GT CAPITAL
HOLDINGS, INCORPORATED

Notice of Annual Stockholders' Meeting
May 11, 2016 at 2:30 p.m.
Metrobank Auditorium, Second Floor Metrobank Plaza
Sen. Gil Puyat Avenue, Makati City

To all Stockholders:

Please take notice that the 2016 annual stockholders' meeting of GT Capital Holdings, Inc. will be held on May 11, 2016 at 2:30 p.m. at the Metrobank Auditorium, Second Floor Metrobank Plaza, Sen. Gil Puyat Avenue, Makati City. Registration shall begin at 2:00 p.m. The agenda of the meeting is set forth below:

A G E N D A

1. Call to order
2. Certification of notice and quorum
3. Approval of minutes of annual meeting of stockholders held on May 11, 2015
4. Annual Report for the Year 2015
5. General ratification of the acts of the Board of Directors, Executive Committee, and Management from the date of the last annual stockholders' meeting up to the date of this meeting
6. Election of directors for 2016 – 2017
7. Appointment of external auditor
8. Amendment to the By-laws of the Corporation
9. Adjournment

The Board of Directors has fixed the end of trading hours of the Philippine Stock Exchange (PSE) on April 1, 2016 as the record date for the determination of stockholders entitled to notice of and to vote at such meeting and any adjournment thereof.

In case you cannot personally attend the meeting, you are requested to accomplish the attached proxy form and return the same to the office of the Secretary at 43/F GT Tower International, 6813 Ayala Avenue corner H. V. Dela Costa St., Makati City 1227 on or before 5:00 p.m. on April 29, 2016.

For your convenience in registering your attendance, please bring some form of identification with a photograph, such as a passport, driver's license, or company I.D.

Makati City, March 22, 2016.

BY THE ORDER OF THE BOARD OF DIRECTORS

ANTONIO V. VIRAY
Corporate Secretary
GT CAPITAL HOLDINGS, INC.

EXPLANATION / RATIONALE OF AGENDA ITEMS

1. **Call to order**
   The Chairman will call to order the Annual Meeting of Stockholders of the Corporation.

2. **Certification of notice and quorum**
   The Corporate Secretary will certify that copies of the notice of the meeting were delivered to holders of the Corporation's shares of stock as of April 1, 2016 Record Date and that, a quorum exists for the valid transaction of the business in the agenda.

3. **Approval of minutes of the May 11, 2015 Annual Stockholders' Meeting**
   The Chairman will entertain a motion to approve the minutes of the May 11, 2015 Annual Stockholders' Meeting. Draft minutes were posted on the GT Capital website on the next working day after the meeting.

4. **Annual Report for the Year 2015**
   The Chairman will call on the President, Mr. Carmelo Maria Luza Bautista, to render his report for the year 2015. After the President's report, the Chairman will entertain comments or questions from the stockholders present.

5. **General ratification of the acts of the Board of Directors, Executive Committee, and Management from the date of the last annual stockholders' meeting up to the date of this meeting**
   The Chairman will entertain a motion to ratify all acts, transactions, and resolutions of the Board of Directors, the Executive Committee, and Management from the date of the 2015 annual stockholders' meeting up to May 11, 2016.

6. **Election of directors for 2016 – 2017**
   The Chairman will call on the Chairman of the Nominations Committee to explain the nomination procedure under the current SEC rules. Thereafter, a nomination for election to the Board of Directors of the eleven (11) candidates who have been pre-qualified by the Nominations Committee will be entertained. After the nomination is closed and seconded, the Chairman will announce the names of the directors who were elected to serve on the Board.

7. **Appointment of external auditor**
   The Chairman will call on the Chairman of the Audit Committee to explain the procedure for the appointment of the external auditor. Thereafter, the Chairman will entertain a motion for the appointment of the Corporation's external auditor.

8. **Amendment to the By-laws of the Corporation**
   The proposal is to amend Article II, Section 1 of the Corporation's By-laws, moving the date of its annual stockholders' meeting from second Monday of May to second Wednesday of May. The amendment seeks to avoid the coinciding of the annual/regular meeting of the stockholders with local and/or national elections every three years, which is a legal holiday pursuant to Republic Act No. 7166 (An Act Providing for Synchronized National and Local Elections and for Electoral Reforms, Authorizing Appropriations Therefor, and for Other Purposes). After the President's explanation, a motion to approve the said amendment will be entertained.

9. **Adjournment**
   The Chairman will inquire whether there are other matters to be discussed and will entertain a motion for adjournment.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 20-IS

INFORMATION STATEMENT PURSUANT TO SECTION 20
OF THE SECURITIES REGULATION CODE

1. Check the appropriate box:

   [X] Preliminary Information Statement

   [ ] Definitive Information Statement

2. Name of Registrant as specified in its charter: **GT CAPITAL HOLDINGS, INC.**

3. Province, country or other jurisdiction of incorporation or organization: **PHILIPPINES**

4. SEC Identification Number: **CS200711792**

5. BIR Tax Identification Code **006-806-867**

6. Address of principal office: **43/F GT Tower International, 6813 Ayala Avenue corner H. V. Dela Costa St., Makati City, Metro Manila, Philippines** Postal Code: **1227**

7. Registrant's telephone number, including area code: **(632) 836-4500**

8. Date, time and place of the meeting of security holders: **May 11, 2016 at 2:30 p.m., to be held at the Metrobank Auditorium, Second Floor Metrobank Plaza, Sen. Gil Puyat Avenue, Makati City.**

9. Approximate date on which the Information Statement is first to be sent or given to security holders: **April 11, 2016**

10. Securities registered pursuant to Sections 8 and 12 of the Code or Sections 4 and 8 of the SRC (information on number of shares and amount of debt is applicable only to corporate registrants):

    a) Shares of Stock

Title of Each Class	Number of Shares of Common Stock Outstanding or Amount of Debt Outstanding
Common Shares	**174,300,000**
Amount of Debt Outstanding	**Php21,820,833,823**

    b) Debt securities: Php22 Billion Bonds

11. Are any or all of registrant's securities listed in a Stock Exchange?

    Yes ____X______ No __________

    If yes, disclose the name of such Stock Exchange and the class of securities listed therein:

    The Philippine Stock Exchange, Inc. for common shares and Philippine Dealing & Exchange, Corp. for corporate retail bonds.

    The Corporation's Voting Preferred Shares are not listed in any stock exchange.

PART I.
INFORMATION REQUIRED IN INFORMATION STATEMENT

A. GENERAL INFORMATION

Item 1. **Date, time and place of meeting of security holders.**

(a) The Annual Stockholders' Meeting of GT Capital Holdings, Inc. ("GT Capital" or the "Corporation") is scheduled to be held on May 11, 2016 at 2:30 p.m. at the Metrobank Auditorium, Second Floor Metrobank Plaza, Sen. Gil Puyat Avenue, Makati City. The complete mailing address of the principal office of the registrant is 43/F GT Tower International, 6813 Ayala Avenue corner H. V. Dela Costa Street, Makati City, Metro Manila, Philippines 1227.

(b) The approximate date on which the Information Statement will be sent or given to the stockholders is on April 11, 2016.

Statement that proxies are not solicited

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND A PROXY.

Voting Securities

The record date for purposes of determining the stockholders entitled to vote is April 1, 2016. The total number of shares outstanding and entitled to vote in the stockholders' meeting is 348,600,000 shares composed of 174,300,000 Common Shares and 174,300,000 Voting Preferred Shares. Stockholders are entitled to cumulative voting in the election of the board of directors, as provided by the Corporation Code.

Item 2. **Dissenters' Right of Appraisal**

Pursuant to Section 81 of the Corporation Code of the Philippines, a stockholder has the right to dissent and demand payment of the fair value of his shares in the following instances:

(a) In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any shares of any class, or of extending or shortening the term of corporate existence;

(b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and

(c) In case of merger or consolidation.

A stockholder must have voted against the proposed corporate action in order to avail himself of the appraisal right. The procedure for the exercise by a dissenting stockholder of his appraisal right is as follows:

(a) The dissenting stockholder shall make a written demand on the corporation within 30 days after the date on which the vote was taken for payment for the fair value of his shares. The failure of the stockholder to make the demand within 30 day period shall be deemed a waiver on his appraisal right;

(b) If the proposed corporate action is implemented or effected, the corporation shall pay to such stockholder, upon surrender of corresponding certificate(s) of stock within 10 days after demanding payment for his shares (Sec. 86), the fair value thereof; and

(c) Upon payment of the agreed or awarded price, the stockholder shall transfer his share to the corporation.

Item 3. **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

(a) No director or officer of the Corporation since the beginning of the last fiscal year, nominee for election as director, or associate of the foregoing persons, have any substantial interest, direct or indirect, by security holdings or otherwise, in any matter to be acted upon, other than election to office.

(b) No director in the Corporation has given written notice that he intends to oppose any action to be taken by the Corporation at the meeting.

B. CONTROL AND COMPENSATION INFORMATION

Item 4. **Voting Securities and Principal Holders Thereof**

(a) As of March 15, 2016, the total number of shares outstanding and entitled to vote in the stockholders' meeting are as follows:

i. 174,300,000 Common Shares
ii. 174,300,000 Voting Preferred Shares

Each class of shares is entitled to one vote per share.

(b) The record date for determining the stockholders entitled to notice and to vote is April 1, 2016.

(c) All stockholders shall be entitled to vote in person or by proxy and, unless otherwise provided by law, each stockholder shall have one vote for each share of stock entitled to vote, whether Common or Voting Preferred, and recorded in his name in the books of the Corporation. At all meetings of the stockholders, all elections and all questions shall be decided by the plurality of vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present, except in cases where other provision is made under a statute. Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote on any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by proxy if there be by proxy, and shall state the number of shares voted by him.

In the election of Directors, each stockholder shall be entitled to cumulate his votes in the manner prescribed by Title III, Section 24 of the Corporation Code of the Philippines.

(d) Security Ownership of Certain Record and Beneficial Owners as of December 31, 2015:

As of December 31, 2015, the following are the owners of the Corporation's common stock in excess of 5% of total outstanding shares:

Title of Class	Name and Address of Record Owner and Relationship with Issuer	Name of Beneficial Owner and Relationship with Record Owner	Citizenship	No. of Shares Held	Percent (%)
Common	Grand Titan Capital Holdings, Inc. 4th Floor Metrobank Plaza, Sen. Gil Puyat Ave., Makati City	Same as the Record Owner **Arthur Vy Ty** is authorized to vote the shares held by Grand Titan Capital Holdings, Inc.	Filipino	94,656,110	54.3064%
Common	PCD Nominee Corp. (Non-Filipino)	Various Clients [1]	Foreign	63,012,073	36.1515%
Common	PCD Nominee Corp. (Filipino)	Various Clients [1]	Filipino	16,018,805	9.1904%

(1) The number of shares held by PCD Nominee Corp. (Filipino and Non-Filipino) is comprised of various clients who are the beneficial owners of GT Capital Shares which are lodged with the Philippine Depository & Trust Corp.

Security Ownership of Management as of December 31, 2015

Title of Securities	Name of Beneficial Owner of Common Stock	Amount and Nature of Beneficial Ownership		Citizenship	Percent of Class
		Direct	Indirect		
Common	Dr. George S. K. Ty	200,000	0	Filipino	0.11%
Common	Arthur Vy Ty	100,000	2,100	Filipino	0.06%
Common	Alfred Vy Ty	100,000	2,100	Filipino	0.06%
Common	Anjanette T. Dy Buncio	40,000	2,100	Filipino	0.02%
Common	Carmelo Maria Luza Bautista	1,000	10,000	Filipino	0.01%
Common	Roderico V. Puno	1,000	0	Filipino	0.00%
Common	Jaime Miguel G. Belmonte	1,000	0	Filipino	0.00%
Common	Christopher P. Beshouri	1,000	0	American	0.00%
Common	Wilfredo A. Paras	1,000	0	Filipino	0.00%
Common	Francisco H. Suarez, Jr.	0	5,000	Filipino	0.00%
Common	Jocelyn Y. Kho	0	2,200	Filipino	0.00%
Common	Alesandra T. Ty	0	1,400	Filipino	0.00%
Common	Jeanne Frances T. Chua	200	500	Filipino	0.00%
Common	Peter B. Favila	200	0	Filipino	0.00%
Common	Francisco C. Sebastian	100	0	Filipino	0.00%
Common	David T. Go	100	0	Filipino	0.00%
Common	Antonio V. Viray	0	0	Filipino	0.00%
Common	Jose B. Crisol, Jr.	0	0	Filipino	0.00%
Common	Susan E. Cornelio	0	0	Filipino	0.00%
Common	Richel D. Mendoza	0	0	Filipino	0.00%
Common	Reyna Rose P. Manon-Og	0	0	Filipino	0.00%
Common	Elsie D. Paras	0	0	Filipino	0.00%
Total		**445,600 (D)**	**25,400 (I)**		**0.26%**
		471,000			

There are no persons holding more than 5% of a class under a voting trust or any similar agreements as of December 31, 2015.

(e) Change in Control

The Corporation is not aware of any change in control or arrangement that may result in a change in control of the Corporation since the beginning of its last fiscal year.

There are no existing or planned stock warrant offerings. There are no arrangements which may result in a change in control of the Corporation.

Item 5. **Directors and Executive Officers of the Registrant**

(a) The incumbent Directors and Executive Officers of the Corporation are as follows:

(i) Board of Directors

Office	Name	Age	Citizenship
Group Chairman	Dr. George S.K. Ty	83	Filipino
Chairman	Francisco C. Sebastian	62	Filipino
Co-Vice Chairman	Arthur Vy Ty	49	Filipino
Co-Vice Chairman	Alfred Vy Ty	48	Filipino
Director/President	Carmelo Maria Luza Bautista	58	Filipino
Director	Roderico V. Puno	52	Filipino
Director	David T. Go	62	Filipino
Independent Director	Jaime Miguel G. Belmonte	52	Filipino
Independent Director	Christopher P. Beshouri	53	American
Independent Director	Wilfredo A. Paras	69	Filipino
Independent Director	Peter B. Favila	67	Filipino
Adviser	Pascual M. Garcia III	62	Filipino
Adviser	Antonio S. Abacan, Jr.	73	Filipino
Adviser	Mary Vy Ty	75	Filipino

Period of Directorship

Name	Date First Elected
Francisco C. Sebastian	May 12, 2014
Dr. George S.K. Ty	June 3, 2011
Arthur Vy Ty	June 3, 2011
Alfred Vy Ty	February 14, 2012
Carmelo Maria Luza Bautista	August 5, 2011
Roderico V. Puno	August 5, 2011
David T. Go	May 12, 2014
Jaime Miguel G. Belmonte	December 2, 2011
Christopher P. Beshouri	May 14, 2013
Wilfredo A. Paras	May 14, 2013
Peter B. Favila	May 11, 2015

Board Committees:

The members of the Executive Committee are:

Arthur Vy Ty	- Chairman
Alfred Vy Ty	- Vice-Chairman
Francisco C. Sebastian	- Member
Carmelo Maria Luza Bautista	- Member
Mary V. Ty	- Adviser

The members of the Audit Committee are:

Wilfredo A. Paras	- Chairman
Christopher P. Beshouri	- Member
David T. Go	- Member
Peter B. Favila	- Member

The members of the Risk Oversight Committee are:

Peter B. Favila	- Chairman
Christopher P. Beshouri	- Member
Wilfredo A. Paras	- Member
Roderico V. Puno	- Member

The members of the Compensation Committee are:

Jaime Miguel G. Belmonte	- Chairman
Alfred Vy Ty	- Member
Roderico V. Puno	- Member

The members of the Nominations Committee are:

Wilfredo A. Paras	- Chairman
Peter B. Favila	- Member
Jaime Miguel G. Belmonte	- Member

The members of the Corporate Governance Committee are:

Christopher P. Beshouri	- Chairman
Wilfredo A. Paras	- Member
Jaime Miguel G. Belmonte	- Member

The business experience of the members of the Board for the last five (5) years is as follows:

Dr. George S.K. Ty, 83 years old, Filipino, served as GT Capital Holdings, Inc.'s Chairman of the Board since its inception in July 2007 until July 11, 2012. He is the current Group Chairman of GT Capital Holdings, Inc. Dr. Ty is also the founder of Metropolitan Bank & Trust Company (Metrobank), a listed company, and served as its Chairman from 1975 until 2006 when he became Group Chairman of the Metrobank Group of Companies. Dr. Ty graduated from the University of Santo Tomas and received his Doctorate in Humanities, Honoris Causa form the same university. He is concurrently the Chairman of the Board of Trustees of the Metrobank Foundation, Inc. and of the Board of Directors of Toyota Motor Philippines Corporation.

Francisco C. Sebastian, 62 years old, Filipino, is Chairman of GT Capital since June 2014. He joined the Metrobank Group in 1997. He was initially appointed President of First Metro Investment Corporation, a post he kept for 14 years until he was made Chairman in 2011. Concurrently, he was appointed Vice Chairman of Metrobank in 2006. He also serves as Chairman of Global Business Power Corporation since 2007. Mr. Sebastian has no directorships in other listed companies aside from GT Capital. He earned his AB degree in Economics Honors, Magna Cum Laude, from the Ateneo de Manila University in 1975. He worked in Hong Kong as an investment banker from 1977 to 1984 with Ayala International Finance Limited and Filinvest Finance (HK) Ltd. From 1984 until he joined Metrobank in 1997, he owned and managed his own business and financial advisory firm in Hong Kong, Integrated Financial Services Ltd. He is now the Chairman of First Metro Investment Corporation, after having served as its President for 13 years.

Arthur Vy Ty, 49 years old, Filipino, served as the Corporation's Vice Chairman since its inception in 2007 before assuming the Chairmanship in 2012 up to June 2014. He is currently the Co-Vice Chairman of GT Capital. He was the President of Metrobank, a listed company, from 2006 to 2012 and was appointed as its Chairman in April 2012. He also serves as the Chairman of Metropolitan Bank (China) Ltd., Inc., Vice Chairman of Philippine Savings Bank, a listed company, and First Metro Investment Corporation. He earned his Bachelor of Science degree in Economics at the University of California, Los Angeles and obtained his Masters in Business Administration degree from Columbia University, New York in 1991.

Alfred Vy Ty, 48 years old, Filipino, has been a Co-Vice Chairman of the Corporation since February 14, 2012 and has served as a Director of the Corporation since 2007. He is also a Director of Metropolitan Bank & Trust Company, a listed company, and Vice Chairman of Toyota Motor Philippines Corporation. He graduated from the University of Southern California with a degree major in Business Administration in 1989. Some of his other current roles and positions include: Chairman, Lexus Manila, Inc.; Chairman, Federal Land, Inc.; Chairman, Property Company of Friends, Inc.; Board of Trustee Member, Metrobank Foundation, Inc.; and Co-Vice Chairman, Global Business Power Corporation.

Carmelo Maria Luza Bautista, 58 years old, Filipino, assumed the role of Director and President of GT Capital in 2011. Mr. Bautista has no directorships in other listed companies aside from GT Capital. Prior to his election, Mr. Bautista joined First Metro Investment Corporation in April of 2008 as Executive Director and was appointed as Chairman of the Risk Management Committee, he later assumed the position of Head of its Investment Banking Group in 2009. Mr. Bautista has been in the Banking and Financial Services sector for 36 years. Some highlights of his previous scope of responsibilities over this period include: Program Director at Citibank Asia Pacific Banking Institute; Vice President and Head of the Local Corporate and Public Sector Groups Citibank Manila; Vice President Real Estate Finance Group Citibank N.A. Singapore branch; Vice President Structured Finance Citibank N.A. Singapore Regional Office; Country Manager ABN AMRO Bank Philippines; and President and CEO Philippine Bank of Communications. Mr. Bautista has a Masters in Business Management degree from the Asian Institute of Management where he graduated in the Dean's Citation List. He also has a Bachelor's degree major in Economics from the Ateneo de Manila University.

Dr. David T. Go, 62 years old, Filipino, has been a Director of GT Capital since May 2014. He acquired his Doctor of Philosophy Degree (International Relations) from New York University in 1982. He currently serves as Director, Senior Executive Vice President, and Treasurer of Toyota Motor Philippines Corporation. He is also the Vice Chairman of Toyota Autoparts Phils., Inc.; Board Adviser and Treasurer of Toyota Financial Services Phils. Corporation; President of Toyota Motor Philippines Foundation, Inc.; Trustee of Toyota Savings and Loan Association; Chairman of Toyota San Fernando, Inc., Toyota Makati, Inc., Toyota Manila Bay, Inc., and Toyota Sta. Rosa Inc.; Director and Chairman of the Executive Committee of Toyota Cubao, Inc.; Director of Lexus Manila, Inc.; and President of Toyota Motor Phils. School of Technology, Inc. Dr. Go has no directorships in other listed companies aside from GT Capital.

Roderico V. Puno, 52 years old, Filipino, has been a director of the Corporation since August 5, 2011 and is a Senior Partner of Puno & Puno Law Offices. He earned his Bachelor of Arts Major in Political Science from the Ateneo de Manila University in 1985, his Bachelor of Laws degree from the same University in 1989, and his Masters of Law from Northwestern University in Chicago. He is a widely recognized expert in energy law and also specializes in general corporate law, banking and project finance, real estate, utilities regulation, securities, and infrastructure. He is currently Corporate Secretary of Atlas Consolidated and Mining and Development Corporation, First Philippine Industrial Park, and Rustan Supercenters, Inc. He served as Vice-President- Head of Legal, General Counsel, and Corporate Secretary for First Generation Corporation and Vice President Legal for First Philippine Holdings Corporation, concurrently. Atty. Puno has no directorships in other listed companies aside from GT Capital.

Jaime Miguel G. Belmonte*, 52 years old, Filipino, was elected as Independent Director of GT Capital on 11 July 2012. He is also the President and Chief Executive Officer of The Philippine Star (since 1998); President and Chief Executive Officer of Business World (since 2015); President and Publisher of Pilipino Star Ngayon (since 1994) and PM-Pang Masa (since 2003); and President of Pilipino Star Printing Company (since 1994). Mr. Belmonte is also the President of Cebu-based The Freeman and Banat News (since 2004), Vice Chairman of Stargate Media Corporation (Director since 2000), Publisher of People Asia Magazine, and member of the Board of Advisers of Manila Tytana College (since 2008). Mr. Belmonte has no directorships in other listed companies aside from GT Capital. He earned his undergraduate degree from the University of the Philippines-Diliman.

Peter B. Favila*, 67 years old, Filipino, was elected as Independent Director on May 12, 2015. Prior to this, he served as GT Capital's Board Advisor since October 23, 2014. He is presently a Consultant to the Bangko Sentral ng Pilipinas (BSP) after completing his fixed term as Member of the Monetary Board. Likewise, Mr. Favila is a member of the Supervisory Committee of the (ABF) Philippines Index Bond Fund and of the Advisory Council of the Asian Bankers Association. He is a member of the Board of Trustees of the Ramos for Peace and Development Foundation, Inc. (RPDev) and Trustee of the Alay sa Kawal Foundation, Inc. With more than 40 years of experience in the field of banking and finance, he held various executive positions in both the public and private sector. In 2005, he was appointed Secretary of the Department of Trade and Industry (DTI) where in concurrent capacity he chaired several attached agencies to DTI until the end of his term in 2010. Mr. Favila, in the private sector, had served as Senior Vice President of Metropolitan Bank and Trust Co., President/CEO of Security Banking Corporation, Vice-Chairman/President/CEO of Philippine National Bank, and President/CEO of Allied Banking Corporation. Prior to his stint in government service, he was elected as Chairman of the Philippine Stock Exchange (PSE). Mr. Favila has no directorships in other listed companies aside from GT Capital. Mr. Favila is a recipient of various recognitions and awards prominent of which are the Republic of the Philippine's Order of Lakandula with the rank of Bayani conferred by President Gloria Macapagal-Arroyo; the Gran Cruz Orden de Isabel la Catolica conferred by King Juan Carlos I of Spain; the Order of the Rising Sun, Gold and Silver Star conferred by His Majesty Emperor Akihito of Japan. Mr. Favila earned his Bachelor of Science degree in Commerce from the Santo Tomas University and completed his Advance Management Program at the Wharton School, University of Pennsylvania. He is an adopted member of Class 1982 of the Philippine Military Academy.

Christopher P. Beshouri*, 53 years old, American, was elected as Independent Director of GT Capital on 14 May 2013. He is Group President and COO of VICSAL Development Corporation, a diversified conglomerate owned and led by the Gaisano Family, with holdings in Retail (Metro Retail stores), Property (Taft, HT Land), and Financial Services (banking, investment banking, brokerage, and trust). Mr. Beshouri has no directorships in other listed companies aside from GT Capital. Prior to joining VICSAL, Chris was with McKinsey and Company for more than 15 years, where he held 3 distinct roles: President / CEO of Philippines (2005-2013), Chief of Staff of Asia (2004-2005), and Associate Principal (1997-2004). Mr. Beshouri also worked as a Senior Financial Economist and Director at the United States Treasury from 1989 to 1997, where he focused on financial markets and banking regulation. In addition, Mr. Beshouri was an Adjunct Professor of Georgetown University, College of Business from 1996-1997, a Consultant for the West Africa Country Operations of the World Bank in 1988, a Financial Auditor of the Catholic Relief Services from 1987 to 1988, and an Analyst and Research Assistant for the Federal Reserve Bank of Atlanta from 1984 to 1986. Mr. Beshouri holds a Bachelor of Arts Degree (Dual Major in Economics and Public Policy) from the Michigan State University, and a degree in Master of Public Affairs from Princeton University.

Wilfredo A. Paras*, 69 years old, Filipino, was elected as Independent Director of GT Capital on 14 May 2013. He currently holds various positions in Philippine Corporations, such as: Independent Director of Philex Mining Corporation, a listed company, (2011-present); Director of Oil Mills Goup of CIIF- Granexport Manufacturing Corporation, Cagayan de Oro Oil Mills Corporation, Iligan Coconut Oil Mills Corporation (2011-present); Member of the Board of Trustees of Dualtech Training Center (2012-present); and President of WAP Holdings, Inc. (2007-present). He also served as the Executive Vice President/Chief Operating Officer and Director of JG Summit Petrochemical Corporation; and was also the President of Union Carbide Philippines, the President/Director of Union Carbide-Indonesia, Managing Director of Union Carbide Singapore and Business Director for Union Carbide Asia-Pacific. Mr. Paras holds a degree in Bachelor of Science (BS) Industrial Pharmacy from the University of the Philippines and a Master in Business Administration (MBA) from the De la Salle University Graduate School of Business. He finished a Management Program of the University of Michigan, Ann Arbor, Michigan, USA.

** Independent director – the Corporation has complied with the Guidelines set forth by SRC (Securities Regulation Code) Rule 38 regarding the Nomination and Election of Independent Director. The Corporation's By-Laws incorporate the procedures for the nomination and election of independent director/s in accordance with the requirements of the said Rule. The Corporation's By-laws were amended for this purpose and such amendment was approved by the SEC on January 13, 2012. A discussion on the guidelines and procedures for Nomination and Election of Independent Directors is set forth in Annex "A" of this Information Statement.*

The business experience of the Board Advisers for the last five (5) years is as follows:

Dr. Antonio S. Abacan Jr., 73 years old, Filipino, was elected as one of the Advisers to the Board of Directors of GT Capital Holdings, Inc. on 12 May 2014. Concurrently, he is the Vice Chairman of Metrobank Group of Companies. He also chairs companies within the group such as Toyota Financial Services (Phils.) Inc., Sumisho Motor Finance Corporation, Manila Medical Services Inc., Manila Tytana Colleges, and Circa 2000 Homes, Inc. He also holds other significant positions such as: Senior Adviser of Metropolitan Bank and Trust Company; Vice Chairman and Executive Director of Global Business Power Corporation; and Vice Chairman and Director of Panay Energy Development Corporation. He concurrently serves as Director in other companies such as: Cebu Energy Development Corporation; Panay Power Corporation; Panay Power Holdings; ARB Power Ventures, Inc.; GBH Power Resources Inc.; Global Formosa Power Holdings Inc.; Global Energy Supply Corporation; Vivant Corporation; Cebu Holding, Inc.; and Taal Land, Inc. He is the Honorary Chairman of ORIX Metro Leasing and Finance Corporation and also serves as a member of the Advisory board of Federal Land, Inc. and Toyota Manila Bay Corporation Group. He is Trustee and Treasurer of the Philippine Business Center; Director for Banking, Finance, and Taxation of the Philippine Chamber of Commerce and Industry; member of the Board of Governors of Makati Commercial Estate Association (MACEA); President of DARE Philippines Association Inc., and Senior Adviser of the Metrobank Foundation. He is also a member of the Board of Trustees of GT Metro Foundation. He is also a member of the Stanford University Alumni Association. For his personal accomplishments, he was awarded The Outstanding Filipino Award (TOFIL) for Banking by the Philippine Jaycee Senate in 2008 and Huwarang Anak ng Bulakan/Outstanding Bulakeno Achievers by Club Bulakeno, Inc. in 2011. He was also awarded Outstanding Alumnus by the following institutions: Mapua Institute of Technology in 1987; Meycauayan College in 1988; and the Far Eastern University in 2007. He was an Ulirang Ama Awardee by the National Father's Day & Mother's Day Foundation; a Communications and Leadership Awardee by Toastmaster International in 2006; a CEO Excel Awardee by the International Association of Business Communicators (IABC); and Dangal ng Lipi Awardee in 1999 by Outstanding Bulakenos. Dr. Abacan holds a Bachelor of Science degree in Business Administration, Major in Banking and Finance from the Mapua Institute of Technology and Major in Accounting from the Far Eastern University. He completed the Executive Program of the Stanford University Graduate School of Business. He received his Doctorate in Business Administration (Honoris Causa) from the Philippine Women's University.

Pascual M. Garcia III, 62 years old, Filipino, was appointed as Board Advisor in May 2013. He is currently the President of Federal Land, Inc. He also holds several other positions in other companies among which are Vice Chairman of Property Company of Friends, Inc.; Vice Chairman of Cathay International Resources Corp.; President of Horizon Land; President of Omni Orient Management Corp.; Chairman of Metropolitan Park Association; Director for Fed Brent Inc.; Chairman of Central Realty; Director for Toyota Financial Services Philippines; Director for Sumisho Finance Corporation; President of Federal Land Orix Corporation; and Co-Vice Chairman for Cathay International Resources Corporation. Prior to joining Federal Land, he served as the President and Director of Philippine Savings Bank from 2001 up to 2013. Mr. Garcia earned his Bachelor's degree in Commerce Major in Management from the Ateneo de Zamboanga University.

Mary Vy Ty, 75 years old, Filipino, was appointed as Board Advisor of GT Capital in June 2014. Prior to this, she served as the Corporation's Treasurer since its incorporation in 2007. Mrs. Ty has more than 50 years of experience in banking and general business. She currently holds the following positions: Assistant to the Group Chairman, Metropolitan Bank & Trust Company (Metrobank); Adviser, Metrobank Foundation, Inc.; Vice Chairman, Manila Medical Services, Inc.; Adviser, Manila Tytana Colleges; Advisor, Global Business Power Corporation; Director, Grand Titan Capital Holdings, Inc.; and Chairman, Philippine Securities Corporation. Previously, Mrs. Ty held the position of Director for First Metro Investment Corporation. She earned her collegiate degree from the University of Santo Tomas.

Nominee Directors

As of the date of this report, the nominees for independent directors are Messrs. Jaime Miguel G. Belmonte and Wilfredo A. Paras, nominated by Mr. Francisco H. Suarez Jr., as well as Messrs. Christopher P. Beshouri and Peter B. Favila, who were nominated by Mr. Carmelo Maria Luza Bautista. The four (4) nominees for independent directors are not related either by consanguinity or affinity to the person who nominated them.

Based on Section 2.1.4 of GT Capital's Manual on Corporate Governance, the stockholders must elect at least two (2) independent directors as defined by existing laws and regulations.

Aside from the above nominees for independent directors, the other nominees for director are Messrs. George S.K. Ty, Arthur Vy Ty, Alfred Vy Ty, Carmelo Maria Luza Bautista, Roderico V. Puno, David T. Go, and Francisco C. Sebastian.

The nominees are all incumbent directors of GT Capital. The experience and qualifications of all nominees are found above.

The Directors of the Corporation are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been appointed or elected and qualified. The same set of directors will be nominated in the coming regular annual stockholders' meeting. The Directors possess all the qualifications and none of the disqualifications provided for in the SRC and its Implementing Rules and Regulations as well as the Corporation's By-laws.

Review of qualifications of candidates nominated as Independent Directors shall be conducted by the Nominations Committee prior to the stockholders' meeting. The Nominations Committee shall prepare a Final List of Candidates of those who have passed the Guidelines, Screening Policies and Parameters for nomination of independent directors and which list shall contain all the information about these nominees. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No other nomination shall be entertained or allowed on the floor during the actual annual stockholders' meeting. In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with the Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Nominations Committee; otherwise, said vacancies shall be filled by stockholders in a regular or special meeting called for that purpose. An Independent Director so elected to fill a vacancy shall serve only for the unexpired term of his or her predecessor in office.

The Nominations Committee created by the Board under its Corporate Governance Manual nominated the following for election to the Board of Directors at the forthcoming Annual Stockholders' Meeting:

Dr. George S. K. Ty	Dr. David T. Go
Francisco C. Sebastian	Jaime Miguel G. Belmonte
Arthur Vy Ty	Christopher P. Beshouri
Alfred Vy Ty	Wilfredo A. Paras
Carmelo Maria Luza Bautista	Peter B. Favila
Roderico V. Puno	

The Corporation has complied with the Guidelines set forth by SRC (Securities Regulation Code) Rule 38 regarding the Nomination and Election of Independent Directors. The same provision has been incorporated in the Amended By-Laws of the Corporation.

The Directors of the Corporation are elected at the annual stockholders' meeting to hold office until the next succeeding annual meeting and until their respective successors have been appointed or elected and qualified. The same set of directors will be nominated in the coming regular annual stockholders' meeting.

(ii) **Executive Officers**

Name	Office	Age	Citizenship
Carmelo Maria Luza Bautista	President	58	Filipino
Francisco H. Suarez, Jr.	EVP/Chief Financial Officer	56	Filipino
Anjanette T. Dy Buncio	Treasurer	47	Filipino
Alesandra T. Ty	Assistant Treasurer	36	Filipino
Antonio V. Viray	Corporate Secretary	76	Filipino
Jeanne Frances T. Chua	Assistant Corporate Secretary	50	Filipino
Jocelyn Y. Kho	Assistant Corporate Secretary	61	Filipino
Winston Andrew L. Peckson	FVP/Chief Risk Officer	64	Filipino
Jose B. Crisol, Jr.	FVP/Head, Investor Relations and	49	Filipino

	Corporate Communications		
Susan E. Cornelio	VP/Head, Human Resources and Administration	44	Filipino
Richel D. Mendoza	VP/Chief Audit Executive	44	Filipino
Reyna Rose P. Manon-Og	VP/Head, Accounting and Financial Control	34	Filipino
Elsie D. Paras	VP/Head, Deputy Chief Finance Officer	42	Filipino
Renee Lynn Miciano-Atienza	AVP*/Officer-In-Charge, Legal and Compliance	33	Filipino

*Effective April 1, 2016

Period of Officership

Name	**Office**	**Period Held**
Carmelo Maria Luza Bautista	President	2011-Present
Francisco H. Suarez, Jr.	EVP/Chief Financial Officer	2012-Present
Anjanette T. Dy Buncio	Treasurer	2007-Present
Alesandra T. Ty	Assistant Treasurer	2012-Present
Antonio V. Viray	Corporate Secretary	2009-Present
Jeanne Frances T. Chua	Assistant Corporate Secretary	2015-Present
Jocelyn Y. Kho	Assistant Corporate Secretary	2011-Present
Winston Andew L. Peckson	FVP/Chief Risk Officer	2016-Present
Jose B. Crisol, Jr.	FVP/Head, Investor Relations and Corporate Communications	2012-Present
Susan E. Cornelio	VP/Head, Human Resources	2012-Present
Richel D. Mendoza	VP/Chief Audit Executive	2013-Present
Reyna Rose P. Manon-Og	VP/Controller and Head, Accounting and Financial Control	2011-Present
Elsie D. Paras	VP/Deputy Chief Financial Officer	2015-Present
Renee Lynn Miciano-Atienza	AVP*/Officer-In-Charge, Legal and Compliance	Nov 2015-Present

*Effective April 1, 2016

Francisco H. Suarez, Jr., 56 years old, Filipino, has served as GT Capital's Executive Vice President and Chief Financial Officer since February 16, 2012. He brings to the Corporation over 30 years of experience in the fields of investment banking and corporate finance. He served as Chief Financial Officer of ATR KimEng Capital Partners, Inc., PSi Technologies, Inc., and SPi Technologies; and assumed various positions in Asian Alliance Investment Corp., Metrobank, International Corporate Bank, Far East Bank and Trust Company, and National Economic Development Authority. He earned his Bachelor of Arts in Applied Economics from De La Salle University in 1981; and is a candidate for a Masters in Business Administration degree at the Ateneo Graduate School of Business.

Antonio V. Viray, 76 years old, Filipino, joined the Corporation as Assistant Corporate Secretary and became Corporate Secretary in 2009. Concurrently, he is the Corporate Secretary of Metropolitan Bank & Trust Company (Metrobank) and Property Company of Friends, Inc. He was formerly the Senior Vice-President, General Counsel and Assistant Corporate Secretary of Metrobank. He was also a Senior Vice-President & General Counsel of Philippine Savings Bank and Director of Solidbank. At present, he is also the Corporate Secretary of Global Treasure Holdings, Inc. and Grand Titan Holdings, Inc. He is also Chairman and President of AVIR Development Corporation and Of Counsel of Feria Tantoco Daos Law Office. He obtained his Bachelor of Laws from the University of Sto. Tomas and Master of Laws from Northwestern University in Chicago, U.S.A.

Jeanne Frances T. Chua, 50 years old, Filipino, was appointed as Assistant Corporate Secretary on 12 May 2015. She concurrently serves as Director of Philippine Savings Bank (PSBank) and Vice President of Legaspi Import & Export Corporation. Prior to this, she was Senior Vice President and Corporate Secretary of Century Savings Bank. She holds a Bachelor of Science degree in Finance from Santa Clara University.

Jocelyn Y. Kho, 61 years old, Filipino, has served as the Corporation's Assistant Corporate Secretary since June 2011 and formerly Controller until 2010. She concurrently serves as Controller and Assistant Corporate Secretary of Grand Titan Capital Holdings, Inc. and Global Treasure Holdings, Inc.; Director and Treasurer of Global Business Holdings, Inc.; Senior Vice President/ Corporate Secretary of Federal Homes, Inc.; Director/ Corporate Secretary of Crown Central Realty Corporation; Director/Member of the Board and formerly Corporate Secretary of Cathay International Resources, Inc.; Excom Member, formerly Senior Vice President/Comptroller/ Assistant Corporate Secretary of Federal Land, Inc.; Chairman and President of MBT-Management Consultancy, Inc. She served as Vice President under the Office of the Assistant to the Group Chairman of MBT from 1978 to 2009. She earned her Bachelor of Science degree in Commerce with a major in Accounting from the University of Santo Tomas in 1975, and is a candidate for Master of Science in Taxation from MLQ University.

Anjanette Ty Dy Buncio, 47 years old, Filipino, was appointed as GT Capital's Treasurer in May 2015. Prior to this, she has served as the Corporation's Assistant Treasurer since 2007. She holds several other positions in other companies among which are as Vice Chairman and Director of Metrobank Card Corporation; Director and Senior Vice President of Federal Land, Inc.; and Senior Vice President of Global Business Power Corporation. She graduated from the International Christian University in Tokyo, Japan with a Bachelor of Science degree in Economics.

Alesandra T. Ty, 36 years old, Filipino, was appointed Assistant Treasurer of GT Capital Holdings on 14 February 2012. She graduated from the Ateneo de Manila University with a Bachelor of Science degree in Legal Management. She then earned her Masters in Business Administration at the China Europe International Business School in Shanghai, China. She is currently Director and Treasurer of AXA Philippines; Director of ORIX Metro Leasing and Finance Corporation, Federal Homes, Inc., and Sumisho Motorcycle Finance Corp.; the Corporate Treasurer of Metrobank Card Corporation; Corporate Secretary of Metrobank Foundation, Inc.; and Executive Vice President of Grand Titan Holdings, Inc.

Winston Andrew L. Peckson, 64 years old, Filipino, serves as First Vice President and Chief Risk Officer of GT Capital. He was appointed to the position in February 2016. Mr. Peckson brings to the Corporation over 40 years of experience in banking. Concurrent to his position, he is a Director of the First Metro ETF Fund, and a Fellow of the Institute of Corporate Directors. Before joining GT Capital, he served as a Consultant for the Treasury and Investment Banking Group of First Metro Investment Corporation (FMIC). Prior to his stint with FMIC, he was the Head of Treasury Marketing of Philippine National Bank (PNB). Before this, he was also Vice President and General Manager of ABN AMRO Bank NV's Manila Offshore Branch, a position he held for 10 years. Other previous positions held were: Vice President and Corporate Treasury Advisor of Bank of America – Manila Branch, CEO and Director of Danamon Finance Company (HK) Ltd. (DFCL), Manager for Corporate Banking of Lloyds Bank PLC – Hong Kong Branch, Vice President for Commercial Banking of Lloyds Bank PLC – Manila Offshore Branch, and Branch Banking Head of Far East Bank & Trust Company. He obtained his Bachelor of Arts Degree, Major in Psychology and Minor in Business Administration from the Ateneo De Manila University and earned his Masters Degree in Business Management from the Asian Institute of Management.

Jose B. Crisol, Jr., 49 years old, Filipino, serves as First Vice President and Head of the Investor Relations and Corporate Communications Division of GT Capital. He was appointed to the position on July 26, 2012. Before joining the Corporation, he was the Assistant Vice President for Investor Relations of SM Investments Corporation (SM). Prior to working with SM, he was a Director at the Department of Trade and Industry (DTI), heading its Trade and Industry Information Center. He also served for a time, on a concurrent basis, as Head of DTI's Office of Operational Planning. His other past employment includes occupying various positions at The Philippine American Life Insurance Company and Merrill Lynch Philippines, Inc., among others. He holds a Bachelor of Science degree in Economics from the University of the Philippines in Diliman, and completed his primary and secondary education at the Ateneo De Manila University.

Susan E. Cornelio, 44 years old, Filipino, joined the Corporation on July 4, 2012 as the Head of the Human Resources Division. Prior to this, she served as Vice President and Head of the Compensation and Benefits Department of Sterling Bank of Asia. Before this, she was Assistant Vice President and Head of the Compensation and Benefits Department of United Coconut Planters Bank. Her other past employments include: Metropolitan Bank & Trust Company (Metrobank), ABN AMRO, Solidbank, and Citytrust, among others. She holds a degree of Bachelor of Science major in Accounting from the Sta. Isabel College and a Master Certificate in Human Resources from Cornell University's School of Industrial and Labor Relations.

Richel D. Mendoza, 44 years old, Filipino, joined the Corporation on October 1, 2013 as its Chief Audit Executive. She served as Board Director of the Institute of Internal Auditors (IIA) Philippines from 2004-2012 prior to her appointment as its Chief Operating Officer in 2012. Richel is a seasoned internal audit practitioner with 17 years of experience from listed company Roxas Holdings, Inc., serving as Senior Auditor in one of its subsidiaries until she became the Group Internal Audit Head. She gained her audit background from SGV and Co. Richel has a Masters in Business Administration degree from De La Salle University Graduate School of Business and a Bachelor of Science degree in Business Administration Major in Accounting from University of the East, Magna Cum Laude. Richel is a Certified Public Accountant, a Certified Internal Auditor (CIA), and an IIA accredited Quality Assurance Validator, Trainer and CIA Reviewer. She completed the Diploma Program in Corporate Finance at the Ateneo De Manila Professional Schools.

Reyna Rose P. Manon-og, 34 years old, Filipino, was appointed the Corporation's controller in October 2011. Prior to joining the Corporation, she spent seven years at SGV & Co. wherein she held various positions including Director; and another two years in United Coconut Planters Bank as Assistant Vice

President and Head of its Financial Accounting Department. She is a Certified Public Accountant and a cum laude graduate of Bicol University.

Elsie D. Paras, 43 years old, Filipino, serves as GT Capital's Vice President for Corporate Planning and Business Development and Deputy Chief Finance Officer. She was appointed to the position on January 5, 2015. Prior to joining the Corporation, she served as Finance Manager and Deputy CFO of SIA Engineering Philippines, a joint venture of Cebu Air and SIA Engineering of Singapore. Before this, she was a Manager for Strategic Consulting for Jones Lang La Salle MENA in Dubai. Her other employments include: Business Development Manager for Commercial Centers of Robinsons Land Corporation and Project Development Manager at Ayala Land, Inc. for middle income housing among others. She attained her Masters in Business Management, Major in Finance from the Asian Institute of Management in 2001. She was also a participant in the International Exchange Student Program of HEC School of Management of France. Prior to her MBM, she worked for six years in equity research and investment banking. She graduated with honors from the University of the Philippines with a Bachelor of Science degree in Business Economics.

Renee Lynn Miciano-Atienza, 33 years old, Filipino, is GT Capital's Officer-In-Charge of the Legal & Compliance Division. She has been with GT Capital since 2012, serving as Senior Legal & Compliance Officer. Prior to joining the Corporation, she was the Head of the Investigation and Enforcement Department of the Capital Markets Integrity Corporation (CMIC). Before joining CMIC, she was the Officer-in-Charge of the Prosecution and Enforcement Department of the Philippine Stock Exchange. She was also the Legal Counsel of the Office of Senator Miguel Zubiri, and prior to entering law school, a Trader for United Coconut Planters Bank. She earned her Bachelor of Science degree in Management from the Ateneo De Manila University and finished her Juris Doctor degree in the same university.

Directorships in Other Reporting Companies and Subsidiaries

The following are directorships held by Directors and Executive Officers in other reporting (listed) companies and subsidiaries of the Corporation during the last five years:

Name of Corporation	**Position**
George S.K. Ty	
Toyota Motor Philippines	Chairman/Director
Francisco C. Sebastian	
Global Business Power Corporation	Chairman/Director
Metropolitan Bank & Trust Company	Vice Chairman/Director
Federal Land, Inc.	Director
Arthur Vy Ty	
Philippine Savings Bank	Chairman/Director
Metropolitan Bank & Trust Company	Vice Chairman/Director
Alfred Vy Ty	
Toyota Motor Philippines	Vice-Chairman/Director
Federal Land, Inc.	President/Director
Metropolitan Bank & Trust Company	Director
Philippine Long Distance Telephone Company	Director
Global Business Power Corporation	Director
Carmelo Maria Luza Bautista	
Toyota Motor Philippines	Director
Global Business Power Corporation	Director
Federal Land, Inc.	Director
Charter Ping An Insurance Corporation	Director
Property Company of Friends, Inc.	Director
Roderico V. Puno	
Global Business Power Corporation	Director
David T. Go	
Toyota Manila Bay, Inc.	Chairman/Director
Toyota Cubao, Inc.	Chairman/Director
Toyota Motor Philippines	Director / Senior Executive Vice President and Treasurer
Wilfredo A. Paras	
Philex Mining Corporation	Independent Director

Antonio V. Viray	
Metropolitan Bank & Trust Corporation	Director
Jeanne Frances Ty. Chua	
Philippine Savings Bank	Director
Anjanette Ty Dy Buncio	
Philippine AXA Life Insurance Corporation	Director / Corporate Treasurer
Alesandra T. Ty	
Federal Land, Inc.	Director

The following will be nominated as officers to the Board at the Organizational meeting:

Office	Name
Group Chairman	Dr. George S.K. Ty
Chairman	Arthur Vy Ty
Co-Vice Chairman	Francisco C. Sebastian
Co-Vice Chairman	Alfred Vy Ty
Director and President	Carmelo Maria Luza Bautista
Treasurer	Anjanette T. Dy Buncio
Assistant Treasurer	Alesandra T. Ty
Corporate Secretary	Antonio V. Viray
Assistant Corporate Secretary	Jeanne Frances T. Chua
Assistant Corporate Secretary	Jocelyn Y. Kho
Chief Financial Officer	Francisco H. Suarez, Jr.
Head, Investor Relations and Corporate Communications	Jose B. Crisol, Jr.
Head, Human Resources	Susan E. Cornelio
Chief Risk Officer	Winston Andrew L. Peckson
Chief Audit Executive	Richel D. Mendoza
Controller and Head, Accounting and Financial Control	Reyna Rose P. Manon-Og
Deputy Chief Financial Officer	Elsie D. Paras
Head, Legal and Compliance	Renee Lynn Miciano-Atienza

The following will be nominated as advisers to the Board at the Organizational meeting:

Adviser	Pascual M. Garcia III
Adviser	Antonio S. Abacan
Adviser	Mary Vy Ty

(b) Significant Employees

The Corporation does not believe that its business is dependent on the services of any particular employee.

(c) Family Relationships

Mary Vy Ty is the wife of Dr. George S.K. Ty. Arthur Vy Ty, Alfred Vy Ty, Anjanette T. Dy Buncio, and Alesandra T. Ty are the children of Dr. George S.K. Ty and Mary Vy Ty. Jeanne Frances T. Chua is the niece of Dr. George S.K. Ty. All other directors and officers are not related either by consanguinity or affinity. There are no other family relationships known to the registrant other than the ones disclosed herein.

(d) Certain Relationships and Related Transactions

There are no known related party transactions other than those described in Note 27 (Related Party Transactions) of the Notes to the Consolidated Financial Statements. Related Party Transactions are made on an arm's length basis.

(e) Involvement in Legal Proceedings

The Corporation is not aware of any of the following events having occurred during the past five years up to the date of this report that are material to an evaluation of the ability or integrity of any director, nominee for election as Director, executive officer, underwriter or controlling person of the Corporation:

(1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;

(2) any conviction by final judgment, including the nature of the offense, in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

(3) being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring suspending or otherwise limiting his involvement in any type of business, securities, commodities or banking activities;

(4) being found by a domestic or foreign court of competent jurisdiction (in a civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or other organized trading market or self-regulatory organization, to have violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated; and

(5) a securities or commodities law or regulation, and the judgment has not been reversed, suspended or vacated.

Item 6. **Compensation of Executive Officers**

Summary compensation table

The following table identifies the Corporation's President and four most highly-compensated executive officers (the "named executive officers") and summarizes their aggregate compensation in 2014, 2015, and 2016. The amounts (in P millions) set forth in the table below have been prepared based on what the Corporation paid its executive officers in 2014 and 2015, and what the Corporation expects to pay in 2016.

Name and Principal Position	Year	Salary	Bonus	Other Annual Compensation
Named Executive Officers*…………………………………	2014	22.345	14.455	-
	2015	27.565	13.803	-
	2016**	29.288	13.084	-
All other Officers as a Group	2014	13.94	4.47	-
	2015	17.559	3.106	-
	2016**	18.787	3.324	-

Named executive officers include: Carmelo Maria Luza Bautista (President), Francisco H. Suarez, Jr. (Chief Financial Officer), Joselito V. Banaag (Head, Legal and Compliance)*, Jose B. Crisol, Jr. (Head, Investor Relations and Corporate Communications), and Elsie D. Paras (Deputy Chief Finance Officer).*
*** Figures for the year 2016 are estimates.*
**** Resigned effective November 8, 2015*

Employment contracts between the Corporation and named executive officers

The Corporation has no special employment contracts with its executive officers.

Warrants and options outstanding

There are no outstanding warrants or options held by the CEO, executive officers, and all officers and directors as a group.

Stock option plan

The Corporation has no employee stock option plan.

Item 7. **Independent Public Accountants**

Sycip, Gorres, Velayo & Company is the external auditor for the calendar year 2015. The same external auditor will be recommended for re-appointment at the scheduled stockholders' meeting. Representatives of the said firm are expected to be present at the stockholders' meeting and they will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

The Corporation engaged Ms. Vicky Lee Salas of SGV & Co. for the examination of the Corporation's financial statements for 2015. Pursuant to SRC Rule 68, Paragraph 3 (b) (ix) (Rotation of External Auditors), the independent auditors or in the case of an audit firm, the signing partner, shall be rotated after every five (5) years of engagement, with a two-year cooling off period to be observed in the re-engagement of the same signing partner or individual auditor.

The aggregate fees for each of the last two fiscal years for audit and audit-related professional services rendered by the external auditor were P9.5 Million and P1.8 Million for 2014 and 2015, respectively. The audit fees 2014 amounted to P1.8 Million while audit fees for 2015 amounted to P1.8 Million. Services rendered include the audit of the financial statements and supplementary schedules for submission to SEC, and review of annual income tax returns. SGV also rendered other audit-related professional services in 2014 relating to the Corporation's Bond Offering. There were no non-audit services rendered by SGV & Co. in 2015 and 2014. Tax consultancy services were secured from other entities other than the external auditor.

The Audit Committee has the primary responsibility of recommending to the Board of Directors the appointment, re-appointment or removal of the external auditor and the fixing of the audit fees. The Board of Directors and stockholders approve the Audit Committee's recommendation.

Item 8. **Compensation Plans**

Not applicable.

C. ISSUANCE AND EXCHANGE OF SECURITIES

Item 9. **Authorization or Issuance of Securities Other than for Exchange**

Not applicable.

Item 10. **Modification or Exchange of Securities**

Not applicable.

Item 11. **Financial and Other Information**

Not applicable.

Item 12. **Mergers, Consolidations, Acquisitions and Similar Matters**

Not applicable.

Item 13. **Acquisition or Disposition of Property**

Not applicable.

Item 14. **Restatement of Accounts**

Not applicable.

D. OTHER MATTERS

Item 15. **Action with Respect to Reports**

The following are to be submitted for approval during the annual stockholders' meeting:

(a) Minutes of the annual meeting of stockholders held on May 11, 2015

The following was the agenda of the said meeting:

- Call to order
- Certification of notice and quorum
- Approval of the minutes of the special meeting of stockholders held on January 09, 2015
- Annual Report for the Year 2014
- General ratification of the acts of the Board of Directors and the management from the date of the last annual stockholders' meeting (May 12, 2014) up to the date of the meeting (May 11, 2015)
- Appointment of external auditor
- Amendment to Articles of Incorporation to create Perpetual Preferred Shares

- Election of directors for 2015-2016
- Adjournment

(b) Annual Report for the Year 2015

(c) General ratification of the acts of the Board of Directors and the management from the date of the last annual stockholders' meeting (May 11, 2015) up to the date of this meeting (May 11, 2016)

(d) Amendment to the By-laws of the Corporation to move the date of the annual/regular stockholders' meeting

There are no other matters that would require approval of the stockholders other than as stated in Item 17 and 18.

Item 16. **Matters Not Required to be Submitted**

Not applicable.

Item 17. **Amendment of Charter, By-laws or Other Documents**

At a regular meeting of the Board of Directors on March 10, 2016, the Board approved the following proposed amendment of Article II Section 1 of of GT Capital's Amended By-laws moving the date of the annual/regular meeting of the stockholders from the second Monday of May to the second Wednesday of May as follows:

> "Section 1. Annual/ Regular Meetings – The annual/regular meetings of stockholders, shall be held at the principal office on the second <u>Wednesday</u> of May of each year, if a legal holiday, then on the day following."

Item 18. **Other Proposed Action**

The following are to be presented for approval during the stockholders' meeting:
(a) Appointment of external auditor; and
(b) Election of directors for 2016-2017.

Item 19. **Voting Procedures**

(a) Election of Directors

As stated in Section 2 of Article III of the Corporation's By-laws, "The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified."

Section 24 of The Corporation Code of the Philippines states that "At all elections of directors or trustees, there must be present, either in person or by representative authorized to act by written proxy, the owners of a majority of the outstanding capital stock… entitled to vote".

(b) Appointment of External Auditor

As stated in Section 1 of Article VII of the Corporation's By-laws, "At the regular stockholders' meeting the external auditor of the corporation for the ensuing year shall be appointed. The external auditor shall examine, verify and report on the earnings and expenses of the corporation." The stockholders representing the majority of the subscribed capital stock approves the appointment of the external auditor.

Methods by which votes will be counted

All matters subject to vote, except in cases where the law provides otherwise, shall be decided by the plurality vote of stockholders present in person or by proxy and entitled to vote thereat, a quorum being present.

Unless required by law, or demanded by a stockholder present in person or by proxy at any meeting, and entitled to vote thereat, the vote of any question need not be by ballot. On a vote by ballot, each ballot shall be signed by the stockholder voting, or in his name by his proxy if there be such proxy, and shall state the number of shares voted by him.

The external auditor of the Corporation, SGV & Co., will validate the ballots when voting is done by secret ballot. Likewise, SGV & Co. will count the number of hands raised when voting by show of hands is done.

N.B. UPON WRITTEN REQUEST OF A STOCKHOLDER, GT CAPITAL HOLDINGS, INC. SHALL PROVIDE, FREE OF CHARGE, A COPY OF ITS 201 ANNUAL REPORT (SEC FORM 17-A). THE REQUEST SHOULD BE ADDRESSED TO THE ATTENTION OF FRANCISCO H. SUAREZ, JR., CHIEF FINANCIAL OFFICER, 43RD FLOOR, GT TOWER INTERNATIONAL, AYALA AVENUE CORNER H. V. DELA COSTA ST., MAKATI CITY 1227

SIGNATURE PAGE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. This report is signed in the City of Makati on March 22, 2016.

By:

____

FRANCISCO H. SUAREZ, JR.
Chief Financial Officer

MANAGEMENT REPORT

A.i Consolidated Audited Financial Statements

The Company's consolidated financial statements for the year ended December 31, 2015 are incorporated herein by reference.

A.ii Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

There were no changes in and disagreements with accountants on accounting and financial disclosures.

A.iii Management's Discussion and Analysis or Plan of Operation

CALENDAR YEAR ENDED DECEMBER 31, 2015 VERSUS YEAR ENDED DECEMBER 31, 2014

GT Capital Consolidated Statement of Income	**Audited Year Ended December 31**		**Increase (Decrease)**	
(In Million Pesos, Except for Percentage)	**2015**	2014 (As restated)	**Amount**	**Percentage**
REVENUE				
Automotive operations	**120,802**	108,816	11,986	11%
Net fees	**18,391**	18,973	(582)	(3%)
Real estate sales	**9,000**	5,841	3,159	54%
Interest income on real estate sales	**1,462**	1,157	305	26%
Equity in net income of associates and jointly controlled entities	**5,616**	3,420	2,196	64%
Sale of goods and services	**636**	603	33	5%
Rent income	**841**	765	76	10%
Interest income on deposits and investments	**511**	364	147	40%
Commission income	**194**	80	114	143%
Other income	**1,778**	1,087	691	64%
	159,231	141,106	18,125	13%
COSTS AND EXPENSES				
Cost of goods and services sold	**74,941**	70,597	4,344	6%
Cost of goods manufactured	**27,838**	24,213	3,625	15%
General and administrative expenses	**10,858**	10,392	466	4%
Power plant operation and maintenance expenses	**9,477**	10,328	(851)	(8%)
Cost of real estate sales	**6,487**	4,334	2,153	50%
Interest expense	**3,932**	3,240	692	21%
Cost of rental	**272**	270	2	1%
	133,805	123,374	10,431	8%
INCOME BEFORE INCOME TAX FROM CONTINUING OPERATIONS	**25,426**	17,732	7,694	43%
PROVISION FOR INCOME TAX	**4,517**	2,681	1,836	68%
INCOME FROM CONTINUING OPERATIONS, NET OF TAX	**20,909**	15,051	5,858	39%
INCOME FROM DISPOSAL GROUP, NET OF TAX	**50**	100	(50)	(100%)
NET INCOME	**20,959**	15,151	5,808	38%
Attributable to:				
Equity holders of the Parent Company	**12,119**	9,153	2,966	32%
Non-controlling interest	**8,840**	5,998	2,842	47%
	20,959	15,151	5,808	38%

GT Capital Holdings, Inc. ("GT Capital" or the "Company" or the "Parent Company") consolidated net income attributable to equity holders of the Parent Company grew by 32% from Php9.2 billion in 2014 to Php12.1 billion in 2015. The increase was principally due to the 13% increase in consolidated revenues from Php141.1 billion in 2014 to Php159.2 billion in 2015.

The revenue growth came from the following component companies:

(1) auto sales from Toyota Motor Philippines Corporation ("TMP") and Toyota Cubao, Inc. ("TCI') as combined sales increased from Php108.8 billion to Php120.8 billion accounting for 76% of total revenue;
(2) higher real estate sales and interest income on real estate sales from Federal Land Inc. (Fed Land) and Property Company of Friends, Inc. ("PCFI") which grew by 49% from Php7.0 billion to Php10.5 billion ;
(3) higher equity in net income of associates and jointly-controlled entities (JCEs) which grew by 64% from Php3.4 billion to Php5.6 billion; and
(4) Increase in other income from Php1.1 billion to Php1.8 billion.

Core net income attributable to equity holders of the Parent Company recorded 26% growth from Php9.1 billion to Php11.4 billion after excluding the following:

(1) Php0.4 billion non-recurring income of Global Business Power Corporation ("GBPC") comprising collection of insurance proceeds;
(2) Php0.1 billion gain recognized by Fed Land from its land asset swap, net of tax; and
(3) Php0.1 billion amortization of fair value adjustments arising from business combination.

GT Capital finalized on August 20,2015 the acquisition of an initial 22.68% of PCFI for Php7.24 million, upon fulfillment of all closing conditions, including execution of an irrevocable proxy covering 51% of the total issued and outstanding capital stock of PCFI (the "Irrevocable Proxy") by Pro Friends Group, Inc. (the selling shareholder) in favor of GT Capital. By virtue of its payment for the 22.68% interest and the Irrevocable Proxy, GT Capital consolidated PCFI's financial statements beginning September 1, 2015.

On November 5, 2015, GT Capital signed a Sale and Purchase Agreement to sell 100% of its direct equity stake in Charter Ping An Insurance Corporation ("CPA") to Philippine AXA Life Insurance Corporation ("AXA Philippines"). The completion of the transaction is subject to closing conditions including receipt of regulatory approvals and is expected to be completed within the first half of 2016. With the impending sale, Philippine Financial Reporting Standards (PFRS) 5 prescribe the presentation of CPA's results of operations separate from the "Income from Continuing Operations", wherein all income, expenses and income taxes of CPA in 2015 are presented under "Income from Disposal Group". For comparability, 2014 and 2013 Consolidated Statements of Income were also restated to show CPA's 2014 and 2013 results of operations separate from the "Income from Continuing Operations".

Fed Land, PCFI, GBPC, TMP and TCI are consolidated in the financial statements of the Company. The other component companies Metropolitan Bank & Trust Company ("Metrobank" or "MBT'), AXA Philippines, Toyota Manila Bay Corporation ("TMBC"), and Toyota Financial Services Philippines Corporation ("TFSPH") are accounted for through equity accounting. As previously discussed, the operations of CPA are presented separately in the income statement under "Income from Disposal Group".

Of the ten (10) component companies, TMP, GBPC, AXA Philippines TFSPH, Fed Land, TMBC and TCI posted growths in their respective net income. Metrobank, PCFI, and CPA reported declines in their respective net income for the year.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts grew by 11% from Php108.8 billion to Php120.8 billion principally driven by the 13% increase in wholesales volume from 108,658 units to 122,817 units and continued expansion in the dealer outlets from 45 to 49.

Net fees realized from the power generation companies of GBPC declined by 3% from Php19.0 billion to Php18.4 billion due to lower fuel pass-through costs as coal and oil prices declined in the global market. GBPC's coal fired plants also experienced mandatory preventive maintenance shutdowns and plant downtimes for the year due to operational issues.

Real estate sales and interest income on real estate sales rose by 50% from Php7.0 billion to Php10.5 billion. Fed Land's sales contributed Php7.5 billion in 2015, mostly from its middle-market development projects. PCFI's low cost and economic housing projects contributed Php2.9 billion representing sales from September to December 2015.

Equity in net income of associates and JCEs, increased by 64% from Php3.4 billion to Php5.6 billion due to the following:

(1) Improved core net income of Metrobank from Php10.5 billion to Php18.0 billion;
(2) Growth in net income of AXA Philippines from Php1.2 billion to Php1.4 billion; and
(3) Higher net income of TFSPC from Php397.9 million to Php515.5 million.

Sale of goods and services increased by 5% from Php603.0 million to Php635.8 million primarily due to GBPC's sale of coal to third parties. This account also includes Fed Land's sale of petroleum products, on a wholesale and retail basis, in the Blue Wave malls.

Rent income from the lease of GT Tower International office building, the Blue Wave malls, Blue Bay Walk and Philippine AXA Life Center Condominium grew by 10% from Php764.5 million to Php840.5 million.

Interest income on deposits and investments increased by 40% from Php363.8 million to Php510.9 million due to an increase in cash available for short-term placements by GT Capital and subsidiaries.

Commission income more than doubled from Php79.5 million to Php194.2 million due to increases in the unit sales of Grand Hyatt Residences and Marco Polo Residences Tower 3.

Other income grew by 64% from Php1.1 billion to Php1.8 billion due to the following:

(1) Php787.3 million from Fed Land comprising real estate forfeitures, gain on asset swap, management fees and other income;
(2) Php617.8 million from GBPC consisting of insurance claims, dividend income and other income; and
(3) Php279.6 million from TMP's ancillary income from its majority-owned dealers, gain on sale of fixed assets, dividend income and other income.

Consolidated costs and expenses increased by 8% from Php123.4 billion to Php133.8 billion with the following breakdown:

(1) Php101.0 billion from TMP comprising cost of goods manufactured, cost of goods and services sold, general and administrative expenses and interest expenses;
(2) Php14.6 billion from GBPC consisting of power plant operations and maintenance, general and administrative expenses and interest expenses;
(3) Php8.1 billion from Fed Land consisting of cost of real estate sales, cost of goods sold, cost of rental, general and administrative expenses and interest expenses;
(4) Php6.4 billion from TCI consisting of cost of goods and services sold, general and administrative expenses and interest expenses;
(5) Php2.0 billion from GT Capital representing interest expenses and general and administrative expenses; and
(6) Php1.7 billion from PCFI comprising cost of real estate sales, general and administrative expenses and interest expenses.

Cost of goods and services sold increased by 6% from Php70.6 billion to Php74.9 billion with TMP's and TCI's completely built-up units and spare parts accounting for Php74.4 billion and the balance of Php0.5 billion 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 grew by 15% from Php24.2 billion in 2014 to Php27.8 billion in 2015.

General and administrative expenses rose by 4% from Php10.4 billion to Php10.9 billion. TMP accounted for Php4.6 billion comprising advertising and sales promotion expenses, salaries, taxes and licenses and delivery and handling. GBPC contributed Php3.4 billion representing salaries, taxes and licenses, other general and administrative expenses, amortization of intangible assets-power purchase agreements, outside services, insurance and provision for impairment losses. Fed Land contributed Php2.0 billion comprising salaries, commissions, taxes and licenses, advertising expenses and other general and administrative expenses. TCI accounted for Php0.4 billion consisting of salaries, advertising and promotions, commission and utilities expenses. PCFI contributed P0.3 billion comprising of salaries, commissions, professional fees, advertising and taxes and licenses. The remaining P0.2 billion came from GT Capital's salaries, professional fees and taxes and licenses.

Power plant operations and maintenance expenses consisting of purchased power and repairs and maintenance from the power generation companies of GBPC declined by 8% from Php10.3 billion to Php9.5 billion mainly due to the decline in fuel cost and purchased power expenses.

Cost of real estate sales increased by 50% from Php4.3 billion to Php6.5 billion arising from the increase in real estate sales. Fed Land contributed Php5.3 billion while PCFI accounted for the remaining Php1.2 billion

Interest expense increased by 21% from Php3.2 billion to Php3.9 billion with GBPC, GT Capital, Fed Land, TMP, PCFI and TCI accounting for Php1.8 billion, Php1.8 billion, Php142.0 million, Php100.4 million, Php99.6 million and Php13.4 million, respectively.

Provision for income tax increased by 68% from Php2.7 billion to Php4.5 billion mainly increases in taxable income from TMP, Fed Land and GBPC.

Income from disposal group amounting to Php50 million represent the after tax-operating income of CPA.

Net income attributable to non-controlling interest grew by 47% from Php6.0 billion to Php8.8 billion due to an increase in the net income of subsidiaries which are not wholly-owned.

Consolidated net income attributable to equity holders of the Parent Company increased by 32% from Php9.2 billion in 2014 to Php12.1 billion in 2015.

GT Capital Consolidated Statement of Financial Position	Audited December 31		Increase (Decrease)	
(In Million Php, except for percentages)	2015	2014	Amount	Percentage
ASSETS				
Current Assets				
Cash and cash equivalents	**37,861**	29,702	8,159	27%
Short-term investments	**1,861**	1,309	552	42%
Receivables	**25,417**	16,223	9,194	57%
Reinsurance assets	**-**	3,879	(3,879)	(100%)
Inventories	**53,248**	31,426	21,822	69%
Due from related parties	**370**	171	199	116%
Prepayments and other current assets	**7,673**	5,468	2,205	40%
Assets of disposal group classified as held for sale	**8,434**	-	8,434	100%
Total Current Assets	**134,864**	88,178	46,686	53%
Noncurrent Assets				
Noncurrent receivables	**9,186**	4,897	4,289	88%
Available-for-sale investments	**3,195**	4,127	(932)	(23%)
Land held for future development	**27,356**	**-**	27,356	100%
Investments in associates and jointly controlled entities	**60,265**	47,451	12,814	27%
Investment properties	**10,797**	8,643	2,154	25%
Property and equipment	**51,972**	44,801	7,171	16%
Goodwill and intangible assets	**17,000**	17,806	(806)	(5%)
Deferred tax asset	**1,772**	1,726	46	3%
Other noncurrent assets	**878**	634	244	38%
Total Noncurrent Assets	**182,421**	**130,085**	52,336	40%
TOTAL ASSETS	**317,285**	**218,263**	99,022	45%

	Audited December 31		Increase (Decrease)	
	2015	2014	Amount	Percentage
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**22,407**	19,280	3,127	16%
Insurance contract liabilities	**-**	5,665	(5,665)	(100%)
Short term debt	**7,318**	2,347	4,971	212%
Current portion of long term debt	**6,757**	3,061	3,696	121%
Current portion of liabilities on purchased properties	**636**	783	(147)	(19%)
Customers' deposits	**3,691**	2,549	1,142	45%
Dividends payable	**2,861**	2,034	827	41%
Due to related parties	**174**	176	(2)	(1%)
Income tax payable	**1,013**	476	537	113%
Other current liabilities	**520**	882	(362)	(41%)
Liabilities of disposal group classified as held for sale	**6,444**	**-**	6,444	100%

Total Current Liabilities	**51,821**	37,253	14,568	39%
Noncurrent Liabilities				
Long term debt	**82,021**	42,118	39,903	95%
Bonds payable	**21,801**	21,775	26	0%
Liabilities on purchased properties	**2,146**	2,729	(583)	(21%)
Pension liability	**2,219**	2,261	(42)	(2%)
Deferred tax liabilities	**10,826**	3,532	7,294	207%
Other noncurrent liabilities	**2,609**	2,653	(44)	(2%)
Total Noncurrent Liabilities	**121,622**	**75,068**	46,554	62%
	173,443	**112,321**	61,122	54%
Equity				
Equity attributable to equity holders of				
GT Capital Holdings, Inc.				
Capital stock	**1,760**	1,743	17	1%
Additional paid-in capital	**46,695**	46,695	-	-
Treasury shares	**(6)**	(2)	(4)	200%
Retained earnings				
Unappropriated	**33,267**	24,431	8,836	36%
Appropriated	**8,760**	6,000	2,760	46%
Other comprehensive income	**(918)**	(103)	(815)	791%
Other equity adjustment	**576**	583	(7)	(1%)
	90,134	79,347	10,787	14%
Non-controlling interests	**53,708**	26,595	27,113	102%
Total Equity	**143,842**	105,942	37,900	36%
TOTAL LIABILITIES AND EQUITY	**317,285**	218,263	99,022	45%

The major changes in the balance sheet items of the Company from December 31, 2014 to December 31, 2015 are as follows:

Total assets of the Group increased by 45% or Php99.0 billion from Php218.3 billion as of December 31, 2014 to Php317.3 billion as of December 31, 2015. Total liabilities increased by 54% or Php61.1 billion from Php112.3 billion to Php173.4 billion while total equity rose by 36% or Php37.9 billion from Php105.9 billion to Php143.8 billion.

In August 2015, GT Capital acquired control over PCFI by virtue of the Irrevocable Proxy and the Php7.24 billion payment representing a 22.68% direct equity interest. As a result, GT Capital consolidated PCFI's balance sheet on a line-by-line basis.

In November 2015, GT Capital signed a Sale and Purchase Agreement with AXA Philippines to sell 100% of its direct equity stake in CPA. As a result, Philippine Financial Reporting Standards (PFRS) 5 prescribe a separate presentation of CPA's assets and liabilities under "Assets of disposal group classified as held for sale", and "Liabilities of disposal group classified as held for sale", respectively.

Cash and cash equivalents increased by Php8.2 billion reaching Php37.9 billion with GBPC, TMP, GT Capital, PCFI, Fed Land and TCI accounting for Php14.9 billion, Php13.5 billion, Php6.9 billion, Php1.4 billion, Php1.1 billion and Php69.8 million, respectively.

Short-term investments increased by 42% from Php1.3 billion to Php1.9 billion, with TMP and GBPC contributing Php1.8 billion and Php67.0 million, respectively.

Receivables increased by 57% from Php16.2 billion to Php25.4 billion with PCFI contributing Php9.3 billion comprising of installment contract receivables and other receivables; Fed Land contributing Php6.9 billion, a majority of which were installment contract receivables, rent receivable and other receivables: TMP contributing Php5.1 billion consisting of trade and non-trade receivables; GBPC contributing Php3.4 billion representing outstanding billings for energy fees and passed-through fuel costs arising from the delivery of power and other receivables; and TCI accounting for Php706.5 million representing trade receivables from the sale of automobiles and after-sales maintenance services.

Inventories increased by Php21.8 billion from Php31.4 billion to Php53.2 billion with Fed Land contributing Php34.2 billion comprising land and improvements, condominium units for sale and inventory with construction-in-progress; PCFI contributing Php11.3 billion comprising of landbank, land improvements, materials inventory, ongoing construction of house inventory and condominium units for sale; and TMP contributing Php6.0 billion mostly finished goods. The balance of Php1.8 billion came from GBPC representing coal and spare parts and supplies (Php1.5 billion) and TCI representing automobiles and spare parts (Php182 million).

Due from related parties increased by Php199 million from Php171 million to Php370 million primarily due to consolidation of PCFI's due from related parties amounting to Php218 million, which was offset by collections of Php19 million from Fed Land's related parties.

Prepayments and other current assets grew by 40% from Php5.5 billion to Php7.7 billion with Fed Land contributing Php4.0 billion consisting of advances to contractors and suppliers, prepaid expenses, current input tax, deferred input tax and creditable withholding taxes; GBPC contributing Php2.0 billion consisting advances to contractors and suppliers, current input tax, deferred input tax and prepaid expenses; PCFI contributing Php946.0 million comprising of advances to contractors and suppliers, cash advances to agents, and input tax; and TMP contributing Php711.7 million comprising of ad valorem tax deposit and prepaid expenses. The balance of Php82 million came from TCI (Php52 million) and GT Capital (Php30 million).

Assets of disposal group classified as held for sale comprising CPA's current and non-current assets including reinsurance assets, receivables, and Available-for-sale (AFS) investments amounted to Php8.4 billion.

Noncurrent receivables from Fed Land (Php4.1 billion) and PCFI (Php4.7 billion) unit buyers who opted for long-term payment arrangements and various GBPC electric cooperatives (Php0.4 billion) rose by 88% from Php4.9 billion to Php9.2 billion.

Noncurrent inventories consisting of PCFI's undeveloped land amounted to Php27.4 billion.

Available-for-sale investments declined by 23% from Php4.1 billion to Php3.2 billion primarily due to a change in the presentation of CPA's available-for-sale investments to "Assets of Disposal Group Classified as Held-For-Sale", and offset by mark-to-market gain on GBP's AFS investments.

Investments in associates and jointly-controlled entities increased by 27% from Php47.5 billion to Php60.3 billion due to: 1) Php8.3 billion additional investment in Metrobank via stock rights offering; 2) Php0.5 billion investment of Fed Land in a joint venture with Alveo Land Corporation, a wholly-owned subsidiary of Ayala Land, Inc., through Alveo Federal Land Communities, Inc.; 3) Php5.6 billion share in net income of associates and JCE; 4) (Php1.1 billion) share in other comprehensive loss; and 5) Php0.2 billion effect of intra-group elimination on sale of inventories and land within the group; offset by Php0.7 billion cash dividends received from associates and JCE.

Investment properties-net increased by 25% or Php2.2 billion from Php8.6 billion to Php10.8 billion due to the consolidation of PCFI's investment properties into GT Capital.

Property and equipment increased by 16% or Php7.2 billion from Php44.8 billion to Php52.0 billion mainly due to 1) Php5.7 billion of GBPC's ongoing construction in Panay Energy Unit 3 Plant Expansion, net of depreciation; 2) Php0.9 billion of TMP's ongoing capital expenditure projects, net of depreciation; and 3) Php0.6 billion from PCFI's fixed assets.

Other noncurrent assets reached Php878.1 million, consisting of: (1) Php462.6 million in non-current deposits of PCFI, Fed Land and TMPI; (2) Php342.3 million in non-current input tax of Fed Land, TMP and GBPC; and 3) Php73.2 million noncurrent prepaid expenses, retirement assets other assets.

Accounts and other payables increased by 16% from Php19.3 billion to Php22.4 billion with TMP, GBPC, Fed Land, PCFI, TCI and GT Capital accounting for Php11.4 billion, Php5.0 billion, Php3.7 billion, Php1.8 billion, Php355.4 million and Php186.2 million, respectively.

Short-term debt increased by Php5.0 billion from Php2.3 billion to Php7.3 billion due to the consolidation of PCFI's loans (Php4.5 billion), additional loan availments by Fed Land (Php480.0 million), TMP's dealer subsidiaries (Php1.1 billion) and TCI (Php1.8 billion) offset by loan payments made by TMP's dealer subsidiaries (Php1.0 billion) and TCI (Php1.9 billion).

Current portion of long-term debt more than doubled from Php3.1 billion to Php7.0 billion due the net effect of 1) consolidation of PCFI's current portion of long-term debt (Php1.3 billion), 2) reclassification of Fed Land's debt (Php2.0 billion) and GBPC's debt (Php2.9 billion) from non-current to current offset by payment of GBPC's debt (Php2.5 billion).

Current portion of liabilities on purchased properties declined by 19% from Php783.0 million to Php636.5 million due to principal payment made by Fed Land.

Customers' deposits increased by 45% from Php2.5 billion to Php3.7 billion mainly due to the consolidation of PCFI's customer deposits of Php1.2 billion.

Dividends payable increased by Php0.8 billion due to the net effect of GBPC's set-up of 2015 cash dividends payable in 2016 offset by the payment of 2014 cash dividends in April 2015.

Income tax payable increased by Php537.7 million from Php475.8 million to Php1.0 billion due to an increase in the subsidiaries' taxable income.

Other current liabilities declined by 41% from Php881.7 million to Php520.3 million mainly due to the Php298.8 million settlement of advances to GBPC's stockholders and Php125.1 million reclassification of CPAIC's other current liabilities to "Liabilities of disposal group classified as held for sale".

Liabilities of disposal group classified as held for sale amounted to Php6.4 billion comprising CPAIC's current and non-current liabilities such as Insurance Contract Liabilities.

Pension liabilities declined by 2% from Php2.3 billion to Php2.2 billion with TMP, GBPC, PCFI, Fed Land and TCI contributing Php1.3 billion, Php629.1 million, Php118.6 million, Php116.8 million and Php74.9 million, respectively.

Long-term debt-net of current portion increased by Php39.9 billion from Php42.1 billion to Php82.0 billion due to: 1) Php24.9 billion loan availment of GT Capital, net of Php0.1 billion deferred financing cost, to finance its investment in the Metrobank stock rights offering, investment in the Series B preferred shares of Fed Land and investment in PCFI; 2) Php6.8 billion loan availment of GBPC, net of Php0.2 billion transaction cost to partially finance the construction of GBPC's power plants; 3) Php3.8 billion availment of Fed Land to finance the acquisition of additional land bank and working capital requirements; (4) consolidation of Php9.8 billion long-term loans of PCFI to finance acquisition of land bank and working capital requirements, these were offset by 1) the reclassification of GBPC and Fed Land's debt amounting to Php2.9 billion and Php2.0 billion, respectively from non-current to current and 2) Php0.5 billion amortization of fair valued adjustments in GBPC's long-term debt.

Liabilities on purchased properties, net of current portion, declined by 21% from Php2.7 billion to Php2.1 billion due to Fed Land's scheduled principal payments.

Deferred tax liabilities increased by Php7.3 billion from Php3.5 billion to Php10.8 billion due to the set-up of Php7.3 billion deferred tax liability arising from the fair value increase in the net assets of PCFI as a result of the preliminary purchase price allocation and consolidation of PCFI.

Other noncurrent liabilities reached Php2.6 billion, composed of long-term accrued expenses of TMP, (Php1.4 billion); non-current retention payable and deferred output tax of Fed Land (Php1.0 billion);, asset retirement obligation and decommissioning liability of GBPC (Php0.2 billion).

Capital stock increased by Php17 million due to GT Capital's issuance of voting preferred shares in April 2015.

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

Unappropriated retained earnings increased by 36% from Php24.4 billion to Php33.3 billion due to: 1) the Php12.1 billion consolidated net income earned in 2015; and 2) Php6.0 billion reversal of 2014 appropriation of retained earnings, offset by Php0.5 billion cash dividends declared in March 2015 and Php8.8 billion appropriation of retained earnings.

Appropriated retained earnings increased by Php2.8 billion due to the Php8.8 billion 2015 appropriation for additional investments in PCFI offset by a Php6.0 billion reversal of 2014 appropriation of investment in Series "B" Fed Land's preferred shares.

Other comprehensive loss increased by Php815.4 million from Php102.5 million to Php917.9 million due to mark-to-market losses recorded on available-for-sale investments of GT Capital's subsidiaries and associates.

Non-controlling interest (NCI) doubled by Php27.1 billion from Php26.6 billion to Php53.7 billion primarily due to: 1) Php24.3 billion set-up of non-controlling interest from the preliminary purchase price allocation of PCFI; 2) Php8.8 billion NCI share in the net income of TMP and GBP; and 3) Php0.3 billion NCI share in other comprehensive income offset by Php6.3 billion NCI share in dividends declared by TMP and GBPC.

Key Performance Indicators

The following are the key performance indicators of the Company for the years ended December 31, 2013, 2014 and 2015.

	In Million Pesos, except for percentages		
Income Statement	**2013**	**2014**	**2015**
Total Revenues**	104,915	141,106	159,231
Net Income attributable to Equity Holders of GT Capital Holdings	8,640	9,153	12,119
Balance Sheet			
Total Assets	192,360	218,263	317,285
Total Liabilities	99,796	112,321	173,443
Equity attributable to GT Capital Holdings, Inc.	70,525	79,347	90,134
Return on Equity *	13.9%	12.2%	14.3%

*Net income attributable to GT Capital divided by the average equity where average equity is the sum of equity attributable to GT Capital at the beginning and end of the year divided by 2.
**As restated

Metrobank

The following are the major performance measures used by Metrobank for 2013, 2014 and 2015.

	In Million Pesos, except for percentages		
	2013	2014	2015
Net income attributable to equity holders	22,488	20,113	18,625
Average total assets	1,212,606	1,491,555	1,682,616
Average shareholders' equity (attributable to equity holders)	126,310	142,508	171,944
Return on Average Assets	1.9%	1.3%	1.1%
Return on Average Equity	17.8%	14.1%	10.8%
Average shareholders' equity as a percentage of average total assets	10.4%	9.6%	10.2%

	2013	2014	2015
Dividend Payout Ratio	9.4%	13.6%	14.7%
Cost to average assets	4.8%	3.9%	3.3%
Tier 1 Capital Adequacy ratio	15.0%	12.1%	14.3%
Total Capital Adequacy ratio	16.7%	16.0%	17.8%
Non Performing Loans ratio	1.3%	1.0%	1.0%
Non Performing Loans coverage	164.1%	165.2%	110.7%

Notes:

(1) Dividend payout ratio is the ratio of cash dividends to net income after tax (excluding non-controlling interest).
(2) Cost to average assets is the ratio of operating expenses (including interest expenses but excluding depreciation and amortization) to average total assets.
(3) Capital adequacy ratios as of December 31, 2014 and 2015 were computed based on Basel III standards, while capital adequacy ratios as of December 31, 2013 were computed based on Basel II standards. The common equity Tier 1 capital adequacy ratio is not applicable under Basel II standards.
(4) Net non-performing loans ratio is the ratio of net non-performing loans divided by total loans – excluding interbank loans.
(5) Non-performing loans coverage is the ratio of allowance for credit loan losses to total non-performing loans.

Metrobank registered a 7% decline in consolidated net income attributable to equity holders from Php20.1 billion in 2014 to Php18.6 billion in 2015. The decline was attributed to lower other operating income by Php10.7 billion and share in net income of associates and a joint venture by Php0.03 billion offset by higher net interest income by Php3.2 billion and decrease in total operating expenses and provision for income tax by Php4.91 billion and Php1.22 billion, respectively.

Net interest income grew by 7% from Php45.8 billion in 2014 to Php49.0 billion in 2015 due to growth in the middle market, small-and-medium scale enterprises and consumer loans, and trading and investment securities. Non-interest income, however, dropped by 37% from Php29.1 billion in 2014 to Php18.4 billion in 2015 arising from lower profit from the disposal of foreclosed properties, and decrease in trading and securities gains.

Total resources reached a record high of Php1.8 trillion in 2015, a 10% increase from Php1.6 trillion level in the previous year. The improvement came from the issuance of stock rights in April 2015 with total net proceeds of Php31.5 billion, (the 26% increase in bills payable and securities sold under repurchase agreements) and 6% expansion in total deposits to Php1.3 trillion resulting in a 17% growth in net loans and receivables to Php887.2 billion in 2015. Metrobank opened 23 branches to increase its domestic presence to 943 branches. This network is supplemented by 2,226 ATMs nationwide.

Non-performing loans (NPL) ratio improved at a new low or under the 1.0% level in 2015, while NPL coverage decreased from 165.2% in 2014 to 110.7% in 2015.

Metrobank's BASEL III total capital adequacy ratio ("CAR") remained well above the regulatory limit at 17.8% with Common Equity Tier 1 ("CET1") of 14.3%.

Toyota Motor Philippines

The following are the major performance measures used by TMP for 2013, 2014 and 2015.

	In Million Pesos, except for ratios		
	2013	**2014**	**2015**
Sales	80,676.6	104,886.9	114,346.2
Gross Profit	10,256.6	14,628.9	18,355.2
Operating Profit	5,719.1	9,859.1	13,898.9
Net income attributable to Parent	4,219.0	7,210.0	10,193.9
Total Assets	23,750.0	26,706.7	32,290.3
Total Liabilities	14,464.1	14,779.7	17,060.9
Total Equity	9,285.9	11,927.0	15,229.4
Total Liabilities to Equity ratio	1.6x	1.2x	1.1x

TMP exhibited a 9% growth in consolidated sales from Php104.9 billion in 2014 to Php114.3 billion in 2015. Aside from auto assembly and importation, TMP directly owns four (4) dealer outlets namely: Toyota Makati with two (2) branches, Toyota Makati and Toyota Bicutan; Toyota San Fernando in Pampanga with three (3) branches in Toyota San Fernando, Toyota Plaridel Bulacan and Toyota Tarlac all located in Luzon, Lexus Manila, situated in Bonifacio Global City, Taguig City and Toyota Sta. Rosa Laguna Inc.

In 2015, TMP exhibited record retail sales of 125,027 units, an 18% increase from that of previous year. With this feat, TMP earned its 14th Triple Crown award which means Number 1 in passenger car sales, Number 1 in commercial vehicle sales and Number 1 in overall sales. Overall market share grew from 36.3% in 2013 to 39.4% in 2014 and 38.9% in 2015. The sales improvement was attributed to the launching of the all-new Vios in July 2013, new model introductions in 2014 and 2015 for the Corolla Altis, Wigo, Yaris, Hi Lux, and Alphard, volume increments for all models, and aggressive sales and promotions across the dealership network spanning 49 branches nationwide.

The sales volume growth, managed cost efficiencies, favorable foreign exchange rates and models mix resulted in continuous improvements in gross profit margin from 14.0% to 16.0%, operating profit margin from 9.4% to 12.2% and net profit margin from 6.9% to 9.0%, respectively. Consolidated net income attributable to equity holders grew by 41% from Php7.2 billion in 2014 to Php10.2 billion in 2015.

Global Business Power

The following are the major performance measures used by GBPC for 2013, 2014 and 2015.

	In Million Pesos, except for ratios		
	2013	**2014**	**2015**
Net Fees*	16,944.1	18,973.4	18,391.5
Net income attributable to equity holders	1,937.1	2,284.4	2,941.8
Total assets	59,770.3	68,433.4	74,360.8
Total liabilities	36,051.1	38,657.8	43,945.7
Total equity	23,719.2	29,775.6	30,415.2
Current ratio	1.6x	2.0x	1.8x
Total Liabilities to equity ratio	1.5x	1.3x	1.4x

*comprising energy fees realized by the operating companies as stipulated in their respective Power Purchase Agreements with their respective customers, net of adjustments,

GBPC's net fees decreased by 3% from Php19.0 billion in 2014 to Php18.4 billion in 2015 due to lower fuel pass-through costs as oil and coal prices declined in the global market. GBPC's coal fired plants also experienced mandatory preventive maintenance shutdowns and plant downtimes for the year due to operational issues. Kilowatt hour sales, however, increased by 9% from 3.3 billion kilowatt-hours in 2014 to 3.6 billion kilowatt-hours in 2015.

Net income attributable to equity holders of the Parent Company increased by 29% from Php2.3 billion in 2014 to Php2.9 billion in 2015. This included gross insurance recoveries amounting to Php473 million on business interruption brought about by Typhoon Yolanda in November 2013. Excluding gross insurance recovery, net income grew by 14% to Php2.6 billion in 2015.

Panay Energy's Unit 3, a 150MW coal-fired plant in Panay, Iloilo which began construction in June 2014, is expected to be commissioned during the second half of 2016.

Federal Land

The following are the major performance measures used by Fed Land for 2013, 2014 and 2015.

	In Million Pesos, except for ratios		
	2013	2014	2015
Real Estate Sales *	5,451.5	6,997.9	7,534.0
Revenues	7,895.7	9,375.2	10,311.3
Net income attributable to equity holders	1,004.3	1,486.4	1,560.0
Total assets	43,231.1	53,325.6	64,553.2
Total liabilities	24,664.3	25,379.0	29,558.7
Total equity	18,566.8	27,946.6	34,994.5
Current ratio	3.9x	4.7x	4.5x
Total Liabilities to equity ratio	1.3x	0.9x	0.8x

* Includes interest income on real estate sales

Fed Land recorded 10% growth in total revenue from P9.4 billion in 2014 to P10.3 billion in 2015. The revenue improvement came from: (1) real estate sales and interest income on real estate sales which rose by 8% from Php7.0 billion to Php7.5 billion driven by increased sales recognized from ongoing high-end and middle market development projects situated in Pasay, Mandaluyong, Bonifacio Global City, Manila and San Juan; and (2) rent income which grew by 8% from Php769 million to P830 million owing to annual price escalation. As a result of the revenue growth, net income attributable to shareholders increased by 5% from Php1.5 billion to Php1.6 billion in 2015.

For 2015, Fed Land launched three (3) new vertical residential condominium projects namely Paseo de Roces II (Chino Roces, Makati City), Six Senses Resort 5 (Macapagal, Pasay City) and Palm Beach Villa 3 (Macapagal, Pasay City).

Property Company of Friends, Inc.

The following are the major performance measures used by PCFI for 2014 and 2015.

	In Million Pesos, except for ratios	
	2014	2015
Real estate sales *	10,594.8	6,997.6
Revenues	10,741.8	7,046.7
Net income	3,574.3	2,060.4
Total assets	30,789.6	35,881.6
Total liabilities	20,125.2	18,933.7
Total equity	10,664.3	16,947.9
Current ratio	1.6x	2.4x
Debt to equity ratio	1.6x	0.9x

* Includes interest income on real estate sales

On August 20, 2015, GT Capital finalized the acquisition of an initial 22.68% stake in PCFI for Php7.24 billion, with an option to increase its direct shareholding to 51% within the next three years. The Php7.24 billion capital infusion by GT Capital was utilized to pay down debt, accelerate house construction and other general corporate purposes.

Established in 1999, PCFI is one of the country's leading property developers, focusing on the low cost and economic housing segment and retail space and BPO office 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, island of Luzon. Aside from LNC, ongoing projects include the Bellefort Estates in Bacoor and Dasmarinas in Cavite, the Parc Regency Residences in Iloilo province, and the Carmona Estate in Carmona Cavite.

In consideration of GT Capital's initial equity stake and attainment of effective control, PCFI's financial statement was consolidated into GT Capital's financials effective September 1, 2015.

Total revenues, mainly real estate sales, reached P2.95 billion for the last four (4) months of 2015 covering the period of September 1 to December 31, 2015. Cost of sales and expenses, excluding depreciation and interest expenses, amounted to Php1.52 billion. Net income from September 1 to December 31, 2015 amounted to Php1.26 billion.

AXA Philippines

The following are the major performance measures used by AXA Philippines for 2013, 2014 and 2015.

	In Million Pesos		
	2013	**2014**	**2015**
Gross Premiums	18,320.0	18,404.5	22,923.3
Net income after tax	1,184.0	1,223.9	1,383.5
Total Assets	54,951.3	68,007.2	79,978.1

AXA Philippines generated a 21% increase in new business expressed in Annualized Premium Equivalent from Php4.0 billion in 2014 to Php4.8 billion in 2015 due to strong equities market in the first half and sales initiatives launched in the second half. Gross premiums, thus, increased by 24.6% from Php18.4 billion in 2014 to Php22.9 billion in 2015, mainly attributable to the single premium products that grew by 25%. Asset management fees, likewise, rose by 27% from Php785 million in 2014 to Php1.0 billion in 2015, consistent with unit linked Assets under Management. Net income level grew by 13% from Php1.2 billion in 2014 to Php1.4 billion in 2015.

Toyota Financial Services Corporation

The following are the major performance measures used by TFSPH for 2013, 2014 and 2015.

	In Million Pesos		
	2013	**2014**	**2015**
Finance Revenue	1,704.6	2,234.7	2,828.2
Net Operating Profit	901.1	952.1	1,209.3
Net Income	436.7	398.0	515.5
Finance Receivable	20,301.8	28,357.0	33,304.4
Total Assets	29,577.4	39,424.8	44,278.4
Total Equity	2,725.6	3,842.7	4,369.4

TFSPH recorded a 24% growth in gross interest income from Php2.4 billion in 2014 to Php3.0 billion in 2015 as net earning assets increased by 17% from P28.4 billion in 2014 to P33.3 billion in 2015 with a penetration rate of 16% relative to Toyota Motors' annual auto sales. Net income for the year improved by 30% from P398.0 million to P515.5 million, partly due to downward adjustments on provisioning following implementation of new risk-based methodology implemented in March 2015 and increase in taxes and licenses, litigation and credit investigation.

Charter Ping An

The following are the major performance measures used by CPA for 2013, 2014 and 2015.

	In Million Pesos		
	2013	**2014**	**2015**
Gross Premium Written	3,513.9	4,002.5	4,114.1
Net Premium Written	1,823.6	1,912.1	2,158.6
Gross Underwriting Contribution	529.6	478.9	419.2
Net Income	190.0	105.0	42.4
Total Assets	9,211.3	8,493.0	7,872.9

CPA registered a 3% growth in gross premium written from Php4.0 billion in 2014 to Php4.1 billion in 2015. The increase is due to the reallocation of gross premium written from Property to Motor car, with combined share of 70% of total portfolio. Net income, however, decreased by 60% from Php105.0 million in 2014 to Php42.4 million in 2015 due to higher losses on property and motor car lines and property and catastrophic losses.

Toyota Manila Bay

The following are the major performance measures used by TMBC for 2013, 2014 and 2015.

	In Million Pesos		
	2013	**2014**	**2015**
Net Sales	9,440.7	11,268.1	12,324.4
Gross Profit	653.1	651.4	677.7
Net Income	110.3	129.8	142.0
Total Assets	1,934.1	2,370.0	2,509.2
Total Liabilities	1,402.8	1,720.5	1,717.7
Total Equity	531.3	649.5	791.5

TMBC consolidated sales, which comprised of vehicle sales, spare parts and maintenance services grew by 9% from Php11.3 billion in 2014 to Php12.3 billion in 2015, translated into a penetration rate of 10% among Toyota dealers in 2015. Vehicle sales, accounting for 92.8% of TMBC's revenues, increased by 8% from Php10.6 billion to Php11.4 billion as retail sales volume grew by 8% from 11,474 units to 12,402 units. Sales from spare parts and maintenance services, accounting for a combined 7.2% of revenues, increased by 11% and 17%, respectively.

Net income grew by 9% from Php129.8 million in 2014 to Php142.0 million in 2015.

TMBC owns three (3) auto dealer outlets located in Manila Bay, Roxas Boulevard, Pasay City, Jose Abad Santos, Manila and Damarinas, Cavite.

Toyota Cubao, Inc.

The following are the major performance measures used by TCI for 2013, 2014 and 2015.

	In Million Pesos		
	2013*	**2014***	**2015***
Net Sales	4,254,3	5,304.6	6,376.2
Gross Profit	288.8	322.9	432.9
Net Income	171.0**	14.5	29.9
Total Assets	1,096.8	1,337.9	1,348.8
Total Liabilities	885.3	1,079.8	1,069.1
Total Equity	211.5	258.1	279.6

* Parent Company Only
** Includes a Php158.1 million non-recurring gain from sale of TCI's direct equity stake in TMBC to GT Capital in 2013.

TCI consolidated sales, comprising vehicle sales, spare parts and maintenance services grew by 20% from Php5.3 billion in 2014 to Php6.4 billion in 2015 translating to a penetration rate of 5% among Toyota dealers in 2015. Vehicle sales, accounting for 93.3% of TCI's revenues, increased by 21% from Php4.9 billion to Php6.0 billion as retail sales volume grew by 16% from 5,394 units to 6,239 units. Sales from spare parts and maintenance services, accounting for a combined 6.7% of revenues, increased by 11% and 16%, respectively.

Net income more than doubled from Php14.5 million in 2014 to Php29.9 million in 2015 due to higher vehicle sales volume and significant decrease in interest expense.

TCI owns two (2) auto dealer outlets situated in Cubao, Quezon City and Marikina City.

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;

The GT Capital Group's 2016 capital expenditures ("capex") budget is presented as follows:

Component Company	2016 Capex (In Billion Pesos)	Nature	Source of Funding
Metrobank	7.00	Branch expansion and ATM network and enhancement of IT systems	Internally generated funds
Fed Land*	2.00	Office / Commercial / Retail	Internally generated funds
GBPC	8.30	Phase II expansion of Panay Energy Unit 3 (Php4 billion); Bio Mass (Php3.4 billion)' Replacement capex (Php0.9 billion)	Debt and Equity
TMP	7.00	Completely Knocked Down upgrades, logistics / stockyard expansion / Computer Accounting System and Building Improvement	Internally generated funds
AXA Philippines	2.50	Charter Ping An acquisition (Php2.3 billion); Replacement capital expenditures and office refurbishments (Php0.2 billion)	Internally generated funds
Charter Ping An	0.03	Enhancement of IT systems and office renovation	Internally generated funds
TMBC-TCI	2.138	New Buildings	Debt and equity
TFSPH	0.10	Enhancement of IT systems	Internally generated funds
PCFI*	5.615	Land Bank, external land development, investment properties and fixed assets	Debt and equity
GT Capital – Parent	10.00	Additional equity infusion in PCFI and working capital	Debt
Total	**44.68**		

- Excluding construction of vertical residential condominium projects and houses

(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.

CALENDAR YEAR ENDED DECEMBER 31, 2014 VERSUS YEAR ENDED DECEMBER 31, 2013

GT Capital Consolidated Statement of Income	**Audited Year Ended December 31**		**Increase (Decrease)**	
(In Million Pesos, Except for Percentage)	**2014**	2013	**Amount**	**Percentage**
REVENUE				
Automotive operations	**108,816**	74,359	34,457	46%
Net fees	**18,973**	16,944	2,029	12%
Real estate sales	**5,841**	4,702	1,139	24%
Interest income on real estate sales	**1,157**	749	408	54%
Equity in net income of associates and joint ventures	**3,420**	3,588	(168)	(5%)
Net premium earned	**1,751**	505	1,246	247%
Sale of goods and services	**603**	657	(54)	(8%)
Rent income	**764**	592	172	29%
Interest income on deposits and investments	**439**	680	(241)	(35%)
Commission income	**213**	188	25	13%
Gain from previously held interest	**-**	2,046	(2,046)	(100%)
Other income	**1,146**	537	609	113%
	143,123	**105,547**	**37,576**	**36%**
COSTS AND EXPENSES				
Cost of goods and services sold	**70,597**	45,469	25,128	55%
Cost of goods manufactured	**24,213**	19,986	4,227	21%
General and administrative expenses	**11,495**	9,281	2,214	24%
Power plant operation and maintenance expenses	**10,328**	8,945	1,383	15%
Cost of real estate sales	**4,334**	3,667	667	18%
Interest expense	**3,241**	3,462	(221)	(6%)
Net insurance benefits and claims	**784**	290	494	170%
Cost of rental	**270**	113	157	139%
	125,262	**91,213**	**34,049**	**37%**
INCOME BEFORE INCOME TAX	**17,861**	**14,334**	**3,527**	**25%**
PROVISION FOR INCOME TAX	**2,710**	1,803	907	50%
NET INCOME	**15,151**	**12,531**	**2,620**	**21%**
Attributable to:				
Equity holders of the Parent Company	**9,153**	8,640	**513**	**6%**
Non-controlling interest	**5,998**	3,891	2,107	54%
	15,151	**12,531**	**2,620**	**21%**

GT Capital Holdings, Inc. ("GT Capital" or the "Company" or the "Parent Company") consolidated net income attributable to equity holders of the Parent Company grew by 6% from Php8.6 billion in 2013 to Php9.2 billion in 2014. The increase was principally due to the 36% improvement in consolidated revenues from Php105.5 billion in 2013 to Php143.1 billion in 2014.

The revenue growth came from the following component companies: (1) auto sales from TMP and TCI as combined sales increased from Php74.4 billion to Php108.8 billion accounting for 76% of total revenue; (2)) net fees from GBPC which increased from Php16.9 billion to Php19.0 billion accounting for 13% of total revenue; (3) higher real estate sales and interest income on real estate sales from Fed Land which grew by 28%

from Php5.5 billion to Php7.0 billion; and (4) net premium earned from CPA which more than tripled from Php505 million to Php1.8 billion.

Core net income attributable to equity holders of the Parent Company grew by 38% from Php6.6 billion to Php9.1 billion after excluding the Php2.0 billion non-recurring income realized from the re-measurement of GT Capital's 36% previously-held interest in TMP following GT Capital's acquisition of control of TMP in 2013.

Fed Land, GBPC, TMP, CPA and TCI are consolidated in the financial statements of the Company. The other component companies MBT, AXA Philippines, TMBC, and TFSPH are accounted for through equity accounting.

Of the nine (9) component companies, TMP, GBPC, Fed Land and TMBC posted double-digit growths in their respective net income, while AXA Philippines reported a single digit growth in net income for the year. Metrobank, CPA, TCI and TFSPH reported declines in their respective net income for the year.

Auto sales rose by 46% from Php74.4 billion to Php108.8 billion due to continued strong demand for the all new Vios, new models mix – Corolla Altis, Wigo, and Yaris, sales volume increments across all other models, aggressive sales and promotions, and continued expansion in the dealer outlets from 42 to 45.

Net fees increased by 12% from Php16.9 billion to Php19.0 billion primarily due to new power purchase contracts with bilateral customers, additional Wholesale Electricity and Spot Market (WESM) compensation collected, and testing / commissioning of Toledo Power's Unit 1A.

Real estate sales and interest income on real estate sales rose by 28% from Php5.5 billion to Php7.0 billion driven by sales contributions from ongoing high-end and middle-market development projects situated in Pasay City, Escolta, Manila, Cebu, Bonifacio Global City, and Marikina City.

Equity in net income of associates and joint ventures, was 5% lower from Php3.6 billion in 2013 to Php3.4 billion in 2014 as the increase in AXA Philippines net income and Metrobank's core net income, excluding gains from the sale of a foreclosed asset to Fed Land and sale of non-financial assets to GT Capital, was offset by a decline in Fed Land's investment in jointly-controlled entities as the turnover for the Grand Midori residential condominium project located in Legaspi Village, Makati City was completed in 2014.

Net premium earned from CPA comprising gross premiums on non-life insurance contracts, net of reinsurer's share, more than tripled from Php0.5 billion to Php1.8 billion due to the full-year consolidation of CPA in 2014.

Sale of goods and services, consisting of the sale of petroleum products on a wholesale and retail basis, at the Blue Wave malls situated in Pasay City and Marikina City, decreased by 8% from Php657 million to Php603 million due to lower fuel sales arising from a series of fuel price increases and decreases during the year.

Rent income from Fed Land grew by 29% from Php592 million to Php764 million due to annual price escalations and the full year impact of Blue Bay Walk retail and commercial operations.

Interest income on deposits and investments declined by 35% from Php680 million to Php439 million due to a decline in placement rates earned on money market investments and termination of Fed Land's option agreement in 2013 which previously allowed Fed Land to earn interest income.

Commission income increased by 13% from Php188 million to Php213 million due to commissions contributed by CPA from its reinsurance business.

Gain from previously-held interest represents non-recurring income earned following GT Capital's acquisition of majority control of TMP in 2013.

Other income grew by 113% from Php537 million to Php1.1 billion with Fed Land contributing Php575 million comprising real estate forfeitures, management fees and other income, TMP contributing Php331 million from ancillary income, gain on sale of fixed assets, dividend income and other income. The remaining balance of Php240 million came from TCI (Php98 million), GBPC (Php85 million) and CPA (Php57 million).

Consolidated costs and expenses increased by 37% from Php91.2 billion to Php125.3 billion. TMP contributed Php95.1 billion comprising cost of goods sold for manufacturing and trading activities, general and administrative expenses and interest expenses. GBPC contributed Php15.6 billion comprising power plant operations and maintenance, general and administrative expenses and interest expenses. Fed Land contributed Php7.4 billion consisting of cost of real estate sales, cost of goods sold, general and administrative expenses and interest expenses. TCI contributed Php4.3 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. CPA accounted for Php1.9 billion, which consisted of general and administrative expenses and net insurance benefits and claims. GT Capital Parent Company accounted for Php1.0 billion representing interest expenses and general and administrative expenses.

Cost of goods and services sold increased by 55% from Php45.5 billion to Php70.6 billion with TMP's and TCI's completely built-up units and spare parts accounting for Php70.1 billion and the balance of Php0.5 billion 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 grew by 21% from Php20.0 billion in the previous year to Php24 billion.

General and administrative expenses rose by 24% from Php9.3 billion to Php11.5 billion. TMP accounted for Php4.8 billion comprising advertising and sales promotion expenses, salaries, taxes and licenses and delivery and handling. GBPC contributed Php3.3 billion representing salaries, taxes and licenses, other general and administrative expenses, amortization of intangible assets-power purchase agreements, outside services and provision for impairment losses. Fed Land contributed Php1.8 billion comprising salaries, commissions, taxes and licenses, advertising expenses and other general and administrative expenses. CPA accounted for Php1.1 billion consisting of commissions and salaries. GT Capital contributed Php234 million principally salaries, taxes and licenses. The remaining balance of Php210 million came from TCI's salaries, advertising and promotions, commission and utilities expenses.

Power plant operations and maintenance expenses consisting of purchased power and repairs and maintenance from the power generation companies of GBPC increased by 15% from Php8.9 billion to Php10.3 billion mainly due to the increase in energy sales and purchased power expenses.

Cost of real estate sales increased by 18% from Php3.7 billion to Php4.3 billion arising from the increase in real estate sales.

Interest expense declined by 6% from Php3.5 billion to Php3.2 billion with GBPC, GT Capital, Fed Land, TMP and TCI accounting for Php1.8 billion, Php0.8 billion, Php0.5 billion, Php99 million and Php17 million, respectively.

Net insurance benefits and claims more than doubled from Php290 million to Php784 million, representing benefits and claims paid to policyholders.

Cost of rental more than doubled from Php113 million to Php270 million representing direct costs incurred by Fed Land in its leasing business.

Provision for income tax increased by 50% from Php1.8 billion to Php2.7 billion mainly increases in taxable income from TMP and Fed Land.

Consolidated net income attributable to equity holders of the Parent Company increased by 6% from Php8.6 billion in 2013 to Php9.2 billion in 2014.

GT Capital Consolidated Statement of Financial Position	Audited December 31		Increase (Decrease)	
(In Million Php, except for percentages)	2014	2013	Amount	Percentage
ASSETS				
Current Assets				
Cash and cash equivalents	**29,702**	27,167	2,535	9%
Short-term investments	**1,309**	1,467	(158)	(11%)
Receivables	**16,223**	12,450	3,773	30%
Reinsurance assets	**3,879**	4,966	(1,087)	(22%)
Inventories	**31,426**	20,813	10,613	51%
Due from related parties	**171**	850	(679)	(80%)
Prepayments and other current assets	**5,468**	5,969	(501)	(8%)
Total Current Assets	**88,178**	**73,682**	14,496	20%
Noncurrent Assets				
Noncurrent receivables	**4,897**	4,929	(32)	(1%)
Available-for-sale investments	**4,127**	3,111	1,016	33%
Investments in associates and joint ventures	**47,451**	40,559	6,892	17%
Investment properties	**8,643**	8,329	314	4%
Property and equipment	**44,801**	41,163	3,638	9%
Goodwill and intangible assets	**17,806**	18,275	(469)	(3%)
Deferred tax asset	**1,726**	1,109	617	56%
Other noncurrent assets	**634**	1,203	(569)	(47%)
Total Noncurrent Assets	**130,085**	**118,678**	11,407	10%
TOTAL ASSETS	**218,263**	**192,360**	25,903	13%

	Audited December 31		Increase (Decrease)	
	2014	**2013**	**Amount**	**Percentage**
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**19,280**	20,837	(1,557)	(7%)
Insurance contract liabilities	**5,665**	6,684	(1,019)	(15%)
Short term debt	**2,267**	1,744	523	30%
Current portion of long term debt	**3,141**	3,364	(223)	(7%)
Current portion of liabilities on purchased properties	**783**	783	-	-
Customers' deposits	**2,549**	1,844	705	38%
Dividends payable	**2,034**	1,966	68	3%
Due to related parties	**176**	188	(12)	(6%)
Income tax payable	**476**	876	(400)	(46%)
Other current liabilities	**882**	907	(25)	(3%)
Total Current Liabilities	**37,253**	**39,193**	(1,940)	(5%)
Noncurrent Liabilities				
Long term debt	**42,118**	40,584	1,534	4%
Bonds payable	**21,775**	9,883	11,892	120%
Liabilities on purchased properties	**2,729**	3,537	(808)	(23%)
Pension liability	**2,261**	1,704	557	33%
Deferred tax liability	**3,532**	3,252	280	9%
Other noncurrent liabilities	**2,653**	1,643	1,010	61%
Total Noncurrent Liabilities	**75,068**	**60,603**	14,465	24%
	112,321	**99,796**	12,525	13%

Equity				
Equity attributable to equity holders of				
GT Capital Holdings, Inc.				
Capital stock	**1,743**	1,743	-	-
Additional paid-in capital	**46,695**	46,695	-	-
Treasury shares	**(2)**	(6)	4	(67%)
Retained earnings	**30,431**	21,802	8,629	40%
Other comprehensive income	**(103)**	(437)	334	76%
Other equity adjustment	**583**	729	(146)	(20%)
	79,347	**70,526**	8,821	13%
Non-controlling interests	**26,595**	**22,038**	4,557	21%
Total Equity	**105,942**	**92,564**	13,378	14%
TOTAL LIABILITIES AND EQUITY	**218,263**	**192,360**	25,903	13%

The major changes in the balance sheet items of the Company from December 31, 2013 to December 31, 2014 are as follows:

Total assets of the Group increased by 13% or Php25.9 billion from Php192.4 billion as of December 31, 2013 to Php218.3 billion as of December 31, 2014. Total liabilities increased by 13% or Php12.5 billion from Php99.8 billion to Php112.3 billion while total equity rose by 14% or Php13.4 billion from Php92.6 billion to Php105.9 billion.

Cash and cash equivalents increased by Php2.5 billion reaching Php29.7 billion with GBPC, TMP, Fed Land, CPA and GT Capital accounting for Php15.6 billion, Php11.3 billion , Php1.7 billion, Php0.6 billion and Php0.5 billion, respectively.

Short-term investments amounted to Php1.3 billion mainly short-term placements of TMP.

Receivables increased by 30% from Php12.5 billion to Php16.2 billion with Fed Land, TMP and GBPC contributing Php5.4 billion, Php4.5 billion and Php3.6 billion, respectively, representing installment contract receivables, trade receivables with maximum 30 days credit terms, and outstanding billings for energy fees and pass-through fuel costs arising from the delivery of power. CPA and TCI contributed Php2.1 billion and Php681 million, respectively, representing premiums receivable and trade receivables.

Reinsurance assets representing balances due from reinsurance companies declined by 22% from Php5.0 billion to Php3.9 billion due to settlement of claims reinsured to reinsurers.

Inventories increased by 51% from Php20.8 billion to Php31.4 billion with Fed Land and GBPC contributing Php25.4 billion and Php1.0 billion, respectively, comprising Fed Land's condominium units for sale and land for development and GBPC's coal and spare parts and supplies. TMP and TCI also contributed Php4.8 billion and P0.2 billion consisting of completely-built-up units, completely-knocked down units and spare parts.

Due from related parties decreased by 80% from Php850 million to Php171 million due to collections received from the various subsidiaries of Fed Land.

Prepayments and other current assets decreased by 8% from Php6.0 billion to Php5.5 billion primarily the application of creditable withholding tax against income tax due and the application of input tax against output tax.

Available-for-sale investments increased by 33% from Php3.1 billion to Php4.1 billion comprising mark-to-market gains recognized by GBPC, CPA, and TMP.

Investments in associates and joint ventures increased by 17% from Php40.6 billion to Php47.5 billion due to acquisition of a 40% direct equity in TFSPH amounting to Php2.4 billion, acquisition of additional 19.25% of TMBC for a total purchase price of Php237 million, and share in net income of Php5.5 billion, net of cash dividends received from associates and joint ventures of Php1.2 billion, and share in other comprehensive loss of Php0.5 million.

Property and equipment grew by 9% from Php41.2 billion to Php44.8 billion mainly due to the completion of GBPC's Toledo Power plant expansion.

Deferred tax assets increased by 56% from Php1.1 billion to Php1.7 billion composed of TMP, (Php663 million), representing accrued retirement benefits, provision for claims and assessments and warranty payable; GT Capital, (Php627 million), comprising unrealized gain on sale of properties by Metrobank to Fed Land, and GBPC, (Php383 million), representing provision for retirement benefits and unrealized foreign exchange losses.

Other noncurrent assets decreased by 47% from Php1.2 billion to Php634 million mainly due to application of GBPC's advances to contractors against billings of contractors for Toledo Power's plant expansion.

Accounts and other payables decreased by 7% from Php20.8 billion to Php19.3 billion mainly the settlement of the Group's outstanding payables from previous year.

Insurance contract liabilities representing provisions for claims reported and loss adjustments incurred but not yet reported losses and unearned premiums decreased by 15% from Php6.7 billion to Php5.7 billion due to settlement of claims relating to 2013 catastrophes.

Short-term debt increased by Php523 million from Php1.7 billion to Php2.3 billion due to the inclusion of TCI's short term loans (Php635M), additional loan availments from TMP dealer subsidiaries for working capital requirements (Php577M) and additional loan availments of Fed Land subsidiaries (Php180M) offset by loan payments made by GT Capital and GBPC amounting to Php800 million and Php69 million respectively.

Current portion of long-term debt decreased by 7% from Php3.4 billion to Php3.1 billion due to loan principal payments made by GBPC.

Customers' deposits increased by 38% from Php1.8 billion to Php2.5 billion due to increase in reservation sales from new Fed Land projects.

Due to related parties current declined by 6% from Php188 million to Php176 million due to payments made by Fed Land to Metrobank.

Income tax payable declined by 46% from Php876 million to Php476 million due to income tax payments by GT Capital's subsidiaries.

Pension liability rose by 33% from Php1.7 billion to Php2.3 billion, of which TMP, GBPC, CPA, TCI, and Fed Land accounted for Php1.2 billion, Php771 million, Php111 million, Php98 million and Php77 million, respectively.

Bonds payable more than doubled from Php9.9 billion to Php21.8 billion due to issuance by GT Capital of Php12.0 billion in retail bonds, net of financing expenses.

Liabilities on purchased properties, net of current portion, declined by 23% from Php3.5 billion to Php2.7 billion due to payment by Fed Land.

Deferred tax liability increased by 9% from Php3.3 billion to Php3.5 billion mainly recognition of deferred tax effect of excess of realized gross profit on real estate sales.

Other noncurrent liabilities increased by 61% from Php1.6 billion to Php2.7 billion primarily due to the increase in Fed Land's retention payable to contractors for ongoing projects and the recognition of provisions relating to TMP's claims and assessments, product warranties and corporate social responsibility activities.

Treasury shares declined from Php6 million to Php2 million representing CPA's investment in shares of stock of GT Capital.

Retained earnings increased by 40% from Php21.8 billion to Php30.4 billion due to the Php9.2 billion net income earned for the period, net of Php0.5 billion cash dividends declared.

Other comprehensive income improved by 76% from a deficit of Php437 million to a deficit Php103 million due to mark-to-market gains recognized on AFS investments of subsidiaries and associates.

Other equity adjustments decreased by 20% from Php729 million to Php583 million arising from the following transactions: (1) GT Capital's acquisition of an additional 33.33% direct equity stake in CPA, (negative Php375.67 million); (2) GT Capital's sale of a 40% direct equity stake of TCI to Mitsui, (Php194.0 million); (3) GT Capital's acquisition of an additional 0.26% of TCI by GT Capital, (negative Php0.42 million); (4) GT Capital change in direct ownership in GBPC after FMIC waiver and partial waiver of its pre-emptive rights on its subscription to Panay Energy's equity call, (Php60.52 million); and (5) increase in GT Capital's direct equity stake in TCI after subscription to new primary common shares, (negative Php24.80 million).

Non-controlling interests increased from Php22 billion to Php26.6 billion representing the net effect of: (1) Php6.0 billion net income attributable to non-controlling interest for the year; (2) Php2.2 billion increase in non-controlling interest in GBPC arising from the equity call contribution to the Panay Energy Plant Expansion Project; (3) Php532 million increase in non-controlling interest in Panay Power Holdings arising from the equity call contribution to the Panay Energy Plant Expansion Project; (4) Php427 million other comprehensive income attributable to non-controlling interest; (5) Php105 million additional non-controlling interest relating to the sale of a 40% direct equity stake of TCI to Mitsui; (6) Php4.3 billion representing reversal of non-controlling interest relating to the cash dividends declared by TMP; and (7) Php336 million representing reversal of non-controlling interest arising from GT Capital's acquisition of the remaining 33.33% direct equity stake in CPA.

LIQUIDITY AND CAPITAL RESOURCES

In 2013, 2014 and 2015, GT Capital's principal source of liquidity was cash dividends received from the investee companies and loans. As of December 31, 2015, GT Capital's cash and cash equivalents reached Php36.7 billion.

The following table sets forth selected information from GT Capital's statement of cash flows for the periods indicated.

	In Million Pesos		
	2013	**2014**	**2015**
Net cash provided by (used in) operating activities	6,014.6	(4,586.9)	(468.8)
Net cash provided by (used in) investing activities	(2,204.4)	(9,486.1)	(25,509.9)
Net cash provided by (used in) financing activities	11,845.7	16,609.6	35,121.0
Effects of exchange rate changes on cash and cash equivalents	(42.3)	(1.1)	(89.2)
Net increase (decrease) in cash and cash equivalents	15,613.6	2,535.5	9,053.1
Cash and cash equivalents at the beginning of the period	11,553.3	27,166.9	29,702.4
Cash and cash equivalents of disposal group at end of the period	-	-	(894.5)
Cash and cash equivalents of continuing operations at end of the period	27,166.9	29,702.4	37,861.0

Cash flows from operating activities

Cash flow from (used in) operating activities amounted to Php6.0 billion in 2013, (Php4.6 billion) in 2014 and (Php0.5 billion) in 2015. In 2013, operating cash amounting to to Php13.9 billion was used to increase receivables by Php3.6 billion, inventories by Php1.2 billion, short-term investments by Php1.5 billion and reinsurance assets by Php1.3 billion and partially settle other current liabilities by Php558.3 million. In 2014, operating cash amounting to Php19.7 billion was used to increase receivables by Php1.8 billion and real estate inventory by Php12.5 billion and partially settle accounts and other payables by Php0.9 billion, insurance contract liabilities by Php1.0 billion and other current liabilities by Php1.7 billion. In 2015, operating cash amounting to Php26.0 billion was used to increase receivables by Php3.0 billion, inventories by Php9.7 billion, land held for future development by Php2.9 billion and prepayments and other current assets by Php1.0 billion and partially settle insurance contract liabilities by Php0.6 billion and other current liabilities by Php0.2 billion.

Cash flows used in investing activities

Cash flows from (used in) investing activities amounted to (Php2.2 billion) in 2013, (Php9.5 billion) in 2014 and (Php25.7 billion) in 2015. In 2013, cash flows used in investing activities went to increase property and equipment by Php7.0 billion, available-for-sale (AFS) investments by Php690 million and investment in associates and jointly controlled entities by Php502.2 million. In 2014, cash flows used in investing activities went to increase property and equipment by Php6.7 billion and investment in associates and jointly controlled entities by Php3.0 billion. In 2015, cash flows used in investing activities went to increase investment in associates and jointly controlled entities by Php8.8 billion, property and equipment by Php10.0 billion and acquisition of subsidiary-net of cash acquired by Php6.9 billion.

Cash flows from financing activities

Cash flows from financing activities amounted to Php11.8 billion in 2013, Php16.6 billion in 2014 and Php35.3 billion in 2015. In 2013, cash flows from financing activities came from a top up equity private placement of Php10.1 billion, Php9.9 billion in retail bonds and Php7.3 billion in new loans which was used to partially settle Php18.0 billion in outstanding loans. In 2014, cash flows from financing activities came from issuance of bonds payable of Php11.9 billion and loan availments of Php7.7 billion, share of holders of non-controlling interest in the equity calls of Php2.7 billion, offset by loan payments of Php5.8 billion. In 2015, cash flows from financing activities came from loan availments of Php57.8 billion and issuance of voting preferred shares of Php17.4 million which was used to partially settle Php21.9 billion in outstanding loans, Php0.7 billion in liabilities in purchased properties and Php0.2 billion in other non-current liabilities

A.iv Brief Description of the General Nature and Scope of the Corporation's Business and Its Subsidiaries

GT Capital Holdings, Inc. was incorporated in the Republic of the Philippines on July 26, 2007. The Corporation's registered office address and principal place of business is at the 43/F GT Tower International, 6813 Ayala Avenue corner H.V. Dela Costa St., Makati City, Metro Manila, Philippines. GT Capital is a listed company, of which 54.58% is owned by Grand Titan Capital Holdings, Inc., directors and senior officers of GT Capital, while the balance of 45.42% is publicly owned as of December 31, 2015.

GT Capital is a major Philippine conglomerate with interests in market-leading businesses across banking, property development, power generation, automotive assembly, importation, distribution, dealership and financing; and life and non-life insurance. The Corporation is the primary vehicle for the holding and management of the diversified business interests of the Ty family in the Philippines. GT Capital's business management, investment decisions, and future business development are and will be firmly anchored on its corporate values of integrity, competence, respect, entrepreneurial spirit, and commitment to value creation.

The Corporation's portfolio of businesses is well-positioned to benefit from broad-based growth in the Philippine economy in general, and from domestic consumption in particular. GT Capital's current portfolio comprises directly-held interests in the following component companies:

- Banking – GT Capital conducts banking services through its 25.1% interest in Metropolitan Bank & Trust company ("MBT" or "Metrobank"). MBT is a universal bank that provides, through itself and other members of the MBT Group, a full range of banking and other financial products and services including corporate, commercial and consumer banking products and services as well as credit card, investment banking and trust services. Metrobank has been listed on the Philippine Stock Exchange since 1981. As of December 31, 2015, the MBT Group had a total of 943 branches in the Philippines, of which 697 were operated by MBT and 246 were operated by PSBank; and a total of 2,226 ATMs.

- Property development – GT Capital engages in property development business through its 100.0% interest in fully-consolidated subsidiary Federal Land, Inc. ("Fed Land" or "Federal Land") and 22.7% interest in affordable housing subsidiary Property Company of Friends, Inc. ("Pro-Friends" or "PCFI") Fed Land primarily focuses on the development of high-rise, vertical residential condominium projects, as well as on master-planned communities that offer residential, retail, office, and commercial space. It caters mainly to the upper mid-end market segment with projects in key, strategic urban communities. While, Pro-Friends focuses on housing developments in key strategic and developing areas. Pro-Friends primarily targets the so-called property development "sweet spot" that mainly serves the economic and low cost segment of the residential market.

- Power generation – GT Capital conducts its power generation business through its 51.27% direct ownership in holding company Global Business Power Corporation ("GBPC" or "Global Business Power"). GBPC, through its operating subsidiaries, is one of the leading independent power producers in the Visayas region and Mindoro island, with a combined gross dependable capacity of 704 megawatts (MW) as of December 31, 2015.

- Automotive assembly, importation, distribution, dealership and financing – GT Capital primarily conducts its automotive business through its 51.0% interest in Toyota Motor Philippines ("TMP" or "Toyota Motor Philippines"). TMP is engaged in the manufacture, importation, and wholesale distribution of Toyota brand motor vehicles in the Philippines, and is also engaged in the sale of motor vehicle parts and accessories both within the Philippines and through exports. TMP is also engaged in the distribution of Lexus brand motor vehicles in the Philippines.

  GT Capital conducts its automotive dealership business through its 60.0% interest in Toyota Manila Bay Corporation ("TMBC" or "Toyota Manila Bay") and 53.8% interest in Toyota Cubao, Inc. ("TCI" or "Toyota Cubao"). TMBC and TCI sell Toyota motor vehicles in Luzon, particularly in Metro Manila. They also offer motor vehicle parts and accessories, and provide after-sales services to Toyota motor vehicles.

  GT Capital provides financing for the acquisition of Toyota motor vehicles through its 40% interest in Toyota Financial Services Philippines Corporation ("TFSPH"). TFSPH offers retail loans and finance lease to its individual and corporate clients for the acquisition of brand-new and/or certified pre-owned Toyota vehicles.

- Life Insurance – GT Capital conducts its life insurance business through its 25.3% interest in Philippine AXA Life Insurance Corporation ("AXA" or "AXA Philippines"), which offers personal and group life insurance products in the country, including investment-linked insurance products. AXA distributes its products through a multi-channel distribution network comprised of agents, bancassurance (through Metrobank and PSBank) and corporate solutions.

- Non-life Insurance – GT Capital offers non-life insurance products to the local market through its 100.0% interest in Charter Ping An Insurance Corporation ("CPA" or "Charter Ping An"). Through its various products, CPA provides insurance coverage that include fire or property, marine, motor car, personal accident, bonds, other casualty, and engineering insurance, among others.

A.v Corporation's Directors and Executive Officers

Please refer to Item 5 of the Information Statement for the discussion on the identity of each of the Corporation's directors and executive officers including their principal occupation or employment, name and principal business of any organization by which such persons are employed.

A.vi Market Price, Shareholder and Dividend Information

Market Information

The Corporation's shares of stock are traded in the Philippine Stock Exchange.

As of December 31, 2015, the closing price of the Corporation's shares of stock is Php1,320.00 per share.

The high and low sales prices for each period since the listing of the common shares are as follows:

	2012	
(In Php)	High	Low
2nd Quarter (April 20 to June 30)	520.00	455.40
3rd Quarter (July 1 to Sept 30)	565.00	499.00
4TH Quarter (Oct 1 to Dec 31)	690.00	521.00
	2013	
1st Quarter (Jan 1 to March 31)	805.00	631.00
2nd Quarter (April 1 to June 30)	880.00	718.00
3rd Quarter (July 1 to Sept 30)	870.50	690.00
4TH Quarter (Oct 1 to Dec 31)	884.50	734.00
	2014	
1st Quarter (Jan 1 to Mar 31)	850.00	718.00
2nd Quarter (April 1 to June 30)	890.00	785.00
3rd Quarter (July 1 to Sept 30)	1,060.00	853.00
4th Quarter (Oct 1 to Dec 31)	1,148.00	1,004.00
	2015	
1st Quarter (Jan 1 to Mar 31)	1,364.00	1,040.00
2nd Quarter (Apr 1 to June 30)	1,455.00	1,218.00
3rd Quarter (July 1 to Sept 30)	1,449.00	1,120.00
4th Quarter (Oct 1 to Dec 31)	1,377.00	1,215.00

Source: Bloomberg

Shareholder and Dividend Information:

The top 20 stockholders as of December 31, 2015 are as follows:

NAME OF STOCKHOLDER	NO. OF SHARES *		RATIO (%) TO TOTAL AMOUNT SUBSCRIBED
1. GRAND TITAN CAPITAL HOLDINGS, INC.	94,656,110		54.3064
2. PCD NOMINEE (NON-FILIPINO)	63,012,073		36.1515
3. PCD NOMINEE (FILIPINO)	16,018,805		9.1904
4. TY, GEORGE SIAO KIAN	200,000		00.1147
5. TY, ARTHUR VY	100,000		00.0574
TY, ALFRED VY	100,000		00.0574
6. TY, MARY VY	99,000		00.0568
7. BLOOMINGDALE ENTERPRISES, INC.	30,500		00.0175
8. DE CASTRO, SALUD D.	20,000		00.0115
9. CENTURY SAVINGS BANK, CORP.	10,000		00.0057
10. CHAN, ASUNCION C.	6,000		00.0034
11. CHOI, ANITA C.	4,000		00.0023
12. MAR, PETER OR ANNABELLE C. MAR	3,000		00.0017
13. BAGUYO, DENNIS G.	2,250		00.0013
14. CHOI, DAVIS C.	2,000		00.0011
CHOI, DENNIS C.	2,000		00.0011
CHOI, DIANA C.	2,000		00.0011
CROSLO HOLDINGS, CORP.	2,000		00.0011
15. SYCIP, WASHINGTON Z.	1,800		00.0010
16. CHUA, JOSEPHINE TY	1,500		00.0009
17. ANG, GERRY G.	1,000		00.0006
BAUTISTA, MARIA CARMELO LUZA	1,000		00.0006
BELMONTE, MIGUEL	1,000		00.0006
BESHOURI, CHRISTOPHER P.	1,000		00.0006
CUA, SOLOMON	1,000		00.0006
PARAS, WILFREDO A.	1,000		00.0006
PUNO, RODERICO	1,000		00.0006
VALENCIA, RENATO C.	1,000		00.0006
18. CHAM, MARGARET T. ITF INIGO	700		00.0004
CHAM, MARGARET T. ITF MARGARIT	700		00.0004
CHAM, MARGARET T. ITF PAOLO	700		00.0004
CHUA, ALEXANDER GABRIEL TY ITF	700		00.0004
CHUA, ALEXANDER GABRIEL TY ITF	700		00.0004
CHUA, KENNETH GABRIEL TY ITF	700		00.0004
CHUA, KENNETH GABRIEL TY ITF	700		00.0044
DY BUNCIO, ANJANETTE TY ITF	700		00.0004
DY BUNCIO, ANJANETTE TY ITF	700		00.0004
DY BUNCIO, ANJANETTE TY ITF	700		00.0004
TY, ALESANDRA T. ITF ALEXA	700		00.0004
TY, ALESANDRA VY ITF	700		00.0004
TY, ALFRED VY ITF ANDREI	700		00.0004
TY, ALFRED VY ITF ARYANE	700		00.0004
TY, ALFRED VY ITF AUGUSTO	700		00.0004
TY, ARTHUR VY ITF ALISA	700		00.0004
TY, ARTHUR VY ITF ANDREW RYAN	700		00.0004
TY, ARTHUR VY ITF ARIC JUSTIN	700		00.0004
19. MEDIACOM EQUITIES, INC.	640		00.0004
20. CHUA, JEANNE FRANCES T. ITF	500		00.0003
ESTEBAN, LINDA S.	500		00.0003
KAWPENG, CHRISTOPHER C.	500		00.0003
KAWPENG, DANIEL C.	500		00.0003
KAWPENG, DAVID C.	500		00.0003
KAWPENG, EDWIN C.	500		00.003
KAWPENG, TOMAS C.	500		00.003

* Fully subscribed and paid up

As a policy, the Corporation has a target annual dividend payout of Php3.00 per share, payable out of its unrestricted retained earnings. Pursuant to the said policy, the Corporation paid cash dividends to its common shareholders in 2013, 2014, and 2015 in the amount of Php522.9 million for each of the said years. On March 10, 2016, the Board of Directors of the Corporation approved the declaration of (a) a regular cash dividend in the amount of Php522.9 million payable to its Vommon stockholders; (b) a special cash dividend in the amount of Php522.9 million payable to its Common stockholders; and (c) a regular cash dividend in favor of its Voting Preferred stockholders at a dividend rate of 3.77%, the 3-year PDST-R2 rate on issue date (April 13, 2015). The record date is as of April 8, 2016 and payable on or before May 4, 2016.

A.vii Corporate Governance

The Corporation adopted its Manual on Corporate Governance (the "Governance Manual") on December 2, 2011. The policy of corporate governance is based on the Governance Manual. The Governance Manual lays down the principles of good corporate governance in the entire organization. The Governance Manual provides that it is the Board's responsibility to initiate compliance with the principles of good corporate governance, to foster long-term success and to secure the Corporation's sustained competitiveness in a manner consistent with its fiduciary responsibility.

The Corporation's By-laws and Manual on Corporate Governance (the "Governance Manual") provide that the Board shall have at least two independent directors. The Corporation espouses the definition of independence pursuant to the Securities Regulation Code. The Corporation considers as an independent director one who, except for his director's fees and shareholdings, is independent of management and free from any business or other relationship which, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a Director of GT Capital Holdings.

The Governance Manual embodies the Corporation's policies on disclosure and transparency, and mandates the conduct of communication and training programs on corporate governance. The Governance Manual further provides for the rights of all shareholders and the protection of the interests of minority stockholders. Commission of any violation of the Governance Manual is punishable by a penalty ranging from reprimand to dismissal, depending on the frequency of commission as well as the gravity thereof.

The Board has constituted six committees to effectively oversee the Corporation's operations: (i) the Executive Committee (ii) the Audit Committee; (iii) the Nominations Committee; (iv) the Compensation Committee; (v) the Corporate Governance Committee; and (vi) the Risk Oversight Committee.

A.viii Undertaking to provide without charge a copy of the Corporation's Annual Report

The Corporation will provide without charge a copy of the Corporation's Annual Report on SEC Form 17-A to its stockholders upon receipt of a written request addressed to Mr. Francisco H. Suarez, Jr., Executive Vice President and Chief Financial Officer at 43rd Floor, GT Tower International, Ayala Avenue corner H. V. Dela Costa St., 1227 Makati City, Metro Manila, Philippines.

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **JAIME MIGUEL G. BELMONTE,** Filipino, of legal age and a resident of 38 Banaba Road, South Forbes Park, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent director of GT Capital Holdings, Inc.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
The Philippine Star	President and CEO	July 1998-present
Business World Publishing Corp.	President and CEO	June 2015-present
Pilipino Star Ngayon	President	February 1994-present
Pang Masa	President	January 2003-present
Pilipino Star Printing Co., Inc.	President	February 1994-present
The Freeman	President	August 2004-present
Banat News	President	August 2004-present
Stargate Media Corp.	Vice-Chairman	October 2014-present
	Director	2000-present
Manila Tytana College	Member, Board of Advisers	2008-present
Help Educate and Rear Orphans Foundations, Inc.	Member, Board of Trustees	2011-present
Humabon Distributors, Inc.	Member, Board of Directors	2015-present
PGH Foundation	Director	2000-2001

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GT Capital Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the corporate secretary of GT Capital Holdings, Inc. of any changes in the abovementioned information within (5) days from its occurrence.

Done, this 21 day of March 2016, at Makati City.

JAIME MIGUEL G. BELMONTE
Affiant

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI)S.S.

SUBSCRIBED AND SWORN to before me this MAR 2 1 2016, affiant exhibiting to me his Passport No. EB8680963 issued on July 16, 2013 at DFA Manila.

Doc No. 8;
Page No. 2;
Book No. 25;
Series of 2016.

NINA DIORELLA K. IFURUNG
Commission No. M-14
Notary Public for Makati City
Until December 31, 2016
8th Floor, GT Tower International
6813 Ayala Avenue 1227 Makati City
Roll No. 59568; MCLE Compliance No. IV-0010569
PTR No. 5328840/01-06-16; Makati City
IBP No. 09929/Lifetime; Quezon City

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **PETER B. FAVILA,** Filipino, of legal age and a resident of **No. 40 Narra Street, Valle Verde III, Pasig** City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent Director of GT Capital Holdings, Inc.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Bangko Sentral ng Pilipinas	Consultant	July 2014 - present
Asian Bankers Association	Member, Advisory Council	1997 - present
Ramos Peace and Development Foundation, Inc.	Trustee	1999 - present
Alay sa Kawal Foundation, Inc.	Trustee	1995 - present
Monetary Board (BSP)	Member	2008 - 2014
Department of Trade and Industry (DTI)	Secretary	2005 - 2010
Philippine Stock Exchange	Chairman	2001- 2005
Allied Banking Corporation	President	1998 - 2001
Philippine National Bank	President / Vice Chairman	1995 - 1998
Security Banking Corporation	President	1991 - 1995
Exchange Capital Corporation	Director	1988 - 1991
Metropolitan Bank and Trust Co.	Senior Vice President	1975 - 1988
Citibank (Philippines)	Foreign Exchange Trader	1971 - 1975
Merchants Banking Corp.	General Bookkeeper	1967 - 1971

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GT Capital Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the corporate secretary of GT Capital Holdings, Inc. of any changes in the abovementioned information within (5) days from its occurrence.

Done, this ____ day of March 2016, at Makati City.

PETER B. FAVILA
Affiant

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI)S.S.

SUBSCRIBED AND SWORN to before me this MAR 2 1 2016, affiant exhibiting to me his Passport No. EC2447195 issued on October 17, 2014 at DFA NCR Central.

Doc No. 10;
Page No. 2;
Book No. 25;
Series of 2016.

NINA DIORELLA K. L...
Commission No. M-14
Notary Public for Makati City
Until December 31, 2016
8th Floor, GT Tower International
6813 Ayala Avenue 1227 Makati City
Roll No. 59568; MCLE Compliance No. IV-0010569
PTR No. 5328840/01-06-16; Makati City
IBP No. 09929/Lifetime; Quezon City

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **WILFREDO A. PARAS,** Filipino, of legal age and a resident of 600 Palico St., Ayala Alabang Village, Muntinlupa City, 1780, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent director of GT Capital Holdings, Inc.

2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
WAP Holdings	President	2007-present
Philex Mining Corporation	Independent Director	2011-present
Institute of Corporate Directors	Fellow	January 2014-present
Granexport Manufacturing Corporation	Director	August 2011-present
Cagayan de Oro Coconut Oil Mills, Inc.	Director	August 2011-present
Iligan Coconut Industries, Inc.	Director	August 2011-present
Dualtech Training Center Foundation, Inc.	Trustee	2012-present
JG Summit Petrochemical Corp.	Executive Vice President / Chief Operating Officer / Director	1996-2008
PT Union Carbide Indonesia	President/Director	1994-1996
Union Carbide Ltd. Singapore	Managing Director	1994-1996
Union Carbide Asia Pacific-Singapore	Business Director for Asia Pacific-Polyolefins and Wire and Cable Group	1989-1994
Union Carbide Eastern-Hongkong	Group Marketing Manager	1987-1989
Union Carbide Philippines	President	1985-1987

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GT Capital Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the corporate secretary of GT Capital Holdings, Inc. of any changes in the abovementioned information within (5) days from its occurrence.

Done, this ___th day of March 2016, at Makati City.

WILFREDO A. PARAS
Affiant

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI)S.S.

SUBSCRIBED AND SWORN to before me this MAR 2 1 2016, affiant exhibiting to me his Passport No. EB4166838 Issued on November 28, 2011 at DFA Manila.

Doc No. 9;
Page No. 2;
Book No. 26;
Series of 2016.

NINA DIORELLA K. IFURUNG
Commission No. M-14
Notary Public for Makati City
Until December 31, 2016
8th Floor, GT Tower International
6813 Ayala Avenue 1227 Makati City
Roll No. 59568; MCLE Compliance No. IV-0010569
PTR No. 5328840/01-06-16; Makati City
IBP No. 09929/Lifetime; Quezon City

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **CHRISTOPHER P. BESHOURI,** a U.S. citizen, of legal age and a resident of 12 Dap Dap Street, North Forbes, Makati, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an Independent director of GT Capital Holdings, Inc.

2. I am affiliated with the following companies or organizations:

Company/Organization	**Position/Relationship**	**Period of Service**
Vicsal Development Corporation	Group President and Chief Operating Officer; Member of the Board of Directors	September 2013-present
McKinsey and Company	President and CEO, Philippines	January 2005-July 2013
	Chief of Staff, Asia	June 2004-December 2005
	Associate Principal, Consultant	October 1997-June 2004
United States Treasury	National Bank Regulator	August 1989-July 1997
	Director, Special Studies	December 1995-July 1997
	Senior Financial Economist	August 1989-December 1995
Georgetown University, College of Business	Adjunct Professor	August 1996-June 1997
World Bank	Consultant for West Africa Country Operations	July 1988 - September 1998
Catholic Relief Services	Financial Auditor	July 1987- July 1988
Federal Reserve Bank of Atlanta	Analyst and Research Assistant	November 1984- August 1986

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of GT Capital Holdings, Inc., as provided for in Section 38 of the Securities Regulation Code and its implementing Rules and Regulations.

4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I shall inform the corporate secretary of GT Capital Holdings, Inc. of any changes in the abovementioned information within (5) days from its occurrence.

Done, this 21 day of March 2016, at Makati City.

CHRISTOPHER P. BESHOURI
Affiant

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI)S.S.

SUBSCRIBED AND SWORN to before me this MAR 2 1 2016, affiant exhibiting to me his Passport No. 488187118 issued on November 20, 2012.

Doc No. 7;
Page No. 2;
Book No. 25;
Series of 2016.

NINA MORELLA K. IFURUNG
Commission No. M-14
Notary Public for Makati City
Until December 31, 2016
8th Floor, GV Tower International
6813 Ayala Avenue 1227 Makati City
Roll No. 59568; MCLE Compliance No. IV-0010569
PTR No. 5328840/01-06-16; Makati City
IBP No. 09929/Lifetime; Quezon City

GT CAPITAL
HOLDINGS, INCORPORATED

March 22, 2016

SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA, East Greenhills
Mandaluyong City

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

Dear Director Felizmenio,

As required by the Securities and Exchange Commission, this is to certify that except for Mr. Peter B. Favila (Independent Director and one of the nominees for election to the Board of Directors) who is a consultant for the Bangko Sentral ng Pilipinas, none of the directors of GT Capital Holdings, Inc. mentioned in its Definitive Information Statement for the Annual Stockholders' Meeting on May 11, 2016 holds any position or is connected with any Philippine government agency or instrumentality.

Very truly yours,

RENEE LYNN MICIANO-ATIENZA
Officer-in-Charge
Legal & Compliance Division

GT CAPITAL
HOLDINGS, INCORPORATED

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of GT Capital Holdings, Inc. (the Company) is responsible for the preparation and fair presentation of the parent company and consolidated financial statements for the years ended December 31, 2015 and 2014, including the additional components attached therein, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

Signature: ______________________
Francisco C. Sebastian, Chairman of the Board

Signature: ______________________
Carmelo Maria L. Bautista, President

Signature: ______________________
Francisco H. Suarez Jr., Chief Finance Officer

March 10, 2016

REPUBLIC OF THE PHILIPPINES)
CITY OF MAKATI) S.S.

SUBSCRIBED AND SWORN to before me on MAR 17 2016, affiants exhibiting to me their respective Tax Identification Numbers, as follows:

Francisco C. Sebastian	TIN No. 163-762-954
Carmelo Maria L. Bautista	TIN No. 106-903-668
Francisco H. Suarez, Jr.	TIN No. 126-817-465

Doc. No. 183
Page No. 37
Book No. 8
Series of 2016

ATTY. MELISSA B. REYES
NOTARY PUBLIC FOR MAKATI CITY UNTIL DEC. 31, 2016
ROLL NO. 41369 / APPOINTMENT NO. M-249
IBP NO. 0983825 / PTR. NO. 4775329
45/F GT TOWER INTERNATIONAL, AYALA AVENUE
CORNER H.V. DE LA COSTA, MAKATI CITY

COVER SHEET
for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

C	S	2	0	0	7	1	1	7	9	2

COMPANY NAME

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

PRINCIPAL OFFICE *(No. / Street / Barangay / City / Town / Province)*

43rd Floor, GT Tower International, Ayala Avenue corner H.V. de la Costa St., Makati City

Form Type	Department requiring the report	Secondary License Type, If Applicable
AACFS		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
gtcap@gtcapital.com.ph	836-45000	

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
72	2nd Monday of May	12/31

CONTACT PERSON INFORMATION

The designated contact person ***MUST*** be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Francisco H. Suarez, Jr.	francis.suarez@gtcapital.com.ph	836-45000	

CONTACT PERSON's ADDRESS

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

NOTE 1 : *In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.*

2 : *All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.*

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
GT Capital Holdings, Inc.
43rd Floor, GT Tower International
Ayala Avenue corner H.V. de la Costa Street
Makati City

We have audited the accompanying consolidated financial statements of GT Capital Holdings, Inc. and subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2015 and 2014 and the consolidated statements of income, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of GT Capital Holdings, Inc. and subsidiaries as at December 31, 2015 and 2014, and their financial performance and cash flows for each of the three years in the period ended December 31, 2015 in accordance with Philippine Financial Reporting Standards.

SYCIP GORRES VELAYO & CO.

Vicky Lee Salas

Vicky Lee Salas
Partner
CPA Certificate No. 86838
SEC Accreditation No. 0115-AR-3 (Group A),
February 14, 2013, valid until April 30, 2016
Tax Identification No. 129-434-735
BIR Accreditation No. 08-001998-53-2015,
March 17, 2015, valid until March 16, 2018
PTR No. 5321647, January 4, 2016, Makati City

March 10, 2016

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2015	2014
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	**₱37,861,008,464**	₱29,702,403,992
Short-term investments (Note 4)	**1,861,229,824**	1,308,977,823
Receivables (Note 5)	**25,417,025,491**	16,222,612,447
Reinsurance assets (Note 16)	**–**	3,879,399,977
Inventories (Note 6)	**53,247,203,632**	31,426,388,818
Due from related parties (Note 27)	**370,215,583**	170,629,476
Prepayments and other current assets (Note 7)	**7,672,714,790**	5,468,288,896
	126,429,397,784	88,178,701,429
Assets of disposal group classified as held-for-sale (Note 12)	**8,434,296,271**	–
Total Current Assets	**134,863,694,055**	88,178,701,429
Noncurrent Assets		
Receivables (Note 5)	**9,186,220,126**	4,896,966,340
Land held for future development (Note 6)	**27,356,363,388**	–
Investments in associates and jointly controlled entities (Note 8)	**60,265,270,197**	47,451,418,711
Investment properties (Note 9)	**10,797,116,331**	8,642,628,922
Available-for-sale investments (Note 10)	**3,194,823,257**	4,126,880,131
Property and equipment (Note 11)	**51,971,758,686**	44,800,727,933
Goodwill and intangible assets (Note 13)	**17,000,427,846**	17,805,560,939
Deferred tax assets (Note 29)	**1,771,378,163**	1,726,175,505
Other noncurrent assets (Note 14)	**878,192,895**	634,065,630
Total Noncurrent Assets	**182,421,550,889**	130,084,424,111
	₱317,285,244,944	₱218,263,125,540

LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables (Note 15)	**₱22,406,870,383**	₱19,279,966,498
Insurance contract liabilities (Note 16)	**–**	5,665,033,403
Short-term debt (Note 17)	**7,318,000,000**	2,347,000,000
Current portion of long-term debt (Note 17)	**6,756,701,861**	3,060,558,380
Current portion of liabilities on purchased properties (Notes 20 and 27)	**636,521,293**	783,028,773
Customers' deposits (Note 18)	**3,690,758,352**	2,549,222,602
Dividends payable (Note 27)	**2,860,687,454**	2,034,256,000
Due to related parties (Note 27)	**174,122,998**	176,045,423
Income tax payable	**1,013,478,849**	475,809,606
Other current liabilities (Note 19)	**520,349,956**	881,680,596
	45,377,491,146	37,252,601,281
Liabilities of disposal group classified as held-for-sale (Note 12)	**6,443,763,434**	–
Total Current Liabilities	**51,821,254,580**	37,252,601,281

(Forward)

	December 31	
	2015	2014
Noncurrent Liabilities		
Long-term debt – net of current portion (Note 17)	**₱82,021,301,401**	₱42,117,518,167
Bonds payable (Note 17)	**21,800,833,823**	21,774,719,662
Liabilities on purchased properties – net of current portion (Notes 20 and 27)	**2,145,543,748**	2,728,830,324
Pension liability (Note 28)	**2,219,243,973**	2,260,951,566
Deferred tax liabilities (Note 29)	**10,826,202,677**	3,532,153,823
Other noncurrent liabilities (Note 21)	**2,609,124,207**	2,654,446,638
Total Noncurrent Liabilities	**121,622,249,829**	75,068,620,180
	173,443,504,409	112,321,221,461
Equity		
Equity attributable to equity holders of the Parent Company		
Capital stock (Note 22)	**₱1,760,430,000**	₱1,743,000,000
Additional paid-in capital (Note 22)	**46,694,658,660**	46,694,658,660
Treasury shares (Note 22)	**(6,136,000)**	(2,275,000)
Retained earnings – unappropriated (Note 22)	**33,267,506,402**	24,431,550,483
Retained earnings – appropriated (Note 22)	**8,760,000,000**	6,000,000,000
Reserve of disposal group classified as held-for-sale (Note 12)	**(74,972,316)**	–
Net unrealized gain on available-for-sale investments (Note 10)	**823,409,940**	618,360,689
Net unrealized loss on remeasurements of defined benefit plans	**(305,876,856)**	(419,273,541)
Equity in net unrealized loss on available-for-sale investments of associates (Note 8)	**(968,850,532)**	(78,201,771)
Equity in translation adjustments of associates (Note 8)	**502,056,458**	391,456,226
Equity in net unrealized loss on remeasurements of defined benefit plans of associates and jointly controlled entities (Note 8)	**(897,865,130)**	(614,849,501)
Equity in cash flow hedge reserve of a jointly controlled entity (Note 8)	**4,201,060**	–
Other equity adjustments (Note 22)	**575,529,642**	582,646,105
	90,134,091,328	79,347,072,350
Non-controlling interests (Notes 8 and 22)	**53,707,649,207**	26,594,831,729
Total Equity	**143,841,740,535**	105,941,904,079
	₱317,285,244,944	₱218,263,125,540

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31		
	2015	2014 (As restated – Note 12)	2013 (As restated – Note 12)
CONTINUING OPERATIONS			
REVENUE			
Automotive operations (Note 35)	**₱120,802,061,865**	₱108,816,378,011	₱74,358,719,420
Net fees (Note 35)	**18,391,471,851**	18,973,393,331	16,944,068,872
Real estate sales	**8,999,626,857**	5,840,510,876	4,702,395,088
Equity in net income of associates and jointly controlled entities (Note 8)	**5,616,062,597**	3,420,496,386	3,587,810,207
Interest income (Note 23)	**1,973,191,552**	1,521,197,938	1,412,776,773
Rent income (Notes 9 and 30)	**840,462,342**	764,486,511	592,043,715
Sale of goods and services	**635,772,837**	603,001,321	656,716,866
Commission income	**194,244,744**	79,530,749	162,793,129
Gain on revaluation of previously held interest	**–**	–	2,046,209,717
Other income (Note 23)	**1,777,810,438**	1,087,017,091	519,773,061
	159,230,705,083	141,106,012,214	104,983,306,848
COSTS AND EXPENSES			
Cost of goods and services sold (Note 25)	**74,941,309,075**	70,596,786,954	45,469,459,666
Cost of goods manufactured and sold (Note 25)	**27,837,739,378**	24,213,432,167	19,986,100,133
General and administrative expenses (Note 26)	**10,857,959,999**	10,391,823,910	9,044,622,702
Power plant operation and maintenance expenses (Note 24)	**9,477,510,423**	10,327,712,446	8,945,435,941
Cost of real estate sales (Note 6)	**6,487,224,116**	4,333,871,992	3,666,932,487
Interest expense (Note 17)	**3,931,702,487**	3,239,986,545	3,461,902,965
Cost of rental (Note 30)	**271,608,089**	270,091,940	113,149,475
	133,805,053,567	123,373,705,954	90,687,603,369
INCOME BEFORE INCOME TAXES FROM CONTINUING OPERATIONS	**25,425,651,516**	17,732,306,260	14,295,703,479
PROVISION FOR INCOME TAX (Note 29)	**4,516,556,002**	2,680,700,924	1,799,629,783
NET INCOME FROM CONTINUING OPERATIONS	**20,909,095,514**	15,051,605,336	12,496,073,696
NET INCOME FROM DISPOSAL GROUP (Note 12)	**49,701,038**	99,536,392	34,576,780
NET INCOME	**₱20,958,796,552**	₱15,151,141,728	₱12,530,650,476
ATTRIBUTABLE TO:			
Equity holders of the Parent Company			
Profit for the year from continuing operations	**₱12,069,121,341**	₱9,057,976,892	₱8,614,459,534
Profit for the year from disposal group	**49,701,038**	94,636,070	25,726,580
	12,118,822,379	9,152,612,962	8,640,186,114
Non-controlling interests			
Profit for the year from continuing operations	**8,839,974,173**	5,993,628,444	3,881,614,162
Profit for the year from disposal group	**–**	4,900,322	8,850,200
	8,839,974,173	5,998,528,766	3,890,464,362
	₱20,958,796,552	₱15,151,141,728	₱12,530,650,476
Basic/Diluted Earnings Per Share from Continuing Operations Attributable to Equity Holders of the Parent Company (Note 34)	**₱69.24**	₱51.97	₱49.55
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company (Note 34)	**₱69.53**	₱52.51	₱49.70

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31		
	2015	2014 (As restated – Note 12)	2013 (As restated – Note 12)
NET INCOME FROM CONTINUING OPERATIONS	**₱20,909,095,514**	₱15,051,605,336	₱12,496,073,696
NET INCOME FROM DISPOSAL GROUP (NOTE 12)	**49,701,038**	99,536,392	34,576,780
NET INCOME	**20,958,796,552**	15,151,141,728	12,530,650,476
OTHER COMPREHENSIVE INCOME			
CONTINUING OPERATIONS			
Items that may be reclassified to profit or loss in subsequent periods:			
Changes in fair value of available-for-sale investments (Note 10)	**414,038,937**	938,017,479	211,170,833
Equity in other comprehensive income of associates and jointly controlled entities (Note 8):			
Changes in fair value of available-for-sale investments	**(890,648,761)**	(82,889,729)	(2,949,386,183)
Cash flow hedge reserve	**4,201,060**	–	–
Translation adjustments	**110,600,232**	(25,685,843)	380,717,747
	(361,808,532)	829,441,907	(2,357,497,603)
Items that may not be reclassified to profit or loss in subsequent periods:			
Remeasurements of defined benefit plans (Note 28)	**260,144,740**	(302,327,215)	(344,584,842)
Equity in remeasurement of defined benefit plans of associates (Note 28)	**(404,308,041)**	154,384,777	(314,214,019)
Income tax effect	**43,248,990**	44,382,731	197,639,658
	(100,914,311)	(103,559,707)	(461,159,203)
OTHER COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS	**(462,722,843)**	725,882,200	(2,818,656,806)
OTHER COMPREHENSIVE INCOME (LOSS) FROM DISPOSAL GROUP, NET OF TAX	**(39,435,735)**	35,356,450	(70,893,031)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	**(502,158,578)**	761,238,650	(2,889,549,837)
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**₱20,456,637,974**	₱15,912,380,378	₱9,641,100,639
ATTRIBUTABLE TO:			
Equity holders of the Parent Company			
Total comprehensive income for the year from continuing operations	**₱11,293,167,598**	₱9,352,187,175	₱5,753,893,802
Total comprehensive income for the year from disposal group	**10,265,303**	134,892,842	25,726,581
	11,303,432,901	9,487,080,017	5,779,620,383
Non-controlling interests			
Total comprehensive income for the year from continuing operations	**9,153,205,073**	6,418,925,424	3,875,645,720
Total comprehensive income (loss) for the year from disposal group	**–**	6,374,937	(14,165,464)
	9,153,205,073	6,425,300,361	3,861,480,256
	₱20,456,637,974	₱15,912,380,378	₱9,641,100,639

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to Equity Holders of the Parent Company															
	Capital Stock (Note 22)	Additional Paid-in Capital (Note 22)	Treasury Shares (Note 22)	Retained Earnings - Appropriated (Note 22)	Retained Earnings - Unappropriated (Note 22)	Net Unrealized Gain (Loss) on Available-for-Sale Investments (Note 10)	Net Unrealized Gain (Loss) on Remeasurements of Defined Benefit Plans (Note 28)	Equity in Net Unrealized Gain (Loss) on Available-for-Sale Investments of Associates (Note 8)	Equity in Translation Adjustments of Associates (Note 8)	Equity in Net Unrealized Loss on Remeasurements of Defined Benefit Plans of Associates and Jointly Controlled Entities (Note 8)	Equity in Cash flow Hedge Reserve of Jointly Controlled Entity	Reserve of Disposal Group Classified as Held for Sale	Other Equity Adjustments (Note 22)	Total	Attributable to Non-controlling Interests (Note 22)	Total Equity
Balance at January 1, 2015	**₱1,743,000,000**	**₱46,694,658,660**	**(₱2,275,000)**	**₱6,000,000,000**	**₱24,431,550,483**	**₱618,360,689**	**(₱419,273,541)**	**(₱78,201,771)**	**₱391,456,226**	**(₱614,849,501)**	**₱–**	**₱–**	**₱582,646,105**	**₱79,347,072,350**	**₱26,594,831,729**	**₱105,941,904,079**
Issuance of capital stock	**17,430,000**	–	–	–	–	–	–	–	–	–	–	–	–	**17,430,000**	–	**17,430,000**
Effect of business combination (Notes 10 and 31)	–	–	–	–		**(132,171)**	–	–	–	–	–	–	–	**(132,171)**	**24,288,881,125**	**24,288,748,954**
Dividends declared (Note 22)	–	–	–	–	**(522,866,460)**	–	–	–	–	–	–	–	–	**(522,866,460)**	–	**(522,866,460)**
Dividends paid to non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–		–	**(6,308,932,611)**	**(6,308,932,611)**
Appropriation during the period	–	–	–	**8,760,000,000**	**(8,760,000,000)**	–	–	–	–	–	–	–	–	–	–	–
Reversal of appropriation upon completion of expansion and acquisition	–	–	–	**(6,000,000,000)**	**6,000,000,000**	–	–	–	–	–	–	–	–	–	–	–
Acquisition of treasury shares	–	–	**(3,861,000)**	–	–	–	–	–	–	–	–	–	–	**(3,861,000)**	–	**(3,861,000)**
Return of deposits	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**(15,270,110)**	**(15,270,110)**
Acquisition of non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	**(7,116,463)**	**(7,116,463)**	**(5,065,999)**	**(12,182,462)**
Total comprehensive income	–	–	–	–	**12,118,822,379**	**187,313,307**	**56,292,484**	**(890,648,761)**	**110,600,232**	**(283,015,629)**	**4,201,060**	–	–	**11,303,565,072**	**9,153,205,073**	**20,456,770,145**
Reclassification to reserves of disposal group	–	–	–	–	–	**17,868,115**	**57,104,201**	–	–	–	–	**(74,972,316)**	–	–	–	–
Balance at December 31, 2015	**₱1,760,430,000**	**₱46,694,658,660**	**(₱6,136,000)**	**₱8,760,000,000**	**₱33,267,506,402**	**₱823,409,940**	**(₱305,876,856)**	**(₱968,850,532)**	**₱502,056,458**	**(₱897,865,130)**	**₱4,201,060**	**(₱74,972,316)**	**₱575,529,642**	**₱90,134,091,328**	**₱53,707,649,207**	**₱143,841,740,535**
Balance at January 1, 2014	₱1,743,000,000	₱46,694,658,660	(₱6,125,000)	₱–	₱21,801,822,521	₱80,294,836	(₱216,180,970)	₱4,687,958	₱417,142,069	(₱722,918,846)	₱–	₱–	₱729,053,992	₱70,525,435,220	₱22,038,319,659	₱92,563,754,879
Effect of business combination (Note 31)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	42,175,650	42,175,650
Acquisition of non-controlling interest (Notes 22 and 31)	–	–	–	–	–	–	–	–	–	–	–	–	(340,359,244)	(340,359,244)	(372,637,016)	(712,996,260)
Appropriation during the period	–	–	–	9,000,000,000	(9,000,000,000)	–	–	–	–	–	–	–	–	–	–	–
Reversal of appropriation upon completion of expansion and acquisition	–	–	–	(3,000,000,000)	3,000,000,000	–	–	–	–	–	–	–	–	–	–	–
Dividends declared (Note 22)	–	–	–	–	(522,885,000)	–	–	–	–	–	–	–	–	(522,885,000)	–	(522,885,000)
Sale of direct interest in a subsidiary (Note 22)	–	–	–	–	–	–	–	–	–	–	–	–	193,951,357	193,951,357	104,761,043	298,712,400
Dividends paid to non-controlling interest (Note 22)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(4,320,412,474)	(4,320,412,474)
Effect of equity call (Note 22)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	2,145,416,806	2,145,416,806
Acquisition of treasury shares (Note 22)	–	–	3,850,000	–	–	–	–	–	–	–	–	–	–	3,850,000	–	3,850,000
Non-controlling interest on deposit for future stock subscription (Note 22)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	531,907,700	531,907,700
Total comprehensive income	–	–	–	–	9,152,612,962	538,065,853	(203,092,571)	(82,889,729)	(25,685,843)	108,069,345	–	–	–	9,487,080,017	6,425,300,361	15,912,380,378
Balance at December 31, 2014	₱1,743,000,000	₱46,694,658,660	(₱2,275,000)	₱6,000,000,000	₱24,431,550,483	₱618,360,689	(₱419,273,541)	(₱78,201,771)	₱391,456,226	(₱614,849,501)	₱–	₱–	₱582,646,105	₱79,347,072,350	₱26,594,831,729	₱105,941,904,079
Balance at January 1, 2013	₱1,580,000,000	₱36,752,473,660	₱–	₱–	₱13,684,536,407	(₱6,606,601)	(₱57,332,052)	₱2,954,074,141	₱36,424,322	(₱502,969,032)	–	₱–	(₱681,066,182)	₱53,759,534,663	₱11,294,157,537	₱65,053,692,200
Issuance of capital stock	163,000,000	9,942,185,000	–	–	–	–	–	–	–	–	–	–	–	10,105,185,000	–	10,105,185,000
Effect of business combination	–	–	–	–	–	–	–	–	–	–	–	–	2,591,176	2,591,176	7,222,853,016	7,225,444,192
Dividends declared	–	–	–	–	(522,900,000)	–	–	–	–	–	–	–	–	(522,900,000)	–	(522,900,000)
Sale of indirect interest in a subsidiary (Note 22)	–	–	–	–	–	–	–	–	–	–	–	–	1,407,528,998	1,407,528,998	2,156,827,165	3,564,356,163
Dividends paid to non-controlling interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(3,456,348,554)	(3,456,348,554)
Acquisition of treasury shares	–	–	(6,125,000)	–	–	–	–	–	–	–	–	–	–	(6,125,000)	–	(6,125,000)
Effect of equity call	–	–	–	–	–	–	–	–	–	–	–	–	–	–	959,350,239	959,350,239
Total comprehensive income	–	–	–	–	8,640,186,114	86,901,437	(158,848,918)	(2,949,386,183)	380,717,747	(219,949,814)	–	–	–	5,779,620,383	3,861,480,256	9,641,100,639
Balance at December 31, 2013	₱1,743,000,000	₱46,694,658,660	(₱6,125,000)	₱–	₱21,801,822,521	₱80,294,836	(₱216,180,970)	₱4,687,958	₱417,142,069	(₱722,918,846)	₱–	₱–	₱729,053,992	₱70,525,435,220	₱22,038,319,659	₱92,563,754,879

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31		
	2015	2014 (As restated – Note 12)	2013 (As restated – Note 12)
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax from continuing operations	**₱25,425,651,516**	₱17,732,306,260	₱14,295,703,479
Income before income tax from disposal group classified as held-for-sale (Note 12)	**65,607,351**	129,432,411	38,217,118
Income before income tax	**25,491,258,867**	17,861,738,671	14,333,920,597
Adjustments for:			
Equity in net income of associates and jointly controlled entities (Note 8)	**(5,616,062,597)**	(3,420,496,386)	(3,587,810,207)
Interest expense (Notes 17)	**3,932,477,491**	3,240,637,751	3,462,323,309
Depreciation and amortization (Note 11)	**3,413,751,521**	3,203,076,123	2,857,274,685
Interest income (Notes 12 and 23)	**(2,052,083,236)**	(1,596,647,415)	(1,429,029,216)
Pension expense (Note 28)	**454,403,344**	344,063,627	329,461,750
Loss from initial recognition of financial asset (Notes 26 and 27)	**–**	–	275,000
Gain on revaluation of previously held interest	**–**	–	(2,046,209,717)
Dividend income (Notes 12 and 23)	**(49,145,218)**	(53,379,614)	(77,277,481)
Gain on disposal of property and equipment (Notes 11 and 23)	**(29,605,238)**	(90,170,461)	(15,998,480)
Gain on sale of available-for-sale investments (Notes 10 and 23)	**(17,679,247)**	(11,719,110)	(8,522,850)
Provisions (Note 26)	**349,541,699**	444,531,888	44,467,476
Loss on impairment of available-for-sale investments (Note 26)	**–**	10,219,296	–
Unrealized foreign exchange losses (Note 26)	**89,182,225**	1,106,204	46,646,838
Operating income before changes in working capital	**25,966,039,611**	19,932,960,574	13,909,521,704
Decrease (increase) in:			
Short-term investments	**407,822,467**	157,486,044	(1,466,463,867)
Receivables	**(2,952,859,658)**	(1,793,807,708)	(3,567,427,696)
Reinsurance assets	**1,004,534,703**	1,086,177,833	(1,264,065,439)
Inventories	**(9,681,969,144)**	(12,554,381,359)	(1,241,257,020)
Land held for future development (Note 6)	**(2,856,322,021)**	–	–
Due from related parties	**(199,586,107)**	274,475,218	(360,355,721)
Prepayments and other current assets	**(1,019,989,433)**	602,445,853	912,622,867
Increase (decrease) in:			
Accounts and other payables	**905,392,817**	(1,130,781,912)	3,247,434,285
Insurance contract liabilities	**(613,317,548)**	(1,018,551,718)	1,356,875,814
Customers' deposits	**465,749,247**	705,001,592	868,420,502
Due to related parties	**(1,922,425)**	(12,339,991)	(2,879,307)
Other current liabilities	**(215,484,485)**	(1,732,347,398)	(558,335,421)
Cash provided by operations	**11,208,088,024**	4,516,337,028	11,834,090,701
Dividends paid (Note 22)	**(6,005,367,615)**	(4,775,079,474)	(2,972,214,411)
Interest paid	**(4,162,556,343)**	(2,955,450,666)	(4,035,343,587)
Income tax paid	**(4,215,751,783)**	(2,832,193,988)	(1,031,375,223)
Interest received	**1,993,174,916**	1,541,988,610	1,498,796,846
Dividends received	**918,406,609**	1,246,826,796	833,163,900
Contributions to pension plan assets (Note 28)	**(204,842,576)**	(128,837,564)	(108,214,980)
Net cash provided by (used in) operating activities	**(468,848,768)**	(3,386,409,258)	6,018,903,246

(Forward)

	Years Ended December 31		
	2015	2014 (As restated – Note 12)	2013 (As restated – Note 12)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from:			
Disposal of property and equipment	**₱566,026,497**	₱674,898,990	₱160,733,099
Sale of available-for-sale investments	**270,761,581**	565,512,917	62,977,803
Settlement of deposits	–	–	2,085,000,000
Disposal of investment property	**139,630,406**	–	–
Additions to:			
Investments in associates and jointly controlled entities (Note 8)	**(8,833,184,925)**	(4,224,887,290)	(502,243,750)
Investment properties (Note 9)	**(485,003,294)**	(87,139,476)	(143,738,791)
Property and equipment (Note 11)	**(9,953,536,038)**	(6,663,495,390)	(7,025,386,058)
Available-for-sale investments	**(526,466,899)**	(594,427,916)	690,297,705
Intangible assets (Note 13)	**(28,584,732)**	(11,966,724)	(9,201,020)
Acquisition of subsidiary, net of cash acquired (Note 31)	**(6,902,352,644)**	(281,560,366)	2,677,274,289
Decrease (increase) in other noncurrent assets	**242,794,891**	(63,491,024)	(200,078,395)
Net cash used in investing activities	**(25,509,915,157)**	(10,686,556,279)	(2,204,365,118)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from:			
Loan availments (Note 17)	**57,830,074,142**	7,659,598,455	7,340,500,000
Issuance of bonds payable	–	11,875,378,311	9,894,756,979
Issuance of capital stock (Note 22)	**17,430,000**	–	10,105,185,000
Payment of loans payable	**(21,910,738,992)**	(5,800,381,750)	(18,047,447,689)
Increase (decrease) in:			
Liabilities on purchased properties	**(729,794,056)**	(808,517,026)	1,739,801,352
Other noncurrent liabilities	**(161,803,732)**	1,006,184,785	858,005,716
Non-controlling interests (Note 22)	**75,838,258**	2,677,324,506	(45,092,694)
Net cash provided by financing activities	**35,121,005,620**	16,609,587,281	11,845,708,664
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(89,182,225)**	(1,106,204)	(46,646,838)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**9,053,059,470**	2,535,515,540	15,613,599,954
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**29,702,403,992**	27,166,888,452	11,553,288,498
CASH AND CASH EQUIVALENTS OF DISPOSAL GROUP AT END OF YEAR (Note 12)	**(894,454,998)**	–	–
CASH AND CASH EQUIVALENTS OF CONTINUING OPERATION AT END OF YEAR (Note 4)	**₱37,861,008,464**	₱29,702,403,992	₱27,166,888,452

See accompanying Notes to Consolidated Financial Statements.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
NOTES TO 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. (PSE).

The ultimate parent of GT Capital Holdings, Inc. is Grand Titan Capital Holdings, Inc. (Grand Titan).

Group Activities

The Parent Company, Federal Land, Inc. (Fed Land) and Subsidiaries (Fed Land Group), Property Company of Friends, Inc. (PCFI) and Subsidiaries (PCFI 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), PCFI 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.

The primary purpose of the PCFI Group is to own, use, improve, develop, subdivide, sell, exchange, lease and hold for investment, real estate of all kinds, including buildings, houses, apartments and other structures.

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. (Metrobank or MBTC), 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 the 43rd Floor, GT Tower International, Ayala Avenue corner H.V. de la Costa Street, 1227 Makati City.

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying 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 consolidated financial statements are presented in Philippine Peso (₱), the Parent Company's functional currency. All values are rounded to the nearest peso unless otherwise indicated.

Statement of Compliance

The consolidated financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

Basis of Consolidation

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

		Direct Percentages of Ownership			Effective Percentages of Ownership		
	Country of	**December 31**			**December 31**		
	Incorporation	**2015**	2014	2013	**2015**	2014	2013
Fed Land and Subsidiaries	Philippines	**100.00**	100.00	100.00	**100.00**	100.00	100.00
Charter Ping An (Note 12)	-do-	**100.00**	100.00	66.67	**100.00**	100.00	74.97
TCI and Subsidiary	-do-	**53.80**	52.01	–	**53.80**	52.01	–
GBPC and Subsidiaries	-do-	**51.27**	51.27	50.89	**52.45**	52.45	53.16
Toyota and Subsidiaries	-do-	**51.00**	51.00	51.00	**51.00**	51.00	51.00
PCFI and Subsidiaries	-do-	**22.68**	–	–	**22.68**	–	–

Fed Land's Subsidiaries

	Percentage of Ownership		
	2015	2014	2013
Horizon Land Property and Development Corp. (HLPDC)	**100.00**	100.00	100.00
Omni – Orient Management Corp. (Previously as Top Leader Property Management Corp.) (TLPMC)	**100.00**	100.00	100.00
Central Realty and Development Corp. (CRDC)	**75.80**	75.80	75.80
Federal Brent Retail, Inc. (FBRI)	**51.66**	51.66	51.66
FLI - Management and Consultancy, Inc. (FMCI)*	**–**	100.00	100.00
Baywatch Project Management Corporation (BPMC)*	**–**	100.00	100.00

* *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 SEC approved the merger on March 20, 2015.*

PCFI's Subsidiaries

	Percentage of Ownership
Micara Land, Inc.	**100.00**
Firm Builders Realty Development Corporation	**100.00**
Marcan Development Corporation (MDC)*	**100.00**

**MDC was incorporated on November 25, 2015 and has not started commercial business operations.*

GBPC's Subsidiaries

	Percentage of Ownership	
	2015	2014
ARB Power Venture, Inc. (APVI)	**100.00**	100.00
Toledo Holdings Corp. (THC)	**100.00**	100.00
Toledo Cebu Int'l Trading Resources Corp. (TCITRC)	**100.00**	100.00
Toledo Power Company (TPC)	**100.00**	100.00
GBH Power Resources, Inc. (GPRI)	**100.00**	100.00
Global Energy Supply Corp. (GESC)	**100.00**	100.00
Mindanao Energy Development Corporation (MEDC)	**100.00**	100.00
Global Hydro Power Corporation (GHPC)	**100.00**	100.00
Global Renewables Power Corporation (GRPC)	**100.00**	100.00
Global Luzon Energy Development Corporation (GLEDC) (Note 8)	**100.00**	49.00
Global Formosa Power Holdings, Inc. (GFPHI)	**93.20**	93.20
Panay Power Holdings Corp (PPHC)	**89.30**	89.30
Panay Power Corp. (PPC)	**89.30**	89.30
Panay Energy Development Corp. (PEDC)	**89.30**	89.30
Cebu Energy Development Corp. (CEDC)	**52.19**	52.19

Toyota's Subsidiaries

	Percentage of Ownership	
	2015	2014
Toyota Makati, Inc. (TMI)	**100.00**	100.00
Toyota Sta. Rosa Laguna, Inc. (TSRLI)	**100.00**	–
Lexus Manila, Inc. (LMI)	**75.00**	75.00
Toyota San Fernando Pampanga, Inc. (TSFI)	**55.00**	55.00

TSRLI was incorporated on June 24, 2015.

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. Consolidation of subsidiaries ceases when control is transferred out of the Parent Company.

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, presented under 'Assets of disposal group classified as held-for-sale' and PCFI which uses fair value model in accounting for its 'Investment Properties'. The carrying values of the condominium units of Charter Ping An and the investment properties of PCFI are adjusted to eliminate the effect of revaluation or fair value gain 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. The interest of non-controlling shareholders may be initially measured at fair value or share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, NCI consists of the amount attributed to such interests at initial recognition and the NCI's share of changes in equity since the date of combination.

NCI are presented separately in the 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 PFRS;
- 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 considerations transferred on acquisition of a subsidiary under common control are 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 elects whether to measure the NCI 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 consolidated statements 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 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 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 interest 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 consolidated statements of income or as changes to other comprehensive income. If the contingent consideration is classified as equity, it shall not be remeasured 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 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 (1) year.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount recognized for any NCI 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 NCI in the acquiree and the fair value of the acquirer's previously-held interest, if any, the difference is recognized immediately in the 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 consolidated statements 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 units (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.

Goodwill is not amortized but is reviewed for impairment at least annually. Any impairment losses are recognized immediately in profit of loss and is not subsequently reversed.

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 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 consolidated financial statements are consistent with those of the previous year except for the following new and amended Philippine Financial Reporting Standards (PFRS) and PAS which were adopted as of January 1, 2015.

Except as otherwise indicated, the following new and amended standards did not have a material impact on the accounting policies, financial position or performance of the Group.

Annual Improvements to PFRSs (2011-2013 cycle)

- PFRS 3, *Business Combinations – Scope Exceptions for Joint Arrangements*
- PFRS 13, *Fair Value Measurement – Portfolio Exception*
- PAS 40, *Investment Property*

The Group will consider the amendments to the following standards as applicable to future transactions:

- PAS 19*, Employee Benefits – Defined Benefit Plans: Employee Contributions (Amendments)*
- *Annual Improvements to PFRSs (2010-2012 cycle)*
- PFRS 2, *Share-based Payment – Definition of Vesting Condition*
- PFRS 3, *Business Combinations –Accounting for Contingent Consideration in a Business Combination*
- 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*
- 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.

The impact of the revised standards adopted effective January 1, 2015 has been reflected in the consolidated financial statements, as applicable.

Significant Accounting Policies

Cash and Cash Equivalents
Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of placement and that are subject to an insignificant risk of changes in value.

Fair Value Measurement
The Group measures financial instruments, such as AFS investments, at fair value at each reporting 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 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 financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the 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 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 either 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 December 31, 2015 and 2014, the Group has no financial assets and financial liabilities at FVPL and HTM investments. The Group's financial instruments include loans and receivables, AFS investments and other financial liabilities.

Determination of fair value

The fair value for financial instruments traded in active markets as at the reporting date is based on their quoted market prices 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, option 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.

'Day 1' difference

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

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 accounts in the consolidated statement of financial position 'Receivables', 'Due from related parties' and 'Cash and cash equivalents'.

Receivables are recognized initially at fair value which normally pertains to the billable amount. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest 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 consolidated statement of income. The losses arising from impairment of such loans and receivables are recognized in the consolidated statement of income.

AFS investments
AFS investments are those 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 and other debt instruments.

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 income. Dividends on AFS equity instruments are recognized in the consolidated statement of income when the entity'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 instruments 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
These 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 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 EIR.

This accounting policy applies primarily to the Group's 'Accounts and other payables', 'Short-term debt', 'Long-term debt', '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). The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument, as a whole, the amount separately determined as the fair value of the liability component on the date of issue.

Impairment of Financial Assets
The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicate that there is measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Loans and receivables
For loans and receivables carried at amortized cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that have not been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR, adjusted for the original credit risk premium. The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is charged to the consolidated statement of income. Interest income continues to be recognized based on the original EIR of the asset.

If the Group determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses for impairment. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in the collective assessment for impairment.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of such credit risk characteristics as past due status and term. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

Loans, together with the associated allowance accounts, are written off when there is no realistic prospect of future recovery and all collateral has been realized. If, in a subsequent year, the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the consolidated statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost as at the reversal date.

AFS investments
For AFS investments, the Group assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

In case of equity instruments classified as AFS investments, this would include a significant or prolonged decline in the fair value of the investments below its cost. Where there is evidence of impairment, the cumulative loss, measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in the consolidated statement of income, is removed from the statement of changes in equity and recognized in the consolidated statement of income. Impairment losses on equity instruments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in the consolidated statement of comprehensive income.

In the case of debt instruments classified as AFS investments, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Future interest income is based on the reduced carrying amount and is accrued based on the rate of interest used to discount future cash flows for the purpose of measuring impairment loss. Such accrual is recorded as 'Interest income' in the statement of income. If, in the subsequent year, the fair value of the debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the consolidated statement of income, the impairment loss is reversed through the consolidated statement of income.

<u>Derecognition of Financial Assets and Liabilities</u>
Financial asset
A financial asset (or, where applicable a part of a financial asset or part of a group of financial assets) is derecognized when:

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

Where the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

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

Offsetting Financial Instruments
Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, where the related assets and liabilities are presented at gross in the consolidated statement of financial position.

Inventories
Real estate inventories
Property acquired that are being developed or constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as real estate inventory. Real estate inventories consist of land and improvements, and condominium units held for sale.

Land and improvements consists of properties that is held for future real estate projects and are carried at the lower of cost or net realizable value (NRV). Cost includes the acquisition cost of the land and those costs incurred for development and improvement of the properties. Upon commencement of real estate project, the subject land is transferred to 'Condominium units held for sale'.

NRV is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less estimated costs of completion and the estimated costs of sale.

Costs of condominium units held for sale includes the carrying amount of the land transferred from 'Land and improvements' at the commencement of its real estate projects and those costs incurred for construction, development and improvement of the properties, including capitalized borrowing costs.

Costs of residential units include land cost, land improvement costs, borrowing costs, amounts paid to contractors for construction and development, planning and design cost, cost of site preparation, professional fees, property transfer taxes, construction overheads and other related costs.

Gasoline retail, petroleum products and chemicals
Cost is determined using first-in, first-out method. The costs of oil, petroleum products and chemicals include cost incurred for acquisition and freight charges.

Power inventories
Inventories, at GBPC Group, which consist of coal, industrial fuel, lubricating oil, spare parts and supplies are stated at the lower of cost and NRV. Cost is determined using the weighted average method while the NRV is the current replacement cost. In determining the NRV, the Group considers any adjustment necessary for obsolescence.

Automotive inventories
These are inventories of the Toyota Group which are valued at the lower of cost or NRV. NRV is the estimated selling price in the ordinary course of business, less the estimated costs of completion, marketing and distribution.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials and spare parts	− Purchase cost on a weighted average cost
Finished goods and work-in-process	− Cost of direct material and labor and proportion of fixed and overhead manufacturing costs allocated based on normal operating capacity
Raw materials and spare parts in-transit	− Cost is determined using the specific identification method

Investments in Associates and Jointly Controlled Entities

Investments in associates and jointly-controlled entities are accounted for under the equity method of accounting. An associate is an entity in which the Group has significant influence and which is neither a subsidiary nor a jointly-controlled entity of the Group. A joint venture is a contractual agreement whereby two or more parties undertake an economic activity that is subject to joint control.

An investment is accounted for using the equity method from the day it becomes an associate or a jointly-controlled entity. On acquisition of investment, the excess of the cost of investment over the investor's share in the net fair value of the investee's identifiable assets, liabilities and contingent liabilities is accounted for as goodwill and included in the carrying amount of the investment and is neither amortized nor individually tested for impairment. Any excess of the investor's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities over the cost of the investment is excluded from the carrying amount of the investment, and is included as income in the determination of the share in the earnings of the investee.

Under the equity method, the investments in and advances to associates and jointly-controlled entities are carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share in the net assets of the investees, less any impairment in value.

The consolidated statement of comprehensive income reflects the Group's share in the results of operations of the investee companies and the Group's share on movements in the investee's OCI are recognized directly in OCI in the consolidated financial statements. The Group's share on total comprehensive income of an associate is shown in the consolidated statement of income and consolidated statement of comprehensive income. The aggregate of the Group's equity in net income of associates and jointly controlled entities is shown on the face of the consolidated statement of income as part of operating profit and represents profit or loss after tax and NCI in the subsidiaries of the associate and jointly controlled entities.

Profits and losses resulting from transactions between the Group and the investee companies are eliminated to the extent of the interest in the investee companies, and for unrealized losses, to the extent that there is no evidence of impairment of the assets transferred. Dividends received from investee companies are treated as a reduction of the accumulated earnings included under 'Investments in associates and jointly controlled entities' account in the consolidated statement of financial position.

The Group discontinues applying the equity method when its investments in investee companies are reduced to zero. Accordingly, additional losses are not recognized unless the Group has guaranteed certain obligations of the associates or jointly-controlled entities. When the investees subsequently report net income, the Group will resume applying the equity method but only after its equity in the net income equals the equity in net losses of associates and jointly-controlled entities not recognized during the period the equity method was suspended.

Upon loss of significant influence over the associates or joint control over the jointly controlled entities, the Group measures and recognizes any retained investments at its fair value. Any difference between the carrying amount of the associate or JV upon loss of significant influence or joint control upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal in retained investments and proceeds from disposal in recognized in profit or loss.

Land held for Future Development
Land held for future development consists of properties for future developments and are carried at the lower of cost or NRV. NRV is the estimated selling price in the ordinary course of business, less cost to complete and costs of sale. Costs include cost incurred for development and improvements of the properties. Upon start of development, the related cost of the land is transferred to real estate inventories.

Investment Properties
Investment properties consist of properties that are held to earn rentals and that are not occupied by the companies in the Group. Investment properties, except for land, are carried at cost less accumulated depreciation and amortization and any impairment in residual value. Land is carried at cost less any impairment in value.

Depreciation and amortization of investment properties are computed using the straight-line method over the estimated useful lives (EUL) of the properties which is 25 years.

Investment properties are derecognized when either they have been disposed of, or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognized in the consolidated statement of income in the year of retirement or disposal.

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when and only when there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale. Transfers between investment property, owner-occupied property and inventories do not change the carrying amount of the property transferred and they do not change the cost of that property for measurement or disclosure purposes.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. Borrowing costs that are directly attributable to the construction of investment properties are capitalized during the construction period. CIP is not depreciated until such time as the relevant assets are in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property and Equipment
Property and equipment are stated at cost less accumulated depreciation and amortization and any impairment in value. The initial cost of property and equipment comprises its purchase price, including import duties, taxes and any directly attributable costs of bringing the property and equipment to its working condition and location for its intended use, including capitalized borrowing costs.

Construction-in-progress (CIP) is stated at cost. This includes cost of construction and other direct costs. CIP is not depreciated until such time that the relevant assets are completed and put into operational use.

Power plant construction in progress represents power plant complex under construction and is stated at cost. Cost of power plant construction in progress includes purchase price of the components, capitalized borrowing cost, cost of testing and other directly attributable cost of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. CIP is not depreciated until such time that the relevant assets are ready for use.

Major repairs are capitalized as part of property and equipment only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items can be measured reliably. All other repairs and maintenance are charged against operations as incurred.

Depreciation and amortization of property and equipment commences once the property and equipment are available for use and are calculated on the straight-line basis over the following EUL of the property and equipment as follows

	Years
Transportation equipment	5
Furniture, fixtures and equipment	5
Leasehold improvements	2 to 10 or lease term (whichever is shorter)
Machinery, tools and equipment	3 to 5
Building	20 to 40
Boilers and powerhouse	9 to 25
Turbine generators and desox system	9 to 25
Buildings and land improvements	9 to 25
Electrical distribution system	7 to 25
Other property and equipment	3 to 5

The assets' residual values, EUL and depreciation and amortization method are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

Transfers are made from property and equipment, when there is a change in use, evidenced by ending of owner-occupation, and with a view of sale.

Impairment or losses of items of property, plant and equipment, related claims for or payments of compensation from third parties and any subsequent purchase or construction of replacement assets are separate economic events and are accounted for separately.

When property and equipment are retired or otherwise disposed of, the cost of the related accumulated depreciation and amortization and provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of the acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of income in the year in which the expenditure is incurred.

The useful lives of intangible assets with finite life are assessed at the individual asset level. Intangible assets with finite life are amortized over their useful life. Periods and method of amortization for intangible assets with finite useful lives are reviewed annually or earlier when an indicator of impairment exists. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the intangible asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The Group's intangible assets consist of power purchase agreements, customer relationship, software costs and franchise. A gain or loss arising from derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the consolidated statement of income when the intangible asset is derecognized.

Power Purchase Agreements (PPA)
PPA pertain to the electricity power purchase agreements (EPPAs) which give GBPC the right to charge certain electric cooperatives for the electricity to be generated and delivered by GBPC. This is recognized initially at fair value which consists of the cost of the power generation and the fair value of future fee payments. Following initial recognition, the intangible asset is carried at cost less accumulated amortization and any accumulated impairment losses.

The PPA is amortized using the straight-line method over the estimated economic useful life which is the life of the EPPAs, and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The estimated economic useful life is ranging from 4 to 25 years. The amortization period and the amortization method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense is recognized in the consolidated statement of income in the expense category consistent with the function of the intangible asset.

Customer Relationship
Customer relationship pertains to Toyota's contractual arrangements with its top dealer customers, which adds value to the operations of Toyota and enhances the latter's earnings potential. This is recognized initially at fair value and is assessed to have an indefinite useful life. Following initial recognition, the intangible asset is not amortized but assessed annually for impairment.

Franchise
Franchise fee is amortized over the franchise period which ranges from three (3) to five (5) years. Accumulated depreciation and amortization and provision for impairment losses, if any, are removed from the accounts and any resulting gain or loss is credited to or charged against current operations.

Software Costs
Costs related to software purchased by the Group for use in the operations are amortized on a straight-line basis over a period of 3 to 5 years.

Costs that are directly associated with identifiable and unique software controlled by the Group and will generate economic benefits exceeding costs beyond one year, are recognized as intangible assets to be measured at cost less accumulated amortization and provision for impairment losses, if any. Expenditures which enhance or extend the performance of computer software programs beyond their original specifications are recognized as capital improvements and added to the original cost of the software.

Goodwill
Goodwill acquired in a business combination from the acquisition date is allocated to each of the Group's cash-generating units, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within the Group at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on the Group's operating segments as determined in accordance with PFRS 8, *Operating Segments*.

Following initial recognition, goodwill is measured at cost, less any accumulated impairment loss. Goodwill is reviewed for impairment annually or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired (see Impairment of Nonfinancial Assets).

Where goodwill forms part of a cash-generating unit 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 cash-generating unit retained.

Goodwill is presented together with the intangible assets in the consolidated statement of financial position.

Deposits
Deposits are stated at cost. Cost is the fair value of the asset given up at the date of transfer to the affiliates. This account is treated as a real option money to purchase and develop a property that is held by a related party or an equity instrument to be issued upon exercise of option. The deposit granted to affiliates charges an interest and other related expenses in lieu of the time value in use of option money granted to the affiliates (Note 23).

Impairment of Non-financial Assets
The Group assesses at each financial reporting date whether there is an indication that their nonfinancial assets (e.g. investments in associates and jointly controlled entities, investment properties, property and equipment, and intangible assets), may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value in use and is determined for an

individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses of continuing operations are recognized in the consolidated statement of income in those expense categories consistent with the function of the impaired asset.

An assessment is made at each financial reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The recoverable amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal, the depreciation and amortization charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

This accounting policy applies primarily to the Group's property and equipment and investment properties. Additional considerations for other non-financial assets are discussed below.

Investments in associates and jointly controlled entities
After application of the equity method, the Group determines whether it is necessary to recognize goodwill or any additional impairment loss with respect to the Group's net investment in its associates and jointly controlled entities. The Group determines at each financial reporting date whether there is any objective evidence that the investments in associates and jointly controlled entities are impaired.

If this is the case, the Group calculates the amount of impairment as being the difference between the fair value of the associate and jointly controlled entities and the carrying cost and recognizes the amount in the consolidated statement of income.

Intangible assets
Except for customer relationship, where an indication of impairment exists, the carrying amount of intangible assets with finite useful lives is assessed and written down immediately to its recoverable amount. Customer relationship is reviewed for impairment annually, similar with goodwill, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Goodwill
Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the CGU (or group of CGUs) is less than the carrying amount of the CGU (or group of CGUs) to which goodwill has been allocated, an impairment loss is recognized immediately in the consolidated statement of income. Impairment losses relating to goodwill cannot be reversed for subsequent increases in its recoverable amount in future periods. The Group performs its annual impairment test of goodwill at the consolidated statement of financial position date.

Insurance Receivables
Insurance receivables are recognized on policy inception dates and measured on initial recognition at the fair value of the consideration receivable for the period of coverage. Subsequent to initial recognition, insurance receivables are measured at amortised cost. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the consolidated statement of income.

Insurance receivables are derecognized under the derecognition criteria of financial assets.

Reinsurance
The Group cedes insurance risk in the normal course of business. Reinsurance assets represent balances due from reinsurance companies. Recoverable amounts are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract.

An impairment review is performed at each end of the reporting period or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when objective evidence exists and that the Group may not recover outstanding amounts under the terms of the contract and when the impact on the amounts that the Group will receive from the reinsurer can be measured reliably. The impairment loss is charged against profit or loss.

Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

The Group also assumes reinsurance risk in the normal course of business for insurance contracts. Premiums and claims on assumed reinsurance are recognized in the consolidated statement of income as part of commission income in the same manner as they would be if the reinsurance were considered direct business, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to reinsurance companies. Amounts payable are estimated in a manner consistent with the associated insurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets or liabilities are derecognized when the contractual rights are extinguished or expired, or when the contract is transferred to another party.

Deferred Acquisition Costs (DAC)
Commissions and other acquisition costs incurred during the financial period that vary with and are related to securing new insurance contracts and or renewing existing insurance contracts, but which relates to subsequent financial periods, are deferred to the extent that they are recoverable out of future revenue margins. All other acquisition costs are recognized as expense as incurred.

Subsequent to initial recognition, these costs are amortized on a straight line basis using 24^{th} method over the life of the contract except for the marine cargo where commissions from the last two months of the year are recognized as expense in the following year. Amortization is charged against consolidated statement of income. The unamortized acquisition costs are shown as ‘Deferred acquisition costs’ are presented under ‘Prepayments and Other Current Assets’ in the assets section of the statement of financial position.

An impairment review is performed at each end of the reporting period or more frequently when an indication of impairment arises. The carrying value is written down to the recoverable amount. The impairment loss is charged to consolidated statement of income. DAC is also considered in the liability adequacy test for each end of the reporting period.

Value-Added Tax (VAT)
Revenue, expenses and assets are recognized net of the amount of sales tax except:

- where the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of tax included.

The net amount of VAT recoverable from the tax authority is included under 'Prepayments and other current assets' in the consolidated statement of financial position.

Assets Held for Sale and Non-current assets held for distribution to equity holders of the parent and disposal group
The Group classifies assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Assets classified as held for sale are measured at the lower of their carrying amount and fair value less cost to sell.

The Group classifies a disposal group as held for sale if their carrying amounts will be recovered principally through a sale transaction. Such disposal groups are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the sale, excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Assets held for sale are included under 'Prepayments and other current assets' in the consolidated statements of financial position.

Assets and liabilities of disposal group classified as held-for-sale are presented separately in the consolidated statements of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale

The disposal group is excluded from the results of continuing operations and is presented as a single amount as 'Net income from disposal group' in the consolidated statement of income.

Additional disclosures are provided in Note 12. All other notes to the consolidated financial statements include amounts of disposal group, unless otherwise mentioned.

Insurance Contract Liabilities
Insurance contract liabilities are recognized when contracts are entered into and premiums are charged.

Provision for Unearned Premium
The proportion of written premiums, gross of commissions payable to intermediaries, attributable to subsequent periods or to risks that have not yet expired is deferred as provision for unearned premiums as part of 'Insurance contract liabilities' and presented in the liabilities section of the statement of financial position. Premiums for short-duration insurance contracts are recognized as revenue over the period of the contracts using the 24^{th} method except for the marine cargo where premiums for the last two months are considered earned in the following year. The change in the provision for unearned premiums is taken to profit or loss in order that revenue is recognized over the period of risk. Further provisions are made to cover claims under unexpired insurance contracts which may exceed the unearned premiums and the premiums due in respect of these contracts.

Claims Provision Incurred But Not Reported (IBNR) Losses
These liabilities are based on the estimated ultimate cost of all claims incurred but not settled at the end of the reporting period together with the related claims handling cost and reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims, therefore the ultimate cost of which cannot be known with certainty at the end of the reporting period. The liability is not discounted for the time value of money and includes provision for IBNR losses. The liability is derecognized when the contract is discharged, cancelled or has expired.

Liability Adequacy Test
At the end of each reporting period, liability adequacy tests are performed to ensure the adequacy of insurance contract liabilities, net of the related DAC assets. In performing the test, current best estimates of future cash flows, claims handling and policy administration expenses are used. Changes in expected claims that have occurred, but which have not been settled, are reflected by adjusting the liability for claims and future benefits. Any inadequacy is immediately charged to the statement of comprehensive income by establishing an unexpired risk provision for losses arising from the liability adequacy tests. The provision for unearned premiums is increased to the extent that the future claims and expenses in respect of current insurance contracts exceed future premiums plus the current provision for unearned premiums.

Customers' Deposits
The Group requires buyers of condominium units to pay a minimum percentage of the total selling price. The minimum percentage is on the basis of the level of buyer's commitment to pay and is part of the revenue recognition criteria. When the revenue recognition criteria are met, sales are, then, recognized and these deposits and downpayments will be applied against the related installment contracts receivable. In the event that the customer decides to terminate the purchase prior to recognition of sale, an amount equivalent to the cash surrender value of the deposit will be refunded to the buyer.

Customer's deposits consist of payment from buyers which have not reached the minimum required percentage and amounts that have not been applied against the related installment contract receivables.

Equity
The Group records common stock and preferred stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity share. Incremental costs incurred directly attributable to the issuance of new shares are deducted from proceeds.

Capital stock
The Parent Company has issued common stock and preferred stock that are classified as equity. Incremental costs directly attributable to the issue of new common stock are shown in equity as a deduction, net of tax, from the proceeds. All other equity issuance costs are recognized as expense as incurred.

Where the Parent Company purchases its own common stock (treasury shares), the consideration paid, including any directly attributable incremental costs (net of applicable taxes) is deducted from equity attributable to the Parent Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related tax effects, and is included in equity attributable to the Parent Company's equity holders.

Additional paid-in capital
Amount of contribution in excess of par value is accounted for as an additional paid-in capital. Additional paid-in capital also arises from additional capital contribution from the shareholders.

Deposits for future stock subscriptions
Deposits for future stock subscriptions are recorded based on the amounts received from stockholders and amounts of advances to be converted to equity.

Retained earnings
The amount included in retained earnings includes profit or loss attributable to the Group's equity holders and reduced by dividend on common stock. Dividends on common stock are recognized as a liability and deducted from equity when they are declared. Dividends for the year that are approved after the reporting date are dealt with as an event after the reporting date.

Retained earnings may also include effect of changes in accounting policy as may be required by the standard's transitional provisions.

Acquisition of Non-controlling Interest in a Subsidiary
Acquisition of non-controlling interest is accounted for as an equity transaction, whereby the difference between the fair value of consideration given and the share in the net book value of the net assets acquired is recognized in equity. When the consideration is less than the net assets acquired, the difference is recognized as a gain in the consolidated statement of income. In an acquisition without consideration involved, the difference between the share of the non-controlling interests in the net assets at book value before and after the acquisition is treated as transaction between equity owners.

Revenue and Cost Recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the amount of revenue can be reliably measured. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

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

Automotive operations
Revenue from automotive operations arises from sale of manufactured vehicles and trading of completely built-up vehicles and local and imported parts. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer (including certain "bill and hold" sales, wherein in the buyer takes title and accepts billing), usually on dispatch of goods.

Net fees
Net fees consist of energy fees for the energy and services supplied by the operating companies as provided for in their respective PPA or EPPA with respective customers. Energy fee is recognized based on actual delivery of energy generated and made available to customers multiplied by the applicable tariff rate, net of adjustments, as agreed upon between the parties. In case the actual energy delivered by PPC and GPRI to customers is less than the minimum energy off-take, PPC and GPRI shall reimburse their customers for the difference between the actual cost for sourcing the shortfall from another source and tariff rate, multiplied by the actual shortfall. On the other hand, if the customers fail to accept the minimum supply, the customers shall be subject to penalty equivalent to the cost of power unused or not accepted on an annual basis. For TPC, energy fee is recognized based on actual delivery of energy generated and made available to its customers, multiplied by the applicable tariff rate, net of adjustments, as agreed upon between TPC and its customers.

Real estate sales
Real estate revenue and cost from completed projects is accounted for using the full accrual method. The percentage of completion method is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work. When the sale of real estate does not meet the requirements for revenue recognition, the sale is accounted under the deposit method. Under this method, revenue is not recognized and the receivable from the buyer is not recorded. The real estate inventories continue to be reported in the consolidated statement of financial position as 'Inventories' and the related liability as deposit under 'Customers' deposits'.

In accordance with Philippine Interpretations Committee (PIC) Q&A No. 2006-01, the percentage of completion method is used to recognize income from sales of projects where the Group has material obligations under the sales contract to complete the project after the property is sold, the equitable interest has been transferred to the buyer, construction is beyond preliminary stage (i.e., engineering, design work, construction contracts execution, site clearance and preparation, excavation and the building foundation are finished), and the costs incurred or to be incurred can be measured reliably. Under this method, revenue is recognized as the related obligations are fulfilled, measured principally on the basis of the estimated completion of a physical proportion of the contract work.

When the sale of real estate does not meet the requirements for revenue recognition, the sale is accounted under the deposit method until all the conditions are met. Under this method, revenue is not recognized, the receivable from the buyer is not recorded and the cash received from buyers are presented under the 'Customers' deposits' account in the liabilities section of the consolidated statement of financial position. The related real estate inventories continue to be reported in the consolidated statement of financial position as 'Inventories'.

Cost of condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus its full development costs, which include estimated costs for future development works, as determined by the Group's in-house technical staff.

The cost of inventory recognized in the consolidated statement of income upon sale is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the POC used for revenue recognition purposes.

Premiums revenue
Gross insurance written premiums comprise the total premiums receivable for the whole period cover provided by contracts entered into during the accounting period and are recognized on the date on which the policy intercepts. Premiums include any adjustments arising in the accounting period for premiums receivable in respect of business written in prior periods.

Premiums for short-duration insurance contracts are recognized as revenue over the period of contracts using the twenty-fourth (24^{th}) method except for marine cargo where premiums for the last two months are considered earned the following year. The portion of the premiums written that relate to the unexpired periods of the policies at the end of the reporting period is accounted for as Provision for unearned premiums and is shown as part of 'Insurance contract liabilities' presented in the liabilities section of the consolidated statements of financial position. The related reinsurance premiums ceded that pertains to the unexpired periods at end of the reporting period are accounted for as deferred reinsurance premiums and are shown as part of 'Reinsurance assets' in the consolidated statement of financial position. The net changes in these accounts between each end of reporting periods are recognized in profit or loss.

Reinsurance commissions
Commissions earned from short-duration insurance contracts are recognized as revenue over the period of the contracts using the 24^{th} method except for marine cargo where the deferred reinsurance commissions for the last two months of the year are considered earned the following year. The portion of the commissions that relate to the unexpired portions of the policies at end of the reporting period are accounted for as 'Deferred reinsurance commissions' and presented in the liabilities section of the consolidated statement of financial position.

Net premiums earned consist of gross earned premiums on insurance contracts (net of reinsurer's share of gross earned premiums on insurance contracts).

Interest income
Interest is recognized as it accrues using the effective interest method.

Rental income
Rental income under noncancellable leases is recognized in the consolidated statement of income on a straight-line basis over the lease term and the terms of the lease, respectively, or based on a certain percentage of the gross revenue of the tenants, as provided under the terms of the lease contract.

Sale of goods
Sale of goods is recognized from retail customers at the point of sale in the stores. This is measured at the fair value of the consideration received, excluding (or 'net of,' or 'reduced for') discounts, returns, rebates and sales taxes.

Rendering of services
Service fees from installation of parts and repairs and maintenance of vehicles are recognized as revenue when the related services have been rendered.

Commission income
Commission income is recognized by reference to the percentage of collection of the agreed sales price or depending on the term of the sale as provided under the marketing agreement.

Management fees
Management fees from administrative, property management and other fees are recognized when services are rendered.

Dividend income
Dividend income is recognized when the Group's right to receive the payment is established.

Other income
Other customer related fees such as penalties and surcharges are recognized as they accrue, taking into account the provisions of the related contract. Other income also includes sale of scrap and sludge oil which is recognized when there is delivery of goods to the buyer and recovery from insurance which is recognized when the right to receive payment is established.

Expense Recognition
Cost of goods and services sold
Cost of goods sold for vehicles and spare parts includes the purchase price of the products sold, as well as costs that are directly attributable in bringing the merchandise to its intended condition and location. These costs include the costs of storing and transporting the products. Vendor returns and allowances are generally deducted from cost of goods sold and services.

Other cost of goods sold includes Fed Land's gasoline and food products, and are recognized when goods are delivered which is usually at the point of sale in stores. Cost of services are recognized when services are rendered.

Cost of goods manufactured
Cost of goods manufactured includes the purchase price of the products manufactured, as well as costs that are directly attributable in bringing the merchandise to its intended condition and location.

Commissions
Commissions paid to sales or marketing agents on the sale of pre-completed real estate units are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Accordingly, when the percentage of completion method is used, commissions are likewise charged to expense in the period the related revenue is recognized. These are recorded as 'Prepaid expenses' under 'Prepayments and other current assets' account.

General and administrative expenses
General and administrative expenses constitute costs of administering the business and are expensed as incurred.

Power plant operation and maintenance expenses
Power plant operations mainly represent depreciation of power plants, costs of coal and start-up fuel. Repairs and maintenance mainly represent cost of materials and supplies consumed and the cost of restoration and maintenance of the power plants. Purchased power represents power purchased from National Power Corporation (NPC).

Cost of real estate sales
Cost of real estate sales is recognized consistent with the revenue recognition method applied. Cost of subdivision land and condominium units sold before the completion of the development is determined on the basis of the acquisition cost of the land plus its full development costs, which include estimated costs for future development works, as determined by the Group's project and construction department.

The cost of inventory recognized in the consolidated statement of income upon sale is determined with reference to the specific costs incurred on the property, allocated to saleable area based on relative size and takes into account the POC used for revenue recognition purposes.

Benefits and claims
Benefits and claims consists of benefits and claims paid to policyholders, which includes changes in the valuation of Insurance contract liabilities, except for changes in the provision for unearned premiums which are recorded in insurance revenue. It further includes internal and external claims handling costs that are directly related to the processing and settlement of claims. Amounts receivable in respect of salvage and subrogation are also considered. General insurance claims are recorded on the basis of notifications received.

Net insurance benefits and claims represent gross insurance contract benefits and claims and gross change in insurance contract liabilities less reinsurer's share.

Pension Costs
The Parent Company and its subsidiaries have funded, noncontributory defined benefit retirement plans, administered by trustees, covering their permanent employees.

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

Defined benefit costs comprise the following:

a. service cost;
b. net interest on the net defined benefit liability or asset; and
c. remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in the consolidated statements of income. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries. Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the consolidated statements of income.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Group. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The Group’s right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when only when reimbursement is virtually certain.

Employee leave entitlement
Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve (12) months after the end of the annual reporting period is recognized for services rendered by employees up to the end of the reporting period.

Income Tax
Current tax
Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the financial reporting dates.

Deferred tax
Deferred tax is provided using the liability method on all temporary differences, with certain exceptions, at the financial reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liability is recognized for all taxable temporary differences. Deferred tax asset is recognized for all deductible temporary differences, carryforward benefit of unused tax credits from excess minimum corporate income tax (MCIT) and net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward benefit of unused tax credits from MCIT and NOLCO can be utilized. Deferred income tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income.

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

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

Foreign Currency Transactions
The Group's consolidated financial statements are presented in Philippine peso, which is also the Parent Company's functional currency. Each entity within the Group determines its own functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Transactions and balances
Transactions denominated in foreign currency are recorded using the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are restated using the closing exchange rates prevailing at reporting date. Exchange gains or losses resulting from rate fluctuations upon actual settlement and from restatement at year-end are credited to or charged against current operations.

Segment Reporting
The Group's operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Financial information on the Group's business segments is presented in Note 35.

Borrowing Costs
Borrowing costs are generally expensed as incurred. Interest and other financing costs incurred during the construction period on borrowings used to finance property development are capitalized as part of development costs. Capitalization of borrowing costs commences when the activities to prepare the asset are in progress and expenditures and borrowing costs are being incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recorded. Capitalized borrowing cost is based on applicable weighted average borrowing rate.

Provisions
Provisions are recognized when the Group has: (a) a present obligation (legal or constructive) as a result of a past event; (b) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and (c) a reliable estimate can be made of the amount of the obligation. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as interest expense. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the Group expects a provision to be reimbursed, the reimbursement is recognized as a separate asset but only

when the receipt of the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of comprehensive income, net of any reimbursement.

Decommissioning liability
The decommissioning liability arose from the Group's obligation, under the Environmental Compliance Certificates of certain subsidiaries of GBPC, to decommission or dismantle their power plant complex at the end of its useful lives. A corresponding asset is recognized as part of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the consolidated statement of comprehensive income as an 'Accretion of decommissioning liability' under the 'Interest expense' account. The estimated future costs of decommissioning are reviewed annually and adjusted prospectively. Changes in the estimated future costs or in the discount rate applied are added or deducted from the cost of the power plant complex. The amount deducted from the cost of the power plant complex, shall not exceed its carrying amount.

If the decrease in the liability exceeds the carrying amount of the power plant complex, the excess shall be recognized immediately in the consolidated statement of comprehensive income.

Provision for product warranties
Provision for product warranties are recognized when sale of the related products are consummated. The best estimate of the provision is recorded based on three (3) year warranty coverage provided by the Group as part of the sold product. Reversals are made against provision for the expired portion.

<u>Leases</u>
Leases where the lessor retains substantially all the risks and benefits of the ownership of the asset are classified as operating leases. Fixed lease payments are recognized on a straight-line basis over the lease term. Variable rent is recognized as an income based on the terms of the lease contract.

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

a. there is a change in contractual terms, other than a renewal or extension of the arrangement;
b. a renewal option is exercised or extension granted, unless that term of the renewal or extension was initially included in the lease term;
c. there is a change in the determination of whether fulfillment is dependent on a specific asset; or
d. there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gives rise to the reassessment for scenarios (a), (c) or (d) above, and the date of renewal or extension period for scenario (b).

Operating leases
Operating leases represent those leases which substantially all the risks and rewards of ownership of the leased assets remain with the lessors. Lease payments under an operating lease are recognized in the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Contingencies
Contingent liabilities are not recognized in the consolidated financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but disclosed when an inflow of economic benefits is probable.

Events after Financial Reporting Date
Post year-end events that provide additional information about the Group's position at the reporting date (adjusting events) are reflected in the consolidated financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

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.

New Standards
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).

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.

The following new standards and amendments issued by the IASB were already adopted by the FRSC but are still for approval by BOA.

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.

Amendments
PAS 1, *Presentation of Financial Statements – Initiative to improve presentation and disclosure in financial reports*
The amendments to PAS 1 further encourage companies to apply professional judgment in determining what information to disclose in their financial statements. It clarifies that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosure.

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.

<u>Annual Improvements to PFRSs (2012-2014 cycle)</u>
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).

Effective January 1, 2018

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 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. This mandatory effective date was moved to January 1, 2018.

IFRS 16, *Leases*
On January 13, 2016, the IASB issued its new standard, IFRS 16, which replaces International Accounting Standards (IAS) 17, the current leases standard, and the related Interpretations.

Under the new standard, lessees will no longer classify their leases as either operating or finance leases in accordance with IAS 17. Rather, lessees will apply the single-asset model. Under this model, lessees will recognize the assets and related liabilities for most leases on their balance sheets, and subsequently, will depreciate the lease assets and recognize interest on the lease liabilities in their profit or loss. Leases with a term of 12 months or less or for which the underlying asset is of low value are exempted from these requirements.

The accounting by lessors is substantially unchanged as the new standard carries forward the principles of lessor accounting under IAS 17. Lessors, however, will be required to disclose more information in their financial statements, particularly on the risk exposure to residual value.

The new standard is effective for annual periods beginning on or after January 1, 2019. Entities may early adopt IFRS 16 but only if they have also adopted IFRS 15. When adopting IFRS 16, an entity is permitted to use either a full retrospective approach, with options to use certain transition reliefs.

The Group is currently assessing the impact of IFRS 16 and plans to adopt the new standard on the required effective date once adopted locally.

3. Management's Judgments and Use of Estimates

The preparation of the consolidated financial statements in compliance with PFRS requires the Group's management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The estimates and assumptions used in the accompanying consolidated financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including future events that are believed to be reasonable under circumstances.

Judgments

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Assessment of control over investees

The determination on whether the Group has control over an investee requires significant judgment. For this, the Group considers the following factors: (a) power over the investee, (b) exposure, or rights, to variable returns from its involvement with the investee; and (c) the ability to use its power over the investee to affect the amount of the investor's returns. In assessing whether the Group has power over the investee, the Group assesses whether it has existing rights that give it the current ability to direct the relevant activities of the investee.

Consolidation of PCFI

The Parent Company holds 22.68% equity interest and Irrevocable Proxy in favor of the Parent Company covering 51% of the voting stocks of PCFI. This gives the Parent Company the ability to control the Board of Directors (BOD) and direct the relevant activities of PCFI that will affect the returns that the Parent Company will receive from its investment in PCFI. Although the voting rights cover 51%, the Parent Company's exposure and rights to its share in PCFI's operations is limited to 22.68%. This is because the right to receive dividends on the shares of stock covered by Irrevocable Proxy remain with Profriends Group, Inc. (PGI). Through the Parent Company's majority voting rights of 51%, it can direct the relevant activities of PCFI that will affect the amount of returns it will receive from PCFI. In view of the foregoing, management assessed that the Parent Company has control over PCFI but consolidated based on its existing ownership interest of 22.68%.

Consolidation of TMPC

The Group holds 51.00% ownership interest and voting rights in TMPC. The remaining 49.00% are held by 3 shareholders. TMPC's BOD maintains the power to direct the major activities of TMPC while the Group has the ability to appoint the majority of the BOD.

When determining control, management considered whether it has the ability to direct the relevant activities of TMPC to generate return for itself. Management concluded that it has the ability based on its ability to appoint the majority of the BOD. The Group therefore accounts for TMPC as a subsidiary, consolidating its financial results for the reporting period.

Joint arrangements

The Group has investments in joint arrangements. The Group has joint control over these arrangements as under the contractual arrangements, unanimous consent is required from all the parties to the agreements for all relevant activities.

Revenue and cost recognition
Selecting an appropriate revenue recognition method for a particular real estate sale transaction requires certain judgments based on, among others:

- buyer's commitment on the sale which may be ascertained through the significance of the buyer's initial investment; and
- stage of completion of the project.

Collectibility of the sales price
In determining whether the sales prices are collectible, the Group considers that initial and continuing investments by the buyer of about 10.00% would demonstrate the buyer's commitment to pay.

Operating lease commitments – the Group as lessee
The Group has entered into a lease contract with its related parties with respect to the parcels of land where its retail malls are located. The Group has determined that all significant risks and rewards of ownership of the leased property remains to the lessor since the leased property, together with the buildings thereon, and all permanent fixtures, will be returned to the lessor upon termination of the lease.

Operating lease commitments – the Group as lessor
The Group entered into commercial property leases on its retail mall, investment properties and certain units of its real estate projects to different parties for a specific amount depending on the lease contracts. The Group has determined that it retains all significant risks and rewards of ownership on the properties as the Group considered among others the length of the lease as compared with the estimated life of the assets.

A number of the Group's operating lease contracts are accounted for as noncancellable operating leases. In determining whether a lease contract is cancellable or not, the Group considered among others, the significance of the penalty, including the economic consequences to the lessee (Note 30).

Finance lease commitments – Group as lessee
The Group has entered into finance leases on certain parcel of land. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor transfers substantially all the risks and benefits incidental to ownership of the leased equipment to the Group thus, the Group recognized these leases as finance leases.

Impairment of AFS investments
The Group treats AFS investments as impaired when there has been a significant or prolonged decline or where other objective evidence of impairment exists. The determination of what is 'significant' or 'prolonged' requires judgment. The Group treats 'significant' generally as 20.00% or more and 'prolonged' as greater than six months for quoted equity securities. In addition, the Group evaluates other factors, including normal volatility in share price for quoted equities and the future cash flows and the discount factors for unquoted equities.

Financial assets not quoted in an active market
The Group classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis.

Distinction between real estate inventories and investment properties
The Group determines whether a property will be classified as real estate inventories or investment properties. In making this judgment, the Group considers whether the property is held for sale in the ordinary course of business (real estate inventories) or which are held primarily to earn rental and capital appreciation and are not occupied substantially for use by, or in the operations of the Group (investment properties).

Distinction between investment properties and owner-occupied properties
The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to the other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. If these portions cannot be sold separately as of financial reporting date, the property is accounted for as investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

Contingencies
The Group is currently involved in a few legal proceedings. The estimate of the probable costs for the resolution of these claims has been developed in consultation with outside counsel handling the defense in these matters and is based upon an analysis of potential results. The Group currently does not believe that these proceedings will have a material effect on the Group's financial position. It is possible, however, that future results of operations could be materially affected by changes in the estimates or in the effectiveness of the strategies relating to these proceedings.

Determining whether an arrangement contains a lease
The PPAs and EPPAs qualify as a lease on the basis that the Group sells all its output to the specified counterparties as per their respective agreements. The agreements calls for a take or pay arrangement where payment is made on the basis of the availability of the power plant complex and not on actual deliveries. The lease arrangement is determined to be an operating lease where a significant portion of the risks and rewards of ownership are retained by the Group. Accordingly, the power plant complex is recorded as part of property, plant and equipment and the fees billed to the specified counterparties are recorded as revenue.

Allocation of costs and expenses
Costs and expenses are classified as exclusive and common. Exclusive costs such as raw materials and direct labor are charged directly to the product line. Common costs and expenses are allocated using sales value.

Assets and liabilities of disposal group classified as held-for-sale
On November 5, 2015, the Parent Company signed an agreement to sell 100% of Charter Ping An to AXA Philippines for ₱2.30 billion, subject to closing conditions.

Management assessed that said transaction met the criteria for recognition of disposal group classified as held-for-sale for the following reasons:

- the Parent Company will recover the carrying amount of the investment in Charter Ping An through a sale transaction rather than through continuing use;
- Charter Ping An shares are available for immediate sale and can be sold in its current condition, subject to terms that are usual and customary;
- a pre-completion committee was organized to facilitate completion of the sale transaction; and;
- the sale is expected to be completed within 2016.

For more details on the assets and liabilities of disposal group classified as held-for-sale, refer to Note 12.

Management's Use of Estimates
The key assumptions concerning the future and other key sources of estimation and uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Revenue recognition
The Group's revenue recognition policies require management to make use of estimates and assumptions that may affect the reported amounts of revenues and costs. The Group's revenue from real estate sales recognized based on the percentage of completion are measured principally on the basis of the estimated completion of a physical proportion of the contract work, and by reference to the actual costs incurred to date over the estimated total costs of the project. The carrying amount of installment contracts receivables amounted to ₱23.43 billion and ₱7.55 billion as of December 31, 2015 and 2014, respectively (Note 5). The Group recognized real estate sales in 2015, 2014 and 2013 amounting to ₱9.0 billion, ₱5.84 billion and ₱4.70 billion, respectively.

Estimating allowance for impairment losses
The Group reviews its loans and receivables at each reporting date to assess whether an allowance for impairment should be recorded in the consolidated statement of financial position and any changes thereto in profit or loss. In particular, judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors. Actual results may also differ, resulting in future changes to the allowance.

The Group maintains allowance for impairment losses based on the result of the individual and collective assessment under PAS 39. Under the individual assessment, the Group is required to obtain the present value of estimated cash flows using the receivable's original effective interest rate. Impairment loss is determined as the difference between the receivable's carrying balance and the computed present value. The collective assessment would require the Group to classify its receivables based on the credit risk characteristics (industry, customer type, customer location, past-due status and term) of the customers. Impairment loss is then determined based on historical loss experience of the receivables grouped per credit risk profile. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently. The methodology and assumptions used for the individual and collective assessments are based on management's judgment and estimate. Therefore, the amount and timing of recorded expense for any period would differ depending on the judgments and estimates made for the year.

As of December 31, 2015 and 2014, the carrying values of these assets are as follows:

	2015	2014
Receivables (Note 5)	**₱34,603,245,617**	₱21,119,578,787
Due from related parties (Note 27)	**370,215,583**	170,629,476

Evaluating net realizable value of inventories
Inventories are valued at the lower of cost and net realizable value. The Group reviews its inventory to assess NRV at least annually. The amount and timing of recorded expenses for any period would differ if different judgments were made or different estimates were utilized.

Real estate inventories
The Group adjusts the cost of its real estate inventories to net realizable value based on its assessment of the recoverability of the inventories. In determining the recoverability of the inventories, management considers whether those inventories are damaged or if their selling prices have declined. Likewise, management also considers whether the estimated costs of completion or the estimated costs to be incurred to make the sale have increased. The amount and timing of recorded expense for any period would differ if different judgments were made or different estimates were utilized.

Gasoline retail, petroleum products and chemicals
The Group provides allowance for inventory losses whenever utility of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes (i.e., pre-termination of contracts). The allowance account is reviewed regularly to reflect the appropriate valuation in the financial records.

The carrying value of the Group's inventories amounted to ₱53.25 billion and ₱31.43 billion as of December 31, 2015 and 2014, respectively (Note 6).

Estimating useful lives of property and equipment, investment properties and intangibles assets
The Group determines the Estimate Useful Life (EUL) of its property and equipment, investment properties, and intangibles assets based on the period over which the assets are expected to be available for use. The Group reviews annually the EUL of property and equipment, investment properties and intangible assets based on factors that include asset utilization, internal technical evaluation, and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the EUL of property and equipment, investment properties and intangible assets would increase the recorded depreciation and amortization expense.

Customer relationship pertains to Toyota's contractual arrangements with its top dealer customers which lay out the principal terms upon which its dealers agree to do business. Management assessed the useful life of the customer relationship to be indefinite since management is of the view that there is no foreseeable limit to the period over which the customer relationship is expected to generate net cash inflows to Toyota.

The said assessment is based on the track record of stability for the auto industry and the Toyota brand. Added to this is the commitment of management to continue to invest for the long term, to extend the period over which the intangible asset is expected to continue to provide economic benefits.

As of December 31, 2015 and 2014, the carrying values of investment property, property and equipment, intangible assets from power purchase agreements, customer relationship, software costs and franchise are as follow:

	2015	2014
Investment properties (Note 9)	**₱10,797,116,331**	₱8,642,628,922
Property and equipment (Note 11)	**51,971,758,686**	44,800,727,933
Power purchase agreements - net (Note 13)	**7,258,875,886**	7,721,413,554
Customer relationship (Note 13)	**3,883,238,361**	3,883,238,361
Software costs - net (Note 13)	**115,146,102**	19,816,621
Franchise - net (Note 13)	**2,167,500**	1,367,500

Evaluating asset impairment
The Group reviews investment properties, investments in and advances to associates and jointly controlled entities, input VAT, creditable withholding tax, property and equipment, power purchase agreements, software costs, franchise and other noncurrent assets for impairment. This includes considering certain indications of impairment such as significant changes in asset usage, significant decline in assets' market value, obsolescence or physical damage of an asset, plans in the real estate projects, significant underperformance relative to expected historical or projected future operating results and significant negative industry or economic trends.

As described in the accounting policy, the Group estimates the recoverable amount as the higher of the fair value less cost to sell and value in use. In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Group is required to make estimates and assumptions that may affect investments in and advances to associates and jointly controlled entities, property and equipment, software cost and franchise. The following table sets forth the carrying values of investment properties, investments in associates and jointly controlled entities, input VAT, creditable withholding tax, property and equipment, power purchase agreements, customer relationship software costs, franchise and other noncurrent assets as of December 31, 2015 and 2014:

	2015	2014
Investment properties (Note 9)	**₱10,797,116,331**	₱8,642,628,922
Investments in associates and jointly controlled entities (Note 8)	**60,265,270,197**	47,451,418,711
Input VAT (Note 7)	**3,298,726,671**	2,077,923,616
Creditable withholding taxes (Note 7)	**398,346,093**	496,404,153
Property and equipment (Note 11)	**51,971,758,686**	44,800,727,933
Power purchase agreements - net (Note 13)	**7,258,875,886**	7,721,413,554
Customer relationship (Note 13)	**3,883,238,361**	3,883,238,361
Software - net (Note 13)	**115,146,102**	19,816,621
Franchise - net (Note 13)	**2,167,500**	1,367,500
Other noncurrent assets (Note 14)	**878,192,895**	634,065,630

Estimating impairment of AFS investments
The Group treats AFS investments as impaired when there has been significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exists. The determination of what is 'significant' or when is 'prolonged' requires judgment. The Group treats 'significant' generally as 20.00% or more of the cost of AFS and 'prolonged' if greater than six months. In addition, the Group evaluates other factors, including normal and/or unusual volatility in share price for quoted equities and the future cash flows and the discount factors for

unquoted equities. The Group also considers the ability of the investee company to provide dividends.

The carrying amounts of AFS investments amounted to ₱3.19 billion and ₱4.13 billion as of December 31, 2015 and 2014, respectively (Note 10). The change in fair value of AFS investments is recorded in the consolidated statements of comprehensive income. Net unrealized gain on AFS investments amounted to ₱823.41 million and ₱618.36 million as of December 31, 2015 and 2014, respectively (Note 10).

Impairment of goodwill and intangible assets with indefinite useful life
The Group conducts an annual review for any impairment in value of goodwill and intangible assets with indefinite useful life (i.e., customer relationship). Goodwill is written down for impairment where the net present value of the forecasted future cash flows from the business is insufficient to support its carrying value. The Group uses the weighted average cost of capital in discounting the expected cash flows from specific CGUs.

Refer to Note 13 for the details regarding the carrying values of the Group's goodwill and intangible assets as well as details regarding the impairment review and assessment.

Recognition of deferred tax assets
The Group reviews the carrying amounts of deferred taxes at each reporting date and reduces deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. However, there is no assurance that the Group will generate sufficient taxable profit to allow all or part of deferred income tax assets to be utilized. The Group looks at its projected performance in assessing the sufficiency of future taxable income.

The recognized and unrecognized deferred tax assets on temporary differences of the Group are disclosed in Note 29.

Estimating the decommissioning liability
The Group has a legal obligation to decommission or dismantle its power plant asset at the end of its useful life. The Group recognizes the present value of the obligation to dismantle the power plant asset and capitalizes the present value of this cost as part of the balance of the related property, plant and equipment, which are being depreciated and amortized on a straight-line basis over the useful life of the related asset.

Cost estimates expressed at current price levels at the date of the estimate are discounted using a rate of interest ranging from 1.36% to 3.52% per annum to take into account the timing of payments. Each year, the provision is increased to reflect the accretion of discount and to accrue an estimate for the effects of inflation, with charges being recognized as accretion expense which is included under 'Interest expense' in the consolidated statement of comprehensive income.

Changes in the decommissioning liability that result from a change in the current best estimate of cash flow required to settle the obligation or a change in the discount rate are added to (or deducted from) the amount recognized as the related asset and the periodic unwinding of the discount on the liability is recognized in the consolidated statement of comprehensive income as it occurs.

While the Group has made its best estimate in establishing the decommissioning provision, because of potential changes in technology as well as safety and environmental requirements, plus the actual time scale to complete decommissioning activities, the ultimate provision requirements could either increase or decrease significantly from the Group's current estimates. The amount and timing of recorded expenses for any period would be affected by changes in these factors and circumstances.

Decommissioning liability amounted to ₱248.93 million and ₱287.26 million as of December 31, 2015 and 2014, respectively (Note 21).

Estimating pension and other retirement benefits
The determination of the obligation and cost of pension and other retirement benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 28 to the consolidated statement of financial position and include among others, discount rates, expected returns on plan assets and rates of salary increase. While the Group believes that the assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions materially affect retirement obligations.

As of December 31, 2015 and 2014, the present value of defined benefit obligations amounted to ₱3.52 billion. The carrying values of pension liability and expense are disclosed in Note 28.

Fair value of financial instruments
Where the fair values of financial assets and financial liabilities recorded in the consolidated statement of financial position cannot be derived from active markets, they are determined using internal valuation techniques using generally accepted market valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimates are used in establishing fair values. These estimates may include considerations of liquidity, volatility, and correlation.

Claims liability arising from insurance contracts
For nonlife insurance contracts, estimates have to be made both for the expected ultimate cost of claims reported at the end of the reporting period and for the expected ultimate cost of the IBNR claims at the reporting date. It can take a significant period of time before the ultimate claim costs can be established with certainty and for some type of policies, IBNR claims form the majority of the statement of financial position claims provision. The primary technique adopted by management in estimating the cost of notified and IBNR claims, is that of using past claims settlement trends to predict future claims settlement trends. At each end of the reporting period, prior year claims estimates are assessed for adequacy and changes made are charged to provision.

Nonlife insurance claims provisions are not discounted for the time value of money.

The main assumption underlying the estimation of the claims provision is that the Group's past development experience can be used to project future claims development and hence, ultimate claims cost. Historical claims development is mainly analyzed by accident years, as well as by significant business lines and claim types. Large claims are usually separately addressed, either by being reserved at the face value of loss adjustor estimates or separately projected in order to reflect their future development. In most cases, no explicit assumptions are made regarding future rates of claims inflation or loss ratios. Instead, the assumptions used are those implicit in the historic claims development data on which the projects are based.

The carrying values of provision for outstanding claims and IBNR amounted to ₱2.95 billion and ₱3.68 billion as of December 31, 2015 and 2014, respectively (Note 16).

Provision for product warranties
Estimated warranty costs are provided at the time of sale. The provision is based on the estimated costs of future servicing the products sold, the costs of which are not recoverable from customers. A provision is recognized for expected warranty claims on products sold during the last two (2) years, based on past experience of the level of returns and repairs. It is expected that most of these costs will be incurred in the next financial year and all will be incurred within three (3) years as of the reporting date.

As of December 31, 2015 and 2014, provision for product warranty amounted to ₱212.97 million and ₱181.96 million, respectively (Note 21).

Assessment of linked transactions
The acquisition of NCI is accounted for as a linked transaction when it arises from the same transaction as that at which control was gained. The Group considers the following factors in assessing a linked transaction:

- the option over the remaining interest and subsequent acquisition is not negotiated separately by non-controlling shareholders;
- the offer period is for a short period; and
- the price per share offered for subsequent increases is fixed and consistent with the price paid for the controlling interest.

4. Cash, Cash Equivalents and Short-term Investments

Cash and Cash Equivalents
This account consists of:

	2015	2014
Cash on hand	**₱10,800,831**	₱32,312,324
Cash in banks (Note 27)	**16,348,359,826**	17,170,401,145
Cash equivalents (Note 27)	**21,501,847,807**	12,499,690,523
	₱37,861,008,464	₱29,702,403,992

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents are made for varying periods of up to three months depending on the immediate cash requirements of the Group, and earn interest at the prevailing short-term investment rates ranging from 0.25% to 2.50% in 2015, from 0.50% to 3.75% in 2014, and from 0.25% to 4.50% in 2013.

Short-term Investments
These represent the Group's foreign currency and peso-denominated time deposits, as well as money market placements, with original maturities of more than three (3) months and up to 12 months and earn interest at the respective short-term investment rates, ranging from 0.16% to 1.70% in 2015, from 0.20% to 2.00% in 2014, and from 0.20% to 3.00% in 2013.

5. **Receivables**

This account consists of:

	2015	2014
Installment contracts receivables	**₱23,429,987,678**	₱7,545,443,471
Trade receivables	**9,282,124,823**	8,488,706,494
Loans receivable	**680,953,797**	700,231,199
Accrued rent and commission income	**534,191,568**	368,846,035
Nontrade receivables	**436,962,009**	1,151,619,498
Accrued interest receivable	**147,948,191**	103,696,004
Dividends receivable (Note 27)	**60,000,000**	240,000,000
Insurance receivables	**–**	2,042,080,123
Others	**319,456,508**	695,367,933
	34,891,624,574	21,335,990,757
Less: Allowance for credit losses	**288,378,957**	216,411,970
	₱34,603,245,617	₱21,119,578,787

Total receivables shown in the consolidated statements of financial position follow:

	2015	2014
Current portion	**₱25,417,025,491**	₱16,222,612,447
Noncurrent portion	**9,186,220,126**	4,896,966,340
	₱34,603,245,617	₱21,119,578,787

Noncurrent receivables consist of:

	2015	2014
Trade receivables	**₱341,290,752**	₱463,783,493
Installment contracts receivables	**8,163,975,577**	3,732,951,648
Loans receivable	**680,953,797**	700,231,199
	₱9,186,220,126	₱4,896,966,340

Installment Contracts Receivables
Installment contracts receivables pertain to receivables from the sale of residential and condominium units. Titles to the sold residential and condominium units are transferred to the buyers only upon full payment of the contract price.

The details of installment contracts receivables follow:

	2015	2014
Installment contracts receivables	**₱24,422,896,014**	₱8,603,493,109
Less: Unearned interest income	**992,908,336**	1,058,049,638
	23,429,987,678	7,545,443,471
Less: Noncurrent portion	**8,163,975,577**	3,732,951,648
Current portion	**₱15,266,012,101**	₱3,812,491,823

Installment contracts receivables are collected over a period of one (1) to ten (10) years. The fair value upon initial recognition for Fed Land is derived using the discounted cash flow methodology using discounted rates using discount rates ranging from 8.00% to 10.00% in 2015 and 2014.

PCFI's installment receivables bear annual interest rates ranging from 18.00% to 21.00% computed on the diminishing balance of the principal.

Movements in the unearned interest income in 2015 and 2014 follow:

	2015	2014
Balance at beginning of year	**₱1,058,049,638**	₱863,837,737
Additions	**1,222,658,186**	1,351,608,825
Accretion (Note 23)	**(1,287,799,488)**	(1,157,396,924)
Balance at end of year	**₱992,908,336**	₱1,058,049,638

Trade Receivables
The details of trade receivables follow:

	2015	2014
Current:		
Power	**₱3,508,141,213**	₱3,582,913,275
Automotive	**5,432,692,858**	4,442,009,726
	8,940,834,071	8,024,923,001
Noncurrent:		
Power	**341,290,752**	463,783,493
	₱9,282,124,823	₱8,488,706,494

Trade receivables for power pertain to outstanding billings for energy fees and passed through fuel costs arising from the delivery of electricity, while trade receivables for automotive pertain to receivables from sale of vehicles and/or parts and services.

Trade receivables are noninterest-bearing and generally have 30 days to one (1) year term.

Loans Receivable
Loans receivable from various counterparties pertain to long-term receivables as follow:

	2015	2014
Real estate	**₱635,566,828**	₱626,844,230
Power	**45,386,969**	73,386,969
Balance at end of year	**₱680,953,797**	₱700,231,199

Loans receivable for real estate relate to a loan agreement (Loan) with Cathay International Resources Corp. (Borrower), an affiliate. On December 21, 2012, Fed Land agreed to lend to the Borrower a total amount of ₱705.00 million with a nominal and effective interest rate of 3.15% and 4.81%, respectively. The loan will mature on the tenth year anniversary from the date of execution of the agreement (Note 27). Fed Land used discounted cash flow analyses to measure the fair value of the Loan. The 'Day 1' difference from this receivable amounting to ₱94.22 million in 2012 was recorded under 'General and administrative expense' in the consolidated statement of comprehensive income. Accretion of interest in 2015 and 2014 amounted to ₱8.30 million and ₱7.35 million, respectively.

Loan receivables for power pertain to GBPC's loan to Panay Electric Company as assistance to build a transmission line payable in equal monthly installment within five (5) years commencing on the sixth month after the date of the last release of the loan balance subject to an interest rate of 9.00% per annum.

Accrued Rent and Commission Income

Accrued rent and commission income from real estate business pertain to rent and commission from third party real estate developers already earned but not yet collected, with a 15 to 30 days term.

Nontrade Receivables

Nontrade receivables mainly consist of vehicle acquisition plan loans extended to employees which are collectible within one (1) year and expenses of the affiliates which were shouldered by the Group (Note 27).

Dividends Receivable

Dividends receivable pertains to receivable from Federal Land Orix Corporation (FLOC) for dividends earned but not yet received as of December 31, 2015 (Note 27). Dividends receivable in 2014 was collected in 2015.

Insurance Receivables

The details of insurance receivable follow:

	2014
Premiums receivable and agents' balances	₱1,109,826,848
Reinsurance recoverable on paid losses	852,193,366
Bonds recoverable on paid losses	33,617,614
Due from ceding companies	40,783,619
Funds held by ceding companies	5,658,676
	₱2,042,080,123

Premiums receivable and agents' balances arise from unpaid premiums from policy holders and intermediaries; due from ceding companies are premiums receivable for reinsuring the policies; while recoverable on paid losses are the share of ceding companies for the claims paid to the insured during the year. The amount of funds held by ceding companies is a percentage of the premiums, as required by the Insurance Commission. The Group's insurance receivables are all due within one year.

In 2015, Insurance receivables of Charter Ping An were reclassified as part of 'Assets of disposal group classified as held-for-sale' (Note 12).

Others

Other receivables include receivable from employees, receivable from Bureau of Internal Revenue (BIR) and management fee receivables.

Allowance for Credit Losses

Changes in the allowance for credit losses on receivables are as follows:

	December 31, 2015			
	Trade Receivables	**Insurance Receivables**	**Other Receivables**	**Total**
Balance at beginning of year	**₱306,341**	**₱16,305,510**	**₱199,800,119**	**₱216,411,970**
Provision for credit losses (Note 26)	**9,440,933**	**–**	**85,234,068**	**94,675,001**
Write-off	**(3,029,998)**	**–**	**(3,372,506)**	**(6,402,504)**
Effect of disposal group classified as held-for-sale (Note 12)	**–**	**(16,305,510)**	**–**	**(16,305,510)**
Balance at end of year	**₱6,717,276**	**₱–**	**₱281,661,681**	**₱288,378,957**

	December 31, 2015			
	Trade Receivables	**Insurance Receivables**	**Other Receivables**	**Total**
Individual impairment	**₱6,717,276**	**₱–**	**₱281,661,681**	**₱288,378,957**
Collective impairment	–	–	–	–
	₱6,717,276	**₱–**	**₱281,661,681**	**₱288,378,957**
Gross amount of receivables individually impaired before deducting any impairment allowance	**₱6,717,276**	**₱–**	**₱281,661,681**	**₱288,378,957**

	December 31, 2014			
	Trade Receivables	Insurance Receivables	Other Receivables	Total
Balance at beginning of year	₱215,500	₱13,968,802	₱9,355,970	₱23,540,272
Provision for credit losses (Note 26)*	2,440,842	2,336,708	190,444,149	195,221,699
Write-off	(2,350,001)	–	–	(2,350,001)
Balance at end of year	₱306,341	₱16,305,510	₱199,800,119	₱216,411,970
Individual impairment	₱306,341	₱–	₱199,800,119	₱200,106,460
Collective impairment	–	16,305,510	–	16,305,510
	₱306,341	₱16,305,510	₱199,800,119	₱216,411,970
Gross amount of receivables individually impaired before deducting any impairment allowance	₱4,985,085	₱–	₱199,800,119	₱204,785,204

**2014 balance amounting to ₱2.34 million in net income of disposal group.*

6. Inventories and Land Held for Future Development

Inventories

This account consists of:

	2015	2014
At cost		
Real estate		
Land and improvements	**₱35,382,057,790**	₱18,825,067,741
Condominium units held for sale	**5,547,578,128**	5,267,587,244
Construction in progress	**3,122,819,140**	1,324,802,315
Materials and supplies	**1,470,601,022**	–
Gasoline retail and petroleum products (Note 25)	**7,211,154**	5,769,494
Food (Note 25)	**936,359**	934,674
Power		
Coal	**632,676,588**	289,631,702
Industrial fuel and lubricating oil	**98,140,160**	158,736,907
Automotive		
Finished goods	**1,954,140,253**	2,314,179,575
Work-in-process	**79,918,750**	52,269,353
Raw materials in transit	**2,044,983,966**	1,205,376,918
	50,341,063,310	29,444,355,923
At NRV		
Power		
Spare parts and supplies	**775,386,373**	580,238,875
Automotive		
Spare parts	**2,130,753,949**	1,401,794,020
	2,906,140,322	1,982,032,895
	₱53,247,203,632	₱31,426,388,818

A summary of movements in real estate inventories (excluding materials and supplies, gasoline retail, petroleum products and food) follows:

	2015			
	Condominium unit held for sale	**Land and improvements**	**Construction in progress**	**Total**
Balance at beginning of the year	**₱5,267,587,244**	**₱18,825,067,741**	**₱1,324,802,315**	**₱25,417,457,300**
Effect of business combination	**693,197,529**	**6,948,627,458**	**1,176,849,077**	**8,818,674,064**
Construction and development costs incurred	**2,231,441,043**	**425,927,673**	**3,300,871,958**	**5,958,240,674**
Land acquired during the year	**–**	**9,050,196,040**	**–**	**9,050,196,040**
Land acquired through exchange	**–**	**985,700,000**	**–**	**985,700,000**
Land disposed through exchange	**–**	**(620,817,117)**	**(27,516,209)**	**(648,333,326)**
Borrowing costs capitalized	**155,317,711**	**220,958,488**	**613,700,297**	**989,976,496**
Cost of sales during the year	**(5,279,188,008)**	**(145,799,796)**	**(1,062,236,312)**	**(6,487,224,116)**
Transfer from construction in progress to condominium units for sale	**1,966,791,327**	**–**	**(1,966,791,327)**	**–**
Transfer to land held for future development	**–**	**(115,150,118)**	**–**	**(115,150,118)**
Transfer from land and improvement to condominium units for sale	**920,808,621**	**(920,808,621)**	**–**	**–**
Transfers to and from investment property (Note 9)	**(392,776,804)**	**535,036,622**	**(43,741,239)**	**98,518,579**
Transfer from construction in progress to land and improvements	**–**	**193,119,420**	**(193,119,420)**	**–**
Allowance for impairment losses (Note 26)	**(15,600,535)**	**–**	**–**	**(15,600,535)**
Balance at end of the year	**₱5,547,578,128**	**₱35,382,057,790**	**₱3,122,819,140**	**₱44,052,455,058**

	2014			
	Condominium unit held for sale	Land and improvements	Construction in progress	Total
Balance at beginning of the year	₱5,324,507,924	₱9,684,589,236	₱1,116,298,814	₱16,125,395,974
Construction and development costs incurred	831,755,965	–	3,382,205,969	4,213,961,934
Land acquired during the year	–	8,884,422,878	–	8,884,422,878
Borrowing costs capitalized	387,731,010	–	321,918,979	709,649,989
Cost of sales during the year	(4,333,871,992)	–	–	(4,333,871,992)
Transfer from construction in progress to condominium units for sale	3,042,977,425	–	(3,042,977,425)	–
Land developed during the period	14,486,912	(252,126)	(14,234,786)	–
Transfers to and from investment property (Note 9)	–	256,307,753	(438,409,236)	(182,101,483)
Balance at end of the year	₱5,267,587,244	₱18,825,067,741	₱1,324,802,315	₱25,417,457,300

In 2015 and 2014, the Group acquired parcels of land amounting to ₱10.04 billion and ₱8.88 billion, respectively, to be held either for sale or for future land development.

Fed Land's capitalized borrowing costs in its real estate inventories amounted to ₱836.92 million and ₱389.72 million in 2015 and 2014, respectively, for loans specifically used to finance Fed Land's project construction with interest rates ranging from 3.00% to 6.27% and 3.35% to 6.27% in 2015 and 2014, respectively. Also, Fed Land's capitalized borrowing costs in respect of its general borrowing amounted to ₱3.02 million and ₱319.93 million in 2015 and 2014, respectively. The average capitalization rate used to determine the amount of borrowing costs eligible for capitalization was 7.34% in 2015 and 2014. Said capitalized interest is added to 'Condominium units held for sale' account and recognized as expense upon the sale of condominium units.

PCFI's borrowing cost capitalized as part of real estate inventories amounted to ₱150.04 million in 2015. The capitalization rate used to determine the borrowings eligible for capitalization is 6.38% as of December 31, 2015.

Certain real estate inventories of PCFI with an aggregate carrying value of ₱4.64 billion as of December 31, 2015 are mortgaged/pledged as security for loans payable to various local banks (Note 17).

Inventories charged to ‘Cost of real estate sales’ amounted to ₱6.49 billion and ₱4.33 billion in 2015 and 2014, respectively.

Inventories charged to ‘Cost of goods and services sold’ amounted to ₱73.79 billion and ₱71.72 billion in 2015 and 2014, respectively (Note 25).

Inventories charged to ‘Cost of goods manufactured and sold’ amounted to ₱27.84 billion and ₱24.21 billion in 2015 and 2014, respectively (Note 25).

Inventories charged to ‘Power plant operation and maintenance expenses‘ amounted to ₱5.97 billion and ₱6.68 billion in 2015 and 2014, respectively (Note 25).

Allowance for inventory write-down on power and automotive spare parts inventories follows:

	2015	2014
Beginning balance	**₱131,496,307**	₱145,819,600
Provision for inventory write-down	**1,008,925**	17,467,493
Reversal	**(34,166,715)**	–
Write-off of scrap inventories	–	(31,790,786)
	₱98,338,517	₱131,496,307

Land Held for Future Development
As of December 31, 2015, Land held for future development amounted to ₱27.36 billion which consist of properties of PCFI for future developments and is carried at cost.

7. Prepayments and Other Current Assets

This account consists of:

	2015	2014
Input VAT	**₱3,298,726,671**	₱2,077,923,616
Advances to contractors and suppliers	**2,158,709,020**	1,514,884,735
Prepaid expenses	**968,671,046**	603,802,975
Creditable withholding taxes (CWT)	**398,346,093**	496,404,153
Advances to officers, employees, agents and brokers (Note 27)	**325,087,234**	49,574,060
Assets held for sale	**252,871,572**	18,487,212
Ad-valorem tax	**188,872,437**	266,145,432
Deferred acquisition cost (Note 12)*	–	308,804,931
Others	**81,430,717**	132,261,782
	₱7,672,714,790	₱5,468,288,896

**2015 balance was reclassified to ‘Assets of disposal group classified as held-for-sale‘ (Note 12).*

Input VAT arises from the Group’s purchases of goods and services and will be applied against output VAT on sales in the succeeding periods.

Advances to contractors and suppliers pertain to the Group's advances and initial payments for the purchase of construction materials and supplies and contractor services. These are liquidated every progress billing payments and will be due and demandable upon breach of contract.

Prepaid expenses mainly include unamortized commission expense for incomplete real estate units and prepayments for supplies, taxes and licenses, rentals and insurance.

CWT are attributable to taxes withheld by third parties arising from net fees, service fees, real estate revenue, auto sales and rental income.

Advances to officers and employees amounting to ₱57.94 million and ₱38.30 million as of December 31, 2015 and 2014, respectively, pertain mainly to cash advances for business-related expenses. Advances to officers and employees are liquidated within 30 days after incurrence of expense. Cash advances to agents amounting to ₱13.04 million and ₱11.27 million as of December 31, 2015 and 2014, respectively, pertain to mobilization funds granted to agents to finance their sales-related needs. These advances are subjected to liquidation within 30 days after the release of cash advance. Cash advances to brokers in 2015 which resulted from the acquisition of PCFI amounting to ₱254.11 million will be recovered by applying the amount to the commissions that will be earned by the brokers.

The assets held for sale as of December 31, 2015 pertains to vehicles used in the Asia-Pacific Economic Cooperation (APEC) 2015 event which are available for sale in its present condition. During the year, TMPC entered into an agreement with the APEC Business Advisory Council (ABAC) Philippines for the sponsorship of vehicles. In return, TMPC is allowed to use APEC 2015 and/or APEC CEO Summit logos in the materials to be used to market and sell vehicles prior to and succeeding the event to ensure proper disposal of vehicles by TMPC to the market.

As of December 31, 2014, assets held for sale pertain to amounts recoverable on account of losses on direct business of Charter Ping An. In 2015, these were reclassified as part of 'Assets of disposal group classified as held-for-sale' (Note 12).

The ad-valorem tax represents advance payments to the BIR. This is applied against taxes on the manufacture and importation of vehicles which generally occurs within one (1) year from the date the ad-valorem taxes are paid.

Deferred acquisition cost pertains to costs incurred during the financial period that vary with and are related to securing new insurance contracts and or renewing existing insurance contracts, but which relates to subsequent financial periods, and are deferred to the extent that they are recoverable out of future revenue margins. In 2015, deferred acquisition cost was reclassified to 'Assets of disposal group classified as held-for-sale' (Note 12).

Others include deferred import charges, marginal deposits set aside for payment to the contractors and suppliers, security deposit for operating leases, and for power delivery and ancillary services, and deposit for purchase of external services and materials.

8. Investments in Associates and Jointly Controlled Entities

This account consists of:

	2015	2014
Investments in associates	**₱51,573,785,956**	₱39,994,616,085
Investments in jointly controlled entities	**8,691,484,241**	7,456,802,626
	₱60,265,270,197	₱47,451,418,711

The movements in the Group's investments in associates follow:

	2015	2014
Cost		
Balance at beginning of year	**₱25,123,725,347**	₱25,123,825,347
Reclassification to advances to associate	**–**	(100,000)
Acquisitions/additional investments during the year	**8,279,396,034**	–
Balance at end of year	**33,403,121,381**	25,123,725,347
Accumulated equity in net income		
Balance at beginning of year	**17,256,165,503**	14,316,511,275
Attributable to indirect interest - business combination	**–**	(1,624,957)
Equity in net income for the year	**5,046,409,106**	5,361,790,713
Unrealized gain on sale of properties (Note 27)	**(152,019,006)**	(2,091,373,578)
Elimination of unrealized gain on sale of shares of stock to the Parent Company	**–**	(329,137,950)
Balance at end of year	**22,150,555,603**	17,256,165,503
Dividends received		
Balance at beginning of year	**(4,179,308,171)**	(3,225,860,989)
Dividends received during the year	**(689,261,390)**	(953,447,182)
Balance at end of year	**(4,868,569,561)**	(4,179,308,171)
Accumulated equity in other comprehensive income		
Balance at beginning of year	**(297,340,172)**	(296,833,943)
Equity in net unrealized gain on AFS investments for the year	**(890,788,761)**	(402,509,122)
Realized gain from sale of AFS investments of associates	**–**	319,619,393
Translation adjustments	**110,600,232**	(25,685,843)
Net unrealized loss on remeasurements of defined benefit plans	**(277,185,350)**	108,069,343
Balance at end of year	**(1,354,714,051)**	(297,340,172)
Effect of elimination of intragroup profit		
Balance at beginning of year	**2,091,373,578**	–
Unrealized gain on sale of properties	**152,019,006**	2,091,373,578
Balance at end of year	**2,243,392,584**	2,091,373,578
	₱51,573,785,956	₱39,994,616,085

The movements in the Group's investment in jointly controlled entities follow:

	2015	2014
Cost		
Balance at beginning of year	**₱6,755,901,083**	₱4,138,644,833
Acquisitions/additional investments	**574,125,000**	2,617,256,250
Balance at end of year	**7,330,026,083**	6,755,901,083
Accumulated equity in net income		
Balance at beginning of year	**1,228,274,268**	747,432,110
Equity in net income for the year	**721,672,497**	480,842,158
Balance at end of year	**1,949,946,765**	1,228,274,268
Dividends received		
Balance at beginning of year	**(480,000,000)**	(240,000,000)
Dividends declared during the year	**(60,000,000)**	(240,000,000)
Balance at end of year	**(540,000,000)**	(480,000,000)
Accumulated equity in other comprehensive income		
Balance at beginning of year	**(4,254,875)**	(4,254,875)
Equity in net unrealized gain on AFS investments for the year	**140,000**	–
Equity in net unrealized loss on remeasurements of defined benefit plans	**(5,830,279)**	–
Equity in cash flow hedge reserve	**4,201,060**	–
Balance at end of year	**(5,744,094)**	(4,254,875)
Effect of elimination of intragroup profit		
Balance at beginning of year	**(43,117,850)**	–
Elimination during the year	**373,337**	(43,117,850)
Balance at end of year	**(42,744,513)**	(43,117,850)
	₱8,691,484,241	₱7,456,802,626

Details regarding the Group's associates and jointly controlled entities follow:

	Nature of Business	Country of Incorporation	Effective Ownership	
			2015	2014
Associates:				
MBTC	Banking	Philippines	**25.22**	25.11
Phil AXA	Insurance	-do-	**25.33**	25.33
Crown Central Properties Corporation (CCPC)	Real estate	-do-	**48.00**	48.00
Global Luzon Energy Development Corporation (GLEDC)	Power	-do-	–	49.00
Jointly controlled entities:				
Bonifacio Landmark Realty and Development Corporation (BLRDC)	Real estate	-do-	**70.00**	70.00
Federal Land Orix Corporation (FLOC)	-do-	-do-	**60.00**	60.00
TMBC	Automotive Operations	-do-	**60.00**	60.00
TFSPC	Financing	-do-	**40.00**	40.00
Alveo Federal Land Communities, Inc. (AFLCI)	Real estate	-do-	**50.00**	–

As of December 31, 2014, GBPC owns 49.00% of GLEDC and accounted for GLEDC as an investment in associate. In July 2015, GBPC acquired the remaining 51.00% of GLEDC from Meralco PowerGen Corporation.

The carrying values of the Group's investments in associates and jointly controlled entities follow:

	2015	2014
Associates:		
MBTC	**₱50,221,572,144**	₱38,918,728,635
Phil AXA	**1,275,282,494**	1,004,835,578
CCPC	**76,931,318**	71,051,872
	51,573,785,956	39,994,616,085
Jointly controlled entities:		
BLRDC	**4,279,282,121**	3,922,244,544
TFSPC	**2,641,677,369**	2,430,126,977
TMBC	**844,401,559**	768,156,946
FLOC	**351,998,192**	336,274,159
AFLCI	**574,125,000**	–
	8,691,484,241	7,456,802,626
	₱60,265,270,197	₱47,451,418,711

The following table summarizes cash dividends declared and paid by the Group's associates and jointly controlled entities:

	Declaration date	**Per share**	**Total (in millions)**	**Record Date**	**Payment Date**
2015					
MBTC	**January 27, 2015**	**₱1.00**	**₱2,745**	**March 26, 2015**	**March 31, 2015**
FLOC	**December 11, 2015**	**0.18**	**100**	**December 31, 2015**	**February 1, 2016**
2014					
MBTC	March 26, 2014	₱1.00	₱2,745	May 7, 2014	May 16, 2014
Phil AXA	October 23, 2014	89.10	1,043	October 23, 2014	November 26, 2014
FLOC	December 17, 2014	0.73	400	December 31, 2014	January 31, 2015

Investment in AFLCI

On April 29, 2015, Fed Land and Alveo Land Corp. executed a joint venture agreement for the organization of a joint venture, Alveo-Federal Land Communities Inc. (AFLCI), to manage the development of a 45-hectare property along Laguna Boulevard in Biñan, Laguna. AFLCI was incorporated on June 16, 2015.

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.

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 BLRDC
On June 8, 2012, Fed Land and ORIX Risingsun Properties, Inc. (ORIX) entered into a joint venture agreement for the creation of BLRDC, with Fed Land owning 70% and Orix owning 30% to develop three (3) main projects, namely (1) residential condominium project, (2) hotel/office building, and (3) operation of the hotel.

Investment in FLOC
On October 11, 2008, Fed Land also entered into a joint venture agreement with Orix for the organization of FLOC, to manage the development and selling of a certain real estate project for a 60% equity interest.

Fed Land does not exercise control at 70% of BLRDC and 60% of FLOC, but instead exercises joint control because Fed Land and Orix have contractually agreed to share control over the economic activities of BLRDC and FLOC.

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%.

In 2011, FMIC, a majority owned subsidiary of MBTC participated in a bond exchange transaction under the liability management exercise of the Philippine government. The SEC granted an exemptive relief from the existing tainting rule on HTM investments under PAS 39, *Financial Instruments: Recognition and Measurement,* while the BSP also provided the same exemption for prudential reporting to the participants. Following the exemption granted, the 2015, 2014 and 2013 consolidated financial statements of MBTC have been prepared in compliance with Philippine GAAP. For the purpose of computing the Group's share in 2015, 2014 and 2013 net income and other comprehensive income of MBTC, certain adjustments were made in the Group's 2015, 2014 and 2013 consolidated financial statements to comply with PFRS.

The following tables present the financial information of the Group’s associates and jointly controlled entities as of and for the years ended December 31, 2015 and 2014 (amounts in millions):

	Associates		Jointly Controlled Entities					
	MBTC**	Phil AXA**	CCPC	FLOC	BLRDC	TMBC	AFLCI	TFSPC**
2015								
Current assets			**₱196**	**₱1,072**	**₱3,095**	**₱1,842**	**₱220**	
Noncurrent assets			**25**	**42**	**6,846**	**667**	**927**	
Total assets	**₱1,760,692**	**₱79,978**	**221**	**1,114**	**9,941**	**2,509**	**1147**	**₱44,278**
Current liabilities			**50**	**500**	**2,042**	**1,653**	**4**	
Noncurrent liabilities			**–**	**35**	**2,235**	**65**	**–**	
Total liabilities	**1,557,382**	**74,810**	**50**	**535**	**4,277**	**1,718**	**4**	**39,909**
Net assets	**₱203,310**	**₱5,168**	**₱171**	**₱579**	**₱5,664**	**₱791**	**₱1,143**	**₱4,369**
Revenues	**₱67,402**	**₱7,189**	**₱40**	**₱232**	**₱3,843**	**₱12,555**	**₱–**	**₱1,911**
Expenses	**41,931**	**5,264**	**24**	**58**	**3,047**	**12,328**	**–**	**1,180**
2014								
Current assets			₱199	₱1,669	₱6,186	₱1,846	₱–	
Noncurrent assets			26	175	2,058	511	–	
Total assets	₱1,604,540	₱68,070	225	1,844	8,244	2,357	–	₱39,425
Current liabilities			67	1,057	1,991	1,645	–	
Noncurrent liabilities			–	234	1,099	52	–	
Total liabilities	1,445,755	63,983	67	1,291	3,090	1,697	–	35,582
Net assets	₱158,785	₱4,087	₱158	₱553	₱5,154	₱660	₱–	₱3,843
Revenues	₱74,894	₱6,396	₱23	₱420	₱1,990	₱11,268	₱–	₱2,434
Expenses	45,773	4,769	17	273	1,337	11,122	–	1,993

*** MBTC, Phil AXA and TFSPC do not present classified statements of financial position.*

Fair Value of Investment in Associates and Jointly Controlled Entities
Phil AXA and CCPC as well as TMBC, BLRDC, FLOC and AFLCI are private companies and there are no quoted market prices available for their shares. As of December 31, 2015 and 2014, the fair value of the Group's investment in MBTC, which is listed on the PSE, amounted to ₱64.55 billion and ₱57.17 billion, respectively.

The net assets and liabilities of MBTC and Phil AXA consist mainly of financial assets and financial liabilities.

Limitation on dividend declaration of associates and jointly controlled entities
Phil AXA
Section 195 of the Insurance Code provides that a domestic insurance company shall declare or distribute dividends on its outstanding stock only from profits remaining on hand after retaining unimpaired:

- the entire paid-up capital stock;
- the margin of solvency required;
- the legal reserve fund required; and
- a sum sufficient to pay all net losses reported or in the course of settlement and all liabilities for expenses and taxes.

MBTC
The BSP requires banks to keep certain levels of regulatory capital and liquid assets, limit their exposures to other parts of the Group and comply with other regulatory ratios.

In the ordinary course of the Group's business, the Parent Company issues guarantee for the completion of Fed Land's ongoing real estate projects (Note 36).

As of December 31, 2015 and 2014, there were no agreements entered into by the associates and jointly controlled entities of the Group that may restrict dividends and other capital distributions to be paid, or loans and advances to be made or repaid to or from other entities within the Group. MBTC's dividend declarations and payments are subject to the approval of BSP.

As of December 31, 2015 and 2014, accumulated equity in net earnings amounting to ₱18.69 billion and ₱13.83 billion, respectively, is not available for dividend declaration. The accumulated equity in net earnings becomes available for dividends upon declaration and receipt of cash dividends from the investees.

As of December 31, 2015 and 2014, the Group has no share on commitments and contingencies of its associates and jointly controlled entities.

9. Investment Properties

The composition and rollforward analysis of this account follow:

	December 31, 2015			
	Land and Improvements	**Building and Improvements**	**Construction In Progress**	**Total**
Cost				
At January 1	**₱5,105,520,888**	**₱4,005,717,593**	**₱–**	**₱9,111,238,481**
Effect of business combination (Note 31)	**2,247,548,350**	**106,885,309**	**36,062,380**	**2,390,496,039**
Additions	**31,851,095**	**412,595,205**	**40,556,994**	**485,003,294**
Disposals	**(139,630,406)**	**–**	**–**	**(139,630,406)**
Reclassification	**(1,349,345,804)**	**326,067,232**	**840,501,604**	**(182,776,968)**
Transfers	**(535,036,622)**	**392,776,804**	**43,741,239**	**(98,518,579)**
At December 31	**5,360,907,501**	**5,244,042,143**	**960,862,217**	**11,565,811,861**
Accumulated Depreciation				
At January 1	**62,091,557**	**406,518,002**	**–**	**468,609,559**
Depreciation (Note 11)	**4,766,775**	**186,998,014**	**–**	**191,764,789**
Reclassification	**–**	**108,321,182**	**–**	**108,321,182**
At December 31	**66,858,332**	**701,837,198**	**–**	**768,695,530**
Net Book Value at December 31	**₱5,294,049,169**	**₱4,542,204,945**	**₱960,862,217**	**₱10,797,116,331**

	December 31, 2014			
	Land and Improvements	Building and Improvements	Construction In Progress	Total
Cost				
At January 1	₱4,796,602,102	₱3,926,129,903	₱–	₱8,722,732,005
Effect of business combination (Note 31)	301,367,000	–	–	301,367,000
Additions	7,551,786	79,587,690	–	87,139,476
Disposals	–	–	–	–
Transfers	–	–	–	–
At December 31	5,105,520,888	4,005,717,593	–	9,111,238,481
Accumulated Depreciation				
At January 1	61,713,968	332,349,504	–	394,063,472
Depreciation (Note 11)	377,589	74,168,498	–	74,546,087
Transfers	–	–	–	–
At December 31	62,091,557	406,518,002	–	468,609,559
Net Book Value at December 31	₱5,043,429,331	₱3,599,199,591	₱–	₱8,642,628,922

Various parcels of land are leased to several individuals and corporations including related parties. Some of the lease contracts provide, among others, that within a certain period from the expiration of the contracts, the lessee will have to demolish and remove any and all improvements built within the leased properties. Otherwise, the lessor will cause the demolition and removal thereof and charge the cost to the lessee unless the lessor occupies and appropriates the same for its use and benefit. Rent income recognized from these properties amounted to ₱840.46 million, ₱764.49 million and ₱592.04 million in 2015, 2014 and 2013, respectively (Note 30).

Construction-in-progress pertains to the accumulated cost incurred for the development and redevelopment of the Fed Land's malls and is expected to be completed in 2016.

The depreciation of the investment properties amounted to ₱191.76 million, ₱74.55 million and ₱110.05 million in 2015, 2014 and 2013, respectively.

The aggregate fair value of the Group's investment properties amounted to ₱14.93 billion and ₱11.14 billion as of December 31, 2015 and 2014, respectively. The fair value of the Group's investment properties has been determined based on valuations performed by Asian Appraisal Company (AAC) and Philippine Appraisal Co. Inc. (PACI), independent appraisers which are accredited by the SEC. 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 by AAC in 2014 and PACI in 2015.

10. Available-for-sale Investments

This account consists of:

	2015	2014
Equity securities		
Quoted	**₱2,714,224,654**	₱2,549,232,004
Unquoted	**480,598,603**	480,655,253
Quoted debt securities*	–	1,096,992,874
	₱3,194,823,257	₱4,126,880,131

**2015 balance was reclassified to 'Assets of disposal group classified as held-for-sale' (Note 12).*

Unquoted AFS investments are carried at cost due to the unpredictable nature of future cash flows and the lack of suitable valuation of arriving at a reliable fair value.

Unquoted AFS investments in Toyota Autoparts Philippines, Inc. (TAPI), representing 5.00% ownership interest, amounted to ₱466.20 million as of December 31, 2015 and 2014. Also included in the balance are AFS investments of Fed Land and TCI amounting to ₱9.94 million and ₱0.39 million, respectively.

Unquoted AFS of Fed Land pertain to preferred shares of a utility company issued to the Group in connection with its subscription to the electricity services of the said utility company needed for Fed Land's real estate projects. The said preferred shares have no active market and the Group does not intend to dispose these investments since these are directly related to the continuity of its business.

Quoted debt securities follow:

	2014
Government debt securities	₱780,975,000
Private debt securities	316,017,874
	₱1,096,992,874

In 2015, quoted debt securities were reclassified to 'Assets of disposal group classified as held-for-sale' (Note 12).

Movements in the net unrealized gain on AFS investments follow:

	2015		
	Attributable to Parent Company	**Non-controlling Interest**	**Total**
Balance at beginning of year	**₱618,360,689**	**₱532,606,887**	**₱1,150,967,576**
Effect of business combination	**(132,171)**	**(450,594)**	**(582,765)**
Net changes shown in other comprehensive income			
Fair value changes on AFS investments*	**204,992,554**	**197,171,016**	**402,163,570**
Realized gain on sale on AFS investments	**(17,679,247)**	**–**	**(17,679,247)**
Effect of disposal group classified as held-for-sale (Note 12)	**17,868,115**	**–**	**17,868,115**
Balance at end of year	**₱823,409,940**	**₱729,327,309**	**₱1,552,737,249**

**Includes unrealized loss from disposal group classified as held-for-sale amounting to ₱30.14 million.*

	2014		
	Attributable to Parent Company	Non-controlling Interest	Total
Balance at beginning of year	₱80,294,836	₱89,564,687	₱169,859,523
Net changes shown in other comprehensive income			
Fair value changes on AFS investments*	549,784,963	443,042,200	992,827,163
Realized gain on sale on AFS investments	(11,719,110)	–	(11,719,110)
	538,065,853	443,042,200	981,108,053
Balance at end of year	₱618,360,689	₱532,606,887	₱1,150,967,576

**Includes unrealized gain from disposal group classified as held-for-sale amounting to ₱43.09 million.*

11. Property and Equipment

The composition and rollforward analysis of this account follow:

	2015											
	Transportation Equipment	**Furniture, Fixtures and Equipment**	**Leasehold Improvements**	**Machinery, Tools and Equipment**	**Land and Building**	**Boilers and Powerhouse**	**Turbine Generations and Desox System**	**Building and Land Improvements**	**Electrical Distribution System**	**Other Property and Equipment**	**Construction-in-Progress**	**Total**
Cost												
At January 1	**₱367,100,782**	**₱399,513,044**	**₱559,433,324**	**₱3,278,351,072**	**₱1,705,341,775**	**₱19,839,582,467**	**₱9,982,489,926**	**₱5,564,437,457**	**₱3,171,229,653**	**₱3,827,379,886**	**₱2,318,032,261**	**₱51,012,891,647**
Effect of business combination (Note 31)	**18,064,068**	**130,061,274**	**6,138,328**	**122,074,096**	**55,570,140**	**–**	**–**	**381,196,243**	**–**	**–**	**–**	**713,104,149**
Reclassification to assets of disposal group classified as held-for-sale (Note 12)	**(64,026,825)**	**(39,986,659)**	**(173,479,347)**	**–**	**–**	**–**	**–**	**(182,062,181)**	**–**	**–**	**–**	**(459,555,012)**
Additions	**55,426,028**	**73,424,268**	**65,469,653**	**55,160,037**	**93,903,986**	**16,164,934**	**–**	**72,926,844**	**–**	**65,038,425**	**9,456,021,863**	**9,953,536,038**
Disposals and reclassifications	**22,744,815**	**(102,552,045)**	**(144,687,121)**	**4,847,515**	**22,882,625**	**(5,487,983,048)**	**1,670,754,127**	**930,906,465**	**(797,812)**	**3,737,171,205**	**(1,467,694,681)**	**(814,407,955)**
At December 31	**399,308,868**	**460,459,882**	**312,874,837**	**3,460,432,720**	**1,877,698,526**	**14,367,764,353**	**11,653,244,053**	**6,767,404,828**	**3,170,431,841**	**7,629,589,516**	**10,306,359,443**	**60,405,568,867**
Accumulated Depreciation and Amortization												
At January 1	**137,321,143**	**230,235,682**	**332,398,699**	**308,398,339**	**22,072,262**	**3,122,501,724**	**489,458,144**	**513,521,051**	**303,791,426**	**752,465,244**	**–**	**6,212,163,714**
Reclassification to assets of disposal group classified as held-for-sale (Note 12)	**(43,872,862)**	**(30,270,747)**	**(123,882,844)**	**–**	**–**	**–**	**–**	**(43,956,990)**	**–**	**–**	**–**	**(241,983,443)**
Depreciation and amortization	**166,108,762**	**86,484,620**	**44,861,124**	**201,604,826**	**7,729,514**	**1,311,753,566**	**101,217,935**	**208,762,766**	**119,644,134**	**493,449,259**	**–**	**2,741,616,506**
Disposals and reclassifications	**(95,367,417)**	**(53,435,054)**	**(163,919,321)**	**17,114,964**	**–**	**(1,380,966)**	**(10,852,392)**	**41,851**	**–**	**29,811,739**	**–**	**(277,986,596)**
At December 31	**164,189,626**	**233,014,501**	**89,457,658**	**527,118,129**	**29,801,776**	**4,432,874,324**	**579,823,687**	**678,368,678**	**423,435,560**	**1,275,726,242**	**–**	**8,433,810,181**
Net Book Value at December 31	**₱235,119,242**	**₱227,445,381**	**₱223,417,179**	**₱2,933,314,591**	**₱1,847,896,750**	**₱9,934,890,029**	**₱11,073,420,366**	**₱6,089,036,150**	**₱2,746,996,281**	**₱6,353,863,274**	**₱10,306,359,443**	**₱51,971,758,686**

	2014											
	Transportation Equipment	Furniture, Fixtures and Equipment	Leasehold Improvements	Machinery, Tools and Equipment	Land and Building	Boilers and Powerhouse	Turbine Generations and Desox System	Building and Land Improvements	Electrical Distribution System	Other Property and Equipment	Construction-in-Progress	Total
Cost												
At January 1	₱334,291,177	₱273,297,816	₱509,458,860	₱3,052,220,271	₱1,633,060,925	₱11,671,118,365	₱9,930,393,331	₱5,153,731,419	₱3,187,686,385	₱3,031,851,009	₱5,963,349,748	₱44,740,459,306
Effect of business combination (Note 31)	19,068,940	49,514,221	–	33,495,253	–	–	–	234,728,520	–	–	–	336,806,934
Additions	145,788,919	98,064,158	49,843,103	94,186,694	72,280,850	89,026,099	–	86,363,884	2,583,527	717,419,686	5,307,938,470	6,663,495,390
Disposals and reclassifications	(132,048,254)	(21,363,151)	131,361	98,448,854	–	8,079,438,003	52,096,595	89,613,634	(19,040,259)	78,109,191	(8,953,255,957)	(727,869,983)
At December 31	367,100,782	399,513,044	559,433,324	3,278,351,072	1,705,341,775	19,839,582,467	9,982,489,926	5,564,437,457	3,171,229,653	3,827,379,886	2,318,032,261	51,012,891,647
Accumulated Depreciation and Amortization												
At January 1	96,103,353	147,463,089	277,534,666	142,543,080	14,400,934	1,765,429,020	368,227,707	252,223,055	187,461,732	325,644,689	–	3,577,031,325
Effect of business combination (Note 31)	10,786,815	44,397,823	–	23,565,900	–	–	–	56,828,812	–	–	–	135,579,350
Depreciation and amortization	119,111,900	53,186,760	54,885,382	142,290,596	7,671,328	1,367,207,304	121,230,437	203,705,470	120,524,759	452,880,560	–	2,642,694,496
Disposals and reclassifications	(88,680,925)	(14,811,990)	(21,349)	(1,237)	–	(10,134,600)	–	763,714	(4,195,065)	(26,060,005)	–	(143,141,457)
At December 31	137,321,143	230,235,682	332,398,699	308,398,339	22,072,262	3,122,501,724	489,458,144	513,521,051	303,791,426	752,465,244	–	6,212,163,714
Net Book Value at December 31	₱229,779,639	₱169,277,362	₱227,034,625	₱2,969,952,733	₱1,683,269,513	₱16,717,080,743	₱9,493,031,782	₱5,050,916,406	₱2,867,438,227	₱3,074,914,642	₱2,318,032,261	₱44,800,727,933

The property and equipment of CEDC, property and equipment of TPC (except TPC1A's construction in progress), and the property and equipment (except non-utility assets) of PPC and PEDC, with aggregate carrying value of ₱45.08 billion and ₱39.18 billion as of December 31, 2015 and 2014, respectively, have been mortgaged/pledged as security for their long-term debt (Note 17).

Construction-in-progress pertains to the accumulated cost incurred for the PEDC Unit 3 Expansion project which started in 2014 and is expected to be completed in 2016.

Gain on disposal of property and equipment amounted to ₱29.61 million, ₱90.17 million and ₱15.81 million in 2015, 2014 and 2013, respectively (Note 23).

Fully depreciated boilers and powerhouse, buildings and land improvements and other property and equipment with cost of ₱2,810.45 million and ₱701.41 million, as of December 31, 2015 and 2014, respectively, are still being used in the Group's operations.

Details of depreciation and amortization follow:

	2015	2014 (As restated - Note 12)	2013 (As restated - Note 12)
Continuing operations			
Property and equipment	**₱2,721,413,446**	₱2,610,811,165	₱2,256,124,755
Intangible assets (Note 13)	**480,301,773**	485,767,088	485,318,762
Investment properties (Note 9)	**191,764,789**	74,546,087	110,046,229
	3,393,480,008	3,171,124,340	2,851,489,746
Depreciation and amortization attributable to disposal group			
Property and equipment	**20,203,060**	31,883,331	5,722,191
Intangible assets (Note 13)	**68,453**	68,452	62,748
	20,271,513	31,951,783	5,784,939
	₱3,413,751,521	₱3,203,076,123	₱2,857,274,685

Breakdown of depreciation and amortization in the consolidated statements of income follow:

	2015	2014 (As restated- Note12)	2013 (As restated- Note12)
Power plant operation and maintenance expenses (Note 24)	**₱1,751,893,222**	₱1,756,195,944	₱1,678,551,135
Cost of goods manufactured	**569,539,010**	388,080,484	234,483,648
Cost of rental (Notes 30)	**182,899,349**	172,061,483	73,281,106
Cost of goods and services	**36,951,693**	–	–
General and administrative expenses (Note 26)	**852,196,734**	854,786,429	865,173,857
Attributable to disposal group classified as held-for-sale (Note 12)	**20,271,513**	31,951,783	5,784,939
	₱3,413,751,521	₱3,203,076,123	₱2,857,274,685

12. Assets and Liabilities of Disposal Group Classified as Held-for-Sale

On November 5, 2015, the Parent Company signed an agreement to sell 100.00% of Charter Ping An to AXA Philippines for ₱2.30 billion, subject to closing conditions that are usual and customary. The sale is expected to be completed in 2016.

PFRS 5 requires assets and liabilities of Charter Ping An, together with the results of operations of a disposal group, to be classified separately from continuing operations. As a result, GT Capital reclassified all the assets, liabilities, and accumulated other comprehensive income to 'Assets of disposal group classified as held-for-sale', 'Liabilities of disposal group classified as held-for-sale' and 'Reserve of disposal group classified as held-for-sale', respectively, in the statement of financial position.

In the consolidated statements of income, income and expenses from disposal group are reported separately from income and expenses from continuing operations, down to the level of profit after taxes. The resulting profit or loss (after taxes) is reported separately in the consolidated statement of income. Accordingly, the consolidated statements of income for the years ended December 31, 2015, 2014 and 2013 have been restated to present the results of operation of Charter Ping An as 'Net income from disposal group'.

The results of operation of Charter Ping An are presented below:

	2015	2014	2013
Net premiums earned (Note 16)	**₱1,996,263,343**	₱1,751,355,937	₱504,585,415
Interest income	**78,891,684**	75,449,477	16,252,443
Commission income	**159,133,505**	133,019,788	25,394,380
Finance and other income	**109,724,955**	57,450,822	17,868,954
Revenue	**2,344,013,487**	2,017,276,024	564,101,192
Net insurance benefits and claims (Note 16)	**1,122,199,686**	784,238,933	289,524,812
General and administrative expenses	**1,155,431,446**	1,102,953,474	235,938,917
Interest expense	**775,004**	651,206	420,345
Cost and expenses	**2,278,406,136**	1,887,843,613	525,884,074
Income before income tax	**65,607,351**	129,432,411	38,217,118
Provision for income tax	**15,906,313**	29,896,019	3,640,338
Net income	**₱49,701,038**	₱99,536,392	₱34,576,780

The major classes of assets and liabilities classified as held-for-sale as of December 31, 2015 are as follows:

Assets	
Cash and cash equivalents	₱894,454,998
Short term investments	2,000,000
Receivables	1,823,768,085
Reinsurance assets (Note 16)	2,874,865,274
Deferred acquisition cost	358,712,921
Prepayments and other current assets	67,389,990

(Forward)

Available-for-sale investments	₱1,587,785,607
Property and equipment	217,571,569
Intangible assets	5,704
Goodwill (Note 13)	554,153,981
Deferred tax assets	46,916,242
Other noncurrent assets	6,671,900
Assets of disposal group classified as held-for-sale	₱8,434,296,271
Liabilities	
Accounts and other payables	₱1,089,578,412
Insurance contract liabilities (Note 16)	5,051,715,854
Other current liabilities	143,037,156
Pension liability (Note 28)	126,972,330
Deferred tax liabilities	32,459,682
Liabilities of disposal group classified as held-for-sale	6,443,763,434
Net assets directly associated with disposal group	₱1,990,532,837
Reserve of disposal group classified as held-for-sale	
Net unrealized loss on AFS investments	(₱17,868,115)
Net unrealized loss on remeasurement of defined benefit plan	(57,104,201)
	(₱74,972,316)

The net cash flows directly associated with the disposal group are as follows (in millions):

	2015	2014	2013
The net cash flows directly associated with disposal group:			
Operating	**₱520**	(₱278)	₱282
Investing	**(225)**	13	(137)
Net cash inflow (outflow)	**₱295**	(₱265)	₱145

The earnings per share attributable to equity holders of the Parent Company from disposal group for the years ended December 31, 2015, 2014 and 2013 were computed as follows:

	2015	2014	2013
Net income attributable to equity holders of the Parent Company from disposal group	**₱49,701,038**	₱94,636,070	₱25,726,580
Weighted average number of shares	**174,297,500**	174,300,000	173,853,425
	₱0.29	₱0.54	₱0.15

13. **Goodwill and Intangible Assets**

Goodwill and intangible assets consist of:

	2015	2014
Power purchase agreements – net	**₱7,258,875,886**	₱7,721,413,554
Goodwill (Note 31)	**5,740,999,997**	6,179,724,903
Customer relationship	**3,883,238,361**	3,883,238,361
Software costs – net	**115,146,102**	19,816,621
Franchise – net	**2,167,500**	1,367,500
	₱17,000,427,846	₱17,805,560,939

Goodwill

Goodwill comprises the excess of the acquisition cost over the fair value of the identifiable assets and liabilities of companies acquired by the Group.

Goodwill in relation to acquisitions has been attributed to the following CGUs:

			2015			
	Toyota	**Ping An**	**THC**	**TCI**	**PCFI**	**Total**
Cost						
Balances at beginning of year	**₱5,596,956,193**	**₱554,153,981**	**₱24,201,028**	**₱4,413,701**	**₱–**	**₱6,179,724,903**
Reclassification to asset of disposal group classified as held-for-sale (Note 12)	**–**	**(554,153,981)**	**–**	**–**	**–**	**(554,153,981)**
Additions through business combinations (Note 31)	**–**	**–**	**–**	**–**	**115,429,075**	**115,429,075**
Balances at end of year	**₱5,596,956,193**	**₱–**	**₱24,201,028**	**₱4,413,701**	**₱ 115,429,075**	**₱5,740,999,997**

			2014			
	Toyota	Ping An	THC	TCI	PCFI	Total
Cost						
Balances at beginning of year	₱5,596,956,193	₱554,153,981	₱24,201,028	₱–	₱–	₱6,175,311,202
Additions through business combinations	–	–	–	4,413,701	–	4,413,701
Balances at end of year	₱5,596,956,193	₱554,153,981	₱24,201,028	₱4,413,701	₱–	₱6,179,724,903

Toyota

The recoverable amount of Toyota CGU was based on value-in-use calculations using cash flow projections from financial budgets approved by management covering a four-year period. The pre-tax discount rate applied to cash flow projections in 2015 is 11.00%. Cash flows beyond the four-year period are extrapolated using a steady growth rate of 3.30%. The carrying value of goodwill amounted to ₱5.60 billion as of December 31, 2015. No impairment loss was recognized for goodwill arising from the acquisition of Toyota.

The calculations of value in use for the Toyota CGU are most sensitive to the following assumptions:

- Budgeted gross margins – Gross margins are based on vehicle models mix per dealer and the foreign exchange movements between the Philippine Peso versus the United States (US) Dollar and the Japanese Yen versus the US Dollar.
- Growth rate – The projected growth rate is based on a conservative steady growth rate that does not exceed the compounded annual growth rate for the global automotive industry; and
- Pre-tax discount rate – Discount rates reflect management's best estimate of the risks associated with the specific CGU. This is the benchmark rate used by management to measure operating performance.

Regarding the assessment of the value-in-use of Toyota, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

Charter Ping An
As of December 31, 2015, goodwill arising from the acquisition of Charter Ping An amounting to ₱554.15 million is included in 'Assets of disposal group classified as held-for-sale' (Note 12). The recoverable amount of the Charter Ping An CGU is based on the agreed selling price of ₱2.30 billion. The carrying value of Ping An CGU amounted to ₱1.99 billion as of December 31, 2015. No impairment loss was recognized on the goodwill arising from the acquisition of Ping An.

PCFI
As of December 31, 2015, goodwill arising from the acquisition of PCFI was determined provisionally as the Parent Company has to finalize the information with respect to the recognition of the fair values of identifiable assets and liabilities and deferred income tax assets and liabilities arising from the said acquisition (Note 31).

The recoverable amount of PCFI CGU was based on value in use calculations using cash flow projections from financial budgets approved by management covering a four-year period. The pre-tax discount rate applied to cash flow projections is 8.92%. Cash flows beyond the forecast period are extrapolated using a long-term growth rate of 3.00%. The carrying value of goodwill amounted to ₱115.43 million as of December 31, 2015. No impairment loss was recognized on the goodwill arising from the acquisition of PCFI.

The calculations of value in use for PCFI CGU are most sensitive to the following assumptions:

- Expected future cash inflows
- Growth rate; and
- Pre-tax discount rate - Discount rates reflect management's best estimate of the risks associated with the specific CGU.

Regarding the assessment of the value-in-use of PCFI, using the same projected cash flows, impairment will be recognized when either of the following is applied:

- Pre-tax discount rate is greater than 9.52%;
- Discounted free cash flows to equity decreased by more than 10.22%; or
- Growth rate is less than 2.28%.

Power Purchase Agreements
Power purchase agreements pertain to the EPPA with certain electric cooperatives. The EPPAs were accounted for as intangible assets as GBPC has the right to charge the electric cooperatives for the electricity to be generated and delivered by GBPC.

The rollforward analysis of the Group's power purchase agreements is as follows:

	2015	2014
Balance at beginning of year	**₱7,721,413,554**	₱8,199,068,543
Amortization	**(462,537,668)**	(477,654,989)
Balance at end of year	**₱7,258,875,886**	₱7,721,413,554

Customer Relationship
Customer relationship pertains to Toyota's contractual arrangements with its top dealer customers which lay out the principal terms upon which its dealers agree to do business. Toyota's relationship with its top dealers adds value to the operations of Toyota and enhances the latter's earnings potential. Management assessed the useful life of the customer relationship to be indefinite since management is of the view that there is no foreseeable limit to the period over which the customer relationship is expected to generate net cash inflows to Toyota.

The recoverable amount of the customer relationship of the Group was based on value-in-use calculations using earnings projections from financial budgets approved by management covering a three-year period. The pre-tax discount rate applied to earnings projections is 11.00%. Cash flows beyond the forecast period are extrapolated using a steady growth rate of 3.30%. The carrying value of the customer relationship amounted to ₱3.88 billion as of December 31, 2015 and 2014, respectively. No impairment loss was recognized for the customer relationship arising from the acquisition of Toyota.

The value-in-use calculations for the customer relationship are most sensitive to the following assumptions:

- Attrition rate – Sales to key customers for the four-year period are computed by taking into account a 5.00% attrition rate or 95.00% retention rate;
- EBIT margin on key customers – A 8.00% EBIT margin was used in projecting the net operating profit on sales to key customers for the four-year period; and
- Pre-tax discount rate – Discount rates reflect management's best estimate of the risks associated with the specific CGU. This is the benchmark rate used by management to measure operating performance.

Regarding the assessment of the value-in-use of Toyota's customer relationship, management believes that no reasonably possible change in any of the aforementioned assumptions would cause the carrying value of the CGU to exceed their recoverable amount.

Software Cost
The Group's software costs pertain to software cost and licenses.

The rollforward analysis of the Group's software cost is as follows:

	2015	2014
Cost		
Balance at beginning of year	**₱70,257,865**	₱58,291,141
Additions	**27,524,732**	11,966,724
Effect of business combination	**15,962,797**	–
Reclassification to assets of disposal group classified as held-for-sale (Note 12)	**(74,157)**	–
Reclassifications	**72,004,948**	–
	185,676,185	70,257,865
Accumulated Amortization		
Balance at beginning of year	**50,441,244**	42,476,526
Amortization (Note 11)	**17,572,558**	7,964,718
Disposal/reclassification	**2,584,734**	–
Reclassification to assets of disposal group classified as held-for-sale (Note 12)	**(68,453)**	–
	70,530,083	50,441,244
Net Book Value	**₱115,146,102**	₱19,816,621

Franchise
Franchise fee pertains to the Fed Land Group's operating rights for its fast food stores with estimated useful lives of three (3) to five (5) years.

The amortization of the franchise fee amounting to ₱0.26 million, ₱0.22 million and ₱0.12 million in 2015, 2014 and 2013, respectively, is included in the 'General and administrative expenses' account in the consolidated statements of income (Note 26).

The rollforward analysis of the Group's franchise fee is as follows:

	2015	2014
Cost		
Balance at beginning and end of year	**₱2,500,000**	₱2,500,000
Additions	**1,060,000**	–
	3,560,000	2,500,000
Accumulated Amortization		
Balance at beginning of year	**1,132,500**	916,667
Amortization (Note 11)	**260,000**	215,833
	1,392,500	1,132,500
Net Book Value	**₱2,167,500**	₱1,367,500

Details of amortization of intangible assets are as follows (Note 11):

	2015	2014	2013
Power purchase agreements	**₱462,537,668**	₱477,654,989	₱477,654,989
Software cost	**17,572,558**	7,964,720	7,609,854
Franchise	**260,000**	215,833	116,667
	₱480,370,226	₱485,835,542	₱485,381,510

14. **Other Noncurrent Assets**

This account consists of:

	2015	2014
Deferred input VAT	**₱504,933,595**	₱413,877,968
Rental and other deposits	**479,359,010**	342,836,340
Escrow fund (Note 27)	**48,267,000**	–
Retirement asset (Note 28)	**5,070,843**	3,519,970
Others	**3,177,081**	20,123,251
	1,040,807,529	780,357,529
Less: Allowance for impairment losses on deferred input VAT	**(162,614,634)**	(146,291,899)
	₱878,192,895	₱634,065,630

Rental and other deposits include rental deposits for the leased offices of the Group and deposits for the initial set-up of the services rendered by public utility companies. Rental deposits are to be applied on the last month's rent of the lease contract.

Escrow fund represents the agreed deposit of PCFI to MBTC – Trust Banking Group (Escrow agent) which is equivalent to 20.00% of the approved loan or credit accommodations granted to the former by MBTC.

The rollforward analysis of allowance for impairment losses on deferred input VAT follows:

	2015	2014
Balance at beginning of year	**₱146,291,899**	₱146,291,899
Provision (Note 26)	**25,087,285**	–
Write-off	**(8,764,550)**	–
	₱162,614,634	₱146,291,899

15. **Accounts and Other Payables**

This account consists of:

	2015	2014
Trade payables	**₱6,794,030,275**	₱6,853,201,261
Telegraphic transfers and drafts and acceptances payable	**6,237,244,731**	4,321,184,608
Accrued expenses	**2,696,201,111**	2,646,062,341
Deferred output tax	**2,183,581,055**	2,003,009,515
Accrued interest payable	**827,323,997**	604,933,456
Provision for other expenses	**637,618,282**	625,464,358
Accrued commissions	**669,624,743**	486,037,865
Customer advances	**398,234,883**	293,691,646
Retentions payable	**345,292,816**	100,150,602
Royalty payable	**302,824,383**	289,718,824
Documentation and processing fee payable	**277,653,553**	–
Payable for customer's refund	**110,406,848**	–

(Forward)

	2015	2014
Due to landowners	**₱106,563,180**	₱–
Nontrade payables	**89,996,195**	–
Insurance payable*	–	433,111,602
Others	**730,274,331**	623,400,420
	₱22,406,870,383	₱19,279,966,498

**2015 balance was reclassified to 'Liabilities of disposal group classified as held-for-sale (Note 12).*

The details of trade payables are as follows:

	2015	2014
Automotive	**₱2,695,661,549**	₱2,591,371,061
Power	**2,319,198,925**	2,154,470,280
Real estate	**1,570,803,108**	1,888,084,213
Insurance*	–	217,451,725
Others	**638,021**	1,823,982
	₱6,586,301,603	₱6,853,201,261

**2015 balance was reclassified to 'Liabilities of disposal group classified as held-for-sale' (Note 12).*

Trade payables of automotive pertain to the purchase of raw materials, spare parts and vehicles which are noninterest-bearing and are normally settled on one (1) to thirty (30) day term.

Trade payables for power pertain to billing received from suppliers of fuels.

Trade payables for real estate pertain to billings received from contractors for construction costs incurred on a per project basis and commissaries for food products ordered.

Telegraphic transfers and drafts and acceptance payable pertain to the liabilities of Toyota Group arising from importations of materials, spare parts and/or vehicles. These payables are normally settled after a thirty (30) day term.

The details of accrued expenses are as follows:

	2015	2014
Dealers' incentives, supports and promotions	**₱1,277,615,764**	₱1,235,340,678
Employee benefits	**442,427,748**	397,801,801
Importation costs	**174,720,365**	174,720,365
Utilities and services	**113,807,586**	134,739,841
Freight, handling and transportation	**75,931,384**	62,047,375
Regulatory fees and charges	**30,135,516**	115,940,888
Management and marketing fees	**14,737,000**	6,624,497
Professional fees	**6,442,796**	8,229,196
Taxes	**897,291**	60,000,000
Rent	–	12,162,000
Others	**559,485,661**	438,455,700
	₱2,696,201,111	₱2,646,062,341

Accrued expenses are noninterest-bearing and are normally settled within a fifteen (15) to sixty (60) day term.

Accrued regulatory fees and charges mainly pertain to expenses related to the benefit of host communities (Energy regulation 1-94). It also includes accrued charges that arise due to differences in interpretations of regulatory provisions applicable to the power industry.

Deferred output tax pertains mostly to VAT on the uncollected portion of the contract price of sold units.

Accrued interest payables are normally settled within a 15 to 60 day term.

Provision for other expenses pertains to liabilities with uncertain amount or timing of actual disbursement. These include regulatory fees, management incentives and other charges which payment is probable and the amount is estimable as of reporting date. The Management reassesses their estimates on an annual basis to determine the reasonableness of provision. Disclosure of information usually required by PAS 37 *Provisions, Contingent Liabilities and Contingent Assets* are not provided because of reasons permitted under paragraph 92 of PAS 37. Accordingly, general descriptions are provided.

Accrued commissions are settled within one (1) year.

Customer advances pertain to payments received from buyers for the processing of transfer of units upon turnover.

Retentions payable represent a portion of construction cost withheld by the Fed Land Group and paid to the contractors upon completion of the project. Retentions payable due beyond one year are presented as noncurrent payable (Note 21).

Royalty payables represent cost of license for the use of technical know-how and information on data. The fees are calculated at 6.00% of the local value-added (LVA) of vehicles under production. The LVA represents the selling price less all costs for the knock-down parts, related taxes such as excise and sales tax and a certain percentage of administrative and selling costs. The fees also include charges from related affiliates and third party suppliers representing initial costs of testing materials and trial parts and tools, sample molds and jigs that were utilized to test TMP's present technical feasibility for the commercial production of newer car models.

Due to land owners represents liabilities to various real estate property sellers. These are noninterest-bearing and will be settled within one year.

Others include refunds from cancelled sales from Fed Land and other government-related payables which are noninterest-bearing and are normally settled within one (1) year. These also include insurance premiums payable and other noninterest-bearing payables which are all due within one (1) year.

16. **Insurance Contract Liabilities**

Insurance contract liabilities as of December 31, 2015 is included under 'Liabilities of disposal group classified as held-for-sale'.

Insurance contract liabilities as of December 31, 2015 and 2014 may be analyzed as follows:

	2015		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities**	**Net**
Provision for claims reported and loss adjustment expenses	**₱2,907,215,313**	**₱2,113,208,350**	**₱794,006,963**
Provision for IBNR	**43,388,395**	**–**	**43,388,395**
Total claims reported and IBNR	**2,950,603,708**	**2,113,208,350**	**837,395,358**
Provision for unearned premiums	**2,101,112,146**	**761,656,924**	**1,339,455,222**
Total insurance contract liabilities	**₱5,051,715,854**	**₱2,874,865,274**	**₱2,176,850,580**

	2014		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net
Provision for claims reported and loss adjustment expenses	₱3,638,296,663	₱3,069,881,873	₱568,414,790
Provision for IBNR	40,000,000	–	40,000,000
Total claims reported and IBNR	3,678,296,663	3,069,881,873	608,414,790
Provision for unearned premiums	1,986,736,740	809,518,104	1,177,218,636
Total insurance contract liabilities	₱5,665,033,403	₱3,879,399,977	₱1,785,633,426

Provisions for claims reported by policyholders and IBNR may be analyzed as follows:

	2015		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities**	**Net**
At January 1	**₱3,678,296,663**	**₱3,069,881,873**	**₱608,414,790**
Claims incurred during the year	**1,453,691,832**	**334,880,541**	**1,118,811,291**
Increase in IBNR	**3,388,395**	**–**	**3,388,395**
Claims paid during the year	**(2,184,773,182)**	**(1,291,554,064)**	**(893,219,118)**
	₱2,950,603,708	**₱2,113,208,350**	**₱837,395,358**

	2014		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net
At January 1	₱4,923,812,869	₱4,222,381,859	₱701,431,010
Claims incurred during the year	1,589,212,462	821,404,795	767,807,667
Increase (decrease) in IBNR	(3,005,990)	(19,437,256)	16,431,266
Claims paid during the year	(2,831,722,678)	(1,954,467,525)	(877,255,153)
	₱3,678,296,663	₱3,069,881,873	₱608,414,790

Provision for unearned premiums may be analyzed as follows:

	2015		
	Insurance Contract Liabilities	**Reinsurers' Share of Liabilities**	**Net**
At January 1	**₱1,986,736,740**	**₱809,518,104**	**₱1,177,218,636**
New policies written during the year	**4,114,129,974**	**1,955,511,500**	**2,158,618,474**
Premiums earned during the year	**(3,999,754,568)**	**(2,003,372,680)**	**(1,996,381,888)**
	₱2,101,112,146	**₱761,656,924**	**₱1,339,455,222**

	2014		
	Insurance Contract Liabilities	Reinsurers' Share of Liabilities	Net
At January 1	₱1,759,772,251	₱743,195,951	₱1,016,576,300
New policies written during the year	4,002,512,699	2,090,383,212	1,912,129,487
Premiums earned during the year	(3,775,548,210)	(2,024,061,059)	(1,751,487,151)
	₱1,986,736,740	₱809,518,104	₱1,177,218,636

In addition, reinsurance assets consist of the following:

	2015	2014
Reinsurance recoverable on unpaid losses	**₱2,113,208,350**	₱3,069,881,873
Deferred reinsurance premiums	**761,656,924**	809,518,104
	₱2,874,865,274	₱3,879,399,977

17. Short-term, Long-term Debt and Bonds Payable

This account consist of:

	2015					
		Long-term debt				
	Short-term debt	**Corporate notes**	**Loans payable**	**Subtotal**	**Bonds payable**	**Total**
Parent Company	**₱–**	**₱–**	**₱25,000,000,000**	**₱25,000,000,000**	**₱21,980,000,000**	**₱46,980,000,000**
Fed Land Group	**740,000,000**	**4,950,000,000**	**12,395,000,000**	**17,345,000,000**	**–**	**18,085,000,000**
PCFI	**4,500,000,000**	**–**	**11,206,662,621**	**11,206,662,621**	**–**	**15,706,662,621**
Toyota Group	**1,532,000,000**	**–**	**243,817,537**	**243,817,537**	**–**	**1,775,817,537**
GBPC Group	**–**	**–**	**35,545,585,586**	**35,545,585,586**	**–**	**35,545,585,586**
TCI	**546,000,000**	**–**	**–**	**–**	**–**	**546,000,000**
	7,318,000,000	**4,950,000,000**	**84,391,065,744**	**89,341,065,744**	**21,980,000,000**	**118,639,065,744**
Less: Deferred financing cost	**–**	**–**	**563,062,482**	**563,062,482**	**179,166,177**	**742,228,659**
	7,318,000,000	**4,950,000,000**	**83,828,003,262**	**88,778,003,262**	**21,800,833,823**	**117,896,837,085**
Less: Current portion of long-term debt	**–**	**25,000,000**	**6,731,701,861**	**6,756,701,861**	**–**	**6,756,701,861**
	₱7,318,000,000	**₱4,925,000,000**	**₱77,096,301,401**	**₱82,021,301,401**	**₱21,800,833,823**	**₱111,140,135,224**

	2014					
		Long-term debt				
	Short-term debt	Corporate notes	Loans payable	Subtotal	Bonds payable	Total
Parent Company	₱–	₱–	₱–	₱–	₱21,980,000,000	₱21,980,000,000
Fed Land Group	260,000,000	4,975,000,000	8,600,000,000	13,575,000,000	–	13,835,000,000
Toyota Group	1,452,000,000	–	239,003,963	239,003,963	–	1,691,003,963
GBPC Group	–	–	31,628,582,351	31,628,582,351	–	31,628,582,351
TCI	635,000,000	–	–	–	–	635,000,000
	2,347,000,000	4,975,000,000	40,467,586,314	45,442,586,314	21,980,000,000	69,769,586,314
Less: Deferred financing cost	–	–	264,509,767	264,509,767	205,280,338	469,790,105
	2,347,000,000	4,975,000,000	40,203,076,547	45,178,076,547	21,774,719,662	69,299,796,209
Less: Current portion of long-term debt	–	25,000,000	3,035,558,380	3,060,558,380	–	3,060,558,380
	₱2,347,000,000	₱4,950,000,000	₱37,167,518,167	₱42,117,518,167	₱21,774,719,662	₱66,239,237,829

Short-term debt

Fed Land Group Short-Term Loans

These are unsecured short-term borrowings over sixty (60) to one hundred eighty (180) day terms obtained from non-affiliated local banks for Fed Land Group's working capital requirements with interest rates ranging from 3.00% to 4.00% and 3.50% to 5.50% in 2015 and 2014, respectively.

PCFI Group Short-Term Loans

These are unsecured short-term borrowings with terms of one (1) year or less for PCFI Group's working capital requirements with interest rates ranging from 3.75% to 4.30% in 2015. Short-term loans amounting to ₱3.50 billion were obtained from various non-affiliated local banks while the remaining ₱1.00 billion was obtained from an affiliated local bank.

Toyota Group Short-Term Loans

These are unsecured short-term loans obtained from various non-affiliated local banks for Toyota Group's working capital requirements with terms of one (1) year or less and bears annual fixed interest rates ranging from 2.55% to 2.90% and 2.90% to 3.50% in 2015 and 2014, respectively.

TCI Short-Term Loans

These are unsecured short-term borrowings over 90 to 120 day terms obtained from various non-affiliated local banks to finance the working capital requirements with interest ranging from 2.50% to 3.75% and 2.72% to 3.00% in 2015 and 2014, respectively.

Interest expense charged to operations from the above-mentioned short-term loans amounted to ₱70.23 million and ₱63.12 million in 2015 and 2014, respectively. Interest expense capitalized amounted to ₱15.17 million and ₱1.69 million in 2015 and 2014, respectively.

Fed Land- Corporate Notes

₱6.60 Billion Corporate Notes

On March 18, 2011, Fed Land entered into a Notes Facility Agreement ("Corporate Notes") with various institutions whereby Fed Land issued ₱6.60 billion worth of fixed rate notes payable in five (5) years with 7.10% interest per annum to finance ongoing projects, working capital and general corporate purposes. FMIC and MBTC – Trust Banking Group were the 'Notes Facility Agent'. On December 22, 2014, Fed Land prepaid the ₱6.60 billion Corporate Notes and paid pre-termination fees of ₱42.68 million.

₱5.0 Billion Corporate Notes

On June 24, 2013, the BOD of Fed Land authorized Fed Land to issue, offer and sell peso denominated fixed rate Corporate Notes at a principal amount of ₱3.00 billion to ₱5.00 billion subject to an over subscription option. On July 5, 2013, the Group issued ₱4.00 billion notes with 5.57% interest per annum maturing on July 5, 2020 and an additional ₱1.00 billion notes with

6.27% interest per annum maturing on July 5, 2023. The proceeds from the issuance were used to finance ongoing projects. As of December 31, 2015 and 2014, outstanding balance amounted to ₱4.95 billion and ₱4.98 billion, respectively. As of December 31, 2015 and 2014, the current portion amounting to ₱25.00 million is presented as a current liability.

The agreements covering the above mentioned Notes provide for restrictions and requirements with respect to, among others, declaration or making payment of cash dividends/retirement of shares (other than dividends payable solely in shares of its capital stock and cash dividends due on its then-outstanding preferred shares); making distribution on its share capital; purchase, redemption or acquisition of any share of stock; incurrence or assumption of indebtedness; sale or transfer and disposal of all or a substantial part of its capital assets; restrictions on use of funds; maintaining certain financial ratios; and entering into any partnership, merger, consolidation or reorganization. As of December 31, 2015 and 2014, the Group has complied with the loan covenants.

Interest expenses charged to operations amounted to nil and ₱216.82 million in 2015 and 2014, respectively. Interest expense capitalized amounted to ₱288.85 million and nil in 2015 and 2014, respectively.

Long-term Loans
Parent Company Long-Term Loans
In 2015, the Parent Company obtained long-term loans with various non-affiliated local banks with an aggregate principal amount of ₱25.00 billion. Said loans bear fixed interest rates ranging from 5.05% to 5.93%, various terms ranging from ten (10) to 13 years and maturity dates ranging from 2025 to 2028. As of December 31, 2015, the carrying value of these long-term loans payable amounted to ₱24.88 billion, net of unamortized deferred financing cost of ₱0.12 billion. Deferred financing cost pertain to the documentary stamp tax incurred on said loans.

Total interest expense incurred in 2015 from the above-mentioned loans payable amounted to ₱573.53 million.

Fed Land Long-Term Loans
On May 12, 2015, Fed Land availed of an unsecured loan from a non-affiliated local bank amounting to ₱2.20 billion with a term of five (5) years and with fixed interest rate of 5.05%. Principal payment of the loan will start on December 31, 2020 to 2024 at the amount of ₱176.00 million per year and the remaining balance will be paid on maturity date.

On September 1, 2015, Fed Land availed of an unsecured loan from a non-affiliated local bank amounting to ₱800.00 million with a term of twenty (20) years and fixed interest rate of 6.07%. The loan will be paid in full on maturity date.

On September 3, 2015, Fed Land availed of an unsecured loan from a non-affiliated local bank amounting to ₱200.00 million with a term of five (5) years and fixed interest rate of 5.00%. The loan will be paid in full on maturity date.

On September 24, 2015, HLPDC availed of an unsecured loan from a non-affiliated local bank amounting to ₱335.00 million with a term of five (5) years and fixed interest rate of 5.00%. The loan will be paid in full on maturity date.

On October 1, 2015, Fed Land availed of an unsecured loan from a non-affiliated local bank amounting to ₱140.00 million with a term of five (5) years and fixed interest rate of 5.00%. The loan will be paid in full on maturity date.

On October 31, 2015, Fed Land availed of an unsecured loan from a non-affiliated local bank amounting to ₱120.00 million with a term of five (5) years and fixed interest rate of 5.00%. The loan will be paid in full on maturity date.

On December 22, 2014, Fed Land obtained unsecured loans from various non-affiliated banks amounting to ₱6.60 billion. The loan will be paid as follows: ₱2,000.00 million payable in full after 10 years from drawdown date with fixed interest rate of 5.84% per annum; ₱1,500.00 million payable in full after 10 years from drawdown date with fixed interest rate of 5.85% per annum; ₱2,000.00 million payable at 40% quarterly payment starting at the end of 5th year and 60% on maturity date with fixed interest rate of 5.67% per annum; ₱1,100.00 payable at 40% quarterly payment at the end of 5th year to 9th year and 60% on maturity date with fixed interest rate of 5.05% per annum.

On August 25, 2011, Fed Land obtained both partially secured and fully secured peso-denominated loans with an aggregate amount of ₱2,000.00 million from MBTC, an affiliate with interest at prevailing market rate ranging from 3.75% to 4% with spread of 85-100 basis point, payable in lump sum after five (5) years of on August 25, 2016. MBTC is an associate of the Parent. These loans are secured by Phil Exim Guarantee under Mortgage Participation Certificate.

Interest expenses charged to operations amounted to nil and ₱247.71 million, in 2015 and 2014 respectively. Interest expense capitalized from the above-mentioned loans payable amounted to ₱535.9 million and ₱319.93 million, in 2015 and 2014, respectively.

PCFI Long-Term Loans
In December 2015, PCFI entered into a ₱6.00 billion five (5)-year Loan Facility Agreement with a non-affiliated local bank, of which ₱1.00 billion, ₱1,500.00 million and ₱1,500.00 million were drawn on December 14, December 17 and December 28, respectively to fund permanent working capital requirements. The loan is payable in 36 quarters starting March 2017 and bears fixed rate of 6.00%.

In July 2015, PCFI issued ₱1.50 billion three (3)-year fixed notes to an affiliated local bank to fund maturing obligations and project development. The loan is payable at the end of the term and bears fixed rate of 5.29%.

In July 2015, PCFI issued ₱1.00 billion five (5)-year fixed notes to an affiliated local bank to fund maturing obligations and project development. The loan is payable at the end of the term and bears fixed rate of 6.20%.

In July 2015, PCFI issued ₱1.00 billion three (3)-year fixed notes to a non-affiliated local bank to fund maturing obligations and project development. The loan is payable at the end of the term and bears fixed rate of 5.29%.

In 2013, PCFI issued ₱2.00 billion five (5)-year fixed rate notes to a non-affiliated local bank, of which ₱0.50 billion, ₱0.75 billion, and ₱0.75 billion were drawn in January, March and May, respectively. The principal amount of these loans shall be payable in 16 quarterly installments commencing on fifth (5^{th}) quarter from the initial drawdown date which is on January 18, 2013. These notes bear fixed rate of 6.23% used to finance working capital for land development, house construction and land acquisition.

In January 2012, PCFI issued ₱3.00 billion five (5)-year fixed rate notes to non-affiliated local banks and a financial institution which will be used to fund the acquisition of real estate properties, finance project development and construction costs and fund other general corporate purposes. The notes are payable quarterly and bear fixed rate of 7.18%.

In March 2011, PCFI entered into a Notes Facility Agreement with FMIC whereby PCFI issued ₱1.50 billion five (5)-year fixed rate corporate notes to finance its general corporate operations including land banking. The note is payable in 20 quarterly installment commencing on March 2, 2011 with interest rate based on the latest PDST-F plus 2.50% plus gross receipts tax.

As of December 31, 2015, the unamortized deferred financing cost of the aforementioned loans payable amounted to ₱41.16 million.

Total interest expense incurred in 2015 from the aforementioned loans payable amounted to ₱86.87 million. Interest expense capitalized as part of real estate inventories amounted to ₱150.04 million.

Debt Covenants

The agreements covering the above mentioned loans provide for restrictions and requirements with respect to, among others, declaration or making payment of dividends (except stock dividends); making distribution on its share capital; purchase, redemption or acquisition of any share of stock; incurrence or assumption of indebtedness; sale or transfer and disposal of all or a substantial part of its capital assets; restrictions on use of funds; sustaining current ratio of 1.25 - 1.75; maintaining debt-to-equity financial ratio of 2.00; and entering into any partnership, merger, consolidation or reorganization.

These restrictions and requirements were complied with by the Group as of December 31, 2015.

Loans payable - GBPC Group

As of December 31, 2015 and 2014, this account comprised of GBPC Group's loans payable to the following entities:

	2015	2014
CEDC	**₱10,928,350,933**	₱12,502,573,122
PEDC	**17,456,673,658**	11,762,750,960
TPC	**7,000,000,000**	7,000,000,000
PPC	**160,560,995**	363,258,269
	35,545,585,586	31,628,582,351
Less: Current portion	**2,914,435,342**	3,035,558,380
	₱32,631,150,244	₱28,593,023,971

CEDC, PEDC and TPC

On June 18, 2009, CEDC entered into an Omnibus Agreement with various lenders in the aggregate principal amount of up to ₱16.00 billion to partially finance the construction of its power plant. The agreement includes Project Loan Facility Agreement, Project Accounts Agreement, Mortgage Agreement, Pledge Agreement and Assignment Agreement.

On February 26, 2010, PEDC entered into an Omnibus Agreement with various lenders in the aggregate principal amount of up to ₱14.00 billion to partially finance the construction of the power plant. The agreement includes a Project Loan Facility Agreement, a Project Accounts Agreement, a Mortgage Agreement, a Pledge Agreement and an Assignment Agreement.

On March 26, 2015, PEDC entered into an Amended and Restated Omnibus Agreement (AROA) with various lenders for an additional aggregate principal amount of up to ₱11.00 billion (the Phase II Facility) to partially finance Panay expansion project, of which ₱7.00 billion has been drawn as of December 31, 2015. The AROA includes a Project Loan Facility Agreement, a Project Accounts Agreement, a Mortgage Agreement, a Pledge Agreement and an Assignment Agreement.

On March 7, 2013, TPC entered into an Omnibus Agreement (the Agreement) with various lenders in the aggregate principal amount of up to ₱7.00 billion (the Facility) to partially finance the on-going construction of the expansion project. The Agreement includes a Project Loan Facility Agreement, a Project Accounts Agreement, a Mortgage Agreement, a Pledge Agreement and an Assignment Agreement.

According to the agreements entered by CEDC and PEDC, CEDC and PEDC are required to meet certain financial ratios, such as debt-to-equity ratio and core equity ratio. As of December 31, 2015 and 2014, CEDC, PEDC and TPC have complied with all the required financial ratios.

Interest expense incurred in connection with the aforementioned loans amounted to ₱1.05 billion and ₱1.18 billion in 2015 and 2014, respectively, for CEDC and ₱1.04 billion and ₱1.12 billion in 2015 and 2014, respectively, for PEDC.

Interest expense capitalized as part of construction cost of TPC1A amounted to ₱206.08 million and ₱183.45 million in 2015 and 2014, respectively. Interest expense charged to current operations amounted to ₱155.49 million in 2015.

CEDC, PEDC and TPC's loans are secured by (i) a real estate mortgage on all present and future assets, including the parcels of land where their power plants are located owned by THC, a related party, (ii) chattel mortgage on all present and future movable properties, (iii) pledge agreement on the shares of Global Formosa and Abovant in CEDC and shares of PPHC in PEDC, and shareholder advances and subordinated loans, if any, (iv) assignment agreement on CEDC's and PEDC's future revenues and (v) grantee rights of TPC for special use agreement in protected areas no. 2008-003 issued by the DENR - regional office no. VII on March 18, 2009. The chattel mortgage shall cover to the extent of principal amount of ₱100.00 million for both CEDC and PEDC.

As of December 31, 2015 and 2014, the movement of the deferred financing cost is as follows:

	2015	2014
Balances at beginning of year	**₱264,509,767**	₱310,872,934
Additions	**180,744,708**	851,250
Amortization	**(44,388,459)**	(47,214,417)
Balances at end of year	**₱400,866,016**	₱264,509,767

The agreements prohibit CEDC, PEDC and TPC to amend or modify its charter documents if any such amendment or modification would have a material adverse effect; assign or otherwise transfer, terminate, amend, or grant any waiver or forbearance or exercise any election under any material provision of the agreements or project document; make any prepayment, whether voluntary or involuntary, or repurchase of any long-term debt or make any repayment of any such long-term debt other than those allowed in the agreements unless, in any such case, it shall at the option of any lender contemporaneously make a proportionate prepayment or repayment of the principal amount then outstanding of the Lender's outstanding participation in the loan. The agreements also prohibit CEDC, PEDC and TPC to acquire by lease any property or equipment, or to acquire rights-of-way to any property, which may have a material adverse effect; enter into contract of indebtedness except those permitted under the agreement such as indebtedness incurred in the ordinary course of business; and form or have any subsidiaries, advances or investments and issue preferred shares, unless certain conditions are complied with. Moreover, CEDC, PEDC and TPC are prohibited from entering into contract of merger or consolidation unless CEDC, PEDC and TPC are the surviving entities and after giving effect to such event, no event of default will result), selling, leasing or disposing all or any of its property (unless in the ordinary course of the business) where such conveyance, sale or lease would have a material adverse effect to CEDC, PEDC and TPC.

Events of Default include, among others, failure to pay when due the principal or interest due and any other amount payable under the Agreement; revocation, withdrawal, or modification of any government approval required to be obtained by CEDC, PEDC and TPC in a manner which would have a material adverse effect; Global Formosa and Abovant, and PPHC cease to maintain 51.00% of CEDC and PEDC, respectively, or cease to maintain management control over CEDC, PEDC and TPC, respectively; and failure to comply with the required financial ratios.

If any of the events of default occurs and is continuing, the trustee or the facility agent, as the case maybe, shall immediately give CEDC, PEDC and TPC written notice of such fact and inform the lenders. Without prejudice to the cure periods allowed under the Agreement, and upon written request by the majority lenders, the Facility Agent shall take one or more of the following actions:

i. declare the principal of, and all accrued interest on, payable with respect to the loan under the Facility to be, and the same shall thereupon become, immediately due and payable without any further notice and without any presentment, demand or protest; and/or
ii. declare any undrawn portion of the Facility to be terminated, whereupon such portion of the Facility shall be forthwith terminated.

The Group is in compliance with the loan covenants as of December 31, 2015 and 2014.

PPC

MBTC Loans

On November 6, 2009, PPC entered into a ₱300.00 million, seven (7)-year term loan Agreement with MBTC. Proceeds from the loan were used to settle a loan in 2009. This loan bears interest at the 3-month T-bill rate plus a 2.00% spread and is covered by a Mortgage Trust Indenture. PPC's power plant is mortgaged for the aforementioned obligations.

As of December 31, 2015 and 2014, a portion of the long-term loan amounting to ₱42.86 million for both years which will mature within one (1) year from the reporting date is presented as current liability.

Interest charged to operations related to this loan amounted to ₱2.64 million and ₱3.64 million in 2015 and 2014, respectively.

On August 24, 2006, PPC entered into a ₱1.20 billion, ten (10)-year term loan Agreement with MBTC, to finance its general corporate requirements. This loan is covered by a Mortgage Trust Indenture. In March 2007, Section 1.01 of the ₱1.20 billion, ten (10)-year term loan Agreement was amended increasing loan facility from ₱1.20 billion to ₱1.36 billion and changing the reference rate from MART1 rate to PDST-F rate.

As of December 31, 2015 and 2014, a portion of the long-term loan amounting to ₱115.39 million and ₱153.85 million maturing within one (1) year from the reporting date, respectively, are presented as current liability.

Interest charged to operations related to this loan amounted to ₱8.29 million and ₱11.33 million in 2015 and 2014, respectively.

In accordance with the loan agreements with MBTC, PPC is restricted from performing certain corporate acts without the prior consent of MBTC, the more significant of which relate to entering into merger or consolidation where PPC is not the surviving entity, declaring dividends to stockholders, acting as guarantor or surety of obligation and acquiring treasury stock. PPC is also required to maintain certain financial ratios.

As of December 31, 2015 and 2014, PPC has complied with the required financial ratios, (i.e. current ratio of 1:1).

The total carrying value of the property, plant and equipment of GBPC pledged as collateral for the above-mentioned loans are as follows:

	2015	2014
CEDC	**₱15,121,796,285**	₱15,870,893,826
PEDC	**12,385,868,223**	12,869,169,047
PEDC3	**8,251,446,359**	–
TPC1A	**8,304,417,186**	8,243,494,667
PPC	**1,015,463,446**	2,196,931,639
	₱45,078,991,499	₱39,180,489,179

Loans Payable - TMPC Group
As of December 31, 2015 and 2014, this account consists of unsecured long-term debt of the following entities:

	2015	2014
TAPI	**₱78,467,961**	₱77,520,916
Other entities in TMPC Group	**165,349,576**	161,483,047
	₱243,817,537	₱239,003,963

The loan from TAPI bears a fixed interest rate of 4.20% per annum. This loan is for a period of five (5) years up to February 26, 2016 which is automatically renewed upon maturity for another period of five (5) to ten (10) years (Note 27).

The other long-term unsecured interest-bearing loans consist of a 2.7% interest-bearing ten (10)-year term loan which will mature on September 28, 2015 and a 2.7% interest-bearing ten (10)-year term loan which will mature on October 23, 2016. These loans are automatically renewed upon maturity for another ten (10) years.

The loan covenants restrict TMPC from encumbering or disposing properties leased by the lenders during the respective terms of various loan agreements. TMPC is not required to maintain any financial ratios under the mentioned loan agreements. Interest expense on these loans amounted to ₱7.82 million and ₱7.77 million in 2015 and 2014, respectively.

Bonds Payable - Parent Company

₱10.00 billion GT Capital bonds due 2020 and 2023

On February 13, 2013, the Parent Company issued ₱10.00 billion 7-year and 10-year bonds due on February 27, 2020 and February 27, 2023, respectively with an interest rate of 4.84% and 5.09% respectively. Gross and net proceeds amounted to ₱10.00 billion and ₱9.90 billion, respectively, net of deferred financing cost of ₱0.10 billion. Said bonds were listed on February 27, 2013.

The net proceeds will be utilized for general corporate requirements which may include, but shall not be limited to the following:

	(Amounts in millions)
Funding of various equity calls	
Toledo plant, to be completed within 2013	₱1,900
Panay plant, to be completed within 2014	3,900
Refinancing of corporate notes due on November 25, 2013	4,200
	₱10,000

Prior to the relevant maturity dates, the Parent Company may redeem (in whole but not in part) any series of the outstanding bonds on every anniversary dates, or the immediately succeeding banking day if such is not a banking day, starting on the fourth (4th) anniversary date for the seven (7)-year bonds and the seventh (7th) anniversary date for the ten (10)-year bonds (the relevant Optional Redemption Dates). The Parent Company shall give no less than 30 but not more than 60 days prior written notice of its intention to redeem the bonds at the relevant Optional Redemption Date.

₱12.00 billion GT Capital bonds due 2019, 2021 and 2024

On July 24, 2014, the Parent Company issued ₱12.00 billion bonds with tenors of five (5)-year, seven (7)-year and ten (10)-year due November 7, 2019 (Series A Bonds), August 7, 2021 (Series B Bonds) and August 7, 2024 (Series C Bonds), respectively with interest rates of 4.7106%, 5.1965% and 5.625% respectively. Gross and net proceeds amounted to ₱12.00 billion and ₱11.88 billion, respectively, net of deferred financing cost incurred of ₱0.12 billion. Said bonds were listed on August 7, 2014.

The net proceeds will be utilized for general corporate requirements which may include, but shall not be limited to any or all of the following:

	(Amounts in millions)
Partial Financing of Ongoing Projects	
Veritown Fort	₱6,222
Metropolitan Park	1,778
Refinancing of outstanding loans	3,610
Working Capital	390
	₱12,000

Prior to the relevant maturity dates, the Parent Company may redeem in whole but not in part the Series B or Series C Bonds on every anniversary dates, or the immediately succeeding banking day if such is not a banking day, starting on: (i) for the series B bonds: the third (3rd) month after the fifth (5th) anniversary from issue date and (ii) for the series C bonds: the seventh (7th) anniversary from issue date (the relevant Optional Redemption Dates). The Parent Company shall give no less than 30 but not more than 60 days prior written notice of its intention to redeem the bonds, which notice shall be irrevocable and binding upon the Parent Company to effect such early redemption of the bonds on the Early Redemption Option Date stated in such notice.

As of December 31, 2015 and 2014, the movement of the deferred financing cost is as follows:

	2015	2014
Balances at beginning of year	**₱205,280,338**	₱96,911,692
Additions	–	124,621,689
Amortization	**(26,114,161)**	(16,253,043)
Balances at end of year	**₱179,166,177**	₱205,280,338

Both bonds contain negative covenants, which among others, include provision that the Parent Company should maintain a debt-to-equity ratio of 2.3 to 1.0. As of December 31, 2015 and 2014, the Parent Company has complied with its bond covenants. Total interest expense incurred on bonds payable in 2015 and 2014 amounted to ₱1.13 billion (including amortization of deferred financing cost of ₱26.11 million) and ₱762.95 million, (including amortization of deferred financing cost amounting to ₱16.25 million), respectively.

Required Financial Ratios
The table below presents a summary of the financial ratios required to be maintained by each entity within the Group under existing loan agreements.

Entity	**Financial Ratio**	**Required Ratio**
TPC	Debt-to-Equity Ratio (DER)	70:30
PPC	Current Ratio	1:1
PPC	DER	70:30
PEDC	DER	70:30
PEDC	Debt Service Coverage Ratio (DSCR)	1.0x
CEDC	DER	70:30
CEDC	DSCR	1.0x
Fed Land - Corporate Notes	DER	2:1
Parent Company – Long-term loans and bonds	DER	2.3:1
PCFI	DSCR	1.5x
PCFI	DER	2:1

As of December 31, 2015 and 2014, the Group has complied with the foregoing financial ratios.

18. Customers' Deposits

The Group requires buyers of condominium and residential units to pay a minimum percentage of the total selling price before it enters into a sale transaction. In relation to this, the customers' deposits represent payment from buyers which have not reached the minimum required percentage. When the revenue recognition criteria are met, sales are recognized and these deposits and down payments will be applied against the related installment contracts receivable. In the event that the customer decides to terminate the purchase prior to recognition of sale, an amount equivalent to the repossessed value of deposit less charges and penalties incurred will be refunded to the buyer.

This account also includes excess of collections over the recognized receivables based on percentage of completion.

As of December 31, 2015 and 2014, the balance of this account amounted to ₱3.69 billion and ₱2.55 billion, respectively.

19. Other Current Liabilities

This account consists of:

	2015	2014
Withholding taxes payable	**₱353,909,887**	₱327,885,524
VAT payable	**154,625,912**	163,006,609
Due to holders of non-controlling interest	**–**	283,527,322
Deferred reinsurance commission	**–**	92,231,704
Others	**11,814,157**	15,029,437
	₱520,349,956	₱881,680,596

The amount due to holders of non-controlling interest pertains to advances of CEDC from Abovant Holdings, Inc. which owns 44.00% of CEDC and was returned within 2015. Others pertain to payables on utilities, contracted maintenance and security agencies and regulatory premium or contribution payable of the Group. These are normally payable within one (1) year.

20. Liabilities on Purchased Properties

Liabilities on purchased properties are payables to various real estate property sellers. Under the terms of the agreements executed by Fed Land covering the purchase of certain real estate properties, the titles of the subject properties shall be transferred to Fed Land only upon full payment of the real estate loans.

In 2013, various parcels of land were acquired by Fed Land for a total consideration aggregating ₱2.57 billion. The outstanding obligation pertaining to these transactions amounted to ₱0.47 billion and ₱1.03 billion as of December 31, 2015 and 2014, respectively.

In 2012, Fed Land acquired certain land and investment properties aggregating ₱3.72 billion, with 20.00% downpayment amounting to ₱743.84 million. The outstanding balance amounting to ₱2.98 billion is payable in 13 years with 3.00% interest per annum. The outstanding balance was discounted at the prevailing market rate of 5.40% and the discounted liability as of December 31, 2015 and 2014 amounted to ₱2.31 billion and ₱2.48 billion, respectively.

Total outstanding liabilities on purchased properties (including current portion) amounted to ₱2.78 billion and ₱3.51 billion as of December 31, 2015 and 2014, respectively.

21. **Other Noncurrent Liabilities**

This account consists of:

	2015	2014
Provisions	**₱1,424,217,399**	₱1,638,026,051
Retention payable – noncurrent portion	**683,598,740**	504,750,145
Decommissioning liability	**248,927,271**	287,259,498
Refundable and other deposits	**243,424,271**	214,807,318
Finance lease obligation – net of discount	**8,956,526**	9,603,626
	₱2,609,124,207	₱2,654,446,638

Provisions consist of:

	2015	2014
Claims and assessments	**₱1,211,251,050**	₱1,436,068,868
Product warranties	**212,966,349**	181,957,183
Corporate social responsibility (CSR) activities	**–**	20,000,000
	₱1,424,217,399	₱1,638,026,051

Retentions payable represent a portion of construction cost withheld by the Group and paid to the contractors after an agreed period commencing the completion of the project.

PPC, PEDC, CEDC, TPC and GPRI have legal obligations to decommission or dismantle their power plant assets at the end of their useful lives. In this regard, PPC, PEDC, CEDC, TPC and GPRI established their respective provisions to recognize estimated decommissioning liability.

Changes in the decommissioning liability are as follows:

	2015	2014
Balances at beginning of year	**₱287,259,498**	₱192,660,472
Effect of business combination	**–**	89,098,777
Accretion expense for the year	**7,561,700**	5,500,249
Provisions during the year	**(45,893,927)**	–
Balances at end of year	**₱248,927,271**	₱287,259,498

Refundable and other deposits consist mainly of tenants' rental deposit from operating lease contracts with terms ranging from five (5) to ten (10) years. Rental deposits are obtained to secure faithful compliance of tenants' obligation under the lease contract and to answer for unpaid bills of lessees affecting the leased premises, any damage to the leased premises, and other similar costs. Rental deposits may also be applied for the unpaid rentals upon termination of the lease contract.

22. **Equity**

Capital stock and additional paid-in capital
As of December 31, 2015 and 2014, the paid-up capital consists of the following:

	Shares		Amount	
	2015	2014	**2015**	2014
Voting Preferred stock -				
₱0.10 par value				
Authorized	**174,300,000**	–	–	–
Issued and outstanding	**174,300,000**	–	**₱17,430,000**	₱–
Perpetual Preferred stock -				
₱100 par value				
Authorized	**20,000,000**	–	–	
Issued and outstanding	–	–	–	–
Common stock - ₱10 par value				
Authorized	**298,257,000**	500,000,000	–	–
Issued and outstanding	**174,300,000**	174,300,000	**1,743,000,000**	1,743,000,000
Treasury shares	**5,000**	5,000	**(6,136,000)**	(2,275,000)
Additional paid-in capital			**46,694,658,660**	46,694,658,660
			₱48,448,952,660	₱48,435,383,660

The Parent Company's common shares with par value of ₱10.00 were listed on the Philippine Stock Exchange on April 20, 2012.

Amendment of Articles of Incorporation to Create Voting Preferred Shares of Stock
On October 23, 2014, the Board of Directors approved the proposed amendment to Article Seventh of the Parent Company’s Amended Articles of Incorporation to create a new class of shares – Voting Preferred Shares, to be taken from existing authorized capital stock of ₱5.00 billion. The Voting Preferred Shares of stock shall be voting, non-cumulative, non-participating and non-convertible with the following features, rights and privileges:

a. The Issue value shall be determined by the Board of Directors at the time of the issuance of the shares;
b. The Dividend Rate shall be determined by the Board of Directors at the time of the issuance of the shares, equivalent to 3-year PDST R2 to be repriced every ten (10) years and payable annually;
c. The Voting Preferred Shares shall be non-cumulative and the holders thereof are entitled to the payment of current but not past dividends;
d. The Voting Preferred Shares shall be non-participating in any other of further dividends beyond that specifically payable on the shares;
e. The Voting Preferred Shares shall be redeemable at par value, at the sole option of the Corporation, under terms and conditions approved by the Board of Directors;
f. Holders of Voting Preferred Shares shall be entitled to one vote for each share in his name on the books of the Corporation;
g. Holders of Voting Preferred Shares shall have no pre-emptive rights to any issue of shares, Common or Preferred;
h. The Voting Preferred Shares will not be listed at and will not be tradable in the Philippine Stock Exchange; and
i. Other features, rights and privileges determined by the Board of Directors.

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 to create 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
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 ₱0.10 per share through a 1:1 Stock Rights Offering, to all stockholders of record as of March 25, 2015, offered 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 ₱5.00 billion in lawful money of the Philippines, will be divided into 298,257,000 common shares with a par value of ₱10.00 per share, 20,000,000 perpetual preferred shares with a par value of ₱100.00 per share and 174,300,000 voting preferred shares with a par value of ₱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.

As of December 31, 2015 and 2014, the total number of stockholders of common shares of the Parent Company is 72 and 73, respectively.

Retained earnings
On December 17, 2015, the BOD of the Parent Company approved the appropriation of retained earnings amounting to ₱8.76 billion to be earmarked for the following:

Project Name	Timeline	Amount
Tranche 2 of PCFI Acquisition	2016	₱6.26 billion
Tranche 3 of PCFI Acquisition	2017	2.50 billion
		₱8.76 billion

On December 15, 2014, the BOD of the Parent Company approved the appropriation of retained earnings amounting to ₱6.00 billion to be earmarked for the additional investments in Series B Perpetual Preferred Shares of Fed Land within 2015. This appropriation was reversed in 2015 upon completion of the transaction.

On March 11, 2014, the BOD of the Parent Company approved the appropriation of retained earnings amounting to ₱3.00 billion earmarked for the following:

Project Name	Timeline	Amount
Equity call from GBPC for plant expansions	2014	₱2.00 billion
Acquisition of investments	2014-2015	1.00 billion
		₱3.00 billion

Said appropriation was reversed in 2014 upon completion of the expansion and acquisition.

Details of the Parent Company's dividend distributions out of the Parent Company's retained earnings as approved by the Parent Company's BOD follow:

Date of declaration	Per share	Total amount (in millions)	Record date	Payment date
March 13, 2015	₱3.00	₱522.87	April 17, 2015	May 4, 2015
March 11, 2014	3.00	522.89	April 8, 2014	May 2, 2014
August 12, 2013	3.00	522.90	September 10, 2013	October 2, 2013
September 12, 2012	3.17	500.86	September 28, 2012	October 22, 2012
August 5, 2011	4.00	500.00	August 31, 2011	September 9, 2011
April 8, 2010	2.00	250.00	March 25, 2010	April 15, 2010
October 12, 2010	2.00	250.00	October 31, 2010	November 22, 2010

The computation of retained earnings available for dividend declaration in accordance with SEC Memorandum Circular No. 11 issued in December 2008 differs to a certain extent from the Parent Company's retained earnings as of December 31, 2015 and 2014.

In addition, certain amount of retained earnings is required to be maintained to enable the Group to meet certain financial ratios as stipulated in the loan covenants.

Details of dividend declarations of the Group's subsidiaries follow:

	Date of declaration	Class of stock	Total amount (in millions)	Record date	Payment date
Fed Land	December 7, 2015	Preferred Shares-A	₱240.00	December 31, 2015	January 15, 2016
	December 7, 2015	Preferred Shares-B	249.24	December 31, 2015	January 15, 2016
	December 12, 2014	Common	100.00	December 31, 2014	February 28, 2015
	February 18, 2013	Common	100.00	December 31, 2012	March 20, 2013
	December 23, 2011	Common	180.00	November 30, 2011	December 23, 2011
GBPC	December 9, 2015	Common	2,600.00	December 31, 2015	April 2016
	November 20, 2014	Common	2,200.00	December 31, 2014	April 2015
	December 2, 2013	Common	2,000.00	October 31, 2013	June 30, 2014
	December 17, 2012	Common	2,870.00	December 3, 2012	March 31, 2013
	August 11, 2012	Common	1,050.00	July 31, 2012	August 31, 2012
Toyota	May 13, 2015	Common	7,025.38	December 31, 2014	May 2015
	April 29, 2014	Common	4,608.60	December 31, 2013	May 2014
	April 11, 2013	Common	2,994.11	December 31, 2012	April 12, 2013

Treasury shares
As of December 31, 2015 and 2014, treasury shares of the Group pertain to 5,000 shares of the Parent Company held by Ping An with original acquisition cost of ₱6.14 million and ₱2.28 million, respectively.

Other equity adjustments
2015
TCI
In June 2015, the Parent Company acquired 2,705,295 shares of TCI for a total consideration of ₱13.50 million, resulting to 53.80% ownership over TCI. This acquisition was accounted for as an equity transaction and resulted in the recognition of negative other equity adjustments amounting to ₱7.12 million.

2014
Charter Ping An
On January 27, 2014, the Parent Company acquired the remaining 33.33% equivalent to 1.71 million shares of Charter Ping An's outstanding capital stock from FMIC for a total consideration of ₱712.00 million. Prior to the said acquisition, the Parent Company's ownership interest in Charter Ping An was at 66.67%. This acquisition was accounted for as an equity transaction in the consolidated financial statements and resulted in the recognition of negative other equity adjustments amounting to ₱375.67 million.

TCI
On April 23, 2014, the Parent Company acquired 0.20 million shares equivalent to 0.26% of TCI for a total consideration of ₱1.00 million, resulting to 89.31% direct ownership over TCI. This acquisition was accounted for as an equity transaction and resulted in the recognition of negative other equity adjustments amounting to ₱0.42 million.

In June 2014, the Parent Company subscribed to 33.00 million shares of TCI for a total consideration of ₱33.00 million, resulting to 92.48% direct ownership over TCI. The acquisition was accounted for as an equity transaction resulting in the recognition of negative other equity adjustment amounting to ₱24.79 million.

On June 23, 2014, the Parent Company sold 45.00 million shares of TCI to Mitsui for a total consideration of ₱298.71 million. This represents 40.47% of TCI's outstanding capital stock. As a result, the Parent Company's direct ownership over TCI is 52.01% as of September 30, 2014.

This acquisition was accounted for as an equity transaction and resulted in the recognition of other equity adjustments amounting to ₱193.95 million.

GBPC
On May 28, 2014, the Parent Company subscribed to 7.22 million shares of GBPC, representing an additional 0.38% direct ownership of GBPC. With this transaction, the Parent Company's direct ownership over GBPC increased from 50.89% to 51.27%. This acquisition was accounted for as an equity transaction and resulted in the recognition of other equity adjustments amounting to ₱60.52 million.

2013
GBPC
On June 27, 2013, First Metro Investment Corporation (FMIC), the investment banking arm of MBTC, concluded a Share Sale and Purchase Agreement with Orix Corporation (ORIX) covering the sale of 200.00 million shares of GBPC owned by FMIC to ORIX at a price of ₱7.15 billion. Subsequently on October 22, 2013, FMIC and Meralco PowerGen Corporation (MGen) signed a Shareholders' Agreement to complete the sale of an additional 200.00 million shares of GBPC from FMIC to MGen for a total consideration of ₱7.15 billion. The transactions reduced the Parent Company's indirect ownership over GBPC from 12.23% to 2.27%. The disposals were accounted as equity transactions in the consolidated financial statements since the Parent Company did not lose control over GBPC even after the sale of the indirect interests.

The Group recognized other equity adjustments totaling ₱1.41 billion, presented under equity attributable to equity holders of the Parent Company in the consolidated statement of financial position, representing the excess of the considerations received over the carrying amount of the indirect interests sold.

2012
GBPC
On May 2, 2012, the Parent Company exercised its option to acquire 25,520,700 common shares of GBPC representing 4.59% of GBPC's outstanding capital stock, at a fixed price of ₱35.00 per share for a total cost of ₱893.20 million. This increased the Parent Company's direct ownership over GBPC from 34.41% to 39.00%. This also resulted in the recognition of negative equity adjustment amounting to ₱54.78 million representing the excess of cost consideration over the carrying amount of non-controlling interest acquired.

On September 12, 2012, the Parent Company acquired from a third party an additional 66,145,700 GBPC common shares, representing 11.89% of GBPC's outstanding capital stock from the holders of the non-controlling interest, at a fixed price of ₱35.13 per share for a total cost of ₱2.32 billion. The acquisition increased the Parent Company's direct holdings in GBPC from 39.00% to 50.89%. This acquisition resulted to a negative equity adjustment amounting to ₱112.93 million representing the excess of the cost consideration over the carrying amount of non-controlling interest acquired.

Fed Land
On May 3, 2012, the Parent Company acquired the remaining 20.00 million common shares of Fed Land representing 20.00% of Fed Land's outstanding capital stock from the holders of the non-controlling interest for a total cost of ₱2.70 billion, thereby increasing the direct ownership of the Parent Company in Fed Land from 80.00% to 100.00%. As of May 3, 2012, the carrying amount of the 20.00% non-controlling interest in Fed Land amounted to ₱2.20 billion. The acquisition of 20.00% of Fed Land also resulted in the recognition of a negative equity adjustment

amounting to ₱513.36 million representing the excess of cost consideration over the carrying amount of non-controlling interest (Notes 2 and 31).

Effect of uniting of interest on HLRC and CRDC
The net effect of uniting of interest on the acquisition of HLRC and CRDC amounted to ₱104.26 million as of December 31, 2011. This represents the difference between Fed Land's aggregate consideration transferred on the acquisition and the respective HLRC and CRDC's equity as of December 31, 2010 attributable to parent and to non-controlling interest as of the time of the combination.

The aggregate cost of investment of ₱420.00 million is presented as a reduction to the net assets pooled to the Group's financial statements at the time of combination for the year ended December 31, 2011.

Non-controlling interests
The following table presents the rollforward of non-controlling interests:

	2015	2014
Beginning balance	**₱26,594,831,729**	₱22,038,319,659
Share of non-controlling interest shareholders on:		
Net income	**8,839,974,173**	5,998,528,766
Other comprehensive income	**313,230,900**	426,771,595
Equity call of subsidiaries	**–**	2,145,416,807
Deposit for future subscription of subsidiaries	**–**	531,907,700
Sale of direct interest in a subsidiary	**–**	104,761,043
Effect of business combination (Note 31)	**24,288,881,125**	42,175,650
Acquisition of non-controlling interests in consolidated subsidiaries	**(5,065,999)**	(372,637,017)
Cash dividends paid to non-controlling interest shareholders	**(6,308,932,611)**	(4,320,412,474)
Return of deposits	**(15,270,110)**	–
	₱53,707,649,207	₱26,594,831,729

Financial Information of Subsidiaries

The financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interests held by non-controlling interests

	Nature of Business	**Direct Ownership**		**Effective Ownership**	
		2015	2014	**2015**	2014
GBPC	Power	**48.73**	48.73	**47.55**	47.55
TMPC	Motor	**49.00**	49.00	**49.00**	49.00
PCFI	Real Estate	**77.32**	–	**77.32**	–

Carrying value of material non-controlling interests (amounts in millions)

	2015	2014
GBPC	**₱16,874**	₱17,769
TMPC	**10,201**	8,570
PCFI	**25,254**	–

Net income for the period allocated to material non-controlling interests
(amounts in millions)

	2015	2014
GBPC	**₱2,781**	₱2,389
TMPC	**5,063**	3,590
PCFI	**962**	–

The following table presents the financial information of subsidiaries with material NCI as of and for the years ended December 31, 2015 and 2014 (amounts in millions):

	2015			2014	
	GBPC	**TMPC**	**PCFI***	GBPC	TMPC
Statement of Financial Position					
Current assets	**₱21,883**	**₱27,276**	**₱21,648**	₱22,077	₱22,430
Non-current assets	**52,478**	**5,015**	**14,504**	46,367	4,276
Current liabilities	**12,402**	**14,111**	**9,127**	10,834	11,694
Non-current liabilities	**31,543**	**2,950**	**10,078**	27,834	3,086
Dividends paid to non-controlling interests	**2,851**	**3,448**	–	2,034	2,262
Statement of Comprehensive Income					
Revenues	**₱19,308**	**₱114,945**	**₱2,948**	₱19,227	₱105,104
Expenses	**(14,963)**	**(100,876)**	**(1,625)**	(15,707)	(95,028)
Net income	**4,202**	**10,299**	**1,264**	3,520	10,076
Total comprehensive income	**3,514**	**10,242**	**1,283**	4,270	7,254
Statement of Cash Flows					
Net cash provided by operating activities	**5,232**	**11,480**	**744**	6,480	5,799
Net cash used in investing activities	**(6,739)**	**(2,241)**	**(3,090)**	(4,751)	(743)
Net cash provided by (used in) financing activities	**771**	**(6,998)**	**3,269**	3,686	(4,088)

**Amounts in statements of comprehensive income and cash flows of PCFI are from the acquisition date, August 20, 2015, to December 31, 2015.*

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong and healthy consolidated statement of financial position to support its current business operations and drive its expansion and growth in the future.

The Group maintains its current capital structure, and will make adjustments, if necessary, in order to generate a reasonable level of returns to shareholders over the long term. Equity, which the Group considers as capital, pertains to the equity attributable to equity holders of the Parent Company excluding effect of uniting of interest. The Group's sources of capital are capital stock and retained earnings. No changes were made in the objectives, policies or processes in 2015 and 2014.

The Parent Company considers total equity as its capital amounting to ₱59.49 billion and ₱55.89 billion as of December 31, 2015 and 2014, respectively.

The Parent Company maintains equity at a level that is compliant with its loan covenants.

23. **Interest and Other Income**

Interest Income
This account consists of:

	2015	2014 (As restated – Note 12)	2013 (As restated – Note 12)
Interest income on:			
Installment contract receivables	**₱1,462,322,626**	₱1,157,396,924	₱749,146,595
Cash and cash equivalents (Note 4)	**437,960,774**	300,107,620	76,236,824
AFS debt instruments	**–**	–	12,868,051
Short-term investments (Note 4)	**20,309,757**	25,407,704	310,626,708
Deposits	**–**	–	263,850,062
Others	**52,598,395**	38,285,690	48,533
	₱1,973,191,552	₱1,521,197,938	₱1,412,776,773

Interest income on installment contract receivables consist of accretion of unamortized discount of Fed Land and interest income from collections of PCFI amounting to ₱1.29 billion and ₱0.17 billion, respectively.

Interest on deposit represents reimbursement of interest expense incurred by Fed Land from option money granted to affiliates (Notes 27).

In 2011, the Group entered into an option agreement with its various affiliates for the exclusive rights for three (3) years either (a) to purchase the property, (b) to purchase shares of stock of the third party which own the property, (c) to develop the property as developer in a joint venture with a third party or (d) to undertake a combination of any of the foregoing, as may be agreed upon by the parties.

In 2012, option agreements with Kabayan Realty Corporation, Titan Resources Corporation and Hill Realty and Development amounting to ₱500.00 million, ₱1.00 billion and ₱500.00 million, respectively were terminated and settled in cash. There were no outstanding option deposits as of December 31, 2015 and 2014. These deposits carried a 7.34% interest in 2013. Interest income recognized amounted to nil in 2015 and 2014, and ₱263.85 million in 2013.

Other Income
This account consists of:

	2015	2014 (As restated – Note 12)	2013 (As restated – Note 12)
Recovery from insurance	**₱473,169,055**	₱–	₱ 38,008,663
Gain on asset swap	**337,366,674**	–	–
Real estate forfeitures, charges and penalties	**265,700,293**	433,649,664	123,201,267
Management fee (Note 27)	**76,434,400**	86,398,531	85,211,246
Dividend income	**44,495,840**	50,232,498	76,961,697
Gain on disposal of property and equipment	**29,605,238**	90,244,891	15,813,041
Other underwriting income	**–**	–	7,658,264
Disposal of defective units	**6,439,157**	12,471,807	7,074,435
Refund of rental payments	**–**	–	21,228,274
Others	**544,599,781**	414,019,700	144,616,174
	₱1,777,810,438	₱1,087,017,091	₱519,773,061

Recovery from insurance pertains to full settlement of GBPC's insurance claims covering material damages and business interruption.

Gain on asset swap came from the deed of exchange entered into by Fed Land with Bases Conversion Development Authority (BCDA) in 2015 wherein Fed Land transferred to BCDA its road access lot in exchange of BCDA's two parcels of land which was valued at ₱100.00 thousand per square meter.

Real estate forfeitures, charges and penalties are earned when a buyer is delinquent on his payment or cancels his purchase of condominium units, after deducting any cash surrender value.

Management fee includes services rendered by Fed Land in the administration of different projects related to the joint venture (Note 27).

Other underwriting income pertains to the fronting fees earned by the Charter Ping An for fronting arrangements made during the year with several agencies and intermediaries.

Others include ancillary income amounting to ₱305.72 million and ₱250.48 million in 2015 and 2014, respectively. Ancillary income represents incentives received by Toyota dealers from financing institutions for vehicles sold to financing customers and from insurance companies for policies written for buyers.

Others also include charges from tenants of Fed Land pertaining to electricity and other utilities; these were recorded by Fed Land as other income upon receipt of the payments from the tenants.

24. **Power Plant Operation and Maintenance Expenses**

This account consists of:

	2015	2014	2013
Power plant operations expenses	**₱7,263,599,973**	₱8,097,643,363	₱7,836,783,183
Purchased power	**1,144,866,441**	1,223,384,633	567,745,347
Repairs and maintenance and others	**1,069,044,009**	1,006,684,450	540,907,411
	₱9,477,510,423	₱10,327,712,446	₱8,945,435,941

Power plant operations mainly represent costs of coal and fuel consumed in the operations. This also includes depreciation of the power plant (Note 11).

Repairs and maintenance and others mainly represent cost of materials and supplies consumed and the cost of restoration and maintenance of power plants.

25. **Cost of Goods Manufactured and Sold and Cost of Goods and Services Sold**

Cost of goods manufactured and sold consists of:

	2015	2014	2013
Raw materials, beginning	**₱885,226,867**	₱528,430,068	₱567,478,665
Purchases	**25,184,364,551**	21,821,722,994	17,531,617,445
Total materials available for production	**26,069,591,418**	22,350,153,062	18,099,096,110
Less: Raw materials, end	**1,382,008,433**	885,226,867	528,430,068
Raw materials placed in process	**24,687,582,985**	21,464,926,195	17,570,666,042
Direct labor	**328,858,486**	312,436,032	229,166,773
Manufacturing overhead	**2,900,752,520**	2,414,273,389	1,980,663,593
Total cost of goods placed in process	**27,917,193,991**	24,191,635,616	19,780,496,408
Work-in-process, beginning	**43,355,195**	53,027,159	79,583,854
Total Cost of goods in process	**27,960,549,186**	24,244,662,775	19,860,080,262
Less: Work-in-process, ending	**67,567,866**	43,355,195	53,027,159
Total cost of goods manufactured	**27,892,981,320**	24,201,307,580	19,807,053,103
Finished goods, beginning	**20,406,380**	42,685,755	252,177,779
Total goods available for sale/transfer	**27,913,387,700**	24,243,993,335	20,059,230,882
Less: Finished goods, ending	**63,007,315**	20,406,380	42,685,755
Other transfers	**12,641,007**	10,154,788	30,444,994
	₱27,837,739,378	₱24,213,432,167	₱19,986,100,133

Cost of goods and services sold consists of:

	2015	2014	2013
Beginning inventory			
Automotive	**₱2,293,773,195**	₱2,899,063,311	₱4,340,087,864
Gasoline, retail and petroleum products	**5,769,494**	7,940,644	9,786,694
Food	**934,674**	1,310,005	2,351,541
	2,300,477,363	2,908,313,960	4,352,226,099
Add: Net purchases	**73,386,236,399**	71,107,262,150	43,419,704,745
Total inventories available for sale	**75,686,713,762**	74,015,576,110	47,771,930,844
Less: Ending inventory (Note 6)			
Automotive	**1,891,132,938**	2,293,773,195	2,899,063,311
Gasoline, retail and petroleum products	**7,211,154**	5,769,494	7,940,644
Food	**936,359**	934,674	1,310,005
	73,787,433,311	71,715,098,747	44,863,616,884
Cost adjustments	**711,761,983**	(1,613,895,392)	(20,203,084)
Internal and other transfers	**(357,393,990)**	(338,862,582)	(142,500,998)
Direct labor	**27,569,966**	6,661,707	18,856,187
Overhead (Note 30)	**771,937,805**	827,784,474	749,690,677
	₱74,941,309,075	₱70,596,786,954	₱45,469,459,666

Overhead includes rent expense and common usage and service area charges.

26. General and Administrative Expenses

This account consists of:

	2015	2014 (As restated - Note 12)	2013 (As restated - Note 12)
Salaries, wages and employee benefits (Notes 27 and 28)	**₱2,882,595,160**	₱2,385,223,123	₱1,776,834,666
Taxes and licenses	**1,569,812,388**	1,221,129,537	1,056,805,090
Advertising and promotions	**1,323,119,524**	2,045,197,474	2,159,077,733
Depreciation and amortization (Note 11)	**852,196,734**	854,786,429	865,173,857
Commissions	**725,115,364**	554,252,711	365,156,217
Delivery and Handling	**426,777,024**	360,511,590	212,067,754
Light, water and other utilities	**355,290,102**	278,143,868	253,711,258
Outside services	**326,175,157**	265,267,059	344,401,523
Insurance	**252,658,765**	204,935,356	182,718,141
Administrative and management fees	**196,099,841**	161,548,997	333,997,508
Professional fees	**188,599,841**	118,401,716	188,671,741
Transportation and travel	**168,348,585**	145,120,138	118,905,060
Office supplies	**148,229,852**	98,579,161	67,106,258
Repairs and maintenance	**119,787,835**	177,323,536	188,359,984

(Forward)

	2015	2014 (As restated - Note 12)	2013 (As restated - Note 12)
Provision (reversal) of product warranties	**₱118,662,894**	₱239,491,048	₱–
Entertainment, amusement and recreation	**108,056,711**	54,851,481	65,361,012
Rent	**104,803,559**	98,488,930	48,979,477
Provisions for other expenses	**95,515,984**	–	–
Provision for credit losses (Note 5)	**94,675,001**	192,884,991	8,588,965
Unrealized foreign exchange loss	**89,182,225**	1,106,204	46,646,938
Communications	**57,121,865**	40,165,907	36,806,831
Donation and contributions	**44,893,018**	429,645,388	18,440,510
Provision for impairment losses (Note 6 and 14)	**40,687,820**	–	–
Royalty and service fees	**10,077,405**	6,537,725	5,011,666
Provisions for inventory obsolescence	**–**	9,819,141	26,912,531
Provision for claims and assessments	**–**	–	168,366,015
Participation fee	**–**	–	59,659,478
Loss from initial recognition of financial asset	**–**	–	275,000
Others	**559,477,345**	448,412,400	446,587,489
	₱10,857,959,999	₱10,391,823,910	₱9,044,622,702

Donations and contributions pertain to real properties and fund given to TMP School of Technology to finance its building construction and operations.

Other expenses include membership and subscription fees, dealer development, corporate events and contractual services.

27. 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. These related parties include subsidiaries, associates, jointly controlled entities, key management personnel, stockholders and other related parties which include affiliates.

An entity is considered an affiliate if such entity and the Parent Company have common shareholders. In effect, such entity is a sister company of the Parent Company by virtue of ownership and common control. It is neither a subsidiary nor associate of the Group.

The Group, in its regular conduct of its business, has entered into transactions with its associates, jointly controlled entities 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.

As of December 31, 2015 and 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.

The following table shows the related party transactions included in the consolidated financial statements.

	December 31, 2015		
Category	**Amount/ Volume**	**Outstanding Balances**	**Terms and Conditions/Nature**
Significant Investor			
Other income	**₱160,714**		Management fee income for the period January 2015 to December 2015
Associates			
Cash and cash equivalents	**6,428,449,950**	**₱29,358,425,018**	Savings, current and time deposits accounts earning annual interest rate ranging from 0.25% to 3.0%
Short-term investments	**21,889,022**	**2,011,247,722**	Within one (1) year, interest rate ranging from 0.16% to 2.50%
Interest receivables	**3,190,767**	**17,422,818**	Interest from cash and cash equivalents
Interest income	**188,969,887**		Interest income from cash and cash equivalents and short-term investments
Trade receivables		**71,253,970**	Noninterest-bearing; due within 30 days
Prepaid insurance	**15,174**	**15,218**	Group life insurance premium for November and December 2015
Commission receivable		**9,885,222**	Noninterest-bearing; due and demandable
Rent receivable		**21,301,806**	
Other receivables		**34,899,599**	Noninterest-bearing; due and demandable
Deposits	**1,375**	**541,559**	Refundable deposits
Inventories	**1,762,665,000**		Purchased of land from an associate
Due from related party		**25,589,174**	Noninterest-bearing; due and demandable
Investments in associates and jointly controlled entities	**8,279,396,034**	**8,279,396,034**	Stock rights offering; additional investment in MBTC
Escrow fund	**48,267,000**	**48,267,000**	Agreed deposit with MBTC-Trust Banking Group equivalent to 20% of approved loan credit accommodation
Accounts and other payables	**11,730**	**11,873,601**	Unsecured; no impairment
Accrued expenses	**37,500**	**37,500**	Trustee fee from August 15, 2015 to December 2015
Due to related party		**927,908**	Noninterest-bearing; due and demandable
Loans payable		**11,620,934,547**	With interest ranging from 3.75% to 6.20%, Unsecured with quarterly interest payment
Accrued interest payable	**1,205,141,824**	**57,090,906**	Interest on loans payable
Dividend income	**689,261,390**		Dividend income from associate
Commission income	**123,466**		Commission income from associate
Management fee income	**4,790,593**		Services related to administering the different projects of the group
Rent income	**71,606,253**		Unsecured; no impairment
Documentation and processing fee	**914,579**		Unsecured; no impairment
Guarantee fee		**290,000**	Unsecured; no impairment
Rent expense	**2,439,447**		Unsecured; no impairment
Insurance expense	**8,746,134**		Unsecured; no impairment
General and Administrative expenses	**1,052,312**		Utilities, outside services, repairs and maintenance
Miscellaneous expenses	**496,240**		Retainer's and trustee fee paid; Opening and management fee of an associate as stock and transfer agent; Appraisal of car and bank charges

(Forward)

Category	December 31, 2015 Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Jointly controlled entities			
Dividend receivable	**₱60,000,000**	**₱60,000,000**	Dividend receivable from FLOC
Trade receivables	**10,166,228,094**	**204,047,211**	Sale of vehicles and spare parts under the renewable dealership agreement
Nontrade receivables	**6,634,792**	**1,081,320**	Noninterest-bearing; 30 days term; unsecured
Commission receivable		**189,373,946**	Commission earned from the sale of condominium units where FedLand acted as agents
Commission income	**189,715,706**		Unsecured; no impairment
Rent receivable		**7,104,045**	Noninterest-bearing; due and demandable
Management fee receivable		**7,071,482**	Unsecured; no impairment
Receivable from sharing of expenses		**2,939,923**	Unsecured; no impairment
Other receivables		**3,158,090**	Unsecured; no impairment
Trade payables	**346,496,601**	**34,286,738**	Payables arising from swapping of vehicles, parts and accessories between dealerships, sales adjustments, warranty, sales promotions and reimbursable expenses.
Management fee income	**47,969,827**		Unsecured; no impairment
Rent income	**49,959,160**		Unsecured; no impairment
General and Administrative expenses	**176,491**		Unsecured; no impairment
Repairs and maintenance	**27,839**		Car repairs and maintenance paid
Representation expense	**1,601,800**		Representation expense paid
Other related parties			
Cash and cash equivalents	**₱665,639,211**	**₱6,422,440,556**	Savings, current and time deposits accounts earning annual interest rate ranging from 0.25% to 3.0%
Interest income	**21,824,575**		Interest from promissory note with subsidiary of an associate
Trade receivables	**9,419,135,015**	**917,533,864**	Arising from export sales to TMAP and sale of vehicles to other parties
Due from related party		**344,626,409**	Noninterest-bearing; due and demandable
Inventories	**7,844,454,800**		Purchased of land to other related parties
Management fee receivable		**2,387,993**	Noninterest-bearing; due and demandable
Nontrade receivables	**172,704,084**	**4,800,222**	Receivable arising from reimbursable expenses and other nontrade transactions
Other receivables	**357,232**	**2,683,717**	Noninterest-bearing; due and demandable
Rent receivable		**14,324,908**	Noninterest-bearing; due and demandable
Commission receivable		**28,990,175**	Unsecured; no impairment
Deposits		**84,580,294**	Unsecured; no impairment
Receivables from sharing of expenses	**64,802,280**	**64,802,280**	Noninterest-bearing; due and demandable
Prepaid expenses and others	**413,426**	**413,426**	Advance payment made to a subsidiary of an associate for title verification report
Long-term receivables		**634,308,550**	With interest of 3.15%; Payable in 2022; Unsecured
Property and equipment	**11,062,963**		Purchased of vehicles
Trade payables	**74,626,166,152**	**6,247,867,366**	Purchase of raw materials , spare parts and vehicles for sale
Royalty payable		**7,318,739**	Unsecured; no impairment
Accrued expenses	**14,700**	**14,700**	Information technology services from a subsidiary of an associate
Dividends payable	**13,880,296**	**1,266,980,000**	Unsecured; no impairment
Loans payable	**3,302,321**	**3,543,885,019**	With 3% interest; payable annually until 2026
Accrued interest payable		**14,797,326**	Unsecured; no impairment
Interest expense	**75,740,159**	**134,773,472**	Unsecured; no impairment
Due to related party		**173,195,090**	Noninterest-bearing operational advances which are due and demandable
Other payables	**21,974,322**	**23,964**	Unsecured; no impairment
Commission income	**19,408,173**		Unsecured; no impairment
Documentation and processing fee	**14,049,216**		Unsecured; no impairment
General and administrative expenses	**24,000**		Unsecured; no impairment
Insurance expense	**148,949**		Unsecured; no impairment
Rent expense	**5,684,297**		Unsecured; no impairment
Rent income	**58,987,801**		Unsecured; no impairment
Royalty and technical assistance expense	**44,632,268**		Unsecured; no impairment
Salaries and employee benefits	**44,625**		Fee on finance seminar attended
Travel and transportation	**261,487**		Car rental charges, airfare and hotel charge paid to an affiliate of an associates
Meetings	**45,599**		Venue and car rental charges for meetings
Miscellaneous expenses	**869,500**		Information technology services; Payment for title verification report for land title
Key management personnel			
Short-term employee benefits	**590,146,666**		
Post-employment benefits	**101,654,241**		

Category	December 31, 2014 Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Ultimate Parent			
Trade receivable	₱46,405	₱46,405	Management fee; 30 day term
Management income	40,179		Management fee income for the period October 2014 to December 2014
Associates			
Cash and cash equivalents	483,036,715	23,141,633,630	Savings, current and time deposit accounts with annual interest ranging from 0.50% to 3.75%; unsecured; no impairment
Interest receivable	2,860,521	2,860,521	Interest from cash and cash equivalents
Interest income	127,870,581		Interest income from cash and cash equivalents
Trade receivable	4,647,572,248	148,006,406	Noninterest-bearing; 30 days term; unsecured; no impairment
Deposit	1,200	1,200	Unsecured; no impairment
Nontrade receivables	826,594,686	593,139,199	Noninterest-bearing; unsecured; no impairment
Accrued rent income	32,817,096	2,970,513	Unsecured; no impairment
Advances from officers, employees, and agents	49,574,060	49,574,060	Noninterest-bearing; 30 days
Other noncurrent assets	100,000,000	100,000,000	Noninterest-bearing; due and demandable
Due from related parties	36,358,696	36,358,696	Unsecured; no impairment
Inventories	8,884,422,878	8,884,422,878	Purchase of land inventory
Investments in associates and jointly controlled entities	787,500,000	787,500,000	Purchase of additional investment in jointly controlled entities
AFS equity securities	5,411,670	35,255,658	Unsecured; no impairment
Trade payable	222,680,511	19,767,430	Noninterest-bearing, 45 days term; unsecured; no impairment
Loans payable	936,069,580	9,057,004,147	GBP-Interest bearing with interest ranging from 2.42% to 10.37%; secured / FLI-Interest bearing with interest ranging from 3.25% to 7.10%;
Accrued interest payable	138,638,163	138,638,163	Interest on loans
Interest expense	423,434,616		Interest on loans
Due to related parties	2,604,765	2,604,765	Unsecured; no impairment
Accrued expense	24,822	24,822	Unsecured; no impairment
Dividend income	953,832,205		Dividend income from investments in associates
Insurance expense	80,522		Life insurance premium
Miscellaneous expense	379,539		Retainer's and trustee fee
Jointly controlled entities			
Dividend receivable	240,000,000	240,000,000	Dividend receivable from FLOC
Rent receivable	16,622,941	1,324,661	Unsecured; no impairment
Due to related parties		10,915	Unsecured; no impairment
Trade receivables	1,737,500	1,737,500	Noninterest-bearing; 30 days term; unsecured; no impairment
Trade payable	219,249,359	19,761,770	Noninterest-bearing, 45 days term; unsecured; no impairment
Other related parties			
Cash and cash equivalents	230,594,153	6,599,369,136	Short-term investments with interest rates ranging from 1.30% to 1.60%
Interest income	4,952,035		Interest from cash and cash equivalents
Trade receivable	143,749,203	1,177,782,966	Noninterest-bearing; 30 days term; unsecured; no impairment
Due from related parties	284,609,708.22	134,270,780	Noninterest-bearing; due and demandable
Other current assets		7,641,889	Unsecured; no impairment
AFS debt securities	12,672,280.00	42,376,789	7 years, 5.68% to 5.75%; 10 years, 7.1875%; unsecured; no impairment
AFS equity securities	7,641,889	7,641,889	Unsecured; no impairment
Interest income	22,732,473		Interest income from AFS securities
Rent receivable	76,972,783	5,113,345	Noninterest-bearing; due and demandable; unsecured; no impairment
Rent income	3,302,321		
Loans receivable	7,877,666	626,8,44,230	Interest bearing of 3.15%; Payable in 2022; unsecured
Trade payable	25,977,476	37,154,605	Noninterest-bearing, 45 days term; unsecured; no impairment
Loans payable		759,831,933	With interest ranging from 3.75% to 4%; Payable in 2015; unsecured; no impairment
Accrued interest payable		16,982,478	Interest on loans
Long-term payable	3,284,260	78,626,700	Interest bearing, 3.00% interest; payable annually until 2026; unsecured

(Forward)

Category	December 31, 2014 Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Due to related parties	₱9,735,226	₱173,429,743	Noninterest-bearing; unsecured
Royalty payable	27,143,182	289,718,823	Unsecured; no impairment
Other payable	23,066,961	21,506,332	Underwriting fee; unsecured: no impairment
Dividends payable		1,072,060,000	Dividends payable to FMIC, ORIX and MGen
Dividend income	24,471,481		Dividend income from TAPI
Miscellaneous expense	195,602		IT services fee
Receivable – others	68,920,430	46,951,956	Management fee pertains to management fee being charged by the Parent Company to BLRDC and FLOC for the consultancy services
Investment in associates and jointly controlled entities	1,549,756,250	1,549,756,250	Acquisition of 19.25% of TMEC from FMIC; acquisition of 25% of TFS from PSBank
Deferred financing cost	23,052,261	17,276,752	Acquisition of GT Tower from PSC
Liabilities on purchased properties	931,284,327	3,511,859,098	Unsecured with interest rate of 3.15% payable on 2022; no impairment.
Donation	350,274,000		Donation to Toyota Motor Philippines Foundation
Key management personnel			
Other payable and accrued expense	1,087,741	1,087,741	Unsecured; no impairment
Rent income	418,125		Income from employees for car plans
Salaries and employee benefits	79,020,802		Salaries and benefits to employees
Director's fee	16,515,833		Per diems and bonuses to directors
Short-term employee benefits	513,774,208		
Post employee benefits	50,596,622		

Details of the transactions with affiliates are as follows:

Land for development
In 2014, Fed Land acquired parcels of land amounting to ₱8.88 billion from MBTC to be held either for sale or for future land development (Note 6).

Operating advances
Due from and to related parties consist mostly of operating advances which are noninterest-bearing and due and demandable.

Long-term loans receivable
In 2012, Fed Land entered into a loan agreement with Cathay International Resources Corp. (Borrower). Fed Land agrees to lend to the Borrower a total amount of ₱705.00 million with nominal interest rate of 3.15% annually. This loan will mature on the tenth year anniversary from the date of the execution of the agreement. The outstanding balance of long-term loans receivable as of December 31, 2015 and 2014 amounted to ₱635.57 million and ₱626.84 million, respectively.

The interest expense from Day 1 difference recorded under 'General and administrative expenses' in the consolidated statements of income amounted to ₱94.22 million in 2012.

Affiliated bank loans
The Group's loans payable to an affiliated commercial bank bears interest rates ranging from 3.75% to 4.50% per annum for both 2015 and 2014.

Management fee
Management fee amounting to ₱76.43 million, ₱86.40 million and ₱85.21 million in 2015, 2014 and 2013, respectively, pertains to the income received from a joint venture of Fed Land with FLOC and MBTC (Note 23).

Lease agreements
Fed Land entered into operating lease agreements for the use of office spaces in GT Tower International Building. The terms of lease ranges from 5 to 10 years and generally renewable for 5 years. The rent is payable monthly with annual rent escalation rates ranging from 5% to 8%. The rental income on these leases amounted to ₱195.25 million and ₱175.54 million for 2015 and 2014, respectively (Note 30).

Compensation of key management personnel for the years ended December 31, 2015, 2014 and 2013 follow:

	2015	2014	2013
Short-term employee benefits	**₱590,146,666**	₱513,774,208	₱111,560,155
Post-employment benefits	**101,654,241**	50,596,622	49,782,006
	₱691,800,907	₱564,370,830	₱161,342,161

Transactions with the Group Retirement Funds
The retirement funds of the subsidiaries' employees are being managed and maintained by MBTC as trustee bank. The total carrying amount and fair value of the retirement funds as of December 31, 2015 and 2014 amounted to ₱1.31 billion and ₱1.26 billion, respectively. The assets and investments of the fund include cash and cash equivalents, investments in government securities and equity securities, among others.

The following tables show the amounts of related party transactions of the Group with the retirement funds of the subsidiaries' employees as of December 31, 2015 and 2014:

	December 31, 2015		
Category	**Amount/ Volume**	**Outstanding Balances**	**Terms and Conditions/Nature**
Associate			
Savings deposit		**₱206,193**	Savings account with annual interest of 1%, 1 - 3 months; Unsecured and no impairment;
Time deposit	**₱20,595**	**55,049,000**	With annual interest of 3.88%, 1 - 3 months maturity; Unsecured and no impairment
Money market	**121,944**	**9,560,588**	
Investment in equity securities		**17,829,810**	Unsecured with no impairment
Interest income	**96,172**		Income earned from savings deposit
Gain on sale of shares	**647,825**		Income from sale of shares
Mark-to-market gain	**501,253**		Gain from mark-to-market of shares
Parent			
Investment in equity securities		**6,676,000**	Unsecured with no impairment
Mark-to-market gain	**2,154,404**		Gain from mark-to-market of shares
Gain on sale of shares	**1,184,833**		

	December 31, 2014		
Category	Amount/ Volume	Outstanding Balances	Terms and Conditions/Nature
Associate			
Savings deposit		₱122,273	Savings account with annual interest of 1%, 1 - 3 months; Unsecured and no impairment;
Time deposit		22,541,000	With annual interest of 3.88%, 1 - 3 months maturity; Unsecured and no impairment
Investment in equity securities		12,285,825	Unsecured with no impairment
Interest income	₱179,484		Income earned from savings deposit
Gain on sale of shares	351,188		Income from sale of shares
Mark-to-market gain		1,800,980	Gain from mark-to-market of shares
Parent			
Investment in equity securities		6,792,578	Unsecured with no impairment
Mark-to-market gain		737,939	Gain from mark-to-market of shares

Transactions relating to the retirement plans are approved by the subsidiaries' respective Retirement Committees. The voting rights over the investments in the shares of entities within the Group are exercised by the Retirement Committee, whom are either officers or directors of the subsidiaries.

28. Pension Plan

The Group provides defined benefit pension plans for substantially all of its employees. Provisions for pension obligations are established for benefits payable in the form of retirement pensions. Benefits are dependent on years of service and the respective employee's final compensation. Actuarial valuations are made at least every one (1) to three (3) years.

Principal actuarial assumptions used to determine pension obligations follow:

		2015		
		Actuarial Assumptions		
	Date of Actuarial Valuation	**Expected Return on Plan Assets**	**Salary Rate Increase**	**Discount Rate**
Real estate	**December 31, 2015**	**3.33%**	**6.33%**	**5.05%**
Power	**-do-**	**5.00%**	**8.00%**	**4.87% - 5.20%**
Non-life insurance	**-do-**	**7.00%**	**10.00%**	**5.12%**
Automotive	**-do-**	**9.00%**	**5.00% to 7.00%**	**4.83% to 5.07%**
Financial	**-do-**	**3.50%**	**7.00%**	**5.11%**

		2014		
		Actuarial Assumptions		
	Date of Actuarial Valuation	Expected Return on Plan Assets	Salary Rate Increase	Discount Rate
Real estate	December 31, 2014	3.50%	8.00%	4.74%
Power	-do-	5.00%	10.00%	4.45%-4.78%
Non-life insurance	-do-	7.00%	10.00%	4.69%
Automotive	-do-	9.00%	6.00%-7.00%	4.47%
Financial	-do-	5.00%	7.00%	4.62%

The overall expected rate of return on plan assets is determined based on the market prices prevailing on that date applicable to the period over which the obligation is to be settled.

Net retirement liability (asset) included in the statement of financial position follow:

	2015	2014
Retirement asset (Note 14)	**(₱5,070,843)**	(₱3,519,970)
Retirement liability	**2,219,243,973**	2,260,951,566
Net retirement liability	**₱2,214,173,130**	₱2,257,431,596

The net pension liability and asset recognized in the Group's statements of financial position are as follows:

2015

	January 1, 2015	Effect of business combination	Balance after business combination	Net benefit cost: Current service cost	Net benefit cost: Net interest	Net benefit cost: Past service cost	Net benefit cost: Subtotal	Benefits paid	Remeasurements in other comprehensive income: Return on plan assets (excluding amount included in net interest)	Remeasurements in other comprehensive income: Actuarial changes arising from experience adjustments	Remeasurements in other comprehensive income: Actuarial changes arising from demographic assumptions	Remeasurements in other comprehensive income: Actuarial changes arising from changes in financial assumptions	Remeasurements in other comprehensive income: Subtotal	Contributions paid	December 31, 2015	Effect of disposal group classified as held-for-sale (Note 12)	December 31, 2015
Present value of defined benefit obligation	₱3,518,201,233	₱109,612,388	₱3,627,813,621	₱334,440,465	₱165,353,087	₱11,310,862	₱511,104,414	(₱107,083,867)	₱–	(₱104,325,552)	(₱91,724,955)	(₱61,665,252)	(₱257,715,759)	₱–	₱3,774,118,409	(₱251,044,991)	₱3,523,073,418
Fair value of plan assets	(1,260,769,637)	–	(1,260,769,637)	–	(56,701,070)	–	(56,701,070)	75,350,457	13,989,877	–	–	–	13,989,877	(204,842,576)	(1,432,972,949)	124,072,661	(₱1,308,900,288)
Net defined benefit liability	₱2,257,431,596	₱109,612,388	₱2,367,043,984	₱334,440,465	₱108,652,017	₱11,310,862	₱454,403,344	(₱31,733,410)	₱13,989,877	(₱104,325,552)	(₱91,724,955)	(₱61,665,252)	(₱243,725,882)	(₱204,842,576)	₱2,341,145,460	(126,972,330)	₱2,214,173,130

2014

	January 1, 2014	Effect of business combination	Balance after business combination	Net benefit cost: Current service cost	Net benefit cost: Net interest	Net benefit cost: Past service cost	Net benefit cost: Subtotal	Benefits paid	Remeasurements in other comprehensive income: Return on plan assets (excluding amount included in net interest)	Remeasurements in other comprehensive income: Actuarial changes arising from experience adjustments	Remeasurements in other comprehensive income: Actuarial changes arising from demographic assumptions	Remeasurements in other comprehensive income: Actuarial changes arising from changes in financial assumptions	Remeasurements in other comprehensive income: Subtotal	Contributions paid	December 31, 2014
Present value of defined benefit obligation	₱2,816,779,368	₱93,945,209	₱2,910,724,577	₱257,570,566	₱141,407,329	₱–	₱398,977,895	(₱97,684,357)	₱–	₱94,294,853	₱–	₱211,888,265	₱306,183,118	₱–	₱3,518,201,233
Fair value of plan assets	(1,113,147,007)	(1,335,251)	(1,114,482,258)	–	(54,914,268)	–	(54,914,268)	47,845,498	8,192,030	–	–	–	8,192,030	(147,410,639)	(1,260,769,637)
Net defined benefit liability	₱1,703,632,361	₱92,609,958	₱1,796,242,319	₱257,570,566	₱86,493,061	₱–	₱344,063,627	(₱49,838,859)	₱8,192,030	₱94,294,853	₱–	₱211,888,265	₱314,375,148	(₱147,410,639)	₱2,257,431,596

The maximum economic benefit available is a combination of expected refunds from the plan and reductions in future contributions.

The fair values of plan assets by each class as at the end of the reporting periods are as follows:

	2015	2014
Cash and cash equivalents	**₱67,265,185**	₱54,945,935
Investment in government securities	**952,068,224**	778,894,544
Investment in equity securities	**185,611,931**	207,712,497
Investment in debt and other securities	**71,480,391**	111,832,371
Receivables	**25,773,687**	85,976,479
Investment in mutual funds	**6,701,134**	21,367,780
Others	**1,811,047**	40,031
Liabilities	**(1,811,311)**	–
	₱1,308,900,288	₱1,260,769,637

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

		2015	2014
	Possible Fluctuations	**Increase (Decrease)**	Increase (Decrease)
Discount rates	**+1%**	**(₱60,792,392)**	(₱349,500,517)
	-1%	**62,800,950**	421,150,209
Turnover rate	**+1%**	**(73,564,817)**	(43,200,300)
	-1%	**83,389,265**	48,113,600
Future salary increase rate	**+1%**	**202,482,706**	508,596,489
	-1%	**(166,179,078)**	(406,848,534)

The Group expects to contribute ₱327.30 million to its defined benefit pension plan in 2016.

The average duration of the defined benefit retirement liability at the end of the reporting period is 19.81 years for the Group.

Shown below is the maturity analysis of the undiscounted benefit payments:

Less than 1 year	₱227,778,902
More than 1 year to 5 years	1,085,526,179
More than 5 years to 10 years	2,572,647,033
More than 10 years to 15 years	2,158,608,603
More than 15 years to 20 years	1,829,334,007
More than 20 years	6,675,757,169

The Group does not currently have any asset-liability matching study.

29. **Income Taxes**

Provision for income tax account consists of:

	2015	2014 (As restated-Note12)	2013 (As restated-Note12)
Current	**₱4,539,917,559**	₱2,925,215,273	₱1,720,178,104
Deferred	**(86,438,207)**	(283,972,391)	14,378,713
Final	**63,076,650**	39,458,042	65,072,966
	₱4,516,556,002	₱2,680,700,924	₱1,799,629,783

The components of the Group's deferred taxes as of December 31, 2015 and 2014 are as follows:

Net deferred tax asset:

	2015	2014
Deferred tax asset on:		
Unrealized gain on sale of land	**₱673,017,776**	₱627,412,073
Retirement benefit obligation	**564,701,876**	628,794,162
NOLCO	**321,880,500**	56,430,236
Warranties payable and other provisions	**90,279,905**	237,613,907
Unearned premiums	**89,717,878**	46,264,047
Decommissioning liability	**71,651,343**	65,692,699
Capitalized commissioning income	**52,010,905**	96,505,237
Allowance for probable losses	**51,730,133**	50,749,305
Accrued expenses	**44,886,503**	50,608,915
Deferred gross profit	**23,324,474**	21,924,938
Allowance for impairment losses	**14,120,455**	67,698,603
Unamortized discount on receivables	**11,569,870**	–
Others	**44,607,018**	34,194,947
	2,053,498,636	1,983,889,069
Deferred tax liability on:		
Deferred financing cost	**108,019,011**	57,263,434
Capitalized borrowing cost	**69,608,891**	7,804,674
Dismantling costs	**43,085,055**	40,085,039
Capitalized custom duties	**20,583,680**	20,724,088
Deferred acquisition costs	–	92,641,479
Others	**40,823,836**	39,194,850
	282,120,473	257,713,564
Net deferred tax asset	**₱1,771,378,163**	₱1,726,175,505

Net deferred tax liability:

	2015	2014
Deferred tax asset on:		
Prepaid commission	**₱207,495,243**	₱29,504,227
Deferred gross profit	**109,547,758**	125,300,151
Retirement benefit obligation	**84,442,237**	33,085,137
Excess of taxable gross profit over realized gross profit	**49,439,337**	–
Accrued expenses	**22,145,780**	95,732,185
Interest expense on Day 1 loss	**21,207,435**	23,698,386
Others	**6,341,751**	48,369,019
	500,619,541	355,689,105
Deferred tax liability on:		
Fair value adjustment on acquisition	**10,533,604,052**	3,178,762,999
Capitalized borrowing cost and guarantee fees	**479,445,877**	270,822,176
Excess of book basis over tax basis of deferred gross profit	**124,266,403**	270,948,611
Unamortized discount on long-term payable	**87,553,605**	110,792,792
Accrued income	**50,068,418**	–
Lease differential	**24,846,560**	20,376,662
Deferred financing costs – bonds	**22,622,139**	–
Others	**4,415,164**	36,139,688
	11,326,822,218	3,887,842,928
Net deferred tax liability	**₱10,826,202,677**	₱3,532,153,823

The Group has deductible temporary differences for which deferred tax asset has not been recognized since management believes that it is not probable that sufficient taxable income will be available against which the said deductible temporary differences can be utilized.

As of December 31, 2015, 2014 and 2013, the Group's unrecognized deductible temporary differences pertain to its NOLCO and MCIT with details as follows:

NOLCO

Year Incurred	Amount	Expired/Applied	Balance	Expiry Date
2015	₱1,781,957,828	₱–	₱1,781,957,828	2018
2014	974,274,770	–	974,274,770	2017
2013	1,052,769,050	–	1,052,769,050	2016
2012	968,338,310	968,338,310	–	2015
	₱4,777,339,958	₱968,338,310	₱3,809,001,648	

MCIT

Year Incurred	Amount	Expired/Applied	Balance	Expiry Date
2015	₱297,833	₱–	₱297,833	2018
2014	196,164	–	196,164	2017
2013	217,786	–	217,786	2016
2012	446,800	446,800	–	2015
	₱1,158,583	₱446,800	₱711,783	

The reconciliation of the provision for income tax computed at the statutory income tax rate to the provision for income tax shown in the consolidated statements of income follows:

	2015	2014 (As restated- Note12)	2013 (As restated- Note12)
Provision for income tax computed at statutory rate	**30.00%**	30.00%	30.00%
Tax effects of:			
Income subjected to final tax	**(0.36)**	(0.54)	(0.22)
Nondeductible interest and other expenses	**0.71**	0.74	0.62
Change in unrecognized deferred tax assets	**3.17**	2.55	2.50
Nontaxable income	**(10.33)**	(11.26)	(12.91)
Operating income within ITH	**(6.10)**	(6.31)	(7.41)
Effective income tax rates	**17.09%**	15.18%	12.58%
Continuing operations	**17.06%**	15.11%	12.59%
Disposal group	**0.03%**	0.07%	(0.01%)
	17.09%	15.18%	12.58%

Board of Investments (BOI) Incentives

Fed Land

The BOI issued a Certificate of Registrations as a New Developer of Mass Housing Project for its real estate projects in accordance with the Omnibus Investment Code of 1987. Pursuant thereto, the registered projects have been granted Income Tax Holiday (ITH) for a period of three to four years. The projects namely: Marquinton-Cordova Tower and The Oriental Place are entitled to ITH in years 2008 to 2012, The Capital Towers-Beijing, Marquinton Gardens Terraces-Toledo, Oriental Gardens-Lilac and Peninsula Garden Midtown Homes-Tower A are entitled to ITH in years 2009 to 2013, Oriental Garden Heights - A, B and C in 2010 to 2014, Marquinton Garden Terraces - Valderrama Tower in 2010 to 2013, Peninsula Garden Midtown Homes (PGMH) - Maple Tower and Tropicana Garden City - Ibiza Tower are entitled to ITH from 2012 to 2015 and PGMH - Narra is entitled to ITH from 2014 to 2017.

PCFI

On various dates, the BOI issued in favor of PCFI a Certificate of Registration as a New Developer of Mass Housing Project for its 54 real estate projects in accordance with the Omnibus Investment Code of 1987. Pursuant thereto, the projects were granted an Income Tax Holiday for a period of three (3) to four (4) years commencing on various dates from 2008 to 2015 and expiring on various dates from 2012 to 2020.

CEDC

CEDC was registered with the BOI on a pioneer status under Executive Order No. 226 or the Omnibus Investments Code of 1987 on June 25, 2008, initially under the name of GBPC. On February 18, 2009, BOI granted the transfer of its registration from GBPC to CEDC. BOI incentives include, among others, an income tax holiday of six (6) years from December 2010 or actual start of commercial operations, whichever is earlier, and zero percent duty importation of capital equipment, spare parts and accessories from date of registration up to June 16, 2011. CEDC started commercial operations on February 26, 2011. Its paid-up capital amounted to ₱554.40 million as of December 31, 2012.

TPC
Toledo Power Co. ("TPC"), as expanding operator of an 82MW Coal-Fired Power Plant (TPC 1A), was registered with the BOI on a pioneer status under Executive Order No. 226 or the Omnibus Investments Code of 1987 on October 23, 2012. BOI incentives include, among others, an income tax holiday of three (3) years from December 2014 or actual start of commercial operations, whichever is earlier and zero percent duty importation of capital equipment, spare parts, and accessories from date of effectivity of Executive Order No. 70 and its Implementing Rules and Regulations for a period of five (5) years reckoned from the date of its registration or until the expiration of EO 70, whichever is earlier. TPC began delivery of power from TPC 1A on February 26, 2015.

PEDC
PEDC was registered with BOI under the provisions of the Omnibus Investments Code as a new operator of a 246MW coal-fired power generation plant in Iloilo City under BOI Certificate of Registration No. 2008-171 dated July 24, 2008, initially under the name of GBPC. It has been transferred under PEDC's name after its incorporation. Under the terms of its registration, PEDC is subject to certain requirements, principally: (a) that PEDC should start operations no later than December 2011, (b) that PEDC should increase its authorized, subscribed, and paid-up capital stock to at least ₱4.45 billion and (c) that PEDC should secure a Certificate of Compliance (COC) from the Energy Regulatory Commission (ERC) prior to the start of its commercial operations. PEDC declared commercial operations on March 26, 2011. As of December 31, 2012, PEDC had paid-up capital of ₱554.40 million.

30. Lease Commitment

The Group as a lessee
The Group is a party under various lease agreements including the lease of premises occupied by the head office, office space leased for the Group's branches, land leased for Fed Land Group's mall and gasoline station and lease of parking spaces with terms ranging from one (1) to ten (10) years. Rent expense included under 'General and administrative expenses' amounted to ₱104.80 million, ₱98.49 million and ₱48.98 million, respectively (Note 26). Rental incurred on the lease of land for its mall and gasoline stations are presented as 'Overhead' and included in the 'Cost of goods and services sold' account, amounting to ₱20.57 million, ₱20.56 million and ₱30.97 million in 2015, 2014 and 2013, respectively (Note 25).

As of December 31, 2015 and 2014, the future minimum rental payments are as follows:

	2015	2014
Within one year	**₱94,377,107**	₱49,780,921
After one year but not more than five years	**199,555,713**	151,124,572
More than five years	**180,343,623**	365,160,285
	₱474,276,443	₱566,065,778

The Group as a lessor
The Group has entered into commercial property leases on its investment properties consisting of office spaces, land, mall and parking spaces with lease terms ranging from five (5) to ten (10) years. The Group's rental income on these leases amounted to ₱840.46 million, ₱764.49 million and ₱592.04 million, in 2015, 2014 and 2013, respectively (Note 9). The cost of rental services amounting ₱271.61 million, ₱270.09 million and ₱113.15 million in 2015, 2014 and 2013,

respectively, includes maintenance fee, depreciation, repairs and maintenance, and taxes and licenses.

As of December 31, 2015 and 2014, the future minimum receipts from these lease commitments are as follows:

	2015	2014
Within one year	**₱742,455,456**	₱954,270,511
After one year but not more than five years	**934,033,092**	2,384,112,193
More than five years	**476,310,404**	1,497,684,816
	₱2,152,798,952	₱4,836,067,520

31. **Business Combinations**

2015

Acquisition of PCFI

On August 6, 2015, the Parent Company, Profriends Group Inc. (PGI) and PCFI entered into a Master Subscription Agreement (the Agreement). Subject to the terms of the Agreement, the Parent Company agreed to subscribe to PCFI's series A preferred shares representing 51% of all issued and outstanding capital stock over a three (3) year term ending on the third year from the execution of the Agreement.

The Parent Company finalized the acquisition of an initial 22.68% of PCFI for ₱7.24 billion on August 20, 2015, upon fulfillment of all Tranche 1 closing conditions. This includes the execution of an irrevocable proxy in favor of the Parent Company, covering 51% of the total issued and outstanding capital stock of PCFI ("the Irrevocable Proxy") by PGI, the selling shareholder. The Irrevocable Proxy gives the Parent Company the ability to direct the relevant activities of PCFI that will affect the amount of returns that the Parent Company will receive from its investment in PCFI. The Parent Company assessed that it has control over PCFI by virtue of the Irrevocable Proxy and payment for the 22.68% equity interest and accounted for PCFI as a subsidiary.

The acquisition was accounted for as a business combination using the acquisition method. The Group elected to measure the non-controlling interest at the proportionate share of the non-controlling interest in the identifiable net assets of PCFI.

As of December 31, 2015, the purchase price allocation relating to the Parent Company's acquisition of control over PCFI has been prepared on a preliminary basis. The provisional fair values of the assets acquired and liabilities assumed as of date of acquisition is based on net book values of identifiable assets and liabilities plus certain adjustments since the Parent Company currently is finalizing the information for the purchase price allocation. The difference between the total consideration and the net assets amounting to ₱115.43 million was initially allocated to goodwill. The preliminary allocation is subject to revision to reflect the final determination of fair values. The preliminary accounting will be completed based on further valuations and studies carried out within twelve months from acquisition date.

The provisional fair values of the identifiable assets and liabilities of PCFI as of acquisition date are as follows:

Assets	
Cash and cash equivalents	₱337,647,356
Short-term investments	962,074,468
Receivables	12,510,341,939
Inventories	36,813,996,379
Prepayments and other current assets	1,610,539,372
Available-for-sale investments	2,303,610
Property and equipment	713,104,149
Intangible assets	15,962,797
Investment properties	2,390,496,039
Deferred tax assets	79,997,327
Other noncurrent assets	210,606,298
	55,647,069,734
Liabilities	
Accounts and other payables	2,870,936,058
Customer's deposits	675,786,503
Loans payable – current	7,637,973,228
Income tax payable	125,494,587
Loans payable – Noncurrent	5,500,538,595
Deferred tax liabilities on fair value increment	7,313,276,325
Pension liabilities	109,612,388
	24,233,617,684
Net assets	₱31,413,452,050

The aggregate consideration transferred consists of:

Cash consideration	₱7,240,000,000
Proportionate share of non-controlling interests	24,288,881,125
	₱31,528,881,125

The business combination resulted in provisional goodwill computed as follows:

Total consideration transferred		₱31,528,881,125
Provisional fair value of identifiable net assets	₱38,726,728,375	
Less: Deferred tax liabilities on fair value adjustments	(7,313,276,325)	31,413,452,050
Goodwill		₱115,429,075

The goodwill arising from acquisition consists largely of the synergies expected from having PCFI within the Group. Goodwill arising from the acquisition of PCFI Group is allocated entirely to the operations of PCFI. None of the goodwill is expected to be deductible for income tax purposes. From the date of acquisition, PCFI Group has contributed gross revenues of ₱2.95 billion and net income amounting to ₱286.66 million to the Group. If the business combination with PCFI has taken place at the beginning of the year, total revenues and net income attributable to equity holders of the Parent Company for the year ended December 31, 2015 would have been ₱1.60 billion and ₱467.29 million, respectively.

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 and accounted for TCI as a subsidiary.

The acquisition 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 at the proportionate share of the non-controlling interest in the identifiable net assets of TCI.

The final allocation of the identifiable assets and liabilities of TCI as of acquisition date are as follows:

Assets	
Cash and cash equivalents	₱65,843,434
Receivables	489,139,851
Inventories	116,777,335
Other current assets	101,508,995
Available-for-sale investments	711,019
Property and equipment	201,227,584
Investment properties	301,367,000
Deferred tax assets	23,933,097
Other noncurrent assets	837,272
	1,301,345,587
Liabilities	
Accounts and other payables	254,455,022
Loans payable	497,000,000
Pension liability	93,357,542
Deferred tax liability	71,367,274
	916,179,838
Net assets	₱385,165,749

The gross contractual amount of receivables acquired amounted to ₱489.14 million. The aggregate consideration transferred consists of:

Cash consideration	₱347,403,800
Proportionate share of non-controlling interests	42,175,650
	₱389,579,450

The business combination resulted in goodwill computed as follows:

Total consideration transferred		₱389,579,450
Provisional fair value of identifiable net assets	₱456,533,023	
Less: Deferred tax liabilities on fair value adjustments	(71,367,274)	385,165,749
Goodwill		₱4,413,701

Goodwill arising from the acquisition of TCI is allocated to the operations of TCI. None of the goodwill recognized is expected to be deductible for income tax purposes. From the date of acquisition up to December 31, 2014, TCI contributed gross revenues and net income amounting to ₱4.20 billion and ₱7.00 million, respectively.

If the business combination had taken place at the beginning of the year, total revenues and net income attributable to equity holders of the Parent Company in 2014 would have been ₱144.20 billion and ₱9.16 billion, respectively.

32. 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 Other current assets (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 December 31, 2015 and 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 short term in 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 portion of loans payable with fixed interest and not subjected to quarterly repricing is based on the discounted value of future cash flows using applicable interest rates for similar types of loans as of reporting date. The interest rates used ranged from 2.67% to 7.10% and 2.54% to 7.10% for the year ended December 31, 2015 and 2014, respectively.

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.

	2015				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:					
Financial Assets					
AFS investments:					
Quoted equity securities	**₱2,712,801,976**	**₱2,712,801,976**	**₱–**	**₱–**	**₱2,712,801,976**
Assets of disposal group classified as held-for-sale:					
AFS investments					
Government securities	**952,763,300**	**508,267,169**	**444,496,131**	**–**	**952,763,300**
Quoted debt securities	**385,685,904**	**385,685,904**	**–**	**–**	**385,685,904**
Quoted equity securities	**266,597,530**	**266,597,530**	**–**	**–**	**266,597,530**
	₱4,317,848,710	**₱3,873,352,579**	**₱444,496,131**	**₱–**	**₱4,317,848,710**
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	**₱23,429,987,678**	**₱–**	**₱–**	**₱26,860,405,014**	**₱26,860,405,014**
Non-financial Assets					
Investment properties	**10,797,116,331**	**–**	**–**	**14,931,301,989**	**14,931,301,989**
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Loans payable	**96,617,902,829**	**–**	**99,638,754,268**	**–**	**99,638,754,268**
Bonds payable	**21,800,833,823**	**22,302,184,800**	**–**	**–**	**22,302,184,800**
	₱118,418,736,652	**₱22,302,184,800**	**₱99,638,754,268**	**₱–**	**₱121,940,939,068**

	2014				
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial Assets					
AFS investments:					
Government securities	₱780,975,000	₱780,975,000	₱–	₱–	₱780,975,000
Quoted debt securities	316,017,874	316,017,874	–	–	316,017,874
Quoted equity securities	2,549,232,004	2,549,232,004	–	–	2,549,232,004
	3,646,224,878	₱3,646,224,878	₱–	₱–	₱3,646,224,878
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	7,545,443,471	–	–	11,056,454,369	11,056,454,369
Non-financial Assets					
Investment properties	8,642,628,922	–	–	11,141,367,000	11,141,367,000
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Loans payable	47,525,076,547	–	49,161,870,376	–	49,161,870,376
Bonds payable	21,774,719,662	21,516,574,800	–	–	21,516,574,800
	₱69,299,796,209	₱21,516,574,800	₱49,161,870,376	₱–	₱70,678,445,176

As of December 31, 2015 and 2014, other than AFS investments, 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.

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.

33. **Financial Risk Management and Objectives**

The Group's principal financial instruments are composed of cash and cash equivalents, short-term investments, receivables, due from related parties, AFS investments, accounts and other payable, due to/from related parties, and loans payable.

Exposures to credit, liquidity and foreign currency, 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 use of financial derivative instruments (if any) is solely for the management of the Group's financial risk exposures. It is the Group's policy not to enter into derivative transactions for speculative purposes.

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 cash and cash equivalents, short-term investments, 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 December 31, 2015 and 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 and residential units collateral is greater than the carrying value of the installment contracts receivable.

a. Credit quality per class of financial assets

The credit quality of the financial assets was determined as follows:

Cash and cash equivalents and long term cash investment-based on the nature of the counterparty and the Group’s internal rating system.

Receivables - high grade pertains to receivables that had no default in payment; medium grade pertains to receivables with a history of being 30 to 90 days past due; and low grade pertains to receivables with a history of being over 120 days past due.

AFS investments - quoted AFS investments is based on the quoted market bid prices at the close of business on the reporting date while the unquoted financial assets are unrated.

The table below shows the credit quality per class of financial assets based on the Group's rating system:

	December 31, 2015						
	Neither Past Due Nor Individually Impaired				Past Due but not Individually Impaired	Individually Impaired	Total
	High Grade	Medium Grade	Low Grade	Total			
Cash and cash equivalents* (Note 4)	**₱37,850,207,633**	**₱–**	**₱–**	**₱37,850,207,633**	**₱–**	**₱–**	**₱37,850,207,633**
Short-term Investments	**1,861,229,824**	**–**	**–**	**1,861,229,824**	**–**	**–**	**1,861,229,824**
Receivables (Note 5)							
Trade receivables	**7,183,181,861**	**1,614,817,620**		**8,797,999,481**	**221,853,199**	**262,272,143**	**9,282,124,823**
Installment contracts receivable	**19,912,362,083**	**2,369,901,265**	**477,213,207**	**22,759,476,555**	**669,401,433**	**1,109,690**	**23,429,987,678**
Loans receivable	**680,953,797**	**–**	**–**	**680,953,797**	**–**	**–**	**680,953,797**
Dividends receivable (Note 27)	**60,000,000**	**–**	**–**	**60,000,000**	**–**	**–**	**60,000,000**
Accrued rent and commission income	**482,029,814**	**10,758,653**	**9,558,855**	**502,347,322**	**11,055,138**	**20,789,108**	**534,191,568**
Accrued interest receivable	**147,948,191**	**–**	**–**	**147,948,191**	**–**	**–**	**147,948,191**
Nontrade receivables	**410,642,242**	**24,988,100**	**–**	**435,630,342**	**1,331,667**	**–**	**436,962,009**
Others	**219,603,834**	**1,597,462**	**–**	**221,201,296**	**94,898,853**	**3,356,359**	**319,456,508**
Due from related parties (Note 27)	**370,215,583**	**–**	**–**	**370,215,583**	**–**	**–**	**370,215,583**
AFS investments (Note 10)							
Equity securities							
Quoted	**2,714,224,654**	**–**	**–**	**2,714,224,654**	**–**	**–**	**2,714,224,654**
Unquoted	**480,598,603**	**–**	**–**	**480,598,603**	**–**	**–**	**480,598,603**
	₱72,373,198,119	**₱4,022,063,100**	**₱486,772,062**	**₱76,882,033,281**	**₱998,540,290**	**₱287,527,300**	**₱78,168,100,871**

**Excludes cash on hand amounting to ₱10,800,831.*

	December 31, 2014						
	Neither Past Due Nor Individually Impaired				Past Due but not Individually Impaired	Individually Impaired	Total
	High Grade	Medium Grade	Low Grade	Total			
Cash and cash equivalents* (Note 4)	₱29,670,091,668	₱–	₱–	₱29,670,091,668	₱–	₱–	₱29,670,091,668
Short-term Investments	1,308,977,823	–	–	1,308,977,823	–	–	1,308,977,823
Receivables (Note 5)							
Trade receivables	6,051,526,630	1,512,795,581	473,077,928	8,037,400,139	396,321,270	54,985,085	8,488,706,494
Installment contracts receivable	3,651,540,871	2,597,104,037	680,654,196	6,929,299,104	614,493,519	1,650,848	7,545,443,471
Insurance receivables	1,554,999,127	–	–	1,554,999,127	470,775,487	16,305,509	2,042,080,123
Loans receivable	700,231,199	–	–	700,231,199	–	–	700,231,199
Dividends receivable	240,000,000	–	–	240,000,000	–	–	240,000,000
Accrued rent and commission income	328,924,716	5,291,002	3,501,609	337,717,327	14,752,513	16,376,195	368,846,035
Accrued interest receivable	103,696,004	–	–	103,696,004	–	–	103,696,004
Nontrade receivables	798,210,161	312,916,686	40,492,651	1,151,619,498	–	–	1,151,619,498
Others	522,290,174	743,048	–	523,033,222	65,823,506	2,815,201	591,671,929
Due from related parties (Note 27)	163,779,149	6,850,327	–	170,629,476	–	–	170,629,476
AFS investments (Note 10)							
Equity securities							
Quoted	2,516,915,182	–	–	2,516,915,182	–	32,316,822	2,549,232,004
Unquoted	480,655,253	–	–	480,655,253	–	–	480,655,253
Quoted debt securities	1,096,992,874	–	–	1,096,992,874	–	–	1,096,992,874
	₱49,188,830,831	₱4,435,700,681	₱1,197,726,384	₱54,822,257,896	₱1,562,166,295	₱124,449,660	₱56,508,873,851

**Excludes cash on hand amounting to ₱32,312,324*

As of December 31, 2015 and 2014, the aging analysis of past due but not individually impaired financial assets presented per class, is as follows:

	December 31, 2015								
	Neither Past Due nor Individually Impaired	Past Due but not Individually Impaired						Individually Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
Cash and cash equivalents* (Note 4)	**₱37,850,207,633**	**₱–**	–	**₱–**	**₱–**	**₱–**	**₱–**	**₱–**	**₱37,850,207,633**
Short-term investment	**1,861,229,824**	–	–	–	–	–	–	–	**1,861,229,824**
Receivables (Note 5)									
Trade receivable	**8,797,999,481**	**36,540,886**	**22,675,853**	**27,604,980**	**131,773,723**	**3,257,757**	**221,853,199**	**262,272,143**	**9,282,124,823**
Installment contracts receivable	**22,759,476,555**	**184,060,960**	**121,612,519**	**139,218,874**	**40,808,997**	**183,700,083**	**669,401,433**	**1,109,690**	**23,429,987,678**
Loans receivable	**680,953,797**	–	–	–	–	–	–	–	**680,953,797**
Dividend receivable (Note 27)	**60,000,000**	–	–	–	–	–	–	–	**60,000,000**
Accrued rent and commission income	**502,347,322**	**5,008,608**	**1,905,010**	**1,127,972**	**1,583,230**	**1,430,318**	**11,055,138**	**20,789,108**	**534,191,568**
Accrued interest receivable	**147,948,191**	–	–	–	–	–	–	–	**147,948,191**
Non-trade receivable	**435,630,342**	–	–	–	–	**1,331,667**	**1,331,667**	–	**436,962,009**
Others	**221,201,296**	**11,930,722**	**994,230**	**555,914**	**81,417,987**	–	**94,898,853**	**3,356,359**	**319,456,508**
Due from related parties (Note 27)	**370,215,583**	–	–	–	–	–	–	–	**370,215,583**
AFS investments (Note 10)									
Equity securities									
Quoted	**2,714,224,654**	–	–	–	–	–	–	–	**2,714,224,654**
Unquoted	**480,598,603**	–	–	–	–	–	–	–	**480,598,603**
	₱76,882,033,281	**₱237,541,176**	**₱147,187,612**	**₱168,507,740**	**₱255,583,937**	**₱189,719,825**	**₱998,540,290**	**₱287,527,300**	**₱78,168,100,871**

**Excludes cash on hand amounting to ₱10,800,831.*

	December 31, 2014								
	Neither Past Due nor Individually Impaired	Past Due but not Individually Impaired						Individually Impaired	Total
		<30 days	30-60 days	61-90 days	91-120 days	>120 days	Total		
Cash and cash equivalents *(Note 4)	₱29,670,091,668	₱–	₱–	₱–	₱–	₱–	₱–	₱–	₱29,670,091,668
Short-term investment	1,308,977,823	–	–	–	–	–	–	–	1,308,977,823
Receivables (Note 5)									
Trade receivable	8,037,400,139	157,932,318	79,560,518	20,246,303	129,698,547	8,883,584	396,321,270	54,985,085	8,488,706,494
Installment contracts receivable	6,929,299,104	176,664,445	106,455,836	66,918,739	32,809,729	231,644,770	614,493,519	1,650,848	7,545,443,471
Insurance Receivables	1,554,999,127	86,186,395	72,640,437	42,327,294	269,621,361	–	470,775,487	16,305,509	2,042,080,123
Loans receivable	700,231,199	–	–	–	–	–	–	–	700,231,199
Dividend receivable (Note 27)	240,000,000	–	–	–	–	–	–	–	240,000,000
Accrued rent and commission income	337,717,327	9,191,523	1,525,958	1,362,476	2,672,556	–	14,752,513	16,376,195	368,846,035
Accrued interest receivable	103,696,004	–	–	–	–	–	–	–	103,696,004
Non-trade receivable	1,151,619,498	–	–	–	–	–	–	–	1,151,619,498
Others	523,033,222	558,893	26,684,543	1,154,865	37,425,205	–	65,823,506	2,815,201	591,671,929
Due from related parties (Note 27)	170,629,476	–	–	–	–	–	–	–	170,629,476
AFS investments (Note 10)									
Equity securities									
Quoted	2,516,915,182	–	–	–	–	–	–	32,316,822	2,549,232,004
Unquoted	480,655,253	–	–	–	–	–	–	–	480,655,253
Quoted debt securities	1,096,992,874	–	–	–	–	–	–	–	1,096,992,874
	₱54,822,257,896	₱430,533,574	₱286,867,292	₱132,009,677	₱472,227,398	₱240,528,354	₱1,562,166,295	₱124,449,660	₱56,508,873,851

**Excludes cash on hand amounting to ₱32,312,324*

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 tables below summarize the maturity profile of the Group's financial assets and liabilities based on undiscounted contractual payments:

	December 31, 2015			
	< 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents* (Note 4)	**₱37,850,207,633**	**₱–**	**₱–**	**₱37,850,207,633**
Short-term investments (Note 4)	**1,861,229,824**	**–**	**–**	**1,861,229,824**
Receivables (Note 5)				
Trade receivables	**8,897,294,945**	**384,829,878**	**–**	**9,282,124,823**
Installment contracts receivables	**17,873,648,668**	**6,944,344,573**	**2,832,163,158**	**27,650,156,399**
Nontrade receivable	**436,962,009**	**–**	**–**	**436,962,009**
Dividends receivable	**60,000,000**	**–**	**–**	**60,000,000**
Accrued interest receivable	**147,948,191**	**–**	**–**	**147,948,191**
Loans receivable	**115,492,756**	**108,934,176**	**771,683,342**	**996,110,274**
Accrued rent and commissions income	**534,191,568**	**–**	**–**	**534,191,568**
Others	**312,262,214**	**5,859,882**	**1,334,412**	**319,456,508**
Due from related parties (Note 27)	**370,215,583**	**–**	**–**	**370,215,583**
AFS investments (Note 10)				
Equity Securities				
Quoted	**2,714,224,654**	**–**	**–**	**2,714,224,654**
Unquoted	**480,598,603**	**–**	**–**	**480,598,603**
Total undiscounted financial assets	**₱71,654,276,648**	**₱7,443,968,509**	**₱3,605,180,912**	**₱82,703,426,069**
Other financial liabilities				
Accounts and other payables (Note 15)				
Trade payables	**₱6,586,301,603**	**₱–**	**₱–**	**₱6,586,301,603**
Telegraphic transfers and drafts and acceptances payable	**6,237,244,731**	**–**	**–**	**6,237,244,731**
Accrued expenses	**2,521,480,746**	**–**	**174,720,365**	**2,696,201,111**
Accrued interest payable	**827,323,997**	**–**	**–**	**827,323,997**
Accrued commissions	**669,624,743**	**–**	**–**	**669,624,743**
Insurance payable	**–**	**–**	**–**	**–**
Customer advances	**398,234,883**	**–**	**–**	**398,234,883**
Royalty payable	**302,824,383**	**–**	**–**	**302,824,383**
Retentions payable	**345,292,816**	**683,598,740**	**–**	**1,028,891,556**
Others	**1,113,593,934**	**–**	**–**	**1,113,593,934**
Customer's deposit (Note 18)	**3,690,758,352**	**–**	**–**	**3,690,758,352**
Dividends payable (Note 27)	**2,860,687,454**	**–**	**–**	**2,860,687,454**
Loans payable (Note 17)	**16,268,802,072**	**38,078,771,465**	**63,440,474,531**	**117,788,048,068**
Bonds payable (Note 17)	**1,125,505,600**	**11,091,722,150**	**16,731,031,933**	**28,948,259,683**
Due to related parties (Note 27)	**174,122,998**	**–**	**–**	**174,122,998**
Liabilities on purchased properties (Notes 20 and 27)	**720,370,457**	**893,443,985**	**1,688,763,748**	**3,302,578,190**
Total undiscounted financial liabilities	**₱43,842,168,769**	**₱50,747,536,340**	**₱82,034,990,577**	**₱176,624,695,686**
Liquidity Gap	**₱27,812,107,879**	**(₱43,303,567,831)**	**(₱78,429,809,665)**	**(₱93,921,269,617)**

**Excludes cash on hand amounting to ₱10,800,831.*

	December 31, 2014			
	< 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents* (Note 4)	₱29,702,403,992	₱–	₱–	₱29,702,403,992
Short-term investments (Note 4)	1,308,977,823	–	–	1,308,977,823
Receivables (Note 5)				
Trade receivables	7,966,096,507	522,609,987	–	8,488,706,494
Installment contracts receivables	4,482,961,600	3,008,904,575	53,577,296	7,545,443,471
Insurance receivables	2,042,080,123	–	–	2,042,080,123
Nontrade receivables	1,151,619,498	–	–	1,151,619,498
Accrued rent income	302,047,117	–	–	302,047,117
Dividends receivable	240,000,000	–	–	240,000,000
Accrued interest receivables	103,696,004	–	–	103,696,004
Loans receivable	94,622,500	159,202,519	446,406,180	700,231,199
Accrued commissions	66,798,918	–	–	66,798,918
Others	321,222,172	52,287,759	21,858,002	395,367,933
Due from related parties (Note 27)	170,629,476	–	–	170,629,476
AFS investments (Note 10)				
Equity securities				
Quoted	2,549,232,004	–	–	2,549,232,004
Unquoted	480,655,253	–	–	480,655,253
Quoted debt securities	25,660,458	348,921,191	722,411,225	1,096,992,874
Total undiscounted financial assets	₱51,008,703,445	₱4,091,926,031	₱1,244,252,703	₱56,344,882,179
Other financial liabilities				
Accounts and other payables (Note 15)				
Trade payables	₱6,678,480,896	₱–	₱174,720,365	₱6,853,201,261
Telegraphic transfers and drafts and acceptances payable	4,321,184,608	–	–	4,321,184,608
Accrued expenses	3,268,666,729	2,859,970	–	3,271,526,699
Accrued interest	604,933,456	–	–	604,933,456
Accrued commissions	486,037,865	–	–	486,037,865
Insurance payable	433,111,602	–	–	433,111,602
Customer advances	293,691,646	–	–	293,691,646
Royalty payable	289,718,824	–	–	289,718,824
Retentions payable	100,150,602	504,750,145	–	604,900,747
Others	923,400,420	–	–	923,400,420
Customer's deposit (Notes 18)	2,549,222,602	–	–	2,549,222,602
Dividends payable (Notes 27)	2,034,256,000	–	–	2,034,256,000
Loans payable (Note 17)	7,928,909,953	32,981,475,173	16,993,066,030	57,903,451,156
Bonds payable (Note 17)	1,125,505,600	12,217,227,750	16,731,031,933	30,073,765,283
Due to related parties (Note 27)	176,045,423	–	–	176,045,423
Liabilities on purchased properties	783,028,773	1,981,589,087	747,241,237	3,511,859,097
Total undiscounted financial liabilities	₱31,996,344,999	₱47,687,902,125	₱34,646,059,565	₱114,330,306,689
Liquidity Gap	₱19,012,358,446	(₱43,595,976,094)	(₱33,401,806,862)	(₱57,985,424,510)

**Excludes cash on hand amounting to ₱32,312,324*

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 are included in cash and cash equivalents and short-term investments. Cash and cash equivalents denominated in foreign currency amounted to US$24.01 million and JP¥16.09 million as of December 31, 2015 and US$0.25 million and JP¥11.72 million as of December 31, 2014. Short-term investments denominated in foreign currency amounted to US$29.43 million and JP¥100 million as of December 31, 2015 and US$27.98 million and JP¥90.0 million as of December 31, 2014. Advances to contractors denominated in foreign currency amounted to US$6.73 million as of December 31, 2015 and nil as of December 31, 2014. Accounts and other payables denominated in foreign currency amounted to US$159.77 million and JP¥92.08 million as of December 31, 2015 and nil as of December 31, 2014.

In translating the foreign currency-denominated monetary assets and liabilities into peso amounts, the exchange rates used were ₱47.06 to US$1.00, the Philippine peso-U.S. dollar exchange rates, and ₱0.39 to JP¥1.00 as at December 31, 2015 and ₱44.72 to US$1.00, the Philippine peso-U.S. dollar exchange rates, and ₱0.37 to JP¥1.00 as at December 31, 2014.

The following table demonstrates the sensitivity to a reasonably possible change in the Philippine peso-US dollar exchange rate, with all variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities) on December 31, 2015 and 2014. There is no other impact on the Group's equity other than those already affecting the statements of comprehensive income.

		Increase (Decrease) in Income Before Tax		
Reasonably Possible Change		**2015**	2014	2013
US$	**₱1.00**	**(₱69,716,197)**	₱19,757,813	(₱2,510,102,063)
	(1.00)	**69,716,197**	(19,757,813)	2,510,102,063
JP¥	**7.2%**	**473,374**	1,903,306	1,692,262
	(7.2%)	**(473,374)**	(1,903,306)	(1,692,262)

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.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all variables held constant, of the Group's income before tax (through the impact on floating rate borrowings).

	Increase (decrease) in income before tax		
Reasonably Possible Changes in Interest Rates	**2015**	2014	2013
100 basis points (bps)	**(₱114,595,074)**	(₱174,841,512)	(₱155,702,489)
100 bps	**114,595,074**	174,841,512	155,702,489

The Group follows a prudent policy in managing its assets and liabilities so as to ensure that exposure to fluctuation in interest rates are kept within acceptable limits.

Equity price risk
Equity price risk is the risk that the fair values of investments in quoted equity securities could decrease as a result of changes in the levels of equity indices and the value of individual stocks. The Group is exposed to equity securities price risk because of AFS investments held by the Group.

The table below shows the sensitivity to a reasonably possible change in the Philippine Stock Exchange index (PSEi), with all other variables held constant, of the Group's equity (through other comprehensive income) due to changes in the carrying value of the Group's AFS investments. The analysis links PSEi changes, which proxies for general market movements, to individual stock prices through their betas. Betas are coefficients depicting the sensitivity of individual prices to market movements.

The sensitivity range is based on the historical volatility of the PSEi for the past year. The analysis is based on the assumption that last year's PSEi volatility will be more or less the same in the following year.

	Percentage change in PSEi	Increase (decrease) in total comprehensive income
2015	**Increase by 14.45%**	**₱277,777,985**
	Decrease by 14.45%	**(277,777,985)**
2014	Increase by 23.31%	₱55,482,569
	Decrease by 23.31%	(55,482,569)

34. Basic/Diluted Earnings Per Share

The basic/diluted earnings per share from continuing operations attributable to equity holders of the Parent Company for the years ended December 31, 2015, 2014 and 2013 were computed as follows:

	2015	2014	2013
Net income attributable to equity holders of the Parent Company from continuing operations	**₱12,069,121,341**	₱9,057,976,892	₱8,614,459,534
Weighted average number of shares	**174,297,500**	174,300,000	173,853,425
	₱69.24	₱51.97	₱49.55

The basic/diluted earnings per share attributable to equity holders of the Parent Company for the years ended December 31, 2015, 2014 and 2013 were computed as follows:

	2015	2014	2013
Net income attributable to equity holders of the Parent Company	**₱12,118,822,379**	₱9,152,612,962	₱8,640,186,114
Weighted average number of shares	**174,297,500**	174,300,000	173,853,425
	₱69.53	₱52.51	₱49.70

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

35. **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 and financing institution;
- Power is engaged mainly in the generation and distribution of electricity; and
- Automotive operations is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of automobiles including automobile parts, accessories, and instruments;

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.

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.

The following tables present the financial information of the operating segments of the Group (amounts in thousands) as of and for the years ended December 31, 2015 and 2014:

	December 31, 2015					
	Real Estate	Financial Institution	Automotive Operations	Power*	Others	Total
Revenue	₱9,546,026	₱–	₱120,802,062	₱18,391,472	₱–	₱148,739,560
Other income	1,792,433	–	401,222	707,164	1,072	2,901,891
Equity in net income of associates and jointly controlled entities	438,641	5,094,701	82,721	–	–	5,616,063
	11,777,100	5,094,701	121,286,005	19,098,636	1,072	157,257,514
Cost of goods and services sold	481,099	–	74,460,210	–	–	74,941,309
Cost of goods manufactured and sold	–	–	27,837,739	–	–	27,837,739
Cost of rental	271,608	–	–	–	–	271,608
Cost of real estate sales	6,487,224	–	–	–	–	6,487,224
Power plant operation and maintenance	–	–	–	9,477,510	–	9,477,510
General and administrative expenses	2,296,640	–	4,996,656	3,375,832	188,832	10,857,960
	9,536,571	–	107,294,605	12,853,342	188,832	129,873,350
Earnings before interest and taxes	2,240,529	5,094,701	13,991,400	6,245,294	(187,760)	27,384,164
Depreciation and amortization	249,220	–	879,713	2,259,313	5,234	3,393,480
EBITDA	2,489,749	5,094,701	14,871,113	8,504,607	(182,526)	30,777,644
Interest income	1,477,606	–	278,607	183,470	33,508	1,973,191
Interest expense	(241,615)	1,019	(118,686)	(1,768,076)	(1,804,345)	(3,931,703)
Depreciation and amortization	(249,220)	–	(879,713)	(2,259,313)	(5,234)	(3,393,480)
Pretax income	3,476,520	5,095,720	14,151,321	4,660,688	(1,958,597)	25,425,652
Provision for income tax	(504,815)	–	(3,771,312)	(210,021)	(30,408)	(4,516,556)
Net income	₱2,971,705	₱5,095,720	₱10,380,009	₱4,450,667	(₱1,989,005)	₱20,909,096
Net income from disposal group classified as held-for-sale	₱–	₱49,701	₱–	₱–	₱–	₱49,701
Segment assets	₱121,729,660	₱62,572,828	₱47,227,874	₱78,778,494	₱6,976,389	₱317,285,245
Segment liabilities	₱54,584,415	₱6,443,763	₱20,387,139	₱45,131,326	₱46,896,861	₱173,443,504

** Energy fees are presented net of adjustments (e.g. discounts) amounting to ₱157.33 million.*

	December 31, 2014 (As restated – Note 12)					
	Real Estate	Financial Institution	Automotive Operations	Power*	Others	Total
Revenue	₱6,423,592	₱–	₱108,816,378	₱18,973,393	₱–	₱134,213,363
Other income	1,420,376	–	428,952	139,948	(3,231)	1,986,045
Equity in net income of associates and jointly controlled entities	357,895	2,988,262	74,403	(63)	–	3,420,497
	8,201,863	2,988,262	109,319,733	19,113,278	(3,231)	139,619,905
Cost of goods and services sold	539,929	–	70,056,858	–	–	70,596,787
Cost of goods manufactured and sold	–	–	24,213,432	–	–	24,213,432
Cost of rental	270,092	–	–	–	–	270,092
Cost of real estate sales	4,333,872	–	–	–	–	4,333,872
Power plant operation and maintenance	–	–	–	10,327,712	–	10,327,712
General and administrative expenses	1,833,798	7,121	5,020,964	3,347,210	182,732	10,391,825
	6,977,691	7,121	99,291,254	13,674,922	182,732	120,133,720
Earnings before interest and taxes	1,224,172	2,981,141	10,028,479	5,438,356	(185,963)	19,486,185
Depreciation and amortization	246,034	14,066	587,956	2,324,166	5,107	3,177,329
EBITDA	1,470,206	2,995,207	10,616,435	7,762,522	(180,856)	22,663,514
Interest income	1,170,292	–	192,041	105,164	18,610	1,486,107
Interest expense	(472,185)	1,019	(120,690)	(1,848,305)	(799,825)	(3,239,986)
Depreciation and amortization	(246,034)	(14,066)	(587,956)	(2,324,166)	(5,107)	(3,177,329)
Pretax income	1,922,279	2,982,160	10,099,830	3,695,215	(967,178)	17,732,306
Provision for income tax	(426,332)	627,412	(2,766,770)	(111,289)	(3,722)	(2,680,701)
Net income from continuing operations	₱1,495,947	₱3,609,572	₱7,333,060	₱3,583,926	(₱970,900)	₱15,051,605
Net income from disposal group classified as held-for-sale	₱–	₱99,537	₱–	₱–	₱–	₱99,537
Segment assets	₱51,855,156	₱50,441,921	₱52,922,850	₱20,310,272	₱42,732,927	₱218,263,126
Segment liabilities	₱21,947,418	₱7,019,071	₱24,966,013	₱40,310,443	₱18,078,276	₱112,321,221

** Energy fees are presented net of adjustments (e.g. discounts) amounting to ₱154.53 million.*

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:

	2015	2014
Domestic	**₱149,803,295,576**	₱129,341,693,869
Foreign	**9,427,409,507**	11,764,318,345
	₱159,230,705,083	₱141,106,012,214

36. Contingencies

In the ordinary course of the Group's operations, certain entities 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 consolidated financial position and results of operations. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, is not disclosed on the grounds that it can be expected to prejudice the outcome of pending litigations.

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

37. Events after the Reporting Date

On various dates in January 2016, the Parent Company acquired an aggregate of 4.88 million shares of Metrobank for a total consideration of ₱338.33 million. This increases the Parent Company's ownership interest in Metrobank from 25.22% to 25.37%.

On March 7, 2016, the SEC approved the application for merger of TMBC and TCI, with TMBC as the surviving corporation and TCI as the absorbed corporation.

On March 10, 2016, the BOD of the Parent Company approved the amendment of its Amended By-laws moving the date of the annual/regular meeting of the stockholders from the second Monday of May to the second Wednesday of May.

On March 10, 2016, the BOD of the Parent Company approved the declaration of a regular cash dividend in the amount of Five Hundred Twenty Two Million Nine Hundred Thousand Pesos (₱522,900,000.00), or Three Pesos (₱3.00) per share in favor of GT Capital's common stockholders of record as of April 8, 2016, payable on or before May 4, 2016.

On March 10, 2016, the BOD of the Parent Company approved the declaration of a special cash dividend in the amount of Five Hundred Twenty Two Million Nine Hundred Thousand Pesos (₱522,900,000.00), or Three Pesos (₱3.00) per share, in favor of Parent Company's common stockholders of record as of April 8, 2016, payable on or before May 4, 2016.

On March 10, 2016, the BOD of the Parent Company approved the declaration of a regular cash dividend in favor of its Voting Preferred stockholders at a dividend rate of 3.77%, the three (3)-year PDST-R2 rate on issue date (April 13, 2015), with record date on April 8, 2016 and payment date on May 4, 2016.

38. Approval for the Release of the Financial Statements

The accompanying financial statements of the Company were approved and authorized for issue by the Company's BOD on March 10, 2016.

39. Notes to Cash Flows Statements

Below are the noncash operating, investing and financing transactions of the Company:

	2015	2014	2013
Transfers between investment property and inventories (Note 6)	**₱98,518,579**	(₱182,101,483)	₱1,765,346,107
Borrowing cost capitalized to inventories (Note 6)	**989,976,495**	709,649,989	299,265,598
Fair value of previously held interest	**–**	–	8,168,262,2716
Gain on asset swap	**337,366,674**	–	–
Fair value of net assets acquired from business combinations (Note 31):			
Assets			
Receivables	**12,510,341,939**	489,139,851	4,000,790,312
Inventories	**36,813,996,379**	116,777,335	5,256,937,104
Reinsurance assets	**–**	–	3,701,512,371
Prepayments and other current assets	**1,610,539,372**	101,508,995	903,919,323
Available-for-sale investments	**2,303,610**	711,019	2,643,193,467
Investment properties	**2,390,496,039**	301,367,000	2,251,349,832
Property, plant and equipment	**713,104,149**	201,227,584	3,364,099,310
Intangible assets	**15,962,796**		10,034,348,535
Deferred tax assets	**79,997,327**		421,764,219
Other non-current assets	**210,606,299**	837,272	356,077,960
Liabilities			
Accounts payable and accrued expenses	**2,870,936,058**	254,455,022	11,865,580,908
Customer's deposits	**675,786,503**	–	–
Loans payable	**13,138,511,823**	497,000,000	–
Other current liabilities	**125,494,587**	–	207,969,569
Long-term debt	**–**	–	229,481,790
Other noncurrent liabilities	**109,612,388**	93,357,542	(29,707,977)
Deferred tax liability - from fair value change	**7,313,276,325**	71,367,274	2,270,619,482

SGV
Building a better working world

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 891 0307
Fax: (632) 819 0872
ey.com/ph

BOA/PRC Reg. No. 0001,
December 14, 2015, valid until December 31, 2018
SEC Accreditation No. 0012-FR-4 (Group A),
November 10, 2015, valid until November 9, 2018

INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
GT Capital Holdings, Inc.
43rd Floor, GT Tower International
Ayala Avenue corner H.V. dela Costa St.
Makati City

We have audited in accordance with Philippine Standards on Auditing, the consolidated financial statements of GT Capital Holdings, Inc. and Subsidiaries as of December 31, 2015 and 2014 and for each of the three years in the period ended December 31, 2015 included in this Form 17-A and have issued our report thereon dated March 10, 2016. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Consolidated Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with Securities Regulation Code Rule 68.1, As Amended (2011) and Securities and Exchange Commission Memorandum Circular No. 11, Series of 2008 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respect, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Vicky Lee Salas

Vicky Lee Salas
Partner
CPA Certificate No. 86838
SEC Accreditation No. 0115-AR-3 (Group A),
February 14, 2013, valid until April 30, 2016
Tax Identification No. 129-434-735
BIR Accreditation No. 08-001998-53-2015,
March 17, 2015, valid until March 16, 2018
PTR No. 5321647, January 4, 2016, Makati City

March 10, 2016

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES
DECEMBER 31, 2015

GT CAPITAL HOLDINGS, INC.

RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION

FOR THE YEAR ENDED DECEMBER 31, 2015

Unappropriated Retained Earnings, as adjusted to available for dividend distribution, beginning		₱1,460,693,415
Add: Net income actually earned during the period		
Net income during the period closed to Retained earnings	₱4,099,123,849	
Less: Non-actual/unrealized income net of tax	–	
Add: Non actual losses	–	4,099,123,849
Subtotal		5,559,817,264
Add (Less):		
Appropriations during the period	(8,760,000,000)	
Reversal of appropriation upon completion of the expansion and acquisition	6,000,000,000	
Dividend declaration during the period	(522,866,460)	(3,282,866,460)
Total Retained Earnings, end available for dividend declaration		₱2,276,950,804

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

LIST OF EFFECTIVE STANDARDS AND INTERPRETATIONS UNDER THE PFRS

FOR THE YEAR ENDED DECEMBER 31, 2015

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable	Not Early Adopted
Framework for the Preparation and Presentation of Financial Statements Conceptual Framework Phase A: Objectives and qualitative characteristics		✓			
PFRSs Practice Statement Management Commentary		✓			
Philippine Financial Reporting Standards					
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards			✓	
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	✓			
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓	
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓	
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓	
	Amendments to PFRS 1: Government Loans			✓	
	Amendments to PFRS 1: Meaning of Effective PFRSs	✓			
PFRS 2	Share-based Payment			✓	
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓	
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓	
	Amendments to PFRS 2: Definition of Vesting Condition			✓	
PFRS 3 (Revised)	Business Combinations	✓			
	Amendment to PFRS 3: Accounting for Contingent Consideration in a Business Combination	✓			
	Amendment to PFRS 3: Scope Exceptions for Joint Arrangements			✓	
PFRS 4	Insurance Contracts	✓			
	Amendments to PFRS 4: Financial Guarantee Contracts	✓			
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations	✓			
	Amendments to PFRS 5: Changes in methods of disposal				✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable	Not Early Adopted
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓	
PFRS 7	Financial Instruments: Disclosures	✓			
	Amendments to PFRS 7: Transition	✓			
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓			
	Amendments to PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓			
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓			
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets			✓	
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	✓			
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures				✓
	Amendments to PFRS 7: Additional Hedge Accounting Disclosures (and consequential amendments) Resulting From the Introduction of the Hedge Accounting Chapter in PFRS 9				✓
	Amendments to PFRS 7: Servicing Contracts and Applicability of the Amendments to PFRS 7 to Condensed Interim Financial Statements			✓	
PFRS 8	Operating Segments	✓			
	Amendments to PFRS 8: Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets				✓
	Amendment to PFRS 8: Aggregation of segments, reconciliation of the total of the reportable segments' assets to the entity's assets				✓
PFRS 9	Financial Instruments				✓
	Financial Instruments: Classification and Measurement of Financial Assets				✓
	Financial Instruments: Classification and Measurement of Financial Liabilities				✓
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures				✓
	PFRS 9, Financial Instruments (Hedge Accounting and amendments to PFRS 9, PFRS 7 and PAS 39)				✓
	PFRS 9, Financial Instruments (2014)				✓
	Reissue to Incorporate a Hedge Accounting Chapter and Permit Early Application of the Requirements for Presenting in Other Comprehensive Income the "Own Credit" Gains or Losses on Financial Liabilities Designated under the Fair Value Option without Early Applying the Other Requirements of PFRS 9				✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable	Not Early Adopted
PFRS 9 *(Cont'd)*	Financial Instruments (final version), incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition				✓
PFRS 10	Consolidated Financial Statements	✓			
	Amendments to PFRS 10: Transition Guidance	✓			
	Amendments to PFRS 10: Investment Entities	✓			
	Amendments to PFRS 10 and PAS 28: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture				✓
	Amendments to PFRS 10: Investment Entities Applying the Consolidation Exception				✓
PFRS 11	Joint Arrangements	✓			
	Amendments to PFRS 11: Transition Guidance	✓			
	Amendments to PFRS 11: Accounting for Acquisitions of Interests in Joint Operations				✓
PFRS 12	Disclosure of Interests in Other Entities	✓			
	Amendments to PFRS 12: Transition Guidance	✓			
	Amendments to PFRS 12: Investment Entities	✓			
PFRS 13	Fair Value Measurement	✓			
	Amendment to PFRS 13: Short-term Receivables and Payables	✓			
	Amendment to PFRS 13: Portfolio Exception			✓	
PFRS 14	Regulatory Deferral Accounts			✓	
Philippine Accounting Standards					
PAS 1 (Revised)	Presentation of Financial Statements	✓			
	Amendments to PAS 1: Capital Disclosures	✓			
	Amendments to PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓	
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	✓			
	Amendments to PAS 1: Comparative Information	✓			
	Amendments to PAS 1 (Revised): Disclosure Initiative				✓
PAS 2	Inventories	✓			
PAS 7	Statement of Cash Flows	✓			
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓			
PAS 10	Events after the Balance Sheet Date	✓			
PAS 11	Construction Contracts	✓			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable	Not Early Adopted
PAS 12	Income Taxes	✓			
	Amendments to PAS 12 - Deferred Tax: Recovery of Underlying Assets			✓	
PAS 16	Property, Plant and Equipment	✓			
	Amendment to PAS 16: Revaluation Method – Proportionate Restatement of Accumulated Depreciation on Revaluation			✓	
	Amendments to PAS 16: Clarification of Acceptable Methods of Depreciation and Amortization				✓
	Amendments to PAS 16 and PAS 41, Agriculture: Bearer Plants			✓	
PAS 17	Leases	✓			
PAS 18	Revenue	✓			
PAS 19	Employee Benefits	✓			
	Amendments to PAS 19: Employee Benefits	✓			
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓			
	Amendments to PAS 19: Defined Benefit Plans: Employee Contribution			✓	
	Amendments to PAS 19: Discount Rate: Regional Market Issue			✓	
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			✓	
PAS 21	The Effects of Changes in Foreign Exchange Rates	✓			
	Amendment: Net Investment in a Foreign Operation			✓	
PAS 23 (Revised)	Borrowing Costs	✓			
PAS 24 (Revised)	Related Party Disclosures	✓			
PAS 26	Accounting and Reporting by Retirement Benefit Plans	✓			
PAS 27 (Amended)	Separate Financial Statements	✓			
	Amendments for investment entities	✓			
	Amendments to PAS 27: Equity Method in Separate Financial Statements				✓
PAS 28 (Amended)	Investments in Associates	✓			
	Investments in Associates and Joint Ventures	✓			
	Amendments to PAS 28 (Amended): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture				✓
PAS 29	Financial Reporting in Hyperinflationary Economies			✓	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable	Not Early Adopted
PAS 31	Interests in Joint Ventures (Replaced by PFRS 11)	✓			
PAS 32	Financial Instruments: Disclosure and Presentation	✓			
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓	
	Amendments to PAS 32: Classification of Rights Issues	✓			
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	✓			
PAS 33	Earnings per Share	✓			
PAS 34	Interim Financial Reporting	✓			
	Amendments to PAS 34: Disclosure of information ‘Elsewhere in the Interim financial report’				✓
PAS 36	Impairment of Assets	✓			
	Amendments to PAS 36: Recoverable Amount Disclosures for Non-Financial Assets	✓			
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	✓			
PAS 38	Intangible Assets	✓			
	Amendments to PAS 38 : Proportionate Restatement of Accumulated Depreciation on Revaluation			✓	
	Amendments to PAS 38 : Revaluation Method – Proportionate Restatement Of Accumulated Amortization			✓	
	Amendments to PAS 16 and PAS 38: Clarification of Acceptable Methods of Depreciation and Amortization			✓	
PAS 39	Financial Instruments: Recognition and Measurement	✓			
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓			
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓	
	Amendments to PAS 39: The Fair Value Option	✓			
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	✓			
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓			
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓			
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓	

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable	Not Early Adopted
PAS 39 *(Cont'd)*	Amendments to PAS 39: Eligible Hedged Items			✓	
	Amendments to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting			✓	
PAS 40	Investment Property	✓			
	Amendments to PAS 40: Clarifying the Interrelationship between PFRS 3 and PAS 40 when Classifying Property as Investment Property or Owner–Occupied Property				✓
PAS 41	Agriculture			✓	
	Amendments to PAS 41, Agriculture: Bearer Plants			✓	
Philippine Interpretations					
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	✓			
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			✓	
IFRIC 4	Determining Whether an Arrangement Contains a Lease	✓			
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	✓			
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			✓	
IFRIC 7	Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies			✓	
IFRIC 8	Scope of PFRS 2			✓	
IFRIC 9	Reassessment of Embedded Derivatives			✓	
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓	
IFRIC 10	Interim Financial Reporting and Impairment	✓			
IFRIC 11	PFRS 2- Group and Treasury Share Transactions	✓			
IFRIC 12	Service Concession Arrangements			✓	
IFRIC 13	Customer Loyalty Programmes	✓			
IFRIC 14	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	✓			
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement	✓			
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			✓	
IFRIC 17	Distributions of Non-cash Assets to Owners	✓			
IFRIC 18	Transfers of Assets from Customers	✓			
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	✓			

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2015		Adopted	Not Adopted	Not Applicable	Not Early Adopted
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			✓	
IFRIC 21	Levies			✓	
SIC-7	Introduction of the Euro			✓	
SIC-10	Government Assistance – No Specific Relation to Operating Activities			✓	
SIC-12	Consolidation – Special Purpose Entities			✓	
	Amendment to SIC – 12: Scope of SIC 12			✓	
SIC-13	Jointly Controlled Entities – Non-Monetary Contributions by Venturers	✓			
SIC-15	Operating Leases – Incentives	✓			
SIC-21	Income Taxes – Recovery of Revalued Non-Depreciable Assets	✓			
SIC-25	Income Taxes – Changes in the Tax Status of an Entity or its Shareholders			✓	
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	✓			
SIC-29	Service Concession Arrangements: Disclosures.			✓	
SIC-31	Revenue – Barter Transactions Involving Advertising Services			✓	
SIC-32	Intangible Assets – Web Site Costs	✓			

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES
SUPPLEMENTARY SCHEDULES REQUIRED BY ANNEX 68-E
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule A. Financial Assets

Name of issuing entity and association of each issue (i)	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet (ii)	Valued based on market quotation at end of reporting period (iii)	Income received and accrued
Equity securities				
Quoted	Various	₱2,714,224,654	₱2,714,224,654	₱415,335,137
Unquoted	Various	480,598,603	480,598,603	13,880,926

Schedule B. Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than Related parties)

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
C. C. Afable	Assistant Vice President	104,518	–	(104,518)	–	–	–	–
M. T. Agustin	Manager	226,351	–	(4,088)	–	49,057	173,206	222,263
A.R. Alcid	Senior Manager	282,671	–	(54,110)	–	55,606	172,955	228,561
C.T. Alfonso	Senior Manager	233,195	–	(57,161)	–	58,742	117,292	176,034
M.N. Amistoso	Manager	195,469	–	(59,488)	–	61,134	74,847	135,981
B.E. Ang	Vice President	303,904	–	(82,610)	–	84,895	136,399	221,294
N.M. Galicia	Assistant Vice President	135,981	–	(63,157)	–	64,904	7,920	72,824
C. P. Cereno	Assistant Vice President	–	430,000	(17,213)	–	73,463	339,324	412,787
E.F. Chuaunsu	Senior Manager	99,599	–	(65,401)	–	34,198	–	34,198
D.R. De Leon	Manager	207,625	–	(57,999)	–	59,603	90,023	149,626
M.G. Estuista	Manager	273,876	–	(54,652)	–	56,164	163,060	219,224
F. P. Malaca	Assistant Vice President	97,790	–	(83,399)	–	14,391	–	14,391
F. S. Librea	Manager	45,372	–	(45,372)	–	–	–	–
E.M, Gabriel	Senior Manager	278,285	–	(54,380)	–	55,885	168,020	223,905
K.D. Guades	Manager	164,639	–	(37,542)	–	38,580	88,517	127,097
D.C. Hernandez	Assistant Vice President	213,862	–	(76,207)	–	78,347	59,308	137,655
J.C. Hernandez	Senior Manager	45,372	–	(45,372)	–	–	–	–
S.C. Iyog	SVP	242,377	–	(86,368)	–	88,793	67,216	156,009
J.D. Rosales	Senior Manager	80,072	–	(59,451)	–	20,621	–	20,621
M. Tapia	Manager	39,799	–	(39,799)	–	–	–	–
E.O. Madrinan	Manager	146,170	–	(61,295)	–	62,991	21,884	84,875
M.P. Mag-isa	Senior Manager	231,922	–	(41,454)	–	190,468	–	190,468
M.A. Mangulabnan	Manager	–	299,000	(34,890)	–	53,253	210,857	264,110
G.I. Mauricio	Assistant Vice President	299,232	–	(68,232)	–	231,000	–	231,000
P.N. Moralde	Assistant Vice President	164,588	–	(73,317)	–	75,345	15,926	91,271
S.A. Nunez	Assistant Vice President	291,681	–	(68,101)	–	69,986	153,594	223,580
E.P. Ogues	Senior Manager	–	300,000	(53,041)	–	54,508	192,451	246,959
A.S. Peralta	Assistant Vice President	232,907	-	(73,038)		75,059	84,810	159,869
A.D. Ramos	Manager	–	300,000	(30,554)	–	53,166	216,280	269,446
E.P. Santos	Manager	171,114	–	(60,990)	–	62,677	47,447	110,124
A.E. Teves	Assistant Vice President	–	375,000	(27,144)	–	65,797	282,059	347,856
C.B. Tolentino	Senior Manager	190,647	–	(59,786)	–	61,439	69,422	130,861
E.D. Trinidad	Assistant Vice President	291,494	–	(71,452)	–	73,428	146,614	220,042
R. Magalso	Accounting Manager	207,500	–	(60,000)	–	60,000	87,500	147,500
J. Barsales	Planning Manager	180,000	–	(60,000)	–	60,000	60,000	120,000
I. Paulino Jr.	Plant Manager	400,000	–	(70,000)		80,000	250,000	330,000

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
C.Chavez	Purchasing Manager	263,000	−	(48,217)	−	52,600	162,183	214,783
J.P. Jacosalem	Senior Procurement Manager	5,000	−	(5,000)	−	−	−	−
R.J. Gambol	Sr. Management Information System Manager	75,000	−	(60,000)	−	15,000	−	15,000
A.S. Matabang	Corporate Security Manager	113,750	−	(70,000)	−	43,750	−	43,750
J.M. Covar	Senior Planning Officer	169,167	−	(70,000)	−	70,000	29,167	99,167
J.B. Lora	Quality Assurance / IMS Specialist	147,500	−	(60,000)	−	60,000	27,500	87,500
S.F. Diaz	Assistant to the EVP-Engineering & Operations	240,000	−	(60,000)	−	60,000	120,000	180,000
M.E. Limbo	Audit Manager	285,833	−	(70,000)	−	70,000	145,833	215,833
J.G. Co	Senior Coal Trading Manager	297,500	−	(70,000)	−	70,000	157,500	227,500
A.F. Aguinaldo	SM - Business Development	317,917	−	(70,000)	−	70,000	177,917	247,917
M.M. Paulino	Senior Finance Manager	326,667	−	(70,000)	−	70,000	186,667	256,667
G. Buising	Power Sales Manager	282,500	−	(60,000)	−	60,000	162,500	222,500
B. Policarpio	AVP-Legal	125,416	−	(125,416)	−	-	-	-
R.B. Obrero	AVP-Controllership	320,000	−	(80,000)	−	80,000	160,000	240,000
E. Encarnacion	AVP-Controllership	320,000	−	(80,000)	−	80,000	160,000	240,000
M.L. Blanco	AVP-HRAT	320,000	−	(80,000)	−	80,000	160,000	240,000
J. Dela Cruz	AVP-BD	319,333	−	(80,000)	−	80,000	159,333	239,333
C. Comandate	M-Legal	−	270,000	(52,500)	−	90,000	127,500	217,500
G.A. Altamira	Senior Commercial Operations Manager	167,475	−	(66,413)	−	69,300	31,762	101,062
A.G. Suganob	QA / QC Manager	267,500	−	(60,000)	−	60,000	147,500	207,500
J. Lizada	Operations Manager	−	300,417	(26,250)	−	70,000	204,167	274,167
E. Pasia	AVP-Maintenance	−	400,000	(53,333)	−	160,000	186,667	346,667
E.R. Sarino	Deputy Plant Manager	180,000	−	(60,000)	−	60,000	60,000	120,000
T.B. Yanong	Operations & Maintenance Manager	225,000	−	(225,000)	−	−	−	−
E.S. Latiza	HR/Training Manager	258,000	−	(64,500)	−	64,500	129,000	193,500
N.M. Teologo	CEMA Manager	267,500	−	(60,000)	−	60,000	147,500	207,500
E.A. Cereneo	Operations & Maintenance Manager	267,500	−	(60,000)	−	60,000	147,500	207,500
N.N. Divina	Finance & Accounting Manager	275,000	−	(60,000)	−	60,000	155,000	215,000
A.T. Espanta	Maintenance Manager	77,725	−	(65,000)	−	12,725	−	12,725
E. Ramos	Safety Manager	−	260,000	−	−	60,000	200,000	260,000
L.T. Villanueva	Operations & Maintenance Manager	89,958	−	(55,000)	−	34,958	−	34,958
A.E. Sison	O&M Manager - Sangi	90,000	−	(60,000)	−	30,000	−	30,000

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
A.A. Fernandez	O&M Manager - Carmen	102,158	–	(59,800)	–	42,358	–	42,358
D.D. Erasan	Finance & Accounting Manager	180,000	–	(60,000)	–	60,000	60,000	120,000
E.M. Cabatingan	Maintenance & SCADA Manager	102,500	–	(60,000)	–	42,500	–	42,500
S. Gunda	PSSD Manager	–	300,000	(55,000)	–	60,000	185,000	245,000
A. Cabalhug	Assistant Vice President	–	75,698	(70,000)	–	5,698	–	5,698
A. Cuizon	Admin Manager	–	300,000	(25,000)	–	60,000	215,000	275,000
R. Arada	TPC1A Project Manager	–	300,000	(25,000)	–	60,000	215,000	275,000
E.L. Dayao	SVP-Corporate and Admin Services	2,970,444	–	(454,274)	–	729,192	1,786,978	2,516,170
A.B. Obreo	AVP-Controllership	458,936	–	(458,936)	–	–	–	–
M. Madriñan	HRAT Officer	1,354,812	–	(82,209)	–	139,826	1,132,777	1,272,603
S.A. Bontoc	GL/Payroll Officer	1,387,738	–	(59,831)	–	96,090	1,231,817	1,327,907
H.L. Mamon	Supervisor	–	28,800	–	–	28,800	–	28,800
N.A. Santos	Vice President	11,676	–	–	–	11,676	–	11,676
R.P. Magdugo	Assistant Manager	9,450	–	–	–	9,450	–	9,450
M.D. Morales	Manager	39,000	–	–	–	39,000	–	39,000
W.A. Sanchez	Supervisor	–	37,071	(12,000)	–	25,071	–	25,071
A.V.Quintos	Assistant Vice President	41,589	18,595	(20,353)	–	39,831	–	39,831
N.L. Mendoza	Officer	2,670	–	–	–	2,670	–	2,670
C.M. Alcaraz	Rank and File	1,000	–	–	–	1,000	–	1,000
M.L. Clerigo	Officer	–	48,532	(44,002)	–	4,530	–	4,530
J. B. Pana	Rank and File	–	37,869	(34,410)	–	3,459	–	3,459
A.M. Dalupere	Rank and File	40,202	–	–	–	40,202	–	40,202
M.M. Saniel	Rank and File	25	–	–	–	25	–	25
E.B. Rada	Officer	62,250	–	(33,493)	–	28,757	–	28,757
J.O. Narte	Assistant Manager	–	18,048	(15,228)	–	2,820	–	2,820
J.N. Arquero	Rank and File	12,760	–	–	–	12,760	–	12,760
M.A. De Villa	Assistant Manager	40,300	–	–	–	40,300	–	40,300
I.L.Pamaong	Rank and File	6,160	6,160	(6,355)	–	5,965	–	5,965
E.V. Teofilo	Officer	30,000	–	–	–	30,000	–	30,000
M.G. Villapando	Rank and File	28,500	–	–	–	28,500	–	28,500
J.L. Asuncion	Rank and File	15	–	–	–	15	–	15
D.V. Cabigon	Rank and File	16,667	–	–	–	16,667	–	16,667
C.A. Malanay	Rank and File	39,000	–	–	–	39,000	–	39,000
D.L. Sena	Rank and File	39,000	–	–	–	39,000	–	39,000
J.D. Silva	Rank and File	30,117	30,117	(30,117)	–	30,117	–	30,117
M.B. Balen	Rank and File	31,200	–	–	–	31,200	–	31,200
M.A. Valeria	Rank and File	33,800	–	–	–	33,800	–	33,800
C.A. Estrada	Rank and File	37,267	–	–	–	37,267	–	37,267
J.L. Guzman	Senior Executive Vice President	14,357	4,449	(4,449)	–	14,357	–	14,357
J.E. Mora	Assistant Vice President	14,367	20,698	(17,645)	–	17,420	–	17,420
M.J. Mendoza	Assistant Manager	40,300	–	(3,990)	–	36,310	–	36,310
E.E. Villamor	Vice President	2,224	–	–	–	2,224	–	2,224
J.A. Toquero	Assistant Manager	–	41,600	(20,738)	–	20,862	–	20,862
M.D. Quanico	Assistant Manager	–	38,975	–	–	38,975	–	38,975
L.R. Soriano	Supervisor	39,000	–	–	–	39,000	–	39,000
J.B. Camorongan	Supervisor	2,141	–	–	–	2,141	–	2,141
M.F. Ausan	Rank and File	27,167	–	–	–	27,167	–	27,167
A.F. Pagdanganan	Manager	9,948	–	–	–	9,948	–	9,948
D.F. Gazzinga	Supervisor	2,500	–	–	–	2,500	–	2,500
C.M. Manguhig	Rank and File	1,838	–	–	–	1,838	–	1,838
M.A. Lauron	Officer	1,100	–	–	–	1,100	–	1,100
M.B. Milla	Rank and File	150	–	–	–	150	–	150

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
H.S. Gonzales	Officer	–	30,667	–	–	30,667	–	30,667
K.R. Quinto	Rank and File	–	6,720	–	–	6,720	–	6,720
R.M. Sagles	Assistant Vice President	36,921	–	–	–	36,921	–	36,921
J.A. De Las Alas	Officer	–	1,410	–	–	1,410	–	1,410
D.V. Colina	Assistant Manager	–	293,098	(292,098)	–	1,000	–	1,000
M.A. Tamayo	Supervisor	38,806	–	–	–	38,806	–	38,806
J.V. Reyes	Officer	31,667	63,780	–	–	95,447	–	95,447
W.B. Narciso	Officer	–	41,600	–	–	41,600	–	41,600
R.M. Salinas	Assistant Manager	3,600	–	–	–	3,600	–	3,600
M.D. Vicete	Rank and File	5,880	–	–	–	5,880	–	5,880
A.P. Diama	Rank and File	30	–	–	–	30	–	30
L. Tocong	Supervisor	-	30,333	–	–	30,333	–	30,333
G.C. Riguerra	Officer	36,400	–	–	–	36,400	–	36,400
M.M. Garcia	Supervisor	757	–	–	–	757	–	757
M.T. Endico	Vice President	–	33,000	–	–	33,000	–	33,000
J.C. Cruz	Supervisor	959	–	–	–	959	–	959
J.O. Foronda	Officer	30,237	–	(30,167)	–	70	–	70
C.A. Teope	Officer	–	32,000	–	–	32,000	–	32,000
G.R. Perion	Rank and File	4,500	–	–	–	4,500	–	4,500
J.C. Añis	Rank and File	26,000	–	–	–	26,000	–	26,000
R.P. Bernabe	Rank and File	70	–	–	–	70	–	70
M.H. Mendoza	Rank and File	4,685	3,045	–	–	7,730	–	7,730
E.S. Craw	Assistant Vice President	32,000	10,600	(33,000)	–	9,600	–	9,600
M.C. Antonio	Rank and File	–	5,115	–	–	5,115	–	5,115
M.M. Miranda	Rank and File	29,167	–	–	–	29,167	–	29,167
S.S. Nicolas	Rank and File	39,000	2,388	–	–	41,388	–	41,388
I.A. Andres	Rank and File	1,510	–	–	–	1,510	–	1,510
G.M. Sabino	Officer	128	22,667	–	–	22,795	–	22,795
S.R. Del Valle	Rank and File	–	4,800	–	–	4,800	–	4,800
J.P. Ico	Rank and File	30,000	3,360	–	–	33,360	–	33,360
J.M. Magayon	Officer	8,188	–	–	–	8,188	–	8,188
E.L. Miranda	Rank and File	31,333	6,055	–	–	37,388	–	37,388
S.T. Obeñita	Supervisor	4,095	2,730	(2,730)	–	4,095	–	4,095
M.B. Monzon	Rank and File	4,795	–	–	–	4,795	–	4,795
R.D. Ignacio	Rank and File	–	29,167	–	–	29,167	–	29,167
N.R. Pagasartonga	Rank and File	26,000	26,000	(26,000)	–	26,000	–	26,000
H.P. Bujatin	Rank and File	–	34,374	–	–	34,374	–	34,374
A.M. Gellamucho	Officer	26,667	8,000	–	–	34,667	–	34,667
E.B. Teologia	Rank and File	–	31,500	–	–	31,500	–	31,500
J.D. Hernandez	Rank and File	–	29,833	–	–	29,833	–	29,833
H.D. Zaño	Rank and File	25,950	-	–	–	25,950	–	25,950
M.T. Dela Pe-A	Rank and File	–	32,000	–	–	32,000	–	32,000
J.G. Pernala	Rank and File	–	32,000	–	–	32,000	–	32,000
A.G. Maravilla	Rank and File	55,250	–	–	–	55,250	–	55,250
R.G. Sybingco	Rank and File	20,000	–	–	–	20,000	–	20,000
F.O. Basibas	Rank and File	26,000	–	–	–	26,000	–	26,000
R.R. Gualberto	Rank and File	2,250	–	–	–	2,250	–	2,250
P. Balagot	Rank and File	–	27,491	–	–	27,491	–	27,491
E.H. Bernadas	Rank and File	2,835	–	–	–	2,835	–	2,835
E.B. Fantonial	Officer	26,598	–	–	–	26,598	–	26,598
C.S. Latorre	Rank and File	28,000	–	–	–	28,000	–	28,000
P.E. Mamucod	Rank and File	27,833	–	–	–	27,833	–	27,833
L.M. Paterez	Rank and File	21,500	–	–	–	21,500	–	21,500
R.A. Maigue	Officer	662	–	–	–	662	–	662
L.G. Fragante	Rank and File	2,610	2,610	(2,610)	–	2,610	–	2,610
K.K. Villegas	Rank and File	–	18,000	–	–	18,000	–	18,000
F.S. Jacildo, Jr.	Rank and File	330	–	–	–	330	–	330
A.A. Alcantara	Rank and File	30,000	–	–	–	30,000	–	30,000
V.M. Aranza	Rank and File	–	6,405	–	–	6,405	–	6,405
L.D. Samson	Rank and File	–	3,360	–	–	3,360	–	3,360
A.J. So	Rank and File	22,667	–	–	–	22,667	–	22,667
S.S. Alimonsurin	Rank and File	190	–	–	–	190	–	190
G.M. Baleña	Officer	1,000	1,920	–	–	2,920	–	2,920
M.M. Geralo	Rank and File	20	–	–	–	20	–	20
J.L. Torrento	Officer	921	–	–	–	921	–	921
C.C. Caguimbaga	Rank and File	954	–	–	–	954	–	954
C.S. Polmo	Rank and File	111	–	–	–	111	–	111
R.M. Memorando	Rank and File	1,173	–	–	–	1,173	–	1,173
A.Y. Denila	Rank and File	1,489	–	–	–	1,489	–	1,489

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
S.D. Casaria	Rank and File	1,467	−	−	−	1,467	−	1,467
A.L. Belmil	Rank and File	−	2,100	−	−	2,100	−	2,100
M.M. Macanlalay	Rank and File	−	2,993	−	−	2,993	−	2,993
R.C. Jacob		2,564	−	−	−	2,564	−	2,564
L.Y. Reyes	Vice President	22,687	22,446	(26,085)	−	19,048	−	19,048
N.S. Cuyos	Rank and File	−	41,226	(31,632)	−	9,594	−	9,594
A.G. Leonardo Jr.		13,667	6,015,571	(6,000,000)	−	29,238	−	29,238
M.A. Tranzona	Rank and File	−	47,237	(40,490)	−	6,747	−	6,747
C.E. Castillo	Supervisor	−	51,442	(46,747)	−	4,695	−	4,695
G.H. Estocado		15,167	−	−	−	15,167	−	15,167
E.A. Mangampat	Officer	−	61,874	(43,674)	−	18,200	−	18,200
J.D. Vasquez	Rank and File	27,000	−	−	−	27,000	−	27,000
C. Hilario	Senior Vice President	−	28,561	(21,757)	−	6,804	−	6,804
C.G. Jaboya III	Supervisor	−	45,892	(37,051)	−	8,841	−	8,841
R.B. Beltran		23,000	−	−	−	23,000	−	23,000
M.C. Alita	Officer	−	53,400	(43,075)	−	10,325	−	10,325
L.R. Perion	Supervisor	−	28,431	(25,331)	−	3,100	−	3,100
M. P. Villanueva	Officer	47,753	−	−	−	47,753	−	47,753
A.G. Lemana	Supervisor	−	51,162	(41,327)	−	9,835	−	9,835
E.P. Simbulan	Rank and File	30,000	−	−	−	30,000	−	30,000
J.R. Peña	Assistant Manager	32,500	−	−	−	32,500	−	32,500
L.R. Camba	Officer	−	48,136	(31,550)	−	16,586	−	16,586
R.S. Socco	Manager	88,577	3,629	(52,977)	−	39,229	−	39,229
L.T. Martizano	Manager	136,530	29,385	(36,740)	−	129,175	−	129,175
J.N. Dacayan	Assistant Manager	98,574	−	−	−	98,574	−	98,574
A.E. Paulan	Officer	-	56,960	(17,840)	−	39,120	−	39,120
J.T. Devaras	Manager	462,387	−	−	−	462,387	−	462,387
C.C. Edosil	Supervisor	6,300	32,000	(11,462)	−	26,838	−	26,838
C.C. Javier	Assistant Manager	−	72,259	(65,328)	−	6,931	−	6,931
M.S. Cielo	Vice President	−	226,129	(216,139)	−	9,990	−	9,990
J.E. Trinidad	Assistant Vice President	31,000	46,139	(68,261)	−	8,878	−	8,878
M.M. Real	Manager	−	12,343,071	(9,878,949)	−	2,464,122	−	2,464,122
E.L. Atienza	Rank and File	−	23,167	−	−	23,167	−	23,167
D.D. Braza	Rank and File	21,833	−	−	−	21,833	−	21,833
M.G. Hinolan	Rank and File	36,100	−	(20,800)	−	15,300	−	15,300
M.Z. Galamiton	Rank and File	−	9,825	−	−	9,825	−	9,825
J.S. Libardos	Rank and File	−	2,433	−	−	2,433	−	2,433
M. Balajadia	Rank and File	11,700	−	−	−	11,700	−	11,700
M. Cabral	Rank and File	27,833	8,350	(27,833)	−	8,350	−	8,350
A. Dineros	Rank and File	3,535	3,535	(3,535)	−	3,535	−	3,535
J. Fermo	Rank and File	24,500	−	−	−	24,500	−	24,500
M. Lico	Rank and File	22,317	−	−	−	22,317	−	22,317
J. Llena	Rank and File	3,000	−	−	−	3,000	−	3,000
S.D. Espiritu	Rank and File	−	1,388	−	−	1,388	−	1,388
C.C. Salvatierra	Assistant Manager	−	2,231	−	−	2,231	−	2,231
J.L. Rodriguez	Rank and File	−	35,317	−	−	35,317	−	35,317
S.J. Erlano	Rank and File	−	23,833	−	−	23,833	−	23,833
M.C. Mabasa	Rank and File	−	81,249	−	−	81,249	−	81,249
J.T. Mecha	Officer	−	35,667	−	−	35,667	−	35,667
D.S. Abueg	Rank and File	−	25,167	−	−	25,167	−	25,167
M.C. Dela Cruz	Rank and File	−	25,500	−	−	25,500	−	25,500
J.C. Lorenzo	Rank and File	−	25,667	−	−	25,667	−	25,667
R.B. Jaquias	Rank and File	−	28,667	−	−	28,667	−	28,667
J.B. Pasa	Rank and File	−	31,000	−	−	31,000	−	31,000
M.C. Quiambao	Manager	−	41,600	−	−	41,600	−	41,600
K.K. Dumangeng	Rank and File	−	57,317	−	−	57,317	−	57,317
R.E. Soriano	Rank and File	−	33,800	−	−	33,800	−	33,800
M.A. Manalusan	Rank and File	−	41,600	−	−	41,600	−	41,600
J.B. Sebastian	Rank and File	−	54,333	(25,500)	−	28,833	−	28,833
M.A. Cortes	Rank and File	−	28,800	−	−	28,800	−	28,800
C. Bones	Rank and File	−	1,600	−	−	1,600	−	1,600
V. Del Rosario	Rank and File	−	1,600	−	−	1,600	−	1,600
A. Sequitin	Rank and File	−	1,600	−	−	1,600	−	1,600
L.G. Sumalpong	Rank and File	−	27,600	−	−	27,600	−	27,600
J.R. Fermin	Rank and File	−	1,600	−	−	1,600	−	1,600
B.V. Vispo Jr	Rank and File	−	1,600	−	−	1,600	−	1,600
C. Recabuelto	Officer	−	3,360	−	−	3,360	−	3,360

Name of debtor	Designation of debtor	Balance of beginning of period	Additions	Amounts collected (ii)	Amounts written off (iii)	Current	Not Current	Balance at end of period
M. Laru-An	Rank and File	–	4,500	–	–	4,500	–	4,500
M.C. Samaniego	Rank and File	–	28,667	–	–	28,667	–	28,667
J.P. Sister	Rank and File	–	24,833	–	–	24,833	–	24,833
E.T. Gaborno	Rank and File	–	7,575	–	–	7,575	–	7,575
E.M. Mariano	Supervisor	–	4,800	–	–	4,800	–	4,800
M.Y. Alita	Officer	–	10,547	(5,384)	–	5,163	–	5,163
J. Ani	Rank and File	–	27,000	–	–	27,000	–	27,000
L. Camba	Officer	–	9,506	(7,281)	–	2,225	–	2,225
C. Castillo	Supervisor	–	10,139	–	–	10,139	–	10,139
C. Castillo	Supervisor	–	41,018	–	–	41,018	–	41,018
M. Clerigo	Officer	–	9,599	–	–	9,599	–	9,599
N. Cuyos	Rank and File	–	8,245	(4,218)	–	4,027	–	4,027
R. De Castro	Manager	–	10,100	(6,851)	–	3,249	–	3,249
C. Jaboya III	Supervisor	–	9,052	(4,631)	–	4,421	–	4,421
C. Javier	Assistant Manager	–	14,353	–	–	14,353	–	14,353
A. Lemana	Supervisor	–	10,084	(5,166)	–	4,918	–	4,918
E. Mangampat	Officer	–	12,219	(6,239)	–	5,980	–	5,980
J. Paña	Rank and File	–	7,464	–	–	7,464	–	7,464
N. Pascua	Manager	–	32,000	–	–	32,000	–	32,000
A. Santos	Vice President	–	21,520	(18,620)	–	2,900	–	2,900
R. Socco	Manager	–	6,060	(1,500)	–	4,560	–	4,560
M. Tranzona	Rank and File	–	9,328	(2,382)	–	6,946	–	6,946
P. Balagot	Rank and File	–	5,498	–	–	5,498	–	5,498
M. Camacho	Rank and File	–	31,000	–	–	31,000	–	31,000
R.B. Jaquias	Rank and File	–	8,600	–	–	8,600	–	8,600
M. Basilio	Vehiclec Sales Head	613,277	151,250	(448,395)	–	316,132	–	316,132
A. Carolino	Service Manager	200,567	13,750	(81,400)	–	68,750	64,167	132,917
J. Dizon	Sales Group Manager	247,639	65,411	(117,938)	–	172,749	22,363	195,112
A. Elamparo	Vehiclec Sales Head	9,181	279,813	(9,181)	–	60,500	219,313	279,813
M. Oblea	Sales Group Manager	252,683	–	(96,391)	–	60,500	95,792	156,292
M. Go	Service Manager	–	226,875	–	–	55,000	171,875	226,875
J. Ingco	Sales Group Manager	210,833	10,687	(55,000)	–	65,687	100,833	166,520
M. Saculsan	Sales Group Manager	65,001	119,240	(65,001)	–	119,240	–	119,240
A. Tan	Sales Administrative Head	133,288	105,417	(133,288)	–	105,417	–	105,417
		₱23,110,779	₱26,422,656	(₱24,110,594)	₱–	₱13,079,799	₱12,343,042	₱25,422,841

Schedule C. Amounts Receivable from Related Parties which are Eliminated During the Consolidation of Financial Statements:

Name of debtor	Relationship	Balance at beginning of period	Net Transaction	Current	Not Current	Balance at end of period	Eliminations	GT Capital Balance
Baywatch Project Management Corp.	Subsidiary of Federal Land, Inc.	₱14,000,000	(₱14,000,000)	₱–	₱–	₱–	₱–	₱–
Omni Orient Management Corp.	-do-	4,000,000	–	4,000,000	–	4,000,000	(4,000,000)	–
Central Realty & Dev't Corp.	-do-	432,500,000	(30,000,000)	402,500,000	–	402,500,000	(402,500,000)	–
Horizon Land Property Development Corp.	-do-	3,830,066,641	(846,400,000)	2,983,666,641	–	2,983,666,641	(2,983,666,641)	–
FLI Management Consultancy Inc.	-do-	4,158,812	(4,158,812)	–	–	–	–	–

Name of debtor	Relationship	Balance at beginning of period	Net Transaction	Current	Not Current	Balance at end of period	Eliminations	GT Capital Balance
Cebu Energy Development Corp.	Subsidiary of Global Business Power Corp.	–	1,680,000,000	1,680,000,000	–	1,680,000,000	(1,680,000,000)	–
Panay Energy Development Corp.	-do-	–	1,200,000,000	1,200,000,000	–	1,200,000,000	(1,200,000,000)	–
Panay Power Corp.	-do-	–	200,000,000	200,000,000	–	200,000,000	(200,000,000)	–
Panay Power Holdings, Corp.	-do-	–	1,250,200,000	1,250,200,000	–	1,250,200,000	(1,250,200,000)	–
Global Formosa Power Holdings, Inc.	-do-	–	1,565,760,000	1,565,760,000	–	1,565,760,000	(1,565,760,000)	–
Global Energy Supply Corp.	-do-	–	17,000,000	17,000,000	–	17,000,000	(17,000,000)	–
Toledo Cebu International Trading Resources Corp.	-do-	–	7,000,000	7,000,000	–	7,000,000	(7,000,000)	–
Cebu Energy Development Corp.	-do-	369,680,592	(369,680,592)	–	–	–	–	–
Global Formosa Power Holdings, Inc.	-do-	371,346,482	(361,346,482)	10,000,000	–	10,000,000	(10,000,000)	–
Panay Power Corp.	-do-	13,374,595	(1,402,403)	11,972,192	–	11,972,192	(11,972,192)	–
Panay Energy Development Corp.	-do-	124,954,860	(97,502,971)	27,451,889	–	27,451,889	(27,451,889)	–
Global Energy Supply Corp.	-do-	22,092,157	483,437	22,575,594	–	22,575,594	(22,575,594)	–
Global Energy Supply Corp.	-do-	58,411,696	(10,426,267)	47,985,429	–	47,985,429	(47,985,429)	–
Toledo Power Company	-do-	7,900,835	(7,900,835)	–	–	–	–	–
Toledo Power Company	-do-	547,525	(547,525)	–	–	–	–	–
Cebu Energy Development Corp.	-do-	10,437,353	41,068,973	51,506,326	–	51,506,326	(51,506,326)	–
Global Energy Supply Corp.	-do-	29,000,000	(4,000,000)	25,000,000	–	25,000,000	(25,000,000)	–
GBH Power Resources, Inc.	-do-	–	8,000,000	8,000,000	–	8,000,000	(8,000,000)	–
Toledo Holdings Corp.	-do-	53,334,182	7,466,903	60,801,085	–	60,801,085	(60,801,085)	–
Toledo Holdings Corp.	-do-	112,407,472	22,364,645	134,772,117	–	134,772,117	(134,772,117)	–
Toledo Holdings Corp.	-do-	21,813,750	(7,447,500)	14,366,250	–	14,366,250	(14,366,250)	–
Panay Power Corp.	-do-	768,100	768,100	1,536,200	–	1,536,200	(1,536,200)	–
Toledo Power Company	-do-	593,317	840,121	1,433,438	–	1,433,438	(1,433,438)	–
Cebu Energy Development Corp.	-do-	4,157,040	–	4,157,040	–	4,157,040	(4,157,040)	–
Toledo Power Company	-do-	1,302,977	3,967,971	5,270,948	–	5,270,948	(5,270,948)	–
GBH Power Resources, Inc.	-do-	2,546,834	(1,304,036)	1,242,798	–	1,242,798	(1,242,798)	–
Panay Power Corp.	-do-	11,174,084	(4,591,862)	6,582,222	–	6,582,222	(6,582,222)	–
Panay Energy Development Corp.	-do-	44,496,784	(22,025,021)	22,471,763	–	22,471,763	(22,471,763)	–
Toledo Power Company	-do-	79,814,857	(59,495,177)	20,319,680	–	20,319,680	(20,319,680)	–
Cebu Energy Development Corp.	-do-	43,274,690	(19,902,417)	23,372,273	–	23,372,273	(23,372,273)	–
Panay Power Corp.	-do-	152,855	122,501	275,356	–	275,356	(275,356)	–

Name of debtor	Relationship	Balance at beginning of period	Net Transaction	Current	Not Current	Balance at end of period	Eliminations	GT Capital Balance
Panay Energy Development Corp.	-do-	608,682	(204,089)	404,593	–	404,593	(404,593)	–
Toledo Power Company	-do-	327,545	116,387	443,932	–	443,932	(443,932)	–
Cebu Energy Development Corp.	-do-	505,301	434,235	939,536	–	939,536	(939,536)	–
Toledo Cebu International Trading Resources Corp.	-do-	43,307,348	(6,512,606)	36,794,742	–	36,794,742	(36,794,742)	–
Toledo Power Company	-do-	43,307,348	(43,307,348)	–	–	–	–	–
Panay Power Corp.	-do-	5,686,908	(1,993,109)	3,693,799	–	3,693,799	(3,693,799)	–
Panay Energy Development Corp.	-do-	4,820,372	(4,267,434)	552,938	–	552,938	(552,938)	–
Toledo Power Company	-do-	4,060,152	(118,805)	3,941,347	–	3,941,347	(3,941,347)	–
Panay Energy Development Corp.	-do-	2,488,579	3,066,356	5,554,935	–	5,554,935	(5,554,935)	–
Panay Power Corp.	-do-	1,956,267	181,984	2,138,251	–	2,138,251	(2,138,251)	–
Panay Power Holdings, Corp.	-do-	–	1,633	1,633	–	1,633	(1,633)	–
Cebu Energy Development Corp.	-do-	79,148	1,345,907	1,425,055	–	1,425,055	(1,425,055)	–
Toledo Cebu International Resources Corp.	-do-	1,900	1,158,520	1,160,420	–	1,160,420	(1,160,420)	–
Toledo Holdings Corp.	-do-	190,340,070	(5,782,721)	184,557,349	–	184,557,349	(184,557,349)	–
Global Business Power Corp.	-do-	1,642,638	70,998	1,713,636	–	1,713,636	(1,713,636)	–
GBH Power Resources, Inc.	-do-	391,516	891,938	1,283,454	–	1,283,454	(1,283,454)	–
Global Energy Supply Corp.	-do-	52,865	55,652	108,517	–	108,517	(108,517)	–
ARB Power Venture, Inc.	-do-	–	1,421,740	1,421,740	–	1,421,740	(1,421,740)	–
Mindanao Energy Development Corporation	-do-	74,331	99,722	174,053	–	174,053	(174,053)	–
Global Luzon Energy Development Corporation	-do-	–	182,901	182,901	–	182,901	(182,901)	–
Global Hydro Power Corp.	-do-	–	43,229	43,229	–	43,229	(43,229)	–
Global Renewable Power Corp.	-do-	–	38,445	38,445	–	38,445	(38,445)	–
Micara Land Inc.	Subsidiary of Property Company of Friends, Inc.	–	499,604,450	499,604,450	–	499,604,450	(499,604,450)	–
Firm Builders Realty Development Corporation	-do-	–	300,916,367	300,916,367	–	300,916,367	(300,916,367)	–
Toyota San Fernando Pampanga, Inc.	Subsidiary of Toyota Motor Philippines Corp.	83,506,237	24,059,955	107,566,192	–	107,566,192	(107,566,192)	–
Toyota Makati, Inc.	-do-	68,386,889	80,499,653	148,886,542	–	148,886,542	(148,886,542)	–
Lexus Manila, Inc.	-do-	1,470,442	(1,451,742)	18,700	–	18,700	(18,700)	–
		₱6,121,323,028	₱4,993,462,969	₱11,114,785,997	₱–	₱11,114,785,997	(₱11,114,785,997)	₱–

Schedule D. Intangible Assets - Other Assets

Description (i)	Beginning balance	Additions at cost	Charged to cost and expenses	Charged to other accounts	Other changes additions (deductions)	Ending balance
Power purchase agreements – net	₱7,721,413,554	(₱462,537,668)	₱–	₱–	₱–	₱7,258,875,886
Goodwill	6,179,724,903	115,429,075	(554,153,981)	–	–	5,740,999,997
Customer relationship	3,883,238,361	–	–	–	–	3,883,238,361
Software cost and license - net	19,816,621	27,524,732	(17,572,558)	–	85,377,307	115,146,102
Franchise - net	1,367,500	1,060,000	(260,000)	–	–	2,167,500
	₱17,805,560,939	(₱318,523,861)	(₱571,986,539)	₱–	₱85,377,307	₱17,000,427,846

Schedule E. Long Term Debt

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of long-term debt" in related balance sheet	Amount shown under caption "Long-Term Debt" in related balance sheet
Bonds payable	₱10,000,000,000	₱–	₱9,904,592,870
Bonds payable	12,000,000,000	–	11,896,240,953
	22,000,000,000	–	21,800,833,823
Note Facility Agreement	4,950,000,000	25,000,000	4,925,000,000
Loans payable	6,600,000,000	–	6,600,000,000
Loans payable	2,000,000,000	2,000,000,000	–
Loans payable	2,200,000,000.00	–	2,200,000,000
Loans payable	200,000,000.00	–	200,000,000
Loans payable	800,000,000.00	–	800,000,000
Loans payable	140,000,000.00	–	140,000,000
Loans payable	120,000,000.00	–	120,000,000
Loans payable	335,000,000.00	–	335,000,000
CEDC Omnibus Loan Agreement	16,000,000,000	1,787,221,841	9,052,140,821
PEDC Omnibus Loan Agreement	14,000,000,000	1,053,799,568	9,303,822,162
PEDC Omnibus Loan Agreement (Phase 2)	11,000,000,000.00	–	6,819,255,297
PPC Loan Agreement (for Panay)	1,269,271,600	115,388,327	2,315,514
PPC Loan Agreement (for Panay)	300,000,000	42,857,144	–
TPC Omnibus Loan Agreement	7,000,000,000	403,711,463	6,564,207,436
TAP	78,626,700	–	78,467,961
TRP	91,000,000	–	91,000,000
HKR	76,200,000	–	74,349,576
CTS loans	–	121,262,946	296,231,342
Loans payable	6,000,000,000	–	3,980,085,205
Loans payable	1,500,000,000	–	1,493,677,456
Loans payable	1,000,000,000	–	995,435,509
Loans payable	1,000,000,000	–	995,784,971
Loans payable	2,000,000,000	351,543,984	805,659,296
Loans payable	3,000,000,000	236,700,000	1,076,207,581
Loans payable	1,500,000,000	619,216,588	193,694,825
Loans payable	7,000,000,000	–	6,967,074,009
Loans payable	6,000,000,000	–	5,971,764,268
Loans payable	2,000,000,000	–	1,990,042,514
Loans payable	4,000,000,000	–	3,980,085,658
Loans payable	2,000,000,000	–	1,990,000,000
Loans payable	4,000,000,000	–	3,980,000,000
	108,160,098,300	6,756,701,861	82,021,301,401
	₱130,160,098,300	₱6,756,701,861	₱103,822,135,224

Schedule F. Indebtedness to Related Parties (Long-term Loans from Related Companies)

Name of related party	Balance at beginning of period	Balance at end of period
Metropolitan Bank & Trust Co.	₱7,057,004,147	₱6,120,934,547
Metropolitan Bank & Trust Co.	–	2,500,000,000
Metropolitan Bank & Trust Co.	2,000,000,000	2,000,000,000
First Metro Investment Corporation	759,831,933	683,193,277
First Metro Investment Corporation	–	350,000,000
Toyota Autoparts Philippines, Inc.	77,520,916	78,467,961
First Metro Investment Corporation	–	50,000,000

Schedule G. Guarantees of Securities of Other Issuers

Name of issuing entity of securities guaranteed by the company for which this statement is filed	Title of issue of each class of securities guaranteed	Total amount guaranteed and outstanding	Amount owned by person for which statement is filed	Nature of guarantee
None				

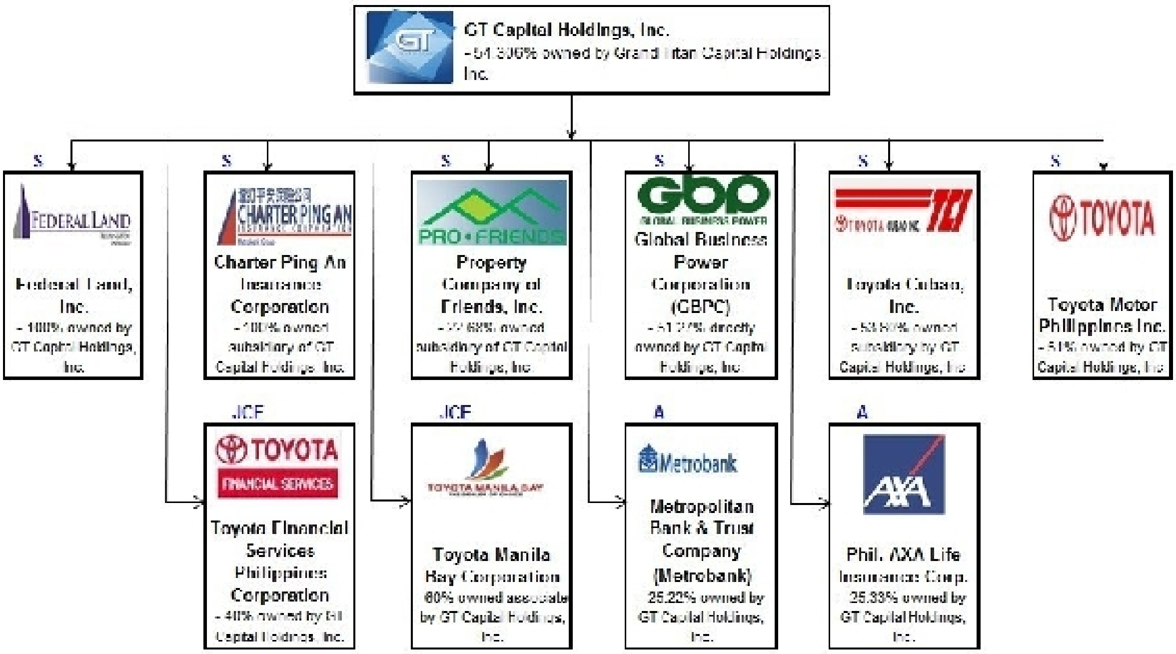
Schedule H. Capital Stock

Title of issue	Number of Shares authorized	Number of Shares issued and outstanding and shown under related balance sheet caption	Number of shares reserved for options, warrants, conversion and other rights	Number of shares held by related parties	Directors, officers and employees	Others
Common stock	298,257,000	174,300,000	–	5,000	471,000	–
Voting preferred stock	174,300,000	174,300,000	–	–	720,448	–
Perpetual preferred stock	20,000,000	–	–	–	–	–

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

MAP OF RELATIONSHIP BETWEEN AND AMONG THE PARENT COMPANY AND ITS ULTIMATE PARENT, SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

FOR THE YEAR ENDED DECEMBER 31, 2015



LEGEND:

Subsidiary (S)

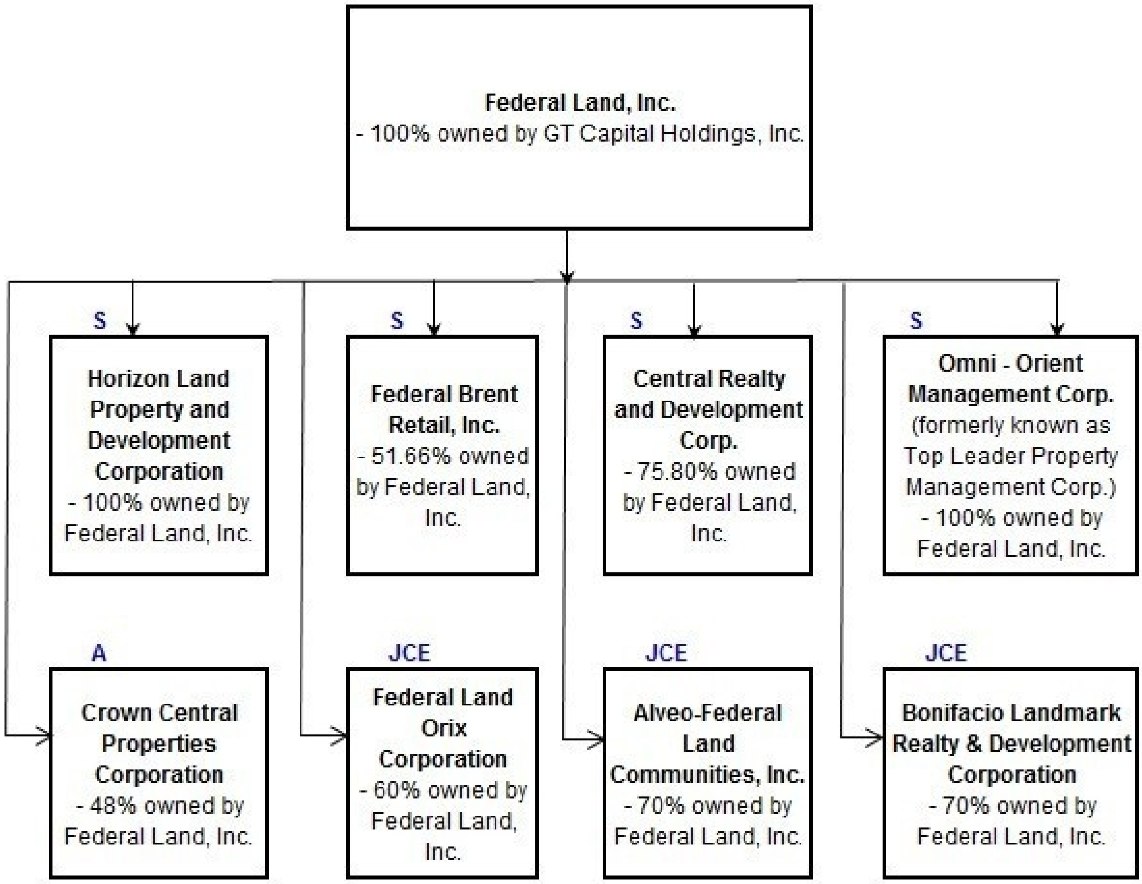
Associate (A)

Jointly Controlled Entity (JCE)

FEDERAL LAND, INC.

SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES

AS OF DECEMBER 31, 2015



LEGEND:

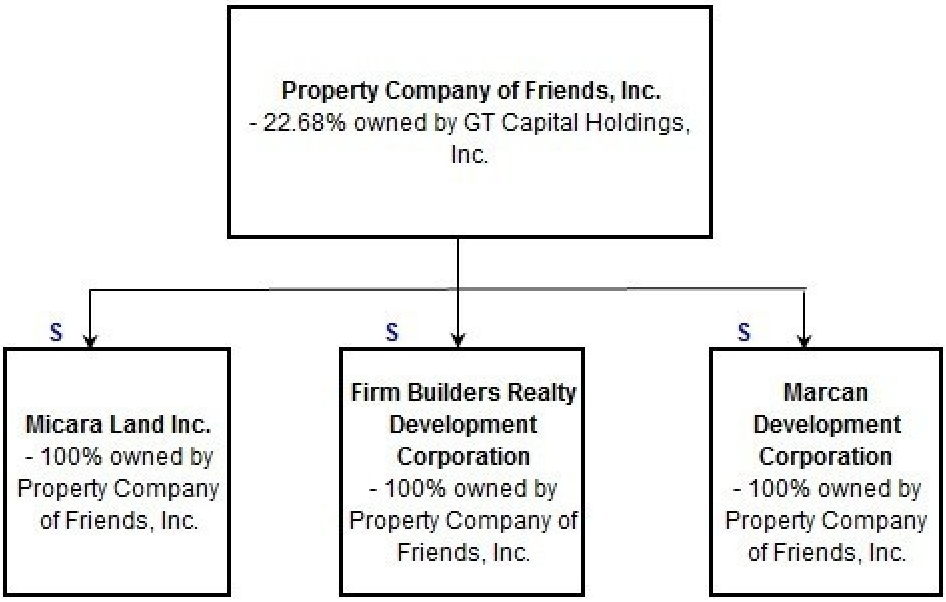
Subsidiary (S)

Associate (A)

Jointly Controlled Entity (JCE)

PROPERTY COMPANY OF FRIENDS, INC.

SUBSIDIARIES
AS OF DECEMBER 31, 2015

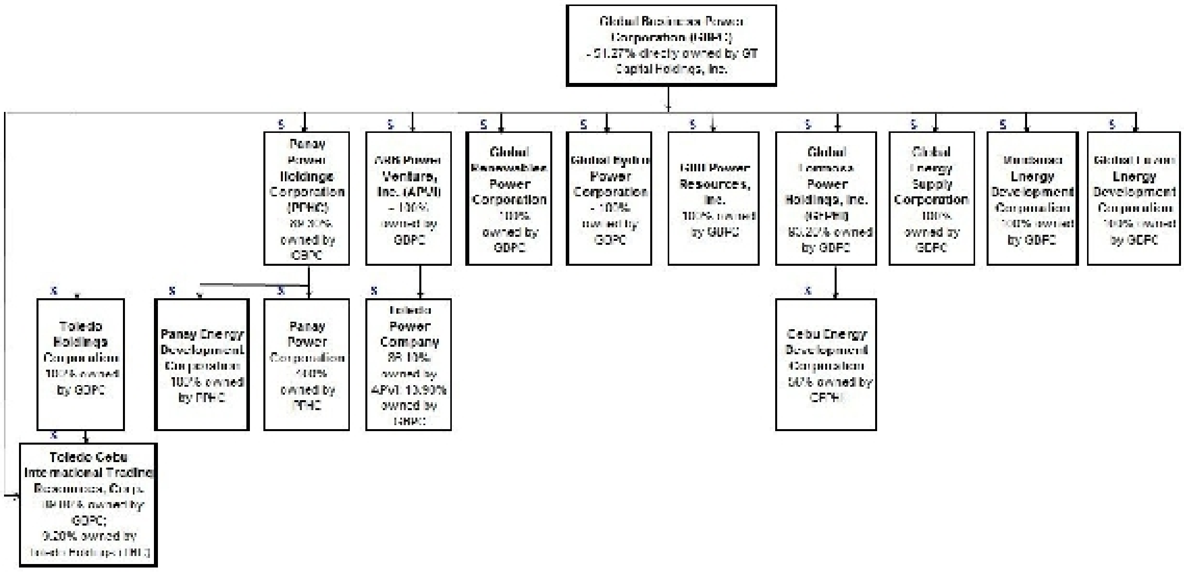


LEGEND:
Subsidiary (S)

GLOBAL BUSINESS POWER CORPORATION

SUBSIDIARIES

AS OF DECEMBER 31, 2015

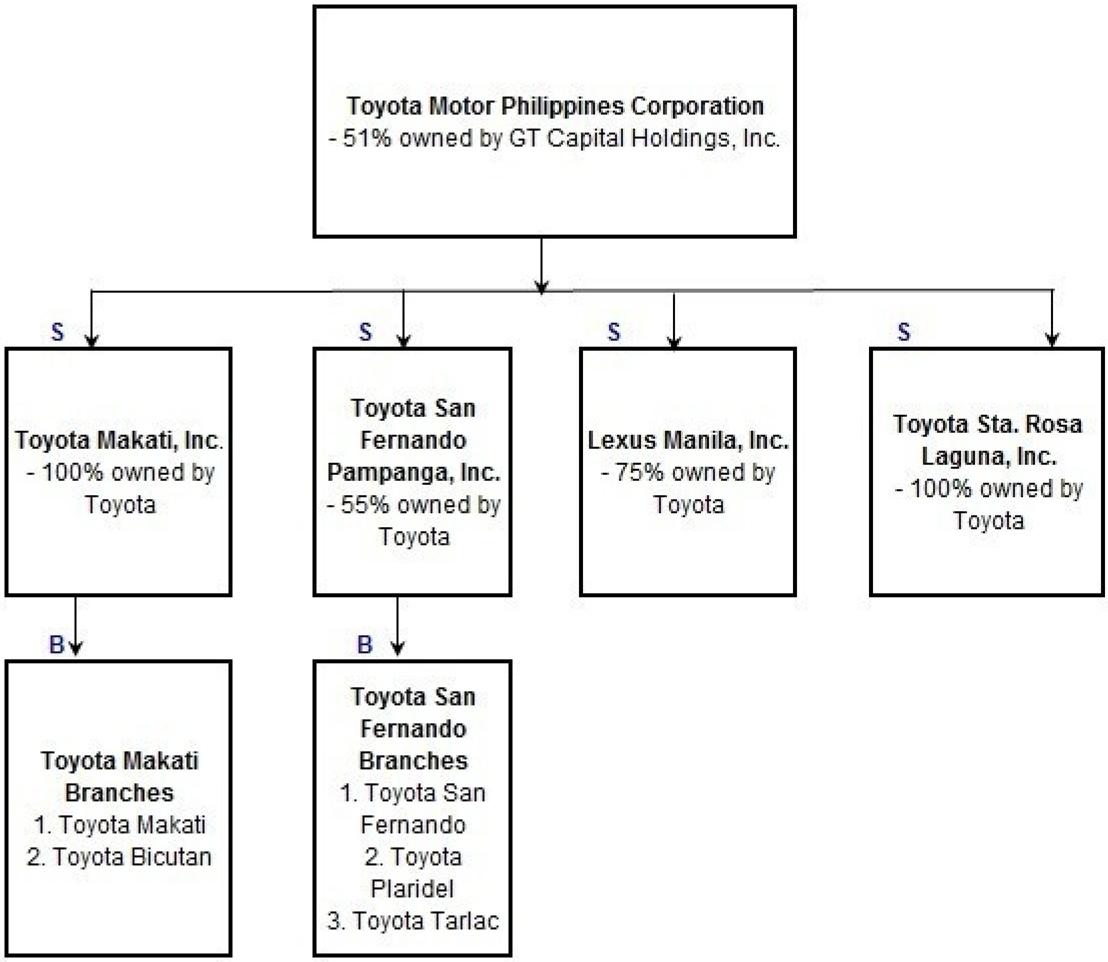


LEGEND:
Subsidiary (S)

TOYOTA MOTOR PHILIPPINES CORPORATION

SUBSIDIARIES

AS OF DECEMBER 31, 2015



LEGEND:

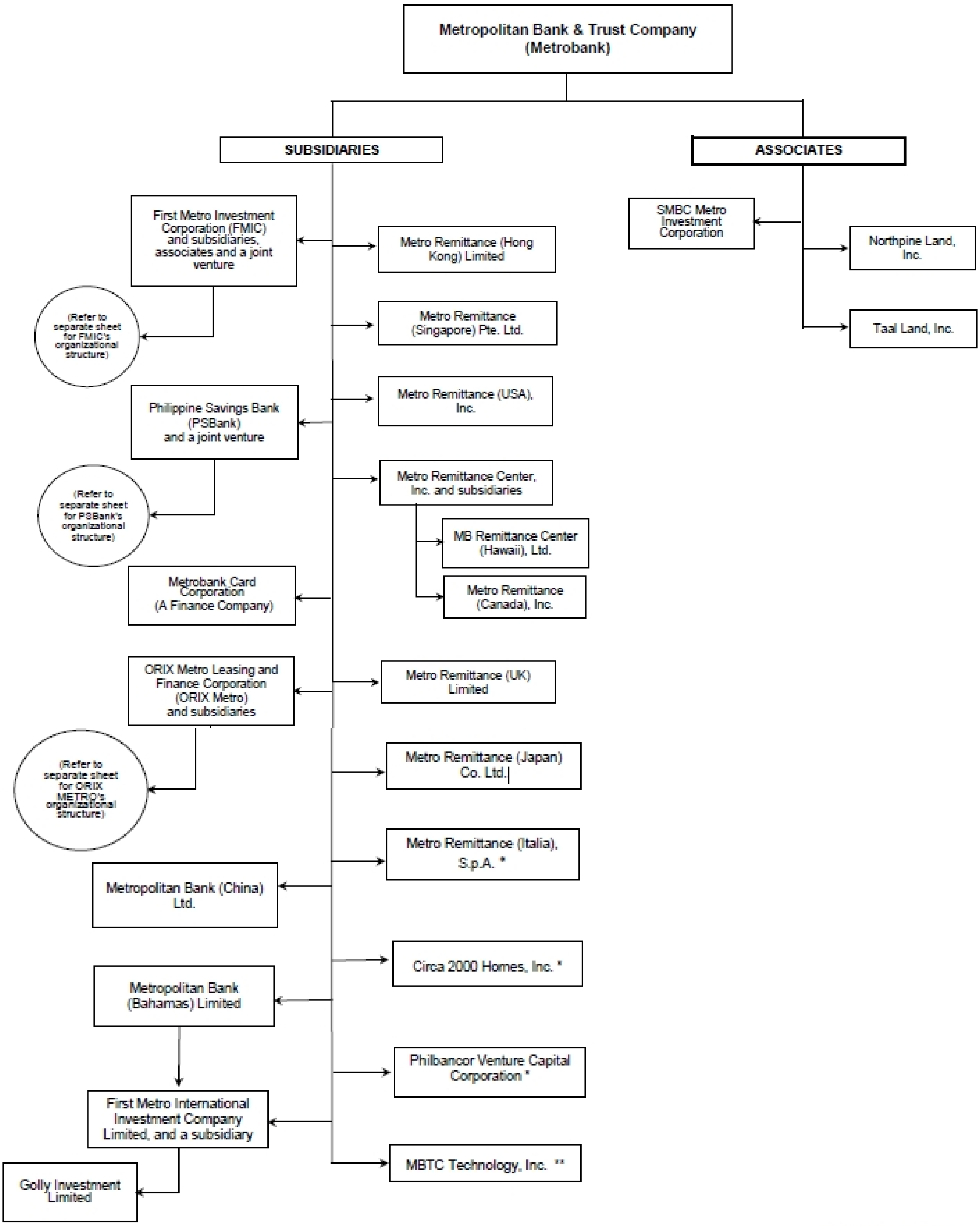
Subsidiary (S)

Branch(B)

METROPOLITAN BANK AND TRUST COMPANY

SUBSIDIARIES AND ASSOCIATES

AS OF DECEMBER 31, 2015



* In process of dissolution
** In process of liquidation

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS

FOR THE YEAR ENDED DECEMBER 31, 2015

(Amounts in millions except %)	**2015**	2014
Liquidity Ratio		
Current ratio	**2.60**	2.37
Current assets	**₱134,864**	₱88,179
Current liabilities	**51,821**	37,253
Solvency Ratio		
Total liabilities to total equity ratio	**1.21**	1.06
Total liabilities	**173,444**	112,321
Total equity	**143,842**	105,942
Debit to equity ratio	**0.84**	0.69
Total debt	**120,679**	72,812
Total equity	**143,842**	105,942
Asset to Equity Ratio		
Asset equity ratio	**3.52**	2.75
Total assets	**317,285**	218,263
Equity attributable to Parent Company	**90,134**	79,347
Interest Rate Coverage Ratio*		
Interest rate coverage ratio	**6.96**	6.00
Earnings before interest and taxes (EBIT)	**27,385**	19,451
Interest expense	**3,932**	3,240
Profitability Ratio		
Return on average assets	**4.53%**	4.46%
Net income attributable to Parent Company	**12,119**	9,153
Average assets	**267,774**	205,311
Return on Average Equity	**14.30%**	12.21%
Net income attributable to Parent Company	**12,119**	9,153
Average equity attributable to Parent Company	**84,741**	74,936
Income before income tax	**25,426**	17,732
Interest expense	**3,932**	3,240
Interest income	**1,973**	1,521
EBIT	**27,385**	19,451

*computed as EBIT/Interest Expense