



**GT CAPITAL**  
HOLDINGS, INCORPORATED

May 16, 2016

**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

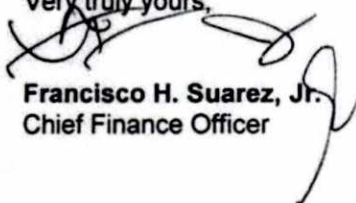
Attention: **Mr. Norbert T. Moreno**  
Assistant Head – Disclosure Department

**Subject: Submission of 17Q Report as of March 31, 2016**

Gentlemen /Mesdames:

In line with the reportorial requirements of the Securities Regulation Code and the Revised Disclosure Rules, we hereby submit the attached 2016 First Quarter Report on SEC Form 17-Q.

Very truly yours,

  
**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**

Month

**3 1**

Day

Fiscal Year

**1 7 - Q**

FORWTYPE

**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, 2016**

**72**

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

-----  
To be accomplished by SEC Personnel concerned.

File Number

LCU

Document I.D.

Cashier

**STAMPS**

Remarks = pls. Use black ink for scanning

SEC Number CS200711792  
File Number \_\_\_\_\_

**GT CAPITAL HOLDINGS, INC.**

\_\_\_\_\_  
(Company's Full Name)

**43<sup>rd</sup> 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, 2016**

\_\_\_\_\_  
(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, 2016**
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         |
|---|--|------------------------|
| <b>Common Stock -Php10.00 par value</b> | <b>174,300,000 shares</b>                    | <b>None</b>            |
| <b>Corporate Retail Bonds</b>           | <b>-</b>                                     | <b>Php21.8 billion</b> |

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, 2016 and For the Three Months ended March 31, 2015

| GT CAPITAL CONSOLIDATED STATEMENT OF<br>INCOME<br>(In millions, except for Percentage) | UNAUDITED           |               |                     |               |
|--|---------------------|---------------|---------------------|---------------|
|  | Quarter Ended March |               | Increase (Decrease) |               |
|  | 2016                | 2015          | Amount              | Percentage    |
| <b>REVENUE</b>   |                     |               |                     |               |
| Automotive operations  | 30,756              | 27,601        | 3,155               | 11%           |
| Net fees   | 3,883               | 3,952         | (69)                | (2%)          |
| Real estate sales and interest income on real estate sales                             | 3,611               | 1,505         | 2,106               | 140%          |
| Equity in net income of associates and joint ventures                                  | 1,587               | 1,573         | 14                  | 1%            |
| Rent income  | 209                 | 196           | 13                  | 7%            |
| Sale of goods and services   | 165                 | 132           | 33                  | 25%           |
| Interest income  | 153                 | 124           | 29                  | 23%           |
| Commission income  | 13                  | 16            | (3)                 | (23%)         |
| Gain on previously held interest   | 140                 | -             | 140                 | 100%          |
| Other income   | 265                 | 146           | 119                 | 82%           |
|  | <b>40,782</b>       | <b>35,245</b> | <b>5,537</b>        | <b>16%</b>    |
| <b>COST AND EXPENSES</b>   |                     |               |                     |               |
| Cost of goods and services   | 19,781              | 16,734        | 3,047               | 18%           |
| Cost of goods manufactured   | 6,086               | 6,658         | (572)               | (9%)          |
| General and administrative expenses  | 3,152               | 2,488         | 664                 | 27%           |
| Cost of real estate sales  | 1,928               | 978           | 950                 | 97%           |
| Power plant operation and maintenance  | 1,907               | 2,249         | (342)               | (15%)         |
| Interest expense   | 1,207               | 939           | 268                 | 29%           |
| Cost of rental   | 71                  | 90            | (19)                | (21%)         |
|  | <b>34,132</b>       | <b>30,136</b> | <b>3,996</b>        | <b>13%</b>    |
| <b>INCOME BEFORE INCOME TAXES FROM CONTINUING OPERATIONS</b>                           | <b>6,650</b>        | <b>5,109</b>  | <b>1,541</b>        | <b>30%</b>    |
| <b>PROVISION FOR INCOME TAX</b>  | <b>1,206</b>        | <b>810</b>    | <b>396</b>          | <b>49%</b>    |
| <b>NET INCOME FROM CONTINUING OPERATIONS</b>   | <b>5,444</b>        | <b>4,299</b>  | <b>1,145</b>        | <b>27%</b>    |
| <b>NET INCOME (LOSS) FROM DISPOSAL GROUP</b>   | <b>(164)</b>        | <b>43</b>     | <b>(207)</b>        | <b>(482%)</b> |
| <b>NET INCOME</b>  | <b>5,280</b>        | <b>4,342</b>  | <b>938</b>          | <b>22%</b>    |
| ATTRIBUTABLE TO:   |                     |               |                     |               |
| Equity holders of the parent company   |                     |               |                     |               |
| Profit for the year from continuing operations   | 3,112               | 2,755         | 357                 | 13%           |
| Profit for the year from disposal group  | (164)               | 43            | (207)               | (482%)        |
|  | <b>2,948</b>        | <b>2,798</b>  | <b>150</b>          | <b>5%</b>     |
| Non-controlling interest   |                     |               |                     |               |
| Profit for the year from continuing operations   | 2,332               | 1,544         | 788                 | 51%           |
| Profit for the year from disposal group  | -                   | -             | -                   | -             |
|  | <b>2,332</b>        | <b>1,544</b>  | <b>788</b>          | <b>51%</b>    |
|  | <b>5,280</b>        | <b>4,342</b>  | <b>938</b>          | <b>22%</b>    |

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 5% from Php2.8 billion in the first quarter of 2015 to Php2.9 billion in the first quarter of 2016. The increase was principally due to the 16% growth in consolidated revenues from Php35.2 billion to Php40.8 billion.

The revenue growth came from: (1) increase in combined auto sales of Toyota Motor Philippines Corporation ("TMP"), and Toyota Manila Bay Corporation ("TMBC")/ Toyota Cubao Inc. ("TCI") from Php27.6 billion to Php30.8 billion contributing 75% of total revenue; and (2) increase in the combined real estate sales and interest income on real estate sales of Federal Land, Inc. ("Fed Land") and Property Company of Friends, Inc. ("PCFI") from Php1.5 billion to Php3.6 billion.

Fed Land, Global Business Power Corporation ("GBPC"), TMP, PCFI, TMBC/TCI, and Charter Ping An Insurance Corporation ("CPAIC") 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"), and Toyota Financial Services Philippines Corporation ("TFSPC") are reported through equity accounting.

The Philippine Securities and Exchange Commission ("SEC") approved the merger of TMBC and TCI on March 7, 2016, with TMBC as the surviving entity and TCI as the absorbed entity. As a result, TCI ceased to be a subsidiary of GT Capital, but was folded into TMBC effective March 1, 2016. With this, TMBC was consolidated in the financial statements of GT Capital starting March 1, 2016. Prior to this, GT Capital's share in TMBC's net income was reported under "Equity in net income of associates and jointly-controlled entities" in the consolidated statement of income.

The results of operations of CPAIC are reflected as a one-line item under "Net income from disposal group" in the consolidated statement of income as required by the Philippine Financial Reporting Standards 5. The details are also discussed extensively in the Notes to the 2015 Consolidated Audited Financial Statements.

Of the nine (9) component companies, Fed Land, GBPC, Metrobank, TMP, AXA Philippines, TMBC and PCFI posted net income growth for the period in review while CPAIC and TFSPC registered declines in their respective net income.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts increased by 11% from Php27.6 billion in the first quarter of 2015 to Php30.8 billion in the first quarter of 2016 due to an 8% growth in wholesale volume from 28,077 units to 30,313 units.

Net fees from GBPC slightly declined from Php4.0 billion to Php3.9 billion primarily due to lower fuel pass-through costs as coal and oil prices continued to decline in the global market in spite of an increase in generation volume by 7% from 786 million kilowatt-hours to 841 million kilowatt-hours.

Real estate sales and interest income on real estate sales more than doubled from Php1.5 billion in the first quarter of 2015 to Php3.6 billion in the first quarter of 2016 with Fed Land and PCFI contributing Php1.7 billion and Php1.9 billion, respectively.

Equity in net income of associates and jointly-controlled entities reached Php1.6 billion as Metrobank posted a 4% net income growth from Php5.1 billion in the first quarter of 2015 to Php5.3 billion in the first quarter of 2016. Likewise, AXA Philippines reported a 6% net income growth from Php366 million in the first quarter of 2015 to Php388 million in the first quarter of 2016 although premium revenue recorded a 22% decline from Php5.6 billion in the first quarter of 2015 to Php4.4 billion in the first quarter of 2016.

Rent income mainly from the GT Tower International office building, Blue Bay Walk, and Florida Sun Estates increased by 7% from Php196 million to Php209 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, increased by 25% from Php132 million to Php165 million due an increase in fuel sales.

Interest income increased by 23% from Php124 million to Php153 million due to excess cash available for short-term investments.

Commission income declined from Php16 million in the first quarter of 2015 to Php13 million in the first quarter of 2016 due to a decline in booked sales of Grand Hyatt.

Gain on previously held interest amounted to Php140 million representing a gain on re-measurement of GT Capital's investment in TMBC which was previously accounted for as an investment in a jointly-controlled entity. Upon SEC's approval of the merger of TMBC and TCI in March 2016, TMBC became a subsidiary of GT Capital.

Other income grew by Php119 million from Php146 million to Php265 million with: (1) TMP contributing Php111 million consisting of gain on sale of fixed assets, ancillary income and other income; (2) Fed Land contributing Php83 million comprising real estate forfeitures, management fees and other income; and (3) TMBC/TCI contributing Php53 million consisting of ancillary income on finance and insurance commissions and other income. The remaining balance of Php19 million came from GBPC and PCFI.

Consolidated costs and expenses grew by 13% from Php30.1 billion in the first quarter of 2015 to Php34.1 billion in the first quarter of 2016. TMP contributed Php24.4 billion comprising cost of goods sold for manufacturing and trading activities, selling, general and administrative expenses and interest expenses. GBPC contributed Php3.2 billion comprising power plant operations and maintenance, general and administrative expenses and interest expenses. Fed Land contributed Php1.8 billion consisting of cost of real estate sales, cost of goods and services, general and administrative expenses and interest expenses. PCFI contributed Php1.3 billion consisting of cost of real estate sales, general and administrative expenses and interest expenses. TMBC/ TCI contributed Php2.7 billion consisting of cost of goods and services, general and administrative expenses and interest expenses. GT Capital Parent Company accounted for the balance of Php677 million consisting of interest expenses and general and administrative expenses.

Cost of goods and services rose by 18% from Php16.7 billion to Php19.8 billion with TMP and TMBC/TCI completely built-up units and spare parts accounting for Php19.7 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 declined by 9% year-on-year from Php6.7 billion to Php6.1 billion due to a decline in sales volume of assembled vehicles from 11,820 units to 11,122 units mainly due to the run out of the Innova in February 2016.

General and administrative expenses grew by 27% from Php2.5 billion to Php3.2 billion. TMP accounted for Php1.2 billion consisting of advertisements and promotional expenses, salaries and wages, taxes and licenses and delivery and handling expenses. GBPC contributed Php873 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 Php478 million composed of salaries and wages, commission expenses, taxes and licenses and advertising and promotions expenses. PCFI contributed Php431 million consisting of commission expenses, salaries and wages and advertising and promotional expenses; and TMBC/TCI contributed Php163 million representing salaries and wages, commission expenses and taxes and licenses. The remaining balance of Php39 million came from GT Capital's salaries, professional fees and taxes and licenses.

Cost of real estate sales almost doubled from Php978 million to Php1.9 billion arising from the increase in real estate sales. Fed Land contributed Php1.1 billion while PCFI accounted for the remaining Php815 million.

Power plant operations and maintenance expenses from the power generation companies of GBPC declined by 15% from Php2.2 billion to Php1.9 billion due the decline in fuel cost and purchased power expenses.

Interest expenses increased by 29% from Php939 million in the first quarter of 2015 to Php1.2 billion in the first quarter of 2016 with GT Capital, GBPC, PCFI, Fed Land, TMP and TMBC/TCI accounting for Php638 million, Php464 million, Php46 million, Php30 million, Php28 million and Php3 million, respectively.

Cost of rental declined by 21% from Php90 million to Php71 million due to a decrease in operating expenses incurred in the leasing business such as depreciation, maintenance and other overhead expenses.

Provision for income tax increased by 49% from Php810 million to Php1.2 billion due to an increase in taxable income of subsidiaries.

Net income (loss) from disposal group representing after tax operating income of CPAIC declined from Php43 million to a Php164 million net loss mainly due to the recognition of additional reinsurance premium cost of Php198 million.

Net income attributable to non-controlling interest increased by 51% from Php1.5 billion to Php2.3 billion due to an increase in the net income of consolidated subsidiaries which are not wholly-owned.



**Consolidated Statements of Financial Position**  
(In Million Pesos, Except for Percentage)

|  | Unaudited      | Audited          | Increase (Decrease) |            |
|--|----------------|------------------|---------------------|------------|
|  | March<br>2016  | December<br>2015 | Amount              | Percentage |
| <b>ASSETS</b>  |                |                  |                     |            |
| <b>CURRENT ASSETS</b>  |                |                  |                     |            |
| Cash and cash equivalents                                    | 43,550         | 37,861           | 5,689               | 15%        |
| Short-term investments                                       | 1,760          | 1,861            | (101)               | (5%)       |
| Receivables  | 24,977         | 25,417           | (440)               | (2%)       |
| Inventories  | 54,873         | 53,247           | 1,626               | 3%         |
| Due from related parties                                     | 658            | 370              | 288                 | 78%        |
| Prepayments and other current assets                         | 8,214          | 7,674            | 540                 | 7%         |
|  | 134,032        | 126,430          | 7,602               | 6%         |
| Assets of disposal group classified as held-for-sale         | 8,984          | 8,434            | 550                 | 6%         |
| <b>Total Current Assets</b>                                  | <b>143,016</b> | <b>134,864</b>   | <b>8,152</b>        | <b>6%</b>  |
| <b>NON CURRENT ASSETS</b>                                    |                |                  |                     |            |
| Noncurrent receivables                                       | 10,916         | 9,186            | 1,730               | 19%        |
| Land held for future development                             | 27,727         | 27,356           | 371                 | 1%         |
| Available-for-sale investments                               | 3,199          | 3,195            | 4                   | 0%         |
| Investments in associates and jointly controlled entities    | 61,896         | 60,265           | 1,631               | 3%         |
| Investment properties  | 10,717         | 10,797           | (80)                | (1%)       |
| Property and equipment                                       | 54,420         | 51,972           | 2,448               | 5%         |
| Goodwill and intangible assets                               | 17,087         | 17,001           | 86                  | 1%         |
| Deferred tax assets  | 1,791          | 1,771            | 20                  | 1%         |
| Other noncurrent assets                                      | 888            | 878              | 10                  | 1%         |
| <b>Total Noncurrent Assets</b>                               | <b>188,641</b> | <b>182,421</b>   | <b>6,220</b>        | <b>3%</b>  |
|  | <b>331,657</b> | <b>317,285</b>   | <b>14,372</b>       | <b>5%</b>  |
| <b>LIABILITIES AND EQUITY</b>                                |                |                  |                     |            |
| <b>Current Liabilities</b>                                   |                |                  |                     |            |
| Accounts and other payables                                  | 24,909         | 22,407           | 2,502               | 11%        |
| Short-term loans payable                                     | 9,731          | 7,318            | 2,413               | 33%        |
| Current portion of long-term debt                            | 7,199          | 6,757            | 442                 | 7%         |
| Current portion of liabilities on purchased properties       | 637            | 637              | -                   | 0%         |
| Customers' deposit – current                                 | 4,139          | 3,691            | 448                 | 12%        |
| Dividends payable  | 3,897          | 2,860            | 1,037               | 36%        |
| Due to related parties – current                             | 174            | 174              | -                   | 0%         |
| Income tax payable   | 1,980          | 1,013            | 967                 | 95%        |
| Other current liabilities                                    | 390            | 520              | (130)               | (25%)      |
|  | 53,056         | 45,377           | 7,679               | 17%        |
| Liabilities of disposal group classified as held-for-sale    | 7,139          | 6,444            | 695                 | 10%        |
| <b>Total Current Liabilities</b>                             | <b>60,195</b>  | <b>51,821</b>    | <b>8,374</b>        | <b>16%</b> |
| <b>Noncurrent Liabilities</b>                                |                |                  |                     |            |
| Long-term debt – net of current portion                      | 81,655         | 82,021           | (366)               | 0%         |
| Bonds payable  | 21,808         | 21,801           | 7                   | 0%         |
| Liabilities on purchased properties - net of current portion | 1,968          | 2,146            | (178)               | (8%)       |
| Retirement benefit obligation                                | 2,363          | 2,219            | 144                 | 6%         |
| Deferred tax liabilities                                     | 11,032         | 10,826           | 206                 | 2%         |
| Other noncurrent liabilities                                 | 2,571          | 2,609            | (38)                | (1%)       |
| <b>Total Noncurrent Liabilities</b>                          | <b>121,397</b> | <b>121,622</b>   | <b>(225)</b>        | <b>0%</b>  |
|  | <b>181,592</b> | <b>173,443</b>   | <b>8,149</b>        | <b>5%</b>  |

(forward)

| (In Million Pesos, Except for Percentage)                   | Unaudited      | Audited          | Increase (Decrease) |            |
|---|----------------|------------------|---------------------|------------|
|   | March<br>2016  | December<br>2015 | Amount              | Percentage |
| <b>EQUITY</b>   |                |                  |                     |            |
| Equity attributable to equity holders of the Parent Company |                |                  |                     |            |
| Capital stock   | 1,760          | 1,760            | –                   | 0%         |
| Additional paid-in capital                                  | 46,695         | 46,695           | –                   | 0%         |
| Treasury shares   | (6)            | (6)              | –                   | 0%         |
| Retained earnings   |                |                  |                     |            |
| Unappropriated  | 35,169         | 33,267           | 1,902               | 6%         |
| Appropriated  | 8,760          | 8,760            | –                   | 0%         |
| Other equity adjustments                                    | 576            | 576              | –                   | 0%         |
| Other comprehensive income                                  | 462            | (918)            | 1,380               | 150%       |
|   | <b>93,416</b>  | <b>90,134</b>    | <b>3,282</b>        | <b>4%</b>  |
| Non-controlling interest                                    | 56,649         | 53,708           | 2,941               | 5%         |
| <b>Total Equity</b>   | <b>150,065</b> | <b>143,842</b>   | <b>6,223</b>        | <b>4%</b>  |
|   | <b>331,657</b> | <b>317,285</b>   | <b>14,372</b>       | <b>5%</b>  |

The major changes in GT Capital's consolidated balance sheet from December 31, 2015 to March 31, 2016 are as follows:

Consolidated assets of the Group increased by 5% or Php14.4 billion from Php317.3 billion as of December 31, 2015 to Php331.7 billion as of March 31, 2016. Total liabilities increased by 5% or Php8.1 billion from Php173.4 billion to Php181.6 billion while total equity increased by 4% or Php6.2 billion from Php143.8 billion to Php150.1 billion.

The Philippine Securities and Exchange Commission ("SEC") approved the merger of TMBC and TCI on March 7, 2016, with TMBC as the surviving entity and TCI as the absorbed entity. As a result, TCI ceased to be a subsidiary of GT Capital and was folded into TMBC effective March 1, 2016. As a result, TMBC was consolidated in the financial statements of GT Capital starting March 1, 2016.

Cash and cash equivalents increased by Php5.7 billion from Php37.9 billion to Php43.6 billion with TMP, GBPC, GT Capital-Parent Company, Fed Land, PCFI and TMBC accounting for Php18.1 billion, Php16.3 billion, Php6.6 billion, Php1.2 billion, Php1.2 billion and Php183 million, respectively.

Short-term investments decreased by 5% from Php1.9 billion to Php1.8 billion mainly from TMP's short-term money market placements.

Due from related parties increased by Php288 million from Php370 million to Php658 million mainly from PCFI's related parties.

Prepayments and other current assets increased by 7% from Php7.7 billion to Php8.2 billion comprising input VAT, advances to contractors and suppliers and prepaid expenses from Fed Land, (Php3.8 billion); GBPC, (Php1.9 billion); PCFI (Php1.5 billion); TMP, (Php816 million); TMBC, (Php118 million) and GT Capital (Php38 million).

Assets of disposal group classified as held for sale comprising CPAIC's current and non-current assets including reinsurance assets, receivables, and available-for-sale (AFS) investments increased by 6% from Php8.4 billion to Php9.0 billion.

Non-current receivables increased by 19% from Php9.2 billion to Php10.9 billion mainly due to Fed Land's booked real estate sales.

Property and equipment grew by 5% from Php52.0 billion to Php54.4 billion mainly due to the consolidation of TMBC's property and equipment in March 2016 of Php1.4 billion and additional construction-in-progress from GBPC's Panay Energy Unit 3 Plant Expansion Project.



Accounts and other payables increased by 11% from Php22.4 billion to Php24.9 billion with TMP, GBPC, Fed Land, PCFI, TMBC and GT Capital accounting for Php12.8 billion, Php4.9 billion, Php4.0 billion, Php2.1 billion, Php913 million and Php243 million, respectively.

Short-term loans payable increased by 33% from Php7.3 billion to Php9.7 billion due to loan availments of PCFI (Php1.0 billion) and Fed Land (Php755 million) and consolidation of TMBC's short-term loans of Php669 million.

Current portion of long-term debt increased by 7% from Php6.8 billion to Php7.2 billion primarily due to the reclassification of PCFI's long-term debt from non-current portion to current portion amounting to Php 1.4 billion offset by payment of Php 1.0 billion.

Customers' deposits increased by 12% from Php3.7 billion to Php4.1 billion mainly due to an increase in reservation sales from PCFI's horizontal development projects.

Dividends payable increased by Php1.0 billion from Php2.9 billion to Php3.9 billion due to cash dividends declared by GT Capital in March 2016 payable in May 2016.

Income tax payable doubled from Php1.0 billion to Php2.0 billion due to an increase in taxable income of certain subsidiaries.

Other current liabilities declined by 25% from Php520 million to Php390 million due to the settlement of withholding taxes as of December 31, 2015 which were paid in the first quarter of 2016.

Liabilities of disposal group classified as held for sale comprising CPAIC's current and non-current liabilities such as Insurance Contract Liabilities increased by 10% from Php6.4 billion to Php7.1 billion.

Noncurrent portion of liabilities on purchased properties declined by 8% from Php2.1 billion to Php2.0 billion due to a scheduled principal payment by Fed Land in the first quarter of 2016.

Retirement benefit obligation increased by 6% from Php2.2 billion to Php2.4 billion with TMP, GBPC, TMBC, PCFI and Fed Land contributing Php1.3 billion, Php658 million, Php146 million, Php125 million and Php106 million, respectively.

Treasury shares amounted to Php6 million representing investment in shares of stock in GT Capital held by CPAIC.

Unappropriated retained earnings increased by 6% from Php33.3 billion to Php35.2 billion mainly due to the Php2.9 billion consolidated net income earned in the first three (3) months of 2016, net of the Php1.0 billion cash dividends declared in March 2016.

Other comprehensive income improved by Php1.4 billion from a negative Php918 million to Php462 million due to mark-to-market gains recorded on available-for-sale investments of GT Capital's subsidiaries and associates.

Non-controlling interests increased by 5% from Php53.7 billion to Php56.6 billion due to the Php2.3 billion net income attributable to non-controlling interest, and the Php608 million set up of non-controlling interest in TMBC.



Key Performance Indicators (In Million Pesos, except %)

| <b>Income Statement</b>                        | <b>March 31, 2015</b>    | <b>March 31, 2016</b> |
|--|--------------------------|-----------------------|
| Total Revenues                                 | 35,245                   | 40,782                |
| Net Income attributable to GT Capital Holdings | 2,798                    | 2,948                 |
| <b>Balance Sheet</b>                           | <b>December 31, 2015</b> | <b>March 31, 2016</b> |
| Total Assets                                   | 317,285                  | 331,657               |
| Total Liabilities                              | 173,443                  | 181,592               |
| Equity attributable to GT Capital Holdings     | 90,134                   | 93,416                |
| Return on Equity                               | 14.30%                   | 12.85%*               |

\* 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

**Banking**

**Metrobank**

Metrobank grew its consolidated net income by 3.4% from Php5.08 billion in the first quarter of 2015 to Php5.25 billion in the first quarter of 2016 as the Bank continued to expand its core businesses with double-digit growth in loans and receivables and low cost deposits.

Net interest income grew by 9.1% from Php11.7 billion in the first quarter of 2015 to Php12.7 billion in the first quarter of 2016 mainly due to the 17.4% growth in loans and receivables reaching Php873.4 billion driven by strong loan demand from the corporate and consumer segments. Having prioritized growth in key segments and further reducing cost of deposits, net interest margin improved from 3.50% to 3.61%.

Non-interest income amounted to Php6.5 billion the major components include trading and securities and foreign exchange gains, (Php2.5 billion); service charges, fees and commissions, (Php2.2 billion); and miscellaneous income (Php1.8 billion).

Total resources increased by 3.1% from Php1.6 trillion to Php1.7 trillion due to the double digit growth in loans and receivables. Low cost deposits, accounting for 59% of total deposits, grew by 11% from Php651.1 billion to Php722.4 billion.

## **Automobile Assembly and Importation, Dealership and Financing**

### **Toyota Motor Philippines**

TMP's consolidated sales registered a 7.3% growth from Php26.2 billion in the first quarter of 2015 to Php28.1 billion in the first quarter of 2016 as wholesale volume grew by 8.0% from 28,077 units to 30,313 units. TMP retail sales volume likewise grew by 10.0% from 27,725 units to 30,498 units. The improvement was attributed to the continued strong sales for the Vios, Wigo, Hiace, Hilux and Avanza models.

Overall market share, however, declined from 38.9% as of December 31, 2015 to 35.3% as of March 31, 2016 due to the run out of the Fortuner in December, 2015 and the Innova in February, 2016. These two (2) popular models were the second and third best sellers of TMP as of the first quarter of last year accounting for 30% of total sales. The full model change for the new Fortuner and Innova were introduced to the media and the dealers in February, 2016 and April, 2016, respectively.

The change in models mix, sales volume growth, lower spare parts costs, and higher spare parts profit from export sales resulted in continued improvements in gross profit margin from 16.1% to 17.4%, operating profit margin from 12.3% to 13.3% and net profit margin from 9.3% to 10.2%. Consolidated net income attributable to equity holders grew by 17.5% from Php2.4 billion to Php2.8 billion.

In the first quarter of 2016, TMP inaugurated one (1) new dealer outlet -Toyota Tarlac in Tarlac City thereby bringing TMP's majority-owned dealerships to six (6) outlets. TMP also owns Toyota Makati with one (1) branch Toyota Bicutan, Toyota San Fernando in Pampanga with one (1) branch in Plaridel Bulacan, both located in Luzon and Lexus Manila, situated in Bonifacio Global City, Taguig City.

### **Toyota Financial Services Philippines Corporation**

TFSPC recorded a 15.2% growth in gross interest income from Php716.6 million in the first quarter of 2015 to Php825.2 million in the first quarter of 2016, as gross loans and receivables increased by 15.2% from Php30 billion to Php34 billion on a year-on-year basis.

Booking volume grew by 5.3% from 5,024 units to 5,288 units in the first quarter of 2016 given heightened competition from the banks and other financial institutions.

Net income, however, declined by 5.8% from Php175.1 million to Php164.9 million due to: (1) a 29% increase in provision for impairment caused by increases in mandatory provisions, past due accounts and real and other properties acquired; and a (2) a 17.7% increase in operating expenses, mainly rental, management and professional fees, and collection fees.

### **Toyota Manila Bay Corporation**

On March 7, 2016, the SEC approved the merger of TMBC and TCI. TMBC is the surviving corporation and absorbed the entire assets and liabilities of TCI. As of March 31, 2016, TMBC consolidated the financials of TCI on a line-by-line basis.

Consolidated sales, comprising of vehicle sales, spare parts and maintenance services, grew by 10% from Php4.2 billion in the first quarter of 2015 to Php4.6 billion in the first quarter of 2016. Vehicle sales, accounting for 92% of TMBC's revenues, increased by 27% from Php3.8 billion to Php4.3 billion as retail sales volume grew by 8.0% from 3,995 units to 4,323 units. Sales from spare parts and maintenance services, accounting for a combined 8% of revenues, increased by 8% and 15%, respectively.



Consolidated net income for the first quarter of 2016 increased by 60%, from Php24.9 million to Php39.9 million due to higher vehicle sales, increased ancillary income from financing and insurance commissions, and lower operating expenses.

TMBC owns five (5) auto dealer outlets namely Toyota Manila Bay, Toyota Abad Santos, Toyota Cubao and Toyota Marikina, all situated within Metro Manila; and Toyota Dasmariñas in Cavite.

## **Power**

### **Global Business Power**

GBPC's net fees, comprising energy fees and fuel pass-through costs, declined from Php4.0 billion in the first quarter of 2015 to Php3.9 billion in the first quarter of 2016. Notwithstanding the 6.9% growth in kilowatt-hour sales from 786.3 million kilowatt-hours in 2015 to 840.7 million kilowatt-hours in 2016, net fees decreased mainly due to lower fuel prices.

Power plant operation and maintenance decreased by 15.3% from Php2.3 billion to Php2.0 billion due to lower fuel costs including lower purchased power expenses. Net income attributable to equity holders improved by 50.7% from Php263.8 million in the first quarter of 2015 to Php397.5 million.

Panay Energy's Unit 3, a 150MW coal-fired plant in Panay, Iloilo, which began construction in June 2014, is expected to be commissioned within the third quarter of 2016. Construction is already 82.9% complete as of March 31, 2016.

Manila Electric Company ("Meralco") recently signed an interim power supply agreements ("IPSA") with Toledo Power Corporation ("TPC") and Panay Power Corporation ("PPC") , both companies are majority-owned subsidiaries of GBPC, for the supply of 28 MWs and 45 MWs, respectively. The IPSA shall become effective upon approval of the Energy Regulatory Commission (ERC) and shall expire on February 25, 2017.

Meralco also recently filed an application with the ERC for the approval of Power Supply Agreements (PSA) between Meralco and Panay Energy for the purchase of up to 70 megawatts of electrical output for the 150 megawatt Unit 3 Plant Expansion Program.

## **Property Development**

### **Federal Land**

Fed Land's total revenues grew by 17.2% from Php2.1 billion in the first quarter of 2015 to Php2.4 billion in the first quarter of 2016 as real estate sales and interest income on real estate sales, and rent income improved for the period in review.

Real estate sales including interest income on real estate sales grew by 25.8% from Php1.5 billion to Php1.9 billion as Fed Land completed two (2) vertical residential condominium projects in the first quarter of 2016 namely Parkwest Tower situated in Grand Central, Bonifacio Global City, Taguig City and Marco Polo Residences Tower 2 located in Cebu City. Average overall percentage-of-completion of ongoing development projects improved from 18.0% in the first quarter of 2015 to 22.0% in the first quarter of 2016.

For the first quarter of 2016, Fed Land launched the Axis Residences Tower 2, a joint venture project with Robinsons Land Corporation, situated in Pioneer St., Mandaluyong City, Metro Manila.



Reservation sales declined from Php3.7 billion in the first quarter of 2015 to Php2.9 billion in the first quarter in 2016. Reservation sales is expected to improve with the launching of new projects in Paco, Manila and Binan, Laguna within the second and third quarters of 2016.

Rent income increased by 6.3% from Php195.5 million to Php207.9 million, with the GT Tower office tower accounting for Php96 million. Other contributors were the Blue Bay Walk retail and commercial complex located along the Bay Area, Macapagal Avenue, Pasay City, Florida Sun Estates, and the Philippine AXA Life Center Condominium.

Equity in net earnings from an associate and a jointly-controlled entity declined by 23.1% from Php120.9 million to Php92.9 million as most of the earnings from the Grand Hyatt project situated in The Grand Central, Bonifacio Global City, Taguig City were already recognized in the previous years.

Net income attributable to equity holders of the Parent Company improved by 38.6% from Php317.9 million in the first quarter of 2015 to Php440.7 million in the first quarter of 2016 as gross profit from real estate sales improved from 35.0% to 39.3%

#### **Property Company of Friends, Inc.**

Established in 1999, PCFI is one of the country's leading property developers, focusing on the country's low cost and economic housing segments and retail and office space leasing. PCFI has built and sold over 36,000 affordable homes in the provinces of Cavite and Iloilo. Its flagship and largest project is Lancaster New City (LNC) which spans the areas of Kawit, Imus and General Trias in Cavite province. Aside from LNC, ongoing PCFI projects include the Bellefort Estates in Bacoor and Dasmariñas, in Cavite, the Parc Regency Residences in Iloilo province and the Carmona Estate in Carmona, Cavite.

GT Capital finalized on August 20, 2015 the acquisition of an initial 22.7% of PCFI for Php7.24 billion with an agreement to increase its direct shareholding to 42.1% within 2016 and eventually to 51.0% within 2017. The Php7.24 billion capital infusion by GT Capital was utilized to pay down debt, accelerate house construction, and other general corporate purposes.

In view of GT Capital's first payment and the achievement of effective control, PCFI's financial statement was consolidated into GT Capital's financials effective September 1, 2015.

PCFI total revenues grew by 34.8% from Php1.4 billion in the first quarter of 2015 to Php1.9 billion for the same quarter this year, mainly due to an increase in real estate sales as a result of catch up in construction and improvement in interest income from real estate sales. Gross profit margin was maintained at 54.5%.

Net income more than tripled from Php160.4 million to Php563.2 million in the first quarter of 2016, attributable to increases in real estate sales and interest income from real estate sales and lower operating expenses mainly sales and marketing, taxes and licenses, depreciation and amortization, and interest on borrowings.

#### **Life and Non-Life Insurance**

##### **AXA Philippines**

AXA Philippines reported a decline in new business or Annualized Premium Equivalent from Php1.12 billion in the first quarter of 2015 to Php1.08 billion in the first quarter of 2016, as Single Premium unit-linked investment products dropped by 43.6% due to the volatility in the capital markets. As a result, premium revenues declined by 22.2% from Php5.6 billion in the first quarter of 2015 to Php4.3 billion in the first quarter of 2016 with single premium and regular premium products shifting from a 70:30 to

50:50 single and regular premium product mix. By distribution platform, bancassurance and sales agency accounted for 69% and 31% of premium revenues, respectively.

In spite of a decline in premium revenues, net income improved from Php367.0 million in the first quarter of 2015 to Php389.0 million in the first quarter of 2016 mainly due to improvement in premium margins and higher revenues realized from asset management fees.

On April 5, 2016, AXA Philippines completed the acquisition of a 100% direct equity stake in CPAIC from GT Capital. The acquisition is expected to broaden the spectrum of financial protection to be offered by AXA Philippines.

#### **Charter Ping An**

CPAIC generated a 24.5% increase in gross premium written ("GPW") from Php828.9 million in the first quarter of 2015 to Php1 billion in the first quarter of 2016 due to a reallocation of GPW from property to motor car insurance lines with a combined 73% share of GPW as of March 31, 2016.

CPAIC, however, incurred additional reinsurance costs from property insurance of Php198 million arising from catastrophic property losses experienced in 2015 and prior years which were booked in March thereby resulting to higher premium ceded expenses which more than doubled from Php114.2 million as of the first quarter of 2015 to Php336 million as of the first quarter of 2016. CPAIC thereby incurred a net loss of Php173 million for the period in review.

Except for (ii), (iv) and (vii), 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 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, except those discussed in the 2015 17A;
- (v) Any known 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

At the Annual Stockholders' Meeting of the Company on May 11, 2016, the following directors were elected:

1. Mr. George S.K. Ty - Director
2. Mr. Arthur Vy Ty - Director
3. Mr. Francisco C. Sebastian - Director
4. Mr. Alfred Vy Ty - Director
5. Mr. Carmelo Maria Luza Bautista - Director
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. George S.K. Ty - Group Chairman
2. Arthur Vy Ty - Chairman
3. Francisco C. Sebastian - Co-Vice Chairman
4. Alfred Vy Ty - Co-Vice Chairman
5. Carmelo Maria Luza Bautista - President
6. Anjanette T. Dy Buncio - Treasurer
7. Alesandra T. Ty - Assistant Treasurer
8. Antonio V. Viray - Corporate Secretary
9. Jeanne Frances T. Chua - Assistant Corporate Secretary
10. Jocelyn Y. Kho - Assistant Corporate Secretary
11. Francisco H. Suarez, Jr. - Executive Vice President and Chief Financial Officer
12. Winston Andrew L. Peckson - First Vice President and Chief Risk Officer
13. Jose B. Crisol, Jr. - First Vice President and Head, Investor Relations and Corporate Communications
14. Susan E. Cornelio - Vice President and Head, Human Resources and Administration
15. Richel D. Mendoza - Vice President and Chief Audit Executive
16. Reyna Rose P. Manon-og - Vice President/Controller and Head, Accounting and Financial Control
17. Elsie D. Paras - Vice President and Deputy Chief Financial Officer
18. Renee Lynn Miciano - Atienza - Assistant Vice President and Head, Legal and Compliance



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:

| <b>Executive Committee</b>      |               |
|---------------------------------|---------------|
| 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       |

| <b>Corporate Governance Committee</b> |          |
|---------------------------------------|----------|
| Mr. Christopher P. Beshouri           | Chairman |
| Mr. Wilfredo A. Paras                 | Member   |
| Mr. Jaime Miguel G. Belmonte          | Member   |

| <b>Audit Committee</b>      |          |
|-----------------------------|----------|
| Mr. Wilfredo A. Paras       | Chairman |
| Mr. Christopher P. Beshouri | Member   |
| Dr. David T. Go             | Member   |
| Mr. Peter B. Favila         | Member   |
| Mr. Pascual M. Garcia III   | Adviser  |

| <b>Risk Oversight Committee</b> |          |
|---------------------------------|----------|
| Mr. Peter B. Favila             | Chairman |
| Mr. Christopher P. Beshouri     | Member   |
| Mr. Wilfredo A. Paras           | Member   |
| Atty. Roderico V. Puno          | Member   |

| <b>Compensation Committee</b> |          |
|-------------------------------|----------|
| Mr. Jaime Miguel G. Belmonte  | Chairman |
| Mr. Christopher P. Beshouri   | Member   |
| Mr. Alfred Vy Ty              | Member   |

| <b>Nominations Committee</b>    |          |
|---------------------------------|----------|
| Mr. Wilfredo A. Paras           | Chairman |
| Mr. Carmelo Maria Luza Bautista | 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 2016.

**GT CAPITAL HOLDINGS, INC.  
AGING OF ACCOUNTS RECEIVABLE  
IN MILLION PESOS  
AS OF MARCH 31, 2016**

| Number of Days         | Amount            |
|------------------------|-------------------|
| Less than 30 days      | Php 1,768         |
| 30 days to 60 days     | 437               |
| 61 days to 90 days     | 200               |
| 91 days to 120 days    | 150               |
| Over 120 days          | 723               |
| Current                | 27,049            |
| Impaired               | 100               |
| Noncurrent receivables | 4,398             |
| <b>Total</b>           | <b>Php 34,825</b> |

**GT CAPITAL HOLDINGS, INC.  
LIST OF STOCKHOLDERS AND PERCENTAGE OF HOLDINGS  
AS OF MARCH 31, 2016**

The following stockholders own more than 5% of the total issued and outstanding shares of the Company as of March 31, 2016:

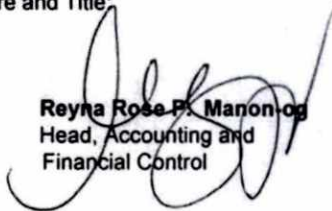
| Name Of Stockholder                | Total Number Of Shares Held | Percent To Total Number Of Shares Issued |
|------------------------------------|-----------------------------|--|
| Grand Titan Capital Holdings, Inc. | 94,656,110                  | 54.306%                                  |
| PCD Nominee-Non Filipino           | 63,012,073                  | 36.151%                                  |
| PCD Nominee-Filipino               | 16,019,605                  | 9.190%                                   |
| Others                             | 612,212                     | 0.353%                                   |
| <b>Total</b>                       | <b>174,300,000</b>          | <b>100.000%</b>                          |

**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 16, 2016