COVER SHEET

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S.E.C. Registration Number

GT CAPITAL HOLDINGS, INC.

(Company's Full Name)

43rd FLOOR, GT TOWER INTERNA-
TIONAL AYALA AVENUE CORNER H.V
DELA COSTA STREET MAKATI CITY

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

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

8836 4500
Company Telephone Number

1	2		3	1
Month			Day	

Fiscal Year

SEC Form 17-Q
Form Type

Second Wednesday of May
Regular Meeting

Certificate of Permit to Offer Securities for Sale (Order #092)
Secondary License type, if applicable

MSRD
Dept. Requiring this Doc.

N/A
Amended Articles Number/Section

Total amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be Accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

Remarks = Pls. use black ink for scanning purposes.

GT CAPITAL
HOLDINGS, INCORPORATED

May 17, 2021

Securities and Exchange Commission
Ground Floor Secretariat Building
PICC Complex, Roxas Boulevard
Pasay City, 1307

Attention: **Atty. Rachel Esther J. Gumtang-Remalante**
OIC, Director - Corporate Governance and Finance Department

Philippine Stock Exchange, Inc.
6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

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

Subject: Submission of 17Q Report as of March 31, 2021

Gentlemen /Mesdames:

In line with the reportorial requirements of the Securities Regulation Code and the Revised Disclosure Rules, we hereby submit the attached 2021 First Quarter Report on SEC Form 17-Q.

Very truly yours,

Francisco H. Suarez, Jr.
Chief Finance Officer

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **March 31, 2021**

2. Commission identification number: **CS200711792**

3. BIR Tax Identification No.: **006-806-867**

4. Exact name of issuer as specified in its charter: **GT CAPITAL HOLDINGS, INC.**

5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office: **43/F GT Tower International, Ayala Avenue corner H.V. de la Costa Street, Makati City Postal Code: 1227**

8. Issuer's telephone number, including area code: **632 8836-4500; Fax No: 632 8836-4159**

9. Former name, former address and former fiscal year, if changed since last report: **Not applicable**

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the RSA

a) Shares of Stock

Title of Each Class	Number of Shares of Outstanding Common Stock
Common Stock -Php10.00 par value	**215,284,587 shares**
Series A Perpetual Preferred Shares (GTPPA)	**4,839,240 shares**
Series B Perpetual Preferred Shares (GTPPB)	**7,160,760 shares**

b) Debt Securities: Php15 Billion Bonds*

Title of Each Class	Amount of Debt Outstanding
Corporate Retail Bonds	**Php15.1 billion**

**amount represents only the debt of GT Capital Holdings, Inc. registered with Philippine SEC*

11. Are any or all of the securities listed on a Stock Exchange? Yes [**X**] No []

Type of Shares	Stock Exchange
Common Shares	Philippine Stock Exchange
GTPPA	Philippine Stock Exchange
GTPPB	Philippine Stock Exchange
Corporate Retail Bonds	Philippine Dealing and Exchange Corporation

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

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports). Yes [**X**] No [ ]

(b) has been subject to such filing requirements for the past ninety (90) days. Yes [**X**] No [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

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

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

Consolidated Results of Operations- For the Quarter Ended March 31, 2021 and For the Quarter Ended March 31, 2020

GT CAPITAL CONSOLIDATED STATEMENTS OF INCOME	**UNAUDITED Quarter Ended**		**Increase(Decrease)**	
(In millions, except for Percentage)	**2021**	2020	**Amount**	**Percent**
REVENUE				
Automotive operations	**38,621**	32,780	5,841	18%
Equity in net income of associates and joint ventures	**4,013**	2,675	1,338	50%
Real estate sales and interest income on real estate sales	**1,668**	2,387	(719)	(30%)
Rent income	**341**	413	(72)	(17%)
Sale of goods and services	**122**	171	(49)	(29%)
Commission income	**63**	67	(4)	(6%)
Interest income	**43**	61	(18)	(30%)
Other income	**482**	465	17	4%
	45,353	39,019	6,334	16%
COST AND EXPENSES				
Cost of goods and services sold	**26,312**	22,376	3,936	18%
Cost of goods manufactured	**7,751**	6,458	1,293	20%
General and administrative expenses	**3,166**	3,136	30	1%
Interest expense	**1,471**	1,538	(67)	(4%)
Cost of real estate sales	**715**	1,332	(617)	(46%)
Cost of rental	**162**	133	29	22%
	39,577	34,973	4,604	13%
INCOME BEFORE INCOME TAXES FROM CONTINUING OPERATIONS	**5,776**	4,046	1,730	43%
PROVISION FOR INCOME TAX	**773**	771	2	0%
NET INCOME	**5,003**	3,275	1,728	53%
ATTRIBUTABLE TO:				
Equity holders of the parent company	**4,071**	2,544	1,527	60%
Non-controlling interests	**932**	731	201	27%
	5,003	3,275	1,728	53%

GT Capital Holdings, Inc. ("GT Capital" or the "Parent Company" or the "Company") consolidated net income attributable to equity holders of the Parent Company increased by 60% from Php2.54 billion in the first quarter of 2020 to Php4.07 billion in the first quarter of 2021. The increase was principally due to the 16% growth in consolidated revenues with major growth registered in auto sales (+18%) and equity in net income of associates and joint ventures (+50%).

Core net income attributable to equity holders of the Parent Company grew by 19% from Php2.84 billion in the first quarter of 2020 to Php3.38 billion in the same period of 2021. Core net income in the first quarter of 2021 amounted to Php3.38 billion, after deducting the Php0.69 billion pro-rata non-recurring gains earned by Metro Pacific Investments Corporation (MPIC), net of the amortization of fair value adjustments arising from various business combinations. Core net income in the first quarter of 2020 amounted to Php2.84 billion, after adding back the Php0.30 billion pro-rata non-recurring expenses incurred by Metro Pacific Investments Corporation (MPIC) and amortization of fair value adjustments arising from various business combinations.

The financial statements of Federal Land Inc. ("Federal Land"), Toyota Motor Philippines Corporation ("TMP"), Toyota Manila Bay Corporation ("TMBC") and GT Capital Auto Dealership Holdings, Inc. ("GTCAD") are consolidated in the financial statements of the Group. The investments in other component companies Metropolitan Bank and Trust Company ("Metrobank"), Philippine AXA Life Insurance Corporation ("AXA Philippines"), TFSPC, Metro Pacific Investments Corporation ("MPIC") and Sumisho Motor Finance Corporation ("SMFC") are reported through equity accounting.

Of the nine (9) component companies, TMP, TMBC, GTCAD, Metrobank, and MPIC posted growth in net income for the period in review, while Federal Land, AXA Philippines, and SMFC reported declines in their respective net income. TFSPC incurred net losses for the period.

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts grew by 18% from Php32.78 billion in the first quarter of 2020 to Php38.62 billion in the same period of 2021 due to a 31% increase in wholesale volume from 25,636 units to 33,574 units.

Equity in net income of associates and joint ventures increased by 50% from Php2.68 billion in the first quarter of 2020 to Php4.01 billion in the same period of 2021 primarily due to increases in the net income of the following associates:

(1) Metrobank by 27% from Php6.12 billion to Php7.78 billion due to a significant decrease in provisions for credit and impairment losses; and
(2) MPIC by 272% from Php1.89 billion to Php7.0 billion in the first quarter of 2021 benefitting from the gain recognized from the sale of Global Business Power and Don Muang Tollways.

Real estate sales and interest income on real estate sales dropped by 30% from Php2.39 billion in the first quarter of 2020 to Php1.67 billion in the same period of 2021 as continued imposition of varying levels of community quarantine resulted in restrictions in construction and equity payments.

Rent income dropped by 17% from Php0.41 billion to Php0.34 billion primarily due to lower occupancy rate and rent concessions.

Sale of goods and services declined by 29% or Php49.72 million due to lower fuel sales and the lower sales of food franchises amid the community quarantine.

Commission income decreased by Php3.77 million from Php66.64 million in the first quarter of 2020 to Php62.87 million in the same period of 2021 due to a decline in booked sales of Federal Land arising also from the community quarantine.

Interest income dropped by 30% from Php60.76 million in the first quarter of 2020 to Php42.86 million in the same period of 2021 due to lower time deposit placements and lower placement rates in 2021.

Consolidated costs and expenses increased by 13% from Php34.97 billion in the first quarter of 2020 to Php39.58 billion in the same period of 2021. TMP contributed Php31.39 billion comprising cost of goods sold for manufacturing and trading activities, general and administrative expenses and interest expenses. TMBC contributed Php3.78 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. Federal Land contributed Php1.92 billion consisting of cost of real estate sales, cost of goods and services sold, general and administrative expenses, cost of rental and interest expenses. GTCAD accounted for the balance of Php1.29 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. GT Capital Parent Company contributed Php1.20 billion consisting of interest expenses and general and administrative expenses.

Cost of goods and services sold grew by 18% from Php22.38 billion to Php26.31 billion relative to the increase in automotive sales.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP increased by Php1.29 billion from Php6.46 billion to Php7.75 billion due to an increase in sales volume of assembled vehicles.

Cost of real estate sales dropped by 46% from Php1.33 billion to Php0.72 billion relative to the decrease in real estate sales of Federal Land.

Cost of rental increased by 22% from Php133.07 million to Php162.42 billion due to an increase in operating expenses incurred in the leasing business such as taxes and licenses, depreciation, maintenance and other overhead expenses.

Net income attributable to non-controlling interest increased by 27% from Php0.73 billion to Php0.93 billion due to an increase in net income of subsidiaries which are not wholly-owned.

Consolidated Statements of Financial Position- As of March 31, 2021 and As of December 31, 2020

GT CAPITAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	**Unaudited**	**Audited**	**Increase(Decrease)**	
(In Million Pesos, Except for Percentage)	**March 2021**	**December 2020**	**Amount**	**Percent**
ASSETS				
Current Assets				
Cash and cash equivalents	**12,546**	17,114	(4,568)	(27%)
Short-term investments	**83**	–	83	100%
Financial assets at fair value through profit or loss	**10,255**	3,709	6,546	176%
Receivables	**13,889**	18,833	(4,944)	(26%)
Contract assets	**5,950**	6,183	(233)	(4%)
Inventories	**73,146**	74,735	(1,589)	(2%)
Due from related parties	**652**	202	450	223%
Prepayments and other current assets	**12,640**	12,380	260	2%
Total Current Assets	**129,161**	133,156	(3,995)	(3%)
Noncurrent Assets				
Financial assets at fair value through other comprehensive income	**13,051**	12,740	311	2%
Receivables– net of current portion	**7,077**	7,048	29	0%
Contract assets – net of current portion	**6,598**	6,852	(254)	(4%)
Investment properties	**16,304**	16,253	51	0%
Investments in associates and joint ventures	**178,582**	184,757	(6,175)	(3%)
Property and equipment	**11,481**	11,612	(131)	(1%)
Goodwill and intangible assets	**9,941**	9,965	(24)	(0%)
Deferred tax assets	**1,429**	1,402	27	2%
Other noncurrent assets	**1,814**	1,195	619	52%
Total Noncurrent Assets	**246,277**	251,824	(5,547)	(2%)
	375,438	384,980	(9,542)	(2%)
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**28,880**	29,998	(1,118)	(4%)
Contract liabilities	**3,984**	4,006	(22)	(1%)
Short-term debt	**13,067**	28,007	(14,940)	(53%)
Current portion of long-term debt	**5,012**	5,012	–	0%
Current portion of liabilities on purchased properties	**615**	598	17	3%
Current portion of bonds payable	**4,997**	4,995	2	0%
Customers' deposits	**731**	506	225	44%
Dividends payable	**1,088**	589	499	85%
Due to related parties	**219**	515	(296)	(57%)
Income tax payable	**706**	472	234	50%
Other current liabilities	**813**	843	(30)	(4%)
Total Current Liabilities	**60,112**	75,541	(15,429)	(20%)
Noncurrent Liabilities				
Long-term debt – net of current portion	**99,104**	95,429	3,675	4%
Bonds payable	**10,068**	10,065	3	0%
Liabilities on purchased properties - net of current portion	**2,307**	2,657	(350)	(13%)
Pension liabilities	**1,963**	1,934	29	1%
Deferred tax liabilities	**3,322**	3,225	97	3%
Other noncurrent liabilities	**3,908**	3,944	(36)	(1%)
Total Noncurrent Liabilities	**120,672**	117,254	3,418	3%
	180,784	192,795	(12,011)	(6%)

(forward)

GT CAPITAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	Unaudited	Audited	Increase(Decrease)	
(In Million Pesos, Except for Percentage)	March 2021	December 2020	Amount	Percent
EQUITY				
Equity attributable to equity holders of the Parent Company				
Capital stock	**3,370**	3,370	–	0%
Additional paid-in capital	**98,827**	98,827	–	0%
Retained earnings				
Unappropriated	**82,659**	79,234	3,425	4%
Appropriated	**400**	400	–	0%
Other comprehensive loss	**(3,114)**	(853)	(2,261)	(265%)
Other equity adjustments	**2,322**	2,322	–	265%
	184,464	183,300	1,164	1%
Non-controlling interest	**10,190**	8,885	1,305	15%
Total Equity	**194,654**	192,185	2,469	1%
	375,438	384,980	(9,542)	(2%)

The major changes in GT Capital's consolidated balance sheet from December 31, 2020 to March 31, 2021 are as follows:

Consolidated assets decreased by 2% or Php9.54 billion from Php384.98 billion as of December 31, 2020 to Php375.44 billion as of March 31, 2021. Total liabilities decreased by 6% or Php12.01 billion from Php192.80 billion to Php180.78 billion while total equity increased by Php2.47 billion from Php192.19 billion to Php194.65 billion.

Cash and cash equivalents decreased by Php4.57 billion from Php17.11 billion to Php12.55 billion with TMP, GT Capital, Federal Land, TMBC and GTCAD accounting for Php5.00 billion, Php3.80 billion, Php3.20 billion, Php0.28 billion, Php0.27 billion, respectively.

Short-term investments pertain to GTCAD's short-term placements as of March 31, 2021.

Financial assets at fair value through profit or loss increased by Php6.55 billion from Php3.71 billion to Php10.26 billion due to additional investments in unit investment trust placement by the Parent Company.

Receivables – current dropped by 26% from Php18.83 billion to Php13.90 billion relative to the increase in credit sales during the period.

Due from related parties increased by Php0.45 billion due to higher management fee billings of Federal Land to its related parties.

Other non-current assets increased from Php1.20 billion to Php1.81 billion comprising long-term deposits, non-current input tax, derivative asset, non-current prepaid rent and other assets from Federal Land, (Php1.64 billion); TMP, (Php0.06 billion); TMBC, (Php0.01 billion); GTCAD, (Php0.01 billion); and GT Capital, (Php0.09 billion).

Short-term debt decreased by Php14.94 billion from Php28.01 billion to Php13.07 billion to payments made during the period.

Customers' deposit increased by 44% from Php0.51 billion to Php0.73 billion with TMP, TMBC, and GTCAD accounting for Php0.34 billion, Php0.35 billion, Php0.04 billion, respectively.

Dividends payable grew by Php0.50 billion from Php0.59 billion to Php1.09 billion due to dividends payable to common shareholders, offset by the payment of dividends to Perpetual Preferred Shares (Series A and B) dividends in January 2021.

Due to related parties decreased by Php0.30 billion from Php0.52 billion to Php0.22 billion due mainly from Federal Land's related parties.

Income tax payable increased by 50% from Php0.47 billion to Php0.71 billion due to the accrual of income tax computed for the quarter ending March 31, 2021 for remittance in May 2021, on top of the income tax computed for the 4th quarter of 2020 for remittance in April 2021.

Non-current portion of liabilities on purchased properties decreased by Php0.35 billion due to the reclassification to current portion and amortization of deferred financing cost.

Unappropriated retained earnings increased by Php3.43 billion from Php79.23 billion to Php82.66 billion mainly due to the Php4.07 billion consolidated net income earned attributable to Parent the Company in the first quarter of 2021, net of Php0.65 billion cash dividends declared.

Other comprehensive loss increased by Php2.26 billion from Php0.85 billion to Php3.11 billion primarily due to the marked-to-market losses on financial assets at Fair Value Other Comprehensive Income of the Group.

Non-controlling interest (NCI) increased by 15% from Php8.89 billion to Php10.19 billion mainly due to higher net income of subsidiaries which are not wholly-owned.

Key Performance Indicators (In Million Pesos, except %)

Income Statement	**March 31, 2020**	**March 31, 2021**
Total Revenues	39,019	45,353
Net Income attributable to GT Capital Holdings	2,544	4,071
Balance Sheet	**December 31, 2020**	**March 31, 2021**
Total Assets	384,980	375,438
Total Liabilities	192,795	180,784
Equity attributable to GT Capital Holdings	183,300	184,464
Return on Equity	4.06%*	7.29%*

** Core net income attributable to GT Capital's common stockholders divided by the average equity; where average equity is the sum of equity attributable to GT Capital's common stockholders at the beginning and end of the period/year divided by 2. December 31, 2020 is full year while March 31, 2021 is annualized.*

Automobile Assembly and Importation, Dealership and Financing

Toyota Motor Philippines (TMP)

	In Million Pesos, except for ratios		**Inc (Dec)**	**%**
	1Q 2020	**1Q 2021**		
Sales	28,773.2	33,924.3	5,151.1	17.9
Gross Profit	3,744.5	4,209.6	465.1	12.4
Operating Profit	1,982.4	2,287.1	304.7	15.4
Net income attributable to Parent	1,430.6	1,987.9	557.3	39.0
	FY 2020	**1Q 2021**		**%**
Total Assets	45,058.5	34,879.4	(10,179.1)	(22.6)
Total Liabilities	35,558.4	23,323.5	(12,234.8)	(34.4)
Total Equity	9,500.2	11,555.9	2,055.7	21.6
Total Liabilities to Equity ratio*	3.7x	2.0x		

**Total Liabilities to Equity ratio is a measure of the company's financial leverage which is calculated by dividing total liabilities by total equity*

TMP's consolidated sales increased from Php28.8 billion in the first quarter of 2020 to Php33.9 billion in the same period of 2020 as wholesales volume increased by 31.0% from 25,636 to 33,574 units. TMP's retail sales volume increased by 28.8% -- from 25,696 units to 33,095 units. Retail sales volume outperformed industry which increased by 5.5% from 70,730 to 74,585 units. As a result, TMP market share improved from 36.3% last year to 44.4% in 2021.

The year-on-year bookings grew as operations normalized. In 2020, TMP was affected by the Taal Volcano eruption in January and community quarantine restrictions which started in mid-March. Also, the demand for Passenger Cars was sustained from last year as public transportation remain limited in some areas.

Gross profit margin slightly declined from 12% to 11.4% in 2021 due to unfavorable model mix. Operating profit margin likewise declined due to shift in demand in favor of lower priced vehicles. Consolidated net income attributable to equity holders saw a 39.0% increase from Php1.4 billion to Php2.0 billion as volume recovered.

As of March 31, 2021, TMP directly owns seven (6) dealer outlets namely Toyota Makati with one (1) branch Toyota Bicutan, Toyota San Fernando in Pampanga with two (2) branches in Plaridel Bulacan and Toyota Tarlac in Tarlac City, Lexus Manila, situated in Bonifacio Global City, Taguig City.

Toyota Manila Bay Corporation (TMBC)

	In Million Pesos, except for ratios			
	1Q 2020	**1Q 2021**	**Inc (Dec)**	**%**
Net Sales	4,037.8	3,807.8	(230.0)	(5.7)
Gross Profit	338.8	349.2	10.4	3.1
Net Income*	12.7	44.6	31.9	251.2
	FY 2020	**1Q 2021**		
Total Assets	6,519.1	6,083.5	(435.6)	(6.7)
Total Liabilities	4,030.4	3,550.3	(480.1)	(11.9)
Total Equity	2,488.7	2,533.2	44.5	1.8

**Note: Includes booked commission income from insurance*

Consolidated sales, comprising of vehicle sales, spare parts and maintenance services, decreased by 5.7% from Php4.0 billion in the first quarter of 2020 to Php3.8 billion in the first quarter of 2021. The decline was driven by model mix as buyers shifted to lower priced models. Penetration rate declined from 11.7% in the first quarter of 2020 to 9.6% in the first quarter of 2021.

Retail sales volume increased by 6.0% from 2,996 to 3,175 units. Revenue from after sales services which accounts for 10.0% of revenues decreased by 12% in line with the decline in units serviced.

TMBC recorded a consolidated net income of Php12.7 million in the first quarter of 2020, growing 3.5x to Php44.6 million in the same period of 2021 due to improvement in margins.

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

Toyota Financial Services Philippines Corporation (TFSPC)

	In Million Pesos, except for ratios			
	1Q 2020	**1Q 2021**	**Inc (Dec)**	**%**
Gross Interest Income	1,845.8	2,042.2	196.4	10.6
Net Interest Income	913.7	976.3	62.6	6.8
Net Income	89.7	(76.8)	(166.5)	(185.6)
	1Q 2020	**1Q 2021**	**Inc (Dec)**	**%**
Total Assets	82,005.0	107,368.2	25,363.2	30.9
Total Equity	9,657.9	11,505.3	1,847.4	19.1
Finance Receivable	76,498.5	100,068.6	23,570.1	30.8

TFSPC recorded a 10.6% growth in gross interest income from Php1.8 billion to Php2.0 billion, as finance receivables increased by 30.8% from Php76.5 billion to Php100.1 billion on a year-on-year basis. Such increase was mainly driven by the growth in bookings.

Booking volume increased by 137.7% from 6,997 units to 16,635 units attributable to the underperformance in TMP's sales volume on the first quarter of 2020 brought about by the Taal eruption and community quarantine restrictions (mid-March). This resulted in a significant improvement in penetration rate from 27.2% to 50.3%.

TFSPC incurred a net loss of Php76.8 million due to the increase in provision for credit losses and higher ROPA losses on the first quarter of 2021.

Sumisho Motor Finance Corporation (SMFC)

	In Million Pesos, except for ratios			
	1Q 2020	**1Q 2021**	**Inc (Dec)**	**%**
Gross Interest Income	486.2	429.1	(57.1)	(11.7)
Net Interest Income	424.4	366.8	(57.6)	(13.6)
Net Income	110.9	26.1	(84.8)	(76.5)
	FY 2020	**1Q 2021**	**Inc (Dec)**	**%**
Total Assets	7,681.7	7,478.2	(203.5)	(2.6)
Total Equity	2,296.2	2,387.6	91.4	4.0
Finance Receivable	6,823.7	6,773.0	(50.7)	(0.7)

SMFC recorded 11.7% decline in gross interest income from Php486.2 million to Php429.1 million, as finance receivable declined by 0.7% from Php6.82 billion as of December 2020 to Php6.77 billion as of the first quarter of 2021. Bookings, likewise, declined by 3.4% from 13,552 to 13,088 units due to stiff competition in the Visayas region.

SMFC booked higher provisions for credit losses on the first quarter of 2021 arising from the continued community quarantine restrictions. This resulted in a 76.5% net income decline from Php110.9 million to Php26.1 million.

<u>Banking</u>

	In Billion Pesos, except for percentages and ratios			
	1Q 2020	**1Q 2021**	**Inc (Dec)**	**%**
Net income attributable to equity holders	6.1	7.8	1.7	27.1
Net interest margin on average earning assets	4.06%	3.52%		(0.5)
Operating efficiency ratio	52.7%	54.6%		1.9
Return on average assets	1.0%	1.3%		0.3
Return on average equity	8.0%	9.9%		1.9

	FY 2020	1Q 2021	Inc (Dec)	%
Total assets	2,455.2	2,372.5	(82.7)	(3.4)
Total liabilities	2,122.0	2,056.9	(65.1)	(3.1)
Equity attributable to equity holders of the parent company	324.2	306.6	(17.6)	(5.4)
Tier 1 capital adequacy ratio	19.3%	19.0%		(0.3)
Total capital adequacy ratio	20.2%	19.9%		(0.3)
Non-performing loans ratio	2.4%	2.4%		0
Non-performing loans coverage ratio	163.0%	166.0%		3.0

Notes:

(1) Operating efficiency ratio is the ratio of total operating expenses (excluding provisions for credit and impairment loss and income tax) to total operating income (excluding share in net income of associates and joint venture).

(2) Return on average asset is the net income attributable to equity holders of the parent company divided by the average total assets

(3) Return on average equity is the net income attributable to equity holders of the parent company divided by the average total equity attributable to equity holders of the parent company

(4) Capital adequacy ratios as of December 31, 2020 and March 31, 2021 were computed based on Basel III standards.

(5) Non-performing loans ratio is the ratio of net non-performing loans divided by total loans – excluding interbank loans.

(6) Non-performing loans coverage ratio is the ratio of the total allowance for probable losses on loans divided by gross non-performing loans.

Metrobank's consolidated net income increased by 27.1% from Php6.1 billion for the first quarter of 2020 to Php7.8 billion for the first quarter of 2021. Net interest income, however, declined by 11.1%, comprising 70.6% of total operating income. This was primarily driven by the contraction in net interest margin from 4.06% to 3.52% due to lower interest income from loans and receivables, and trading and investment securities. On the other hand, non-interest income continued to increase by 27.8% from Php6.2 billion for the first quarter of 2020 to Php7.9 billion for the first quarter of 2021 on account of the higher net trading and foreign exchange gains, partially offset by the 0.3% decline in service charges, fees and commissions.

As a result, operating income decreased by 2.4% from Php27.6 billion for the first quarter of 2020 to Php27.0 billion for the first quarter of 2021. The Bank set aside Php2.5 billion in provisions for credit and impairment losses, 50% lower versus the Php5.0 billion booked in the same period last year.

Total assets went down from Php2.46 trillion as of December 31, 2020 to Php2.37 trillion as of the first quarter of 2021 due to the decline in cash and other cash items, due from Bangko Sentral ng Pilipinas, interbank loans receivable and securities purchased under resale agreements, loans and receivables, and deferred tax assets, offset by the increases in investment securities and other assets.

Total liabilities also declined from Php2.12 trillion to Php2.06 trillion due to decreases in deposit liabilities, bills payable and securities sold under repurchase agreements, derivative liabilities, manager's checks and demand drafts outstanding, and income taxes payable.

Equity attributable to equity holders of the parent company declined by 5.4% from Php324.2 billion as of December 31, 2020 to Php306.6 billion as of the first quarter of 2021 primarily due to the Php18.0 billion total cash dividends paid by the Bank during the year.

Property Development

Federal Land Inc.

	In Million Pesos, except for percentages and ratios			
	1Q 2020	**1Q 2021**	**Inc(Dec)**	**%**
Real estate sales*	2,387.2	1,649.5	(737.7)	(30.9)
Revenues	3,253.7	2,420.0	(833.7)	(25.6)
Net income attributable to equity holders of the parent	374.6	327.3	(47.3)	(12.6)
	FY2020	**1Q 2021**	**Inc(Dec)**	**%**
Total assets	109,376.6	108,635.1	(741.5)	(0.7)
Total liabilities	72,431.3	71,360.3	(1,071.0)	(1.5)
Total equity attributable to equity holders of the parent	36,828.2	37,155.5	327.3	0.9
Current ratio[1]	2.0x	2.4x		
Debt to equity ratio[2]	1.3x	1.3x		

** Includes interest income on real estate sales*
Notes:

(1) Current ratio is the ratio of total current assets divided by total current liabilities.
(2) Debt to equity ratio is the ratio of total loans divided by total equity attributable to equity holders of the parent company

Federal Land's reservation sales amounted to Php3.5 billion in the first quarter of 2021, declining from a high base pre-pandemic of Php7.9 billion in the first quarter of 2020. However, in comparison with the fourth quarter of 2020, reservation sales posted a 20.1% increase as real estate demand gradually recovers.

Real estate sales and revenues decreased by 30.9% and 25.6%, respectively, due to the slower sales take-up of projects as an effect of the continuing community quarantine restrictions. Meanwhile, the decline in net income attributable to equity holders of the parent from Php0.4 billion in the first quarter of 2020 to Php0.3 billion in the first quarter of 2021 was mitigated by the booking of high-margin projects and the positive impact of CREATE law on taxes.

Total assets of Federal Land ended at Php108.6 billion as of March 31, 2021 from Php109.4 billion as of December 31, 2020 mainly due to the reduction in cash for the settlement of liabilities.

Life and Non-Life Insurance

Philippine AXA Life Insurance Corporation and Subsidiary (AXA Philippines)

The following are the major performance measures used by AXA Philippines and Subsidiary for the first quarter of 2020 and 2021.

In Million Pesos, except ratios	Consolidated			
	1Q 2020	1Q 2021	Inc (Dec)	%
Gross Premiums	9,457.8	12,521.9	3,064.1	32.4
Net income after tax	367.4	323.9	(43.5)	(11.8)
	FY 2020	1Q 2021	Inc (Dec)	%
Total Assets	153,914.9	152,969.7	(945.2)	(0.6)
Total Liabilities	141,849.2	141,603.0	(246.2)	(0.2)
Total Equity	12,065.7	11,366.8	(698.9)	(5.8)
In Million Pesos, except ratios	Life (Stand-alone)			
	1Q 2020	1Q 2021	Inc (Dec)	%
Gross Premiums	8,121.3	11,496.3	3,375.0	41.6
Net income after tax	355.3	511.6	156.3	44.0
	FY 2020	1Q 2021	Inc (Dec)	%
Total Assets	146,497.2	145,703.2	(794.0)	(0.5)
Total Liabilities	133,371.5	133,044.9	(326.6)	(0.2)
Total Equity	13,125.7	12,658.3	(467.4)	(3.6)
Solvency ratio[1]	270%	272%[2]		

Notes:

(1) Solvency ratio is calculated as the insurance company's net worth divided by the Risk-based Capital (RBC) requirement of the Insurance Commission based on Memorandum Circular (IMC) No. 6-2006. Net worth shall include the company's paid-up capital, contributed and contingency surplus, and unassigned surplus.

(2) As of February 2021

New business from life insurance expressed in Annualized Premium Equivalent increased by 14.0% from Php1.5 billion in the first quarter of 2020 to Php1.8 billion in the first quarter of 2021. This was driven by the strong growth in Single Premium by 86.2% on back of bargain hunting especially in dollar-denominated funds, partially offset by the 8.4% decline in Regular Premium. As a result, premium revenue reached Php11.5 billion in the first quarter of 2021, 41.6% higher than the previous year. The reported premium revenue mix of life insurance changed to 61%/39% (Single Premium vs. Regular Premium) in the first quarter of 2021 from 46%/54% in the first quarter of 2020. By distribution platform, bancassurance, sales agency and other channels accounted for 62%, 35% and 3% of premium revenues, respectively.

Gross written premiums of CPAIC declined from Php1.1 billion in the first quarter of 2020 to Php1.0 billion in the first quarter of 2021 as the pandemic continues to impact mobility and consumer spending.

Consolidated net income stood at Php0.3 billion in the first quarter of 2021, 11.8% lower than the first quarter of 2020 resulting from the lower earned premiums and higher property losses of CPAIC, partially offset by the positive net income performance of AXA Philippines stemming from lower unrealized losses in equities.

Infrastructure and Utilities

Metro Pacific Investments Corporation (MPIC)

	In Million Pesos, except for Percentage			
	1Q 2020	**1Q 2021**	**Inc (Dec)**	**%**
Core net income	3,430	2,539	(891)	(26)
Net income attributable to equity holders	1,890	7,032	5,142	272
	FY 2020	**1Q 2021**	**Inc (Dec)**	**%**
Total assets	617,796	574,649	(43,147)	(7)
Total liabilities	373,451	342,062	(31,387)	(8)
Total equity attributable to owners of Parent Company	184,858	188,105	3,245	2

MPIC's share in the consolidated operating core income decreased by 19% from Php4.7 billion for the first quarter of 2020 to Php3.8 billion for the first quarter of 2021 driven largely by economic contraction amid the COVID-19 pandemic. Specifically, the decline was driven by the following:

- Decreased commercial and industrial demand for power and water; Core net income contribution of Manila Electric Company (Meralco) and Maynilad Water Services (Maynilad) to MPIC was Php2.5 billion and Php0.5 billion, respectively;
- Reduced traffic on toll roads; Core net income contribution of Metro Pacific Tollways Corporation (MPTC) to MPIC was Php0.8 billion;
- Limited light rail services; Core net loss contribution of Light Rail Manila Corporation (LRMC) to MPIC was Php0.1 billion

Reported net income attributable to equity holders, however, rose by 272% from Php1.9 billion in the first quarter of 2020 to Php7.0 billion in the first quarter of 2021 due to the gain on sale of Global Business Power Corporation (Php4.6 billion) and Don Muang Tollways (Php1.1 billion). Excluding non-recurring income or expenses, MPIC reported a core net income of Php2.5 billion in the first quarter of 2021 from Php3.4 billion in the first quarter of 2020.

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

(i) Any known trends or any known demands, commitments, events, uncertainties that will result or that are reasonably likely in the Company's liquidity increasing or decreasing in any material way;

(ii) Any events that would trigger direct or contingent financial obligation (including contingent obligation) that is material to the Company, including any default or acceleration of an obligation except those disclosed in the notes to the financial statements;

(iii) Any material off balance sheet transactions, arrangements, obligations (including contingent obligations) and other relationships of the Company with unconsolidated entities or other persons created during the reporting period;

(iv) Any material commitments for capital expenditures, their purpose and sources of funds for such expenditures, except those discussed in the 2020 17A;

(v) Any known trends, events or uncertainties that have had or are reasonably expected to have a material favorable or unfavorable impact on net sales or revenues or income from continuing operations;

(vi) Any significant elements of income or loss that did not arise from the Company's continuing operations;

(vii) The causes of any material change from period to period including vertical and horizontal analysis of any material item, the causes of material changes are discussed in the Item 2, Management's Discussion & Analysis of Financial Condition and Results of operations under Part I - Financial Information ; and

(viii) Any seasonal aspects that had a material effect on financial condition or results of operation of the Company

GT CAPITAL HOLDINGS, INC.
AGING OF ACCOUNTS RECEIVABLE
IN MILLION PESOS
AS OF MARCH 31, 2021

Number of Days	Amount
Less than 30 days	**Php837**
30 days to 60 days	**852**
61 days to 90 days	**501**
91 days to 120 days	**175**
Over 120 days	**499**
Current	**11,025**
Impaired	**484**
Noncurrent receivables	**7,077**
Total	**Php21,450**

PART II – OTHER INFORMATION

I. Control of Registrant

The following stockholders own more than 5% of the total issued and outstanding common shares of the Company as of March 31, 2021:

Name Of Stockholder	Total Number Of Shares Held	Percent To Total Number Of Shares Issued
Grand Titan Capital Holdings, Inc.	120,413,658	55.932%
PCD Nominee-Non Filipino	48,972,621	22.748%
PCD Nominee-Filipino	45,156,701	20.975%

II. Board Resolutions

There is no material disclosure that have not been reported under SEC Form 17-C during the period covered by this report.

SIGNATURES

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

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

Signature and Title:

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

Francisco H. Suarez, Jr.
Chief Finance Officer

Date: May 17, 2021

GT CAPITAL
HOLDINGS, INCORPORATED

GT Capital Holdings, Inc. and Subsidiaries

Interim Condensed Consolidated Financial Statements
As of March 31, 2021 (Unaudited) and December 31, 2020 (Audited) and for the quarters ended March 31, 2021 and 2020 (Unaudited)

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Millions)

	Unaudited March 31, 2021	Audited December 31, 2020
ASSETS		
Current Assets		
Cash and cash equivalents	**₱12,546**	₱17,114
Short-term investments	**83**	–
Financial assets at fair value through profit or loss (FVTPL)	**10,255**	3,709
Receivables	**13,889**	18,833
Contract assets	**5,950**	6,183
Inventories	**73,146**	74,735
Due from related parties	**652**	202
Prepayments and other current assets	**12,640**	12,380
Total Current Assets	**129,161**	133,156
Noncurrent Assets		
Financial assets at fair value through other comprehensive income (FVOCI)	**13,051**	12,740
Receivables – net of current portion	**7,077**	7,048
Contract assets – net of current portion	**6,598**	6,852
Investment properties	**16,304**	16,253
Investments in associates and joint ventures	**178,582**	184,757
Property and equipment	**11,481**	11,612
Goodwill and intangible assets	**9,941**	9,965
Deferred tax assets	**1,429**	1,402
Other noncurrent assets	**1,814**	1,195
Total Noncurrent Assets	**246,277**	251,824
	₱375,438	₱384,980
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	**₱28,880**	₱29,998
Contract liabilities	**3,984**	4,006
Short term debt	**13,067**	28,007
Current portion of long-term debt	**5,012**	5,012
Current portion of liabilities on purchased properties	**615**	598
Current portion of bonds payable	**4,997**	4,995
Customers' deposits	**731**	506
Dividends payable	**1,088**	589
Due to related parties	**219**	515
Income tax payable	**706**	472
Other current liabilities	**813**	843
Total Current Liabilities	**60,112**	75,541
Noncurrent Liabilities		
Long-term debt – net of current portion	**99,104**	95,429
Bonds payable	**10,068**	10,065
Liabilities on purchased properties - net of current portion	**2,307**	2,657
Pension liabilities	**1,963**	1,934
Deferred tax liabilities	**3,322**	3,225
Other noncurrent liabilities	**3,908**	3,944
Total Noncurrent Liabilities	**120,672**	117,254
	180,784	192,795

(forward)

	Unaudited March 31, 2021	Audited December 31, 2020
EQUITY		
Equity attributable to equity holders of the Parent Company		
Capital stock	**₱3,370**	₱3,370
Additional paid-in capital	**98,827**	98,827
Retained earnings		
Unappropriated	**82,659**	79,234
Appropriated	**400**	400
Other comprehensive loss	**(3,114)**	(853)
Other equity adjustments	**2,322**	2,322
	184,464	183,300
Non-controlling interest	**10,190**	8,885
Total Equity	**194,654**	192,185
	₱375,438	₱384,980

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Millions, Except Earnings Per Share)

	UNAUDITED	
	Quarters Ended March 31	
	2021	**2020**
REVENUE		
Automotive operations	**₱38,621**	₱32,780
Equity in net income of associates and joint ventures	**4,013**	2,675
Real estate sales and interest income on real estate sales	**1,668**	2,387
Rent income	**341**	413
Sale of goods and services	**122**	171
Commission income	**63**	67
Interest income	**43**	61
Other income	**482**	465
	45,353	39,019
COST AND EXPENSES		
Cost of goods and services sold	**26,312**	22,376
Cost of goods manufactured	**7,751**	6,458
General and administrative expenses	**3,166**	3,136
Interest expense	**1,471**	1,538
Cost of real estate sales	**715**	1,332
Cost of rental	**162**	133
	39,577	34,973
INCOME BEFORE INCOME TAXES	**5,776**	4,046
PROVISION FOR INCOME TAX	**773**	771
NET INCOME	**₱5,003**	₱3,275
ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**₱4,071**	₱2,544
Non-controlling interests	**932**	731
	₱5,003	₱3,275
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	**₱18.23**	₱11.13

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Millions)

	UNAUDITED	
	Quarters Ended March 31	
	2021	2020
NET INCOME	**₱5,003**	₱3,275
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that may be reclassified to profit or loss in subsequent periods:		
Changes in cumulative translation adjustments	**2**	3
Changes in cash flow hedge reserves	**8**	(2)
Equity in other comprehensive income of associates:		
Cash flow hedge reserves	**127**	57
Remeasurement on life insurance reserves	**(55)**	(82)
Translation adjustments	**(198)**	33
Other equity adjustments	**(21)**	–
	(137)	9
Items that may not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of financial assets at FVOCI	**834**	(1,815)
Equity in changes in fair value of financial assets at FVOCI of associates	**(2,882)**	(2,089)
Remeasurement of defined benefit plans	–	(1)
Equity in remeasurement of defined benefit plans of associates	**(97)**	(933)
Income tax effect	**29**	280
	(2,116)	(4,558)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	**(2,253)**	(4,549)
TOTAL COMPREHENSIVE INCOME (LOSS), NET OF TAX	**₱2,750**	(₱1,274)
ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**₱1,810**	(₱2,009)
Non-controlling interests	**940**	735
	₱2,750	(₱1,274)

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF MARCH 31, 2021 AND 2020 (UNAUDITED)
(In Millions)

	Equity Attributable to Equity Holders of the Parent Company								
	Capital Stock	**Additional Paid-in Capital**	**Unappropriated Retained Earnings**	**Appropriated Retained Earnings**	**Other Comprehensive Income (Loss)**	**Other Equity Adjustment**	**Total**	**Non-controlling Interests**	**Total**
At January 1, 2021	**₱3,370**	**₱98,827**	**₱79,234**	**₱400**	**(₱853)**	**₱2,322**	**₱183,300**	**₱8,885**	**₱192,185**
Total comprehensive income	–	–	**4,071**	–	**(2,261)**	–	**1,810**	**940**	**2,750**
Dividends declared	–	–	**(646)**	–	–	–	**(646)**	–	**(646)**
NCI share on acquisition of new subsidiaries	–	–	–	–	–	–	–	**365**	**365**
At March 31, 2021	**₱3,370**	**₱98,827**	**₱82,659**	**₱400**	**(₱3,114)**	**₱2,322**	**₱184,464**	**₱10,190**	**₱194,654**

	Equity Attributable to Equity Holders of the Parent Company								
	Capital Stock	Additional Paid-in Capital	Unappropriated Retained Earnings	Appropriated Retained Earnings	Other Comprehensive Income (Loss)	Other Equity Adjustment	Total	Non-controlling Interests	Total
At January 1, 2020	₱3,370	₱98,827	₱74,569	₱400	(₱2,019)	₱2,322	₱177,469	₱11,851	₱189,320
Total comprehensive income	–	–	2,544	–	(4,553)	–	(2,009)	735	(1,274)
Dividends declared	–	–	–	–	–	–	–	(15)	(15)
Reversal of appropriation	–	–	–	–	–	–	–	–	–
At March 31, 2020	₱3,370	₱98,827	₱77,113	₱400	(6,572)	₱2,322	₱175,460	₱12,571	₱188,031

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)

	Unaudited	
	Quarters Ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱5,776**	₱4,046
Adjustments for:		
Interest expense	**1,471**	1,538
Depreciation and amortization	**629**	603
Pension expense	**80**	48
Provision for impairment losses	**34**	14
Gain on disposal of property and equipment	**(3)**	(2)
Unrealized gain on financial assets at FVTPL	**(5)**	(22)
Unrealized foreign exchange losses (gain)	**3**	(62)
Interest income	**(461)**	(529)
Equity in net income of associates and joint ventures	**(4,013)**	(2,675)
Operating income before changes in working capital	**3,511**	2,959
Decrease (increase) in:		
Short-term investments	**(83)**	(49)
Receivables	**4,954**	4,786
Contract assets	**487**	(778)
Due from related parties	**(450)**	–
Inventories	**2,260**	(3,243)
Financial assets at FVTPL	**(6,534)**	441
Prepayments and other current assets	**(260)**	(168)
Increase (decrease) in:		
Accounts and other payables	**(800)**	5,595
Contract liabilities	**(22)**	(2)
Customers' deposits	**225**	186
Due to related parties	**(296)**	(24)
Other current liabilities	**(31)**	(957)
Cash provided by operations	**2,961**	8,746
Interest received	**381**	509
Interest paid	**(1,248)**	(1,546)
Contributions to pension plan	**(48)**	–
Dividends received	**7,055**	2,035
Dividends paid	**(147)**	(162)
Income taxes paid	**(468)**	(570)
Net cash provided by operating activities	**8,486**	9,012
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	**3**	2
Additions to:		
Property and equipment	**(1,049)**	(70)
Investments in associates and joint ventures	**–**	(1,247)
Intangible assets	**(3)**	(18)
Investment properties	**(156)**	–
Impact of business combination	**50**	–
Increase in other noncurrent asset	**(623)**	(229)
Net cash used in investing activities	**(1,778)**	(1,562)

	Unaudited	
	Quarters Ended March 31	
	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan availments	**₱6,705**	₱12,247
Payment of loans payable	**(17,429)**	(5,821)
Payment of bonds payable	**–**	(3,900)
Payment of liabilities on purchased properties	**(333)**	(286)
Increase (decrease) in other noncurrent liabilities	**(581)**	901
Acquisition of noncontrolling interests	**365**	–
Net cash (used in) provided by financing activities	**(11,273)**	3,141
Effect of exchange rate changes on cash and cash equivalents	**(3)**	62
NET INCREASE IN CASH AND CASH EQUIVALENTS	**(4,568)**	10,653
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**17,114**	12,133
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱12,546**	₱22,786

GENERAL NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. **Corporate Information**

GT Capital Holdings, Inc. (GT Capital or 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).

Group Activities

The Parent Company, Federal Land, Inc. (Federal Land) and Subsidiaries (Federal Land Group), Toyota Motor Philippines Corporation (Toyota or TMPC) and Subsidiaries (Toyota Group), Toyota Manila Bay Corp. (TMBC) and Subsidiary (TMBC Group) and GT Capital Auto Dealership Holdings, Inc. (GTCAD) and Subsidiaries (GTCAD Group) are collectively referred herein as the “Group”. The Parent Company, which is the ultimate parent of the Group, the holding company of the Federal Land Group (real estate business), Toyota Group (automotive business), TMBC Group (automotive business) and GTCAD (automotive business) is engaged in investing, purchasing and holding shares of stock, notes and other securities and obligations.

The principal business interests of the Federal 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 Federal 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.

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

TMBC Group 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 principal business interests of GTCAD are to invest in, purchase, or otherwise acquire and own, hold, use, sell, assign, transfer, lease, mortgage, exchange, develop, or otherwise dispose of real or personal property of every kind and description, including shares of stocks, bonds, debentures, notes, evidences of indebtedness, and other securities or obligations of any auto dealership or other 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 Parent Company also has significant shareholdings in Metropolitan Bank & Trust Company (MBTC or Metrobank), Metro Pacific Investments Corporation (MPIC), Philippine AXA Life Insurance Corporation (AXA Philippines or Phil AXA), Toyota Financial Services Philippines Corporation (TFSPC) and Sumisho Motor Finance Corporation (SMFC).

The registered office address of the Parent Company is at the 43rd Floor, GT Tower International, Ayala Avenue corner H.V. Dela Costa Street, 1227 Makati City.

2. Summary of Significant Accounting Policies

Basis of Preparation

The accompanying interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standards (PAS) 34 Interim Financial Reporting. Accordingly, the interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited financial statements and should be read in conjunction with the Group's annual audited financial statements as at December 31, 2020.

The interim condensed consolidated financial statements of the Group have been prepared using the historical cost basis except for financial assets at fair value through profit or loss (FVTPL), financial assets at fair value through other comprehensive income (FVOCI) and derivative financial instruments, which have been measured at fair value. The Group's interim condensed consolidated financial statements are presented in Philippine Peso (₱), the Parent Company's functional currency. All values are rounded to the nearest million pesos (₱000,000) unless otherwise indicated.

Statement of Compliance

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

Presentation of Financial Statements

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

Basis of Consolidation

The interim condensed consolidated financial statements of the Group comprise the financial statements of the Parent Company and the following domestic subsidiaries:

		Percentages of Ownership	
	Country of Incorporation	**March 31, 2021**	December 31, 2020
Federal Land and Subsidiaries	Philippines	**100.00**	100.00
Toyota and Subsidiaries	-do-	**51.00**	51.00
TMBC and Subsidiaries	-do-	**58.10**	58.10
GTCAD and Subsidiaries	-do-	**100.00**	100.00

Federal Land's Subsidiaries

	Percentages of Ownership	
	2021	2020
Horizon Land Property and Development Corp. (HLPDC)	**100.00**	100.00
Federal Property Management Corp. (FPMC)	**100.00**	100.00
Federal Land Orix Corporation (FLOC)	**100.00**	100.00
Topsphere Realty Development Company Inc. (TRDCI)	**100.00**	100.00
Bonifacio Landmark Hotel Management Corporation (BLHMC)	**100.00**	100.00
Fed South Dragon Corporation (FSDC)	**100.00**	100.00
Federal Retail Holdings, Inc. (FRHI)	**100.00**	100.00
Magnificat Resources Corp. (MRC)	**100.00**	100.00
Central Realty and Development Corp. (CRDC)	**75.80**	75.80
Federal Brent Retail, Inc. (FBRI)	**51.66**	51.66

Toyota's Subsidiaries

	Percentages of Ownership	
	2021	2020
Toyota Makati, Inc. (TMI)	**100.00**	100.00
Toyota Sta. Rosa Laguna, Inc. (TSRLI)	**–**	100.00
Toyota Motor Philippines Logistics, Inc. (TLI)	**100.00**	100.00
Lexus Manila, Inc. (LMI)	**75.00**	75.00
Toyota San Fernando Pampanga, Inc. (TSFI)	**55.00**	55.00

On December 29, 2020, GTCAD and Toyota Corolla Sapporo Philippines Holdings, Inc. (TCSPHI) entered into a Share Sale and Purchase Agreement with TMPC. TMPC agreed to sell and transfer its 5,000,000 shares of TSRLI shares with a par value of ₱100.00 per share, representing in the aggregate 100% of the total issued and outstanding voting shares of TSRLI, to GTCAD and TCSPHI. 60% of the sale shares equivalent to 3,000,000 shares will be sold and transferred to GTCAD and the remaining 40% or 2,000,000 shares will be sold and transferred to TCSPHI. The said agreement shall enter into force and effect on January 1, 2021.

TMBC's Subsidiaries

	Percentages of Ownership	
	2021	2020
Oxfordshire Holdings, Inc. (OHI)	**100.00**	100.00
TMBC Insurance Agency Corporation (TIAC)	**100.00**	100.00

GTCAD's Subsidiaries

	Percentages of Ownership	
	2021	2020
Toyota Subic, Inc. (TSI)	**55.00**	55.00
GT Mobility Ventures, Inc. (GTMV)	**66.67**	66.67
Toyota Sta. Rosa Laguna, Inc. (TSRLI)*	**60.00**	–

** Refer to the narratives on Toyota Subsidiaries' above.*

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. 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 interim condensed consolidated statements of income, interim condensed consolidated statements of comprehensive income, interim condensed consolidated statements of changes in equity and within equity in the interim condensed consolidated statements 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 interim condensed consolidated statements 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 interim condensed 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 interim condensed consolidated financial statements of the Group at the acquisition date.

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized either in the interim condensed consolidated statements of income or as changes to other comprehensive income. If the contingent consideration is classified as equity, it shall not be 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 is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that if known, would have affected the amounts recognized as at that date. The measurement period is the period from the date of acquisition to the date the Group receives complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one (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 interim condensed consolidated statements of income as 'Gain on bargain purchase'.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss is recognized immediately in the interim condensed consolidated 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 or loss and are 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 interest and NCI are adjusted by the Group to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Parent Company.

Significant Accounting Policies / Changes in Accounting Policies

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual audited consolidated financial statements as of and for the year ended December 31, 2020.

Significant accounting judgments and estimates of the Group have been disclosed in the 2020 audited financial statements.

3. Cash and cash equivalents

This account consists of:

	March 31, 2021	March 31, 2020	December 31, 2020
Cash on hand	**₱19**	₱12	₱23
Cash in banks and other financial institution	**3,807**	16,571	5,394
Cash equivalents	**8,720**	6,203	11,697
	₱12,546	₱22,786	₱17,114

4. Investments

Financial assets at fair value through profit or loss (FVTPL)

This pertains to the Parent Company's investments in Unit Investment Trust Fund (UITF) as of March 31, 2021.

Financial assets at fair value through other comprehensive income (FVOCI)

This pertains mainly to the Parent Company's investment in common shares of Toyota Motor Corporation (TMC).

5. Investments in subsidiaries, associates and joint ventures

Investment in MBTC

On various dates in 2020, the Parent Company acquired an aggregate of 22.11 million common shares of Metrobank for a total consideration of ₱1.24 billion. This increased the Parent Company's ownership interest in Metrobank from 36.65% to 37.15%.

The following table summarizes cash dividends declared and paid by the Group's associates and joint ventures (amount in millions, except for dividend per share):

	Declaration Date	**Per Share**	**Total**	**Record Date**	**Payment Date**
2021					
MBTC	February 17, 2021	₱4.00	₱17,990	March 5, 2021	March 18, 2021
MPIC	March 3, 2021	0.076	2,331	March 18, 2021	March 31, 2021
2020					
MPIC	August 5, 2020	0.0345	1,086	August 20, 2020	September 3, 2020
MBTC	February 19, 2020	1.00	4,497	March 6, 2020	March 20, 2020
MPIC	February 26, 2020	0.076	2,399	March 12, 2020	March 20, 2020
SMFC	June 26, 2020	8.88	178	June 26, 2020	July 17, 2020

6. **Loans Payable**

This account consists of:

	March 31, 2021				
		Long-term debt			
	Short-term debt	**Corporate notes**	**Loans payable**	**Subtotal**	**Total**
Parent Company	**₱–**	**₱–**	**₱67,200**	**₱67,200**	**₱67,200**
Federal Land Group	**10,432**	**965**	**35,267**	**36,232**	**46,664**
Toyota Group	**1,460**	**–**	**246**	**246**	**1,706**
TMBC Group	**975**	**–**	**824**	**824**	**1,799**
GTCAD Group	**200**	**–**	**–**	**–**	**200**
	13,067	**965**	**103,537**	**104,502**	**117,569**
Less: Deferred financing cost	**–**	**–**	**386**	**386**	**386**
	13,067	**965**	**103,151**	**104,116**	**117,183**
Less: Current portion of long-term debt	**–**	**25**	**4,987**	**5,012**	**5,012**
	₱13,067	**₱940**	**₱98,164**	**₱99,104**	**₱112,171**

	December 31, 2020				
		Long-term debt			
	Short-term debt	Corporate notes	Loans payable	Subtotal	Total
Parent Company	₱–	₱–	₱67,765	₱67,765	₱67,765
Federal Land Group	15,012	965	30,999	31,964	46,976
Toyota Group	12,025	–	246	246	12,271
TMBC Group	885	–	863	863	1748
GTCAD Group	85	–	–	–	85
	28,007	965	99,873	100,838	128,845
Less: Deferred financing cost	–	–	397	397	397
	28,007	965	99,476	100,441	128,448
Less: Current portion of long-term debt	–	25	4,987	5,012	5,012
	₱28,007	₱940	₱94,489	₱95,429	₱123,436

7. **Bonds Payable**

This account consists of the following Peso Bonds:

			Carrying Value	
Maturity Dates	Interest rate	Par Value	**March 31, 2021**	December 31, 2020
₱10.0 billion Bonds				
February 27, 2023	5.0937%	6,100	**₱6,085**	₱6,083
		6,100	**6,085**	6,083
₱12.0 billion Bonds				
August 7, 2021	5.1965%	5,000	**4,997**	4,995
August 7, 2024	5.6250%	4,000	**3,983**	3,982
		9,000	**8,980**	8,977
		15,100	**₱15,065**	₱15,060

Unamortized debt issuance costs on these bonds amounted to ₱34.79 million and ₱39.93 million as of March 31, 2021 and December 31, 2020, respectively.

10.0 billion GT Capital bonds due 2020, 2023
The ₱3.90 billion bonds with maturity date of February 27, 2020 were paid. This was refinanced in February 2020 with a long-term loan from a non-affiliated local bank.

12.0 billion GT Capital bonds due 2019, 2021, 2024
The ₱3.00 billion bonds with maturity date of November 7, 2019 were paid. This was refinanced in November 2019 with a long-term loan from a non-affiliated local bank.

8. **Equity**

Retained earnings
Details of the Parent Company's dividend distributions to preferred shareholders 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
Voting preferred shares				
May 21, 2020	₱0.00377	₱0.66	June 5, 2020	June 19, 2020
March 26, 2019	0.00377	0.66	April 10, 2019	April 25, 2019
Perpetual Preferred Shares				
Series A				
December 15, 2020	11.57475	56.01	January 4, 2021	January 27, 2021
December 15, 2020	11.57475	56.01	April 5, 2021	April 27, 2021
December 15, 2020	11.57475	56.01	July 5, 2021	July 27, 2021
December 15, 2020	11.57475	56.01	October 4, 2021	October 27, 2021
November 26, 2019	11.57475	56.01	January 3, 2020	January 27, 2020
November 26, 2019	11.57475	56.01	April 3, 2020	April 27, 2020
November 26, 2019	11.57475	56.01	July 3, 2020	July 27, 2020
November 26, 2019	11.57475	56.01	October 5, 2020	October 27, 2020

Series B				
December 15, 2020	₱12.73725	₱91.21	January 4, 2021	January 27, 2021
December 15, 2020	12.73725	91.21	April 5, 2021	April 27, 2021
December 15, 2020	12.73725	91.21	July 5, 2021	July 27, 2021
December 15, 2020	12.73725	91.21	October 4, 2021	October 27, 2021
November 26, 2019	12.73725	91.21	January 3, 2020	January 27, 2020
November 26, 2019	12.73725	91.21	April 3, 2020	April 27, 2020
November 26, 2019	12.73725	91.21	July 3, 2020	July 27, 2020
November 26, 2019	12.73725	91.21	October 5, 2020	October 27, 2020

Details of the Parent Company's dividend distributions to common shareholders out of the Parent Company's retained earnings as approved by the Parent Company's BOD follow:

Date of declaration	Per share	Total amount	Record date	Payment date
May 21, 2020	₱3.00	₱645.85	June 5, 2020	June 19, 2020
May 21, 2020*	3.00	645.85	June 5, 2020	June 19, 2020
March 26, 2019	3.00	598.01	April 10, 2019	April 25, 2019

**Special cash dividends.*

Other Comprehensive Loss

Other comprehensive loss consists of the following, net of applicable income taxes:

	March 31, 2021	March 31 2020	December 31, 2020
Net unrealized loss on remeasurement of retirement plan	**(₱448)**	(₱291)	(₱448)
Net unrealized gain (loss) on financial assets at FVOCI	**2,184**	(819)	1,357
Cash flow hedge reserve	**(44)**	(55)	(51)
Cumulative translation adjustments	**(9)**	–	(10)
Equity in other comprehensive income of associates:			
Equity in net unrealized gain on financial assets at FVOCI	**1,263**	97	4,145
Equity in remeasurement on life insurance reserves	**(400)**	(64)	(346)
Equity in cash flow hedge reserves	**(188)**	(144)	(316)
Equity in net unrealized loss on remeasurement of retirement plan	**(1,814)**	(2,110)	(1,745)
Equity in cumulative translation adjustments	**(3,664)**	(3,192)	(3,466)
Equity in other equity adjustments	**6**	6	27
	(₱3,114)	(₱6,572)	(₱853)

The movements and analysis of the other comprehensive loss are presented in the interim condensed consolidated statements of comprehensive income.

9. **Related Party Transactions**

Parties are considered to be related if one party has the ability, directly, or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities. These related parties include subsidiaries, associates, joint venture, 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, joint venture and other related parties principally consisting of cash advances for reimbursement of expenses, merger and acquisitions and capital infusion, leasing agreements, management agreements and dividends received from associates. Transactions with related parties are made at normal market prices.

As of March 31, 2021 and December 31, 2020, outstanding balances are unsecured and settlement occurs generally in cash, except otherwise indicated. There have been no guarantees provided or received for any related party receivables or payables. The Group does not provide any allowance relating to receivable from related parties. This assessment is undertaken each financial year through examining the financial position of the related parties and the markets in which the related parties operate.

10. **Basic/Diluted Earnings Per Share**

The basic/diluted earnings per share attributable to equity holders of the Parent Company for the periods indicated were computed as follows:

	March 31, 2021	March 31, 2020	December 31, 2020
a.) Net income attributable to equity holders of the Parent Company	**₱4,071**	₱2,544	₱6,546
b.) Effect of dividends declared to voting and perpetual preferred shareholders of the Parent Company	**(147)**	(147)	(589)
c.) Net income attributable to common shareholders of the Parent Company	**3,924**	2,397	5,957
d.) Weighted average number of outstanding common shares of the Parent Company	**215**	215	215
e.) Basic/diluted earnings per share, (c / d)	**₱18.23**	₱11.13	₱27.67

Basic earnings per share (EPS) is computed by dividing net income for the year attributable to common shareholders of the Parent Company by the weighted average number of common shares outstanding during the year after giving retroactive effect to stock dividends declared and exercised during the year. Basic and diluted earnings per share are the same due to the absence of dilutive potential common shares.

11. **Operating Segments**

Segment Information

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

- Real estate is engaged in real estate and leasing, development and selling of properties of every kind and description, as well as ancillary trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintenance of a petroleum service station, engaging in food and restaurant service and acting as a marketing agent for and in behalf of any real estate development company or companies;
- Financial institutions are engaged in the banking and insurance industry;
- Automotive operations is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of automobiles including automobile parts, accessories, and instruments; and
- Infrastructure is engaged in the water distribution, toll operation, power sector, hospitals and rail;
- 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.

There were no revenue transactions with a single external customer which accounted for 10% or more of the consolidated revenue from external customers. Intragroup transactions were eliminated during consolidation.

Seasonality of Operations

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

Segment Assets

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

Segment Liabilities

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

The following tables present the financial information of the operating segments of the Group as of and for the quarter ended March 31, 2021 and as of and for the year ended December 31, 2020:

	March 31, 2021					
	Real Estate	Financial Institution	Automotive Operations	Infra Structure	Others	Total
Revenue	₱1,250	₱–	₱38,622	₱–	₱–	₱39,872
Other income	742	–	550	–	(285)	1,007
Equity in net income of associates and joint ventures	4	2,913	–	1,096	–	4,013
	1,996	2,913	39,172	1,096	(285)	44,892
Cost of goods and services sold	94	–	26,218	–	–	26,312
Cost of goods manufactured and sold	–	–	7,751	–	–	7,751
Cost of rental	159	–	–	–	3	162
Cost of real estate sales	715	–	–	–	–	715
General and administrative expenses	657	–	2,451	–	58	3,166
	1,625	–	36,420	–	61	38,106
Earnings before interest and taxes	371	2,913	2,752	1,096	(346)	6,786
Depreciation and amortization	131	–	496	–	2	629
EBITDA	502	2,913	3,248	1,096	(344)	7,415
Interest income	409	–	31	–	21	461
Interest expense	(294)	–	(62)	–	(1,115)	(1,471)
Depreciation and amortization	(131)	–	(496)	–	(2)	(629)
Pretax income	486	2,913	2,721	1,096	(1,440)	5,776
Provision for income tax	(106)	–	(664)	–	(3)	(773)
Income after tax	₱380	₱2,913	₱2,057	₱1,096	(₱1,443)	₱5,003
Segment assets	₱101,816	₱129,452	₱55,293	₱36,982	₱51,895	₱375,438
Segment liabilities	₱66,397	₱–	₱29,546	₱–	₱84,841	₱180,784

	December 31, 2020					
	Real Estate	Financial Institution	Automotive Operations	Infra structure	Others	Total
Revenue	₱4,646	₱–	₱113,975	₱–	₱2,983	₱121,604
Other income	3,022	–	1,041	–	375	4,438
Equity in net income of associates and	(300)					
joint venture		5,826	–	829	–	6,355
	7,368	5,826	115,016	829	3,358	132,397
Cost of goods and services sold	358	–	76,121	–	–	76,479
Cost of goods manufactured and sold	–	–	23,554	–	–	23,554
Cost of rental	580	–	–	–	9	589
Cost of real estate sales	3,157	–	–	–	963	4,120
General and administrative expenses	2,534	–	10,043	–	455	13,032
	6,629	–	109,718	–	1,427	117,774
Earnings before interest and taxes	739	5,826	5,298	829	1,931	14,623
Depreciation and amortization	529	–	1,979	–	9	2,517
EBITDA	1,268	5,826	7,277	829	1,940	17,140
Interest income	1,833	–	154	–	36	2,023
Interest expense	(1,379)	–	(447)	–	(4,497)	(6,323)
Depreciation and amortization	(529)	–	(1,979)	–	(9)	(2,517)
Pretax income	1,193	5,826	5,005	829	(2,530)	10,323
Provision for income tax	(370)	–	(1,564)	–	(52)	(1,986)
Net income from continuing operations	823	5,826	3,441	829	(2,582)	8,337
Net income from discontinued operations	–	–	–	–	–	–
Net income	₱823	₱5,826	₱3,441	₱829	(₱2,582)	₱8,337
Segment assets	₱102,768	₱136,111	₱65,464	₱36,465	₱44,172	₱384,980
Segment liabilities	₱66,241	₱–	₱41,853	₱–	₱84,701	₱192,795

Geographical Information

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

	March 31, 2021	March 31, 2020	December 31, 2020
Domestic	**₱43,270**	₱37,329	₱128,346
Foreign	**2,083**	1,690	6,073
	₱45,353	₱39,019	₱134,419

12. 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, financial assets at FVOCI, financial assets at FVTPL, accounts and other payables, due to/from related parties, loans payable and derivative asset.

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

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

The 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 respective financing and treasury functions focus on managing financial risks and activities as well as providing optimum investment yield and cost-efficient funding for the Group.

Credit risk

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

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

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

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

As of March 31, 2021 and December 31, 2020, 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 collateral is greater than the carrying value of the installment contracts receivable.

Liquidity risk

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

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

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

	March 31, 2021 (Unaudited)			
	< 1 year	**> 1 to < 5 years**	**> 5 years**	**Total**
Financial assets				
Cash and cash equivalents*	**₱12,528**	**₱–**	**₱–**	**₱12,528**
Short-term investment	**83**	**–**	**–**	**83**
Receivables	**14,578**	**7,078**	**–**	**21,656**
Due from related parties	**651**	**–**	**–**	**651**
Financial assets at FVTPL				
Investments in UITF	**10,255**	**–**	**–**	**10,255**
Financial assets at FVOCI				
Equity securities				
Quoted	**–**	**–**	**12,810**	**12,810**
Unquoted	**–**	**–**	**241**	**241**
Total undiscounted financial assets	**₱38,095**	**₱7,078**	**₱13,051**	**₱58,224**
Other financial liabilities				
Accounts and other payables	**₱24,735**	**₱1,218**	**₱–**	**25,953**
Dividends payable	**1,088**	**–**	**–**	**1,088**
Loans payable	**22,776**	**52,897**	**70,972**	**146,645**
Bonds payable	**5,627**	**10,912**	**–**	**16,539**
Due to related parties	**219**	**–**	**–**	**219**
Liabilities on purchased properties	**615**	**3,506**	**1,831**	**5,952**
Derivative liabilities	**–**	**44**	**–**	**44**
Total undiscounted financial liabilities	**₱55,060**	**₱68,577**	**₱72,803**	**₱196,440**
Liquidity Gap	**(₱16,965)**	**(₱61,499)**	**(₱59,752)**	**(₱138,216)**

**Excludes cash on hand amounting to ₱18.70 million.*

	December 31, 2020			
	< 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents*	₱17,092	₱–	₱–	₱17,092
Receivables	20,125	6,434	–	26,559
Due from related parties	202	–	–	202
Financial assets at FVTPL				
Investments in UITF	3,709	–	–	3,709
Financial assets at FVOCI				
Equity securities				
Quoted	–	–	12,499	12,499
Unquoted	–	–	241	241
Total undiscounted financial assets	₱41,128	₱6,434	₱12,740	₱60,302
Other financial liabilities				
Accounts and other payables	₱25,858	₱1,140	₱–	₱26,998
Dividends payable	589	–	–	589
Loans payable	37,908	52,688	72,000	162,596
Bonds payable	5,692	11,046	–	16,738
Due to related parties	515	–	–	515
Liabilities on purchased properties	598	1,169	3,718	5,485
Derivative liabilities	–	51	–	51
Total undiscounted financial liabilities	₱71,160	₱66,094	₱75,718	₱212,972
Liquidity Gap	(₱30,032)	(₱59,660)	(₱62,978)	(₱152,670)

**Excludes cash on hand amounting to ₱23.46 million.*

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

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

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

13. **Fair Value Measurement**

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

Cash and cash equivalents and short-term cash investments
The fair value of cash and cash equivalents approximate the carrying amounts at initial recognition due to the short-term maturities of 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% to12.00% as of March 31, 2021 and December 31, 2020. For the long-term loan receivable, the Group used discounted cash flow analyses to measure the fair value of the loan and determined that the carrying amount of the loans receivable was not materially different from its calculated fair value.

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

Financial assets at FVTPL
These pertain to the Group's investment in UITFs. UITFs are ready-made investments that allow pooling of funds from different investors with similar investments objectives. These UITFs are managed by professional fund managers and may be invested in various financial instruments such as money market securities, bonds and equities, which are normally available to large investors only. A UITF uses the mark-to-market method in valuing the fund's securities.

Financial assets at FVOCI – unquoted
The fair value of unquoted equity securities is estimated based on the market data approach that makes use of market multiples derived from a set of comparables. Multiples were determined that is most relevant to assessing the value of unquoted securities (e.g., earnings, book value). The selection of the appropriate multiple within the range is based on qualitative and quantitative factors specific to the measurement.

Financial assets at FVOCI – quoted
The fair value of quoted equity securities is based on the quoted market prices or binding dealer price quotations, without any deduction for transaction cost.

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

Loans payable
Current portion of loans payable approximates its fair value due to its short-term maturity. Long-term portion of loans payable subjected to quarterly repricing is not discounted. Estimated fair value of long-term loans payable with fixed interest rates are discounted based on interest rates ranging from 0.085% to 7.35% as of March 31, 2021 and December 31, 2020.

Derivative asset/Derivative liability
The fair value of the interest rate swap is derived using acceptable valuation methods. The valuation assumptions are based on market conditions existing at the financial reporting date.

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

Liabilities on purchased properties
Estimated fair value was based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date. Long-term payable was incurred in 2017 and 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 interim condensed consolidated statements of financial position and related notes approximate their respective fair values.

	March 31, 2021 (Unaudited)				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	**₱10,255**	**₱–**	**₱10,255**	**₱–**	**₱10,255**
Financial assets at FVOCI					
Quoted equity securities	**12,810**	**12,810**	**–**	**–**	**12,810**
	₱23,065	**₱12,810**	**₱10,255**	**₱–**	**₱23,065**
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	**₱334**	**₱–**	**₱–**	**₱338**	**₱338**
Loans receivables	**7,347**	**–**	**–**	**7,347**	**7,347**
Non-financial Assets					
Investment in listed associates	**157,668**	**92,501**	**–**	**–**	**92,501**
Investment properties	**16,303**	**–**	**–**	**34,992**	**34,992**
	₱181,652	**₱92,501**	**₱–**	**₱42,677**	**₱135,178**
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liability	**₱44**	**₱–**	**₱44**	**₱–**	**₱44**
	₱44	**₱–**	**₱44**	**₱–**	**₱44**
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Lease Liabilities	**₱28**	**₱–**	**₱–**	**₱28**	**₱28**
Liabilities on purchased properties	**2,922**	**–**	**–**	**2,922**	**2,922**
Loans payable	**117,183**	**–**	**–**	**126,172**	**126,172**
Bonds payable	**15,065**	**15,570**	**–**	**–**	**15,570**
	₱135,198	**₱15,570**	**₱–**	**₱129,122**	**₱144,692**

	December 31, 2020 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	₱3,709	₱–	₱3,709	₱–	₱3,709
Financial assets at FVOCI					
Quoted equity securities	12,499	12,499	–	–	12,499
Other noncurrent assets					
Derivative asset	–	–	–	–	–
	₱16,208	₱12,499	₱3,709	₱–	₱16,208
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	₱347	₱–	₱–	₱351	₱351
Loans receivables	7,219	–	–	7,876	7,876
Non-financial Assets					
Investment in listed associates	163,730	102,915	–	–	102,915
Investment properties	16,253	–	–	34,837	34,837
	₱187,549	₱102,915	₱–	₱43,064	₱145,979
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liability	₱51	₱–	₱51	₱–	₱51
	₱51	₱–	₱51	₱–	₱51
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	₱3,255	₱–	₱–	₱5,581	5,581
Lease liabilities	24	–	–	24	24
Loans payable	128,448	–	–	136,116	136,116
Bonds payable	15,060	15,465	–	–	15,465
	₱146,787	₱15,465	₱–	₱141,721	₱157,186

As of March 31, 2021 and December 31, 2020, 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.

14. **Contingent Liabilities**

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

In addition, in order to partially guarantee the completion of Federal Land's ongoing projects, the Parent Company issued Letters of Guarantee (LG) in favor of Housing and Land Use Regulatory Board for a total guarantee amount of ₱3.00 billion and ₱3.45 billion as of March 31, 2021 and December 31, 2020, respectively.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE PERIODS ENDED MARCH 31, 2021 AND MARCH 31, 2020 (UNAUDITED)

(Amounts in millions except ratio and %)	**2021**	2020
Liquidity Ratio		
Current ratio	**2.15**	2.25
Current assets	**₱129,161**	₱127,027
Current liabilities	**60,112**	56,346
Solvency Ratio		
Total liabilities to total equity ratio	**0.93**	0.94
Total liabilities	**180,784**	176,924
Total equity	**194,654**	188,031
Debt to equity ratio	**0.69**	0.69
Total debt	**135,168**	130,226
Total equity	**194,654**	188,031
Asset to Equity Ratio		
Asset to equity ratio	**1.93**	1.94
Total assets	**375,438**	364,955
Total Equity	**194,654**	188,031
Interest Rate Coverage Ratio*		
Interest rate coverage ratio	**4.61**	3.29
Earnings before interest and taxes (EBIT)	**6,786**	5,055
Interest expense	**1,471**	1,538
Profitability Ratio		
Return on average assets	**1.07%**	0.70%
Net income attributable to Parent Company	**4,071**	2,544
Total assets	**375,438**	364,955
Average assets	**380,209**	361,305
Return on Average Equity**	**2.28%**	1.45%
Net income attributable to Parent Company (Common)	**3,923**	2,396
Equity attributable to Parent Company (Common)	**172,651**	163,647
Average equity attributable to Parent Company	**172,240**	164,823

**computed as EBIT/Interest Expense*
***based on actual year-to-date*