perpetual Preferred Shares shall have no pre-emptive rights to any issue of shares, common or preferred; and
- i. Other features, rights and privileges as determined by the BOD.

Retained earnings

On March 13, 2015, the BOD of the Parent Company approved the declaration of cash dividends of ₱3.00 per share to all stockholders of record as of April 17, 2015 which shall be payable on May 4, 2015.

9. Related Party Transactions

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The Group, in its regular conduct of its business, has entered into transactions with its associate and other related parties principally consisting of cash advances for reimbursement of expenses merger and acquisitions and capital infusion, leasing agreements, management agreements and dividends received from associates. Transactions with related parties are made at normal market prices.

As of March 31, 2015 and December 31, 2014, the Group has not made any provision for probable losses relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

10. Basic/Diluted Earnings Per Share

The basic/diluted earnings per share amounts for the periods indicated were computed as follows:

	March 31		December 31,
	2015	2014	2014
	Unaudited		Audited
Net income attributable to equity holders of the Parent Company	₱2,798	₱1,737	₱9,153
Weighted average number of shares outstanding	174.3	174.3	174.3
	₱16.05	₱9.97	₱52.51

Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

11. Operating Segments

Segment Information

For management purposes, the Group is organized into business units based on their products and activities and has four reportable segments as follows:

- Real estate is engaged in real estate and leasing, development and selling of properties of every kind and description, as well as ancillary trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintenance of a petroleum service station, engaging in food and restaurant service and acting as a marketing agent for and in behalf of any real estate development company or companies;
- Financial institutions are engaged in the banking and insurance industry;
- Power is engaged mainly in the generation and distribution of electricity;
- Automotive operations is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of automobiles including automobile parts, accessories, and instruments; and
- Others pertain to other corporate activities of the Group (i.e., capital raising activities, acquisitions and investments).

The chief operating decision maker (CODM) monitors the operating results of the Group for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, earnings before interest, taxes and depreciation/amortization (EBITDA) and pretax income which are measured similarly under PFRS, except for EBITDA. EBITDA is computed by reconciling net interest income (expense) and provision for income taxes to the net income and adding back depreciation and amortization expenses for the period.

Seasonality of Operations

The operations of the Group are not materially affected by seasonality, except for the mall leasing operations of the real estate segment which experiences higher revenues during the holiday seasons. This information is provided to allow for a proper appreciation of the results of the Group's operations. However, management concluded that the aforementioned discussions of seasonality do not constitute "highly seasonal" as considered in PAS 34.

Segment Assets

Segment assets are resources owned by each of the operating segments that are employed in its operating activities.

Segment Liabilities

Segment liabilities are obligations incurred by each of the operating segments from its operating activities.

In 2015, the Group changed its presentation of operating segment assets, particularly for the Group's investments in subsidiaries, associates and jointly controlled entities which are previously reported under other segment. Beginning January 1, 2015, the Group's investments in subsidiaries, associates and jointly controlled entities are presented under respective segment to which the investee entity belongs. The presentation of operating segment assets as of December 31, 2014 has been updated to reflect this change.

The following tables present the financial information of the operating segments of the Group as of and for the quarter ended March 31, 2015 and as of and for the year ended December 31, 2014:

	Period Ended March 31, 2015 (Unaudited)					
	Real Estate	Financial Institution	Automotive	Power	Others	Total
Revenue	P1,314	P499	P27,601	P3,952	P-	P33,366
Other income	329	54	23	29	-	435
Equity in net income of associates and joint ventures	121	1,438	14	-	-	1,573
	1,764	1,991	27,638	3,981	-	35,374
Cost of goods and services sold	97	-	16,637	-	-	16,734
Cost of goods manufactured	-	-	6,658	-	-	6,658
Cost of real estate sales	978	-	-	-	-	978
Cost of rental	90	-	-	-	-	90
Power plant operation and maintenance	-	-	-	2,249	-	2,249
Net insurance benefits	-	224	-	-	-	224
General and administrative expense	413	289	1,175	790	108	2,775
	1,578	513	24,470	3,039	108	29,708
Earnings before interest and taxes	186	1,478	3,168	942	(108)	5,666
Depreciation and amortization	59	10	211	634	1	915
EBITDA	245	1,488	3,379	1,576	(107)	6,581
Interest income	305	17	72	46	1	441
Interest expense	(82)	-	(31)	(504)	(322)	(939)
Depreciation and amortization	(59)	(10)	(211)	(634)	(1)	(915)
Pretax income	409	1,495	3,209	484	(429)	5,168
Provision for income tax	73	17	774	(38)	-	826
Net Income (Loss)	P336	P1,478	P2,435	P522	(P429)	P4,342
Segment Assets	P59,471	P60,061	P45,773	P71,306	P2,129	P238,740
Segment Liabilities	P24,890	P7,124	P18,968	P39,554	P37,963	P128,499

	December 31, 2014					
	Real Estate	Financial Institution	Automotive	Power	Others	Total
Results of Operations						
Revenue	P6,424	P1,751	P108,816	P18,973	P-	P135,964
Other income	1,420	191	430	105	(3)	2,143
Equity in net income of associates and joint ventures	358	2,988	74	-	-	3,420
	8,202	4,930	109,320	19,078	(3)	141,527
Cost of goods and services sold	540	-	70,057	-	-	70,597
Cost of goods manufactured	-	-	24,213	-	-	24,213
Cost of real estate sales	4,334	-	-	-	-	4,334
Cost of rental	270	-	-	-	-	270
Power plant operation and maintenance	-	-	-	8,572	-	8,572
Net insurance benefits	-	784	-	-	-	784
General and administrative expense	1,834	1,110	5,021	5,103	183	13,251
	6,978	1,894	99,291	13,675	183	122,021
Earnings before interest and taxes	1,224	3,036	10,029	5,403	(186)	19,506
Depreciation and amortization	246	40	588	2,324	5	3,203
EBITDA	1,470	3,076	10,617	7,727	(181)	22,709
Interest income	1,170	75	192	140	19	1,596
Interest expense	(472)	-	(121)	(1,848)	(800)	(3,241)
Depreciation and amortization	(246)	(40)	(588)	(2,324)	(5)	(3,203)
Pretax income	1,922	3,111	10,100	3,695	(967)	17,861
Provision for income tax	426	(598)	2,767	111	4	2,710
Net Income (Loss)	P1,496	P3,709	P7,333	P3,584	(P971)	P15,151
Segment Assets	P53,223	P50,442	P42,433	P70,191	P1,974	P218,263
Segment Liabilities	P24,966	P7,039	P18,064	P40,324	P21,928	P112,321

Geographical Information

The following table shows the distribution of the Group's consolidated revenues to external customers by geographical market, regardless of where the goods were produced:

	March 31, 2015	March 31, 2014	December 31, 2014
Domestic	₱33,283	₱27,998	₱131,359
Foreign	2,532	3,125	11,764
	₱35,815	₱31,123	₱143,123

12. Financial Risk Management and Objectives

The Group's principal financial instruments comprise of cash and cash equivalents, receivables, long-term cash investments, due from related parties, AFS investments, accounts and other payables, loans payable and due to related parties. The main purpose of the Group's financial instruments is to provide funding for its business operations and capital expenditures. The Group does not enter into hedging transactions or engage in speculation with respect to financial instruments.

Exposure to credit, liquidity, foreign currency and interest rate risks arise in the normal course of the Group's business activities. The main objectives of the Group's financial risk management are as follows:

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

The Group's financing and treasury function operates as a centralized service for managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

Credit risk

The Group's credit risks are primarily attributable to its financial assets. To manage credit risks, the Group maintains defined credit policies and monitors on a continuous basis its exposure to credit risks. Given the Group's diverse base of counterparties, it is not exposed to large concentrations of credit risk.

Financial assets comprise of cash and cash equivalents, receivables, due from related parties and AFS investments. The Group adheres to fixed limits and guidelines in its dealings with counterparty banks and its investment in financial instruments. Bank limits are established on the basis of an internal rating system that principally covers the areas of liquidity, capital adequacy and financial stability. The rating system likewise makes use of available international credit ratings. Given the high credit standing of its accredited counterparty banks, management does not expect any of these financial institutions to fail in meeting their obligations.

In respect of installment receivables from the sale of properties, credit risk is managed primarily through credit reviews and an analysis of receivables on a continuous basis. The Group also undertakes supplemental credit review procedures for certain installment payment structures. Customer payments are facilitated through various collection modes including the use of postdated checks and auto-debit arrangements. Exposure to bad debts is not significant and the requirement for remedial procedures is minimal given the profile of buyers.

Maximum exposure to credit risk after taking into account collateral held or other credit enhancements

As of March 31, 2015 and December 31, 2014, the maximum exposure to credit risk of the Group's financial assets is equal to its carrying value except for installment contracts receivable with nil exposure to credit risk since the fair value of the related condominium units collateral is greater than the carrying value of the installment contracts receivable.

Liquidity risk

The Group monitors its cash flow position, debt maturity profile and overall liquidity position in assessing its exposure to liquidity risk. The Group maintains a level of cash and cash equivalents deemed sufficient to finance operations and to mitigate the effects of fluctuation in cash flows. Accordingly, its loan maturity profile is regularly reviewed to ensure availability of funding through an adequate amount of credit facilities with financial institutions.

Overall, the Group's funding arrangements are designed to keep an appropriate balance between equity and debt, to give financing flexibility while continuously enhancing the Group's businesses. To serve as back-up liquidity, management develops variable funding alternatives either by issuing debt or raising capital.

The table summarizes the maturity profile of the Group's financial assets and liabilities based on contractual undiscounted payments:

(Amounts in millions)	March 31, 2015 (Unaudited)			Total
	< 1 year	> 1 to < 5 years	> 5 years	
Financial assets				
Cash and cash equivalents	P34,169	P-	P-	P34,169
Short-term investments	1,370	-	-	1,370
Receivables	17,662	7,900	849	26,411
Due from related parties	178	-	-	178
AFS investments				
Equity securities				
Quoted	2,821	-	-	2,821
Unquoted	481	-	-	481
Debt securities	26	322	763	1,111
Total undiscounted financial assets	P56,707	P8,222	P1,612	P66,541
Financial liabilities				
Accounts and other payables	P18,512	P 539	P174	P19,225
Customers' deposit	2,688	-	-	2,688
Dividends payable	2,557	-	-	2,557
Loans payable	8,571	24,094	38,562	71,227
Bonds payable	1,106	16,950	11,756	29,812
Due to related parties	175	-	-	175
Liabilities on purchased properties	869	1,278	1,726	3,873
Total undiscounted financial liabilities	P34,478	P42,861	P52,218	P129,557
Liquidity Gap	P22,229	(P34,639)	(P50,606)	(P63,016)

(Amounts in millions)	December 31, 2014			Total
	< 1 year	> 1 to < 5 years	> 5 years	
Financial assets				
Cash and cash equivalents	₱29,702	₱-	₱-	₱29,702
Short-term investments	1,309	-	-	1,309
Receivables	16,771	3,743	522	21,036
Due from related parties	171	-	-	171
AFS investments				
Equity securities				
Quoted	2,549	-	-	2,549
Unquoted	481	-	-	481
Debt securities	26	349	722	1,097
Total undiscounted financial assets	₱51,009	₱4,092	₱1,244	₱56,345
Other financial liabilities				
Accounts and other payables	₱19,948	₱508	₱175	₱20,631
Dividends payable	2,034	-	-	2,034
Loans payable	7,929	32,981	16,993	57,903
Bonds payable	1,126	12,217	16,731	30,074
Due to related parties	176	-	-	176
Liabilities on purchased properties	783	1,982	747	3,512
Total undiscounted financial liabilities	₱31,996	₱47,688	₱34,646	₱114,330
Liquidity Gap	₱19,013	(₱43,596)	(₱33,402)	(₱57,985)

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rate. The Group's foreign currency-denominated financial instruments primarily consist of cash and cash equivalents, accounts receivable and accounts payable. The Group's policy is to maintain foreign currency exposure within acceptable limits.

Interest rate risk

The Group's interest rate exposure management policy centers on reducing the Group's overall interest expense and exposure to changes in interest rates. Changes in market interest rates relate primarily to the Group's interest-bearing debt obligations with floating interest rate as it can cause a change in the amount of interest payments.

The Group manages its interest rate risk by leveraging on its premier credit rating and maintaining a debt portfolio mix of both fixed and floating interest rates. The portfolio mix is a function of historical, current trend and outlook of interest rates, volatility of short-term interest rates, the steepness of the yield curve and degree of variability of cash flows.

13. Fair Value Measurement

The methods and assumptions used by the Group in estimating the fair value of the financial instruments are as follows:

Cash and cash equivalents and short-term cash investments

The fair value of cash and cash equivalents approximate the carrying amounts at initial recognition due to the short-term maturities these instruments.

Receivables

The fair value of receivables due within one year approximates its carrying amounts. The fair values of installment contracts receivable are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used ranged from 8.00% to 12.00% as of March 31, 2015 and December 31, 2014. For the long-term loan receivable, the Group used discounted cash flow analyses to measure the fair value of the loan and determined that the carrying amount of the loans receivable was not materially different from its calculated fair value.

Due from and to related parties

The carrying amounts approximate fair values due to its short term nature. Related party receivables and payables are due and demandable.

AFS investments - unquoted

These are carried at cost less allowance for impairment losses because fair value cannot be measured reliably due to lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair value.

AFS investments - quoted

Fair value of quoted AFS investment is based on the quoted market bid prices at the close of business on the reporting date.

Accounts and other payables

The fair values of accounts and other payables approximate the carrying amounts due to the short-term nature of these transactions.

Loans payable

Current portion of loans payable approximates its fair value due to its short-term maturity. Long-term portion of loans payable subjected to quarterly repricing is not discounted. Estimated fair value of long-term loans payable with fixed interest rates are discounted based on interest rates ranging from 3.75% to 7.10% as of March 31, 2015 and December 31, 2014.

Bonds payable

The fair value of the bonds payable is based on its quoted market price in the Philippine Dealing and Exchange Corporation.

Liabilities on purchased properties

Estimated fair value was based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date. Long-term payable was incurred on December 20, 2012 with 3.00% interest per annum.

The following tables summarize the carrying amount and fair values of financial assets and liabilities, as well as nonfinancial assets, analyzed based on the fair value hierarchy (see accounting policy on Fair Value Measurement), except for assets and liabilities where the carrying values as reflected in the consolidated statements of financial position and related notes approximate their respective fair values.

	Carrying Value	March 31, 2015 (Unaudited)			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Loans and receivables					
Installment contracts					
Receivable	₱7,977	₱-	₱-	₱11,129	₱11,129
AFS investments					
Government securities	720	-	720	-	720
Quoted debt securities	392	392	-	-	392
Quoted equity securities	2,821	2,821	-	-	2,821
Total Financial Assets	₱11,910	₱3,213	₱720	₱11,129	₱15,062
Non-Financial Assets					
Investment properties	₱8,602	₱-	₱-	₱11,141	₱11,141
Financial Liabilities					
Loans payable	₱61,687	₱-	₱65,280	₱-	₱65,280
Bonds payable	21,781	22,445	-	-	22,445
Total Financial Liabilities	₱83,468	₱22,445	₱65,280	₱-	₱87,725

	Carrying Value	December 31, 2014			Total
		Level 1	Level 2	Level 3	
Financial Assets					
Loans and receivables					
Installment contracts receivable	P7,545	P-	P-	P11,056	P11,056
AFS investments					
Government securities	781	-	781	-	781
Quoted debt securities	316	316	-	-	316
Quoted equity securities	2,549	2,549	-	-	2,549
Total Financial Assets	P11,191	P2,865	P781	P11,056	P14,702
Non-Financial Assets					
Investment properties	P8,643	P-	P-	P11,141	P11,141
Financial Liabilities					
Loans payable	P47,525	P-	P49,162	P-	P49,162
Bonds payable	21,775	21,517	-	-	21,517
Total Financial Liabilities	P69,300	P21,517	P49,162	P-	P70,679

As of March 31, 2015 and December 31, 2014, no transfers were made among the three levels in the fair value hierarchy.

Inputs used in estimating fair values of financial instruments carried at cost and categorized under Level 3 include risk-free rates and applicable risk premium.

The fair value of the Group's investment properties has been determined based on valuations performed by third party valuers. The value of the land was estimated by using the Market Data Approach, a valuation approach that considers the sales, listings and other related market data within the vicinity of the subject properties and establishes a value estimate by processes involving comparison. Valuation of the Group's investment properties are done every three years with the latest valuation report issued in February 2012.

The table below summarizes the valuation techniques used and the significant unobservable inputs valuation for each type of investment properties held by the Group:

	Valuation Techniques	Significant Unobservable Inputs
Land	Market Data Approach	Price per square meter, size, location, shape, time element and corner influence
Building and Land Improvements	Cost Approach and Market Data Approach	Lineal and square meter, current cost of materials, labor and equipment, contractor's profits, overhead, taxes and fees

Description of the valuation techniques and significant unobservable inputs used in the valuation of the Group's investment properties are as follows:

Valuation Techniques

Market Data Approach A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.

Cost Approach A process of determining the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation on physical wear and tear, and obsolescence.

Significant Unobservable Inputs

Reproduction Cost New	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a Main Road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a Main Road are superior to properties located along a secondary road.
Time Element	"An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time". In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

14. Contingent Liabilities

In the ordinary course of the Group's operations, certain companies within the Group have pending tax assessments/claims which are in various stages of protest/appeal with the tax authorities, the amounts of which cannot be reasonably estimated. Management believes that the bases of said protest/appeal are legally valid such that the ultimate resolution of these assessments/claims would not have material effects on the Group's interim condensed consolidated financial position and results of operations.

In addition, in order to partially guarantee the completion of Fed Land's ongoing projects, the Parent Company issued Letters of Guarantee (LG) in favor of Housing and Land Use Regulatory Board for a total guarantee amount of ₱1.36 billion as of March 31, 2015 and December 31, 2014.

15. Events after Financial Reporting Date

Voting Preferred Shares Issuance

On April 13, 2015, the Parent Company issued 174,300,000 Voting Preferred Shares with a par value of Ten Centavos (₱0.10) per share. The total proceeds of ₱17.43 million from said issuance was used for general corporate purposes.

Amendment of Articles of Incorporation to Create Perpetual Preferred Shares of Stock

On May 11, 2015, the stockholders of the Parent Company by the affirmative vote of over two-thirds (2/3) of the outstanding capital stock of the Parent Company, approved the amendment of Article Seventh of the Parent Company's Articles of Incorporation by creating of a new class of shares – perpetual preferred shares, taken out of the Parent Company's existing and unissued portion of the Authorized Capital Stock.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE PERIODS ENDED MARCH 31, 2015 AND MARCH 31, 2014 (UNAUDITED)

(Amounts in millions except ratio and %)	2015	2014
Liquidity Ratio		
Current ratio	2.40	1.83
Current assets	P98,170	P79,911
Current liabilities	40,931	43,598
Solvency Ratio		
Total liabilities to total equity ratio	1.17	1.12
Total liabilities	128,499	105,516
Total equity	110,241	94,632
Debit to equity ratio	0.79	0.68
Total debt	86,786	64,425
Total equity	110,241	94,632
Asset to Equity Ratio		
Asset equity ratio	2.91	2.85
Total assets	238,740	200,148
Equity attributable to Parent Company	81,990	70,207
Interest Rate Coverage Ratio*		
Interest rate coverage ratio	6.03	4.71
Earnings before interest and taxes (EBIT)	5,666	3,879
Interest expense	939	823
Profitability Ratio		
Return on average assets	1.22%	0.89%
Net income attributable to Parent Company	2,798	1,737
Total assets	238,740	200,148
Average assets	228,502	196,254
Return on Average Equity	3.47%	2.47%
Net income attributable to Parent Company	2,798	1,737
Equity attributable to Parent Company	81,990	70,207
Average equity attributable to Parent Company	80,669	70,367

*computed as EBIT/Interest Expense