GT CAPITAL
HOLDINGS, INCORPORATED

May 15, 2020

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

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

Subject: Submission of 17Q Report as of March 31, 2020

Gentlemen /Mesdames:

In line with the reportorial requirements of the Securities Regulation Code and the Revised Disclosure Rules, we hereby submit the attached 2020 First Quarter Report on SEC Form 17-Q.

Very truly yours,

Francisco H. Suarez, Jr.
Chief Finance Officer

COVER SHEET

CS200711792

S.E.C. Registration Number

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

(Company's Full Name)

GT TOWER INTERNATIONAL, AYALA AVENUE CORNER H.V. DELA COSTA STREET, MAKATI CITY

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

FH Suarez, Jr. / RP Manon-og

Contact Person

8836-4500

Company Telephone Number

12 31

Month Day

Fiscal Year

17-Q

FORM/TYPE

2nd Wednesday in May of each year

Month Day

Annual Meeting

NA

Secondary License Type, If Applicable

SEC General Accountant &

CFD

Dept. Requiring this Doc.

NA

Amended Articles Number/Section

As of March 31, 2020

85

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned.

File Number

Document I.D.

LCU

Cashier

STAMPS

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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, 2020**

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: Php19 Billion Bonds*

Title of Each Class	Amount of Debt Outstanding
Corporate Retail Bonds	**Php15.0 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, 2020 and For the Quarter Ended March 31, 2019

GT CAPITAL CONSOLIDATED STATEMENTS OF INCOME	**UNAUDITED Quarter Ended**		**Increase (Decrease)**	
(In millions, except for Percentage)	**2020**	**2019 (Restated)**	**Amount**	**Percent**
REVENUE				
Automotive operations	**32,780**	38,766	(5,986)	(15%)
Real estate sales and interest income on real estate sales	**2,387**	1,797	590	33%
Equity in net income of associates and joint ventures	**2,675**	3,287	(612)	(19%)
Rent income	**413**	303	110	36%
Sale of goods and services	**171**	176	(5)	(3%)
Commission income	**67**	73	(6)	(8%)
Interest income	**61**	124	(63)	(51%)
Other income	**465**	401	64	16%
	39,019	44,927	(5,908)	(13%)
COST AND EXPENSES				
Cost of goods and services sold	**22,376**	26,815	(4,439)	(17%)
Cost of goods manufactured	**6,458**	7,675	(1,217)	(16%)
General and administrative expenses	**3,136**	2,790	346	12%
Interest expense	**1,538**	1,286	252	20%
Cost of real estate sales	**1,332**	1,117	215	19%
Cost of rental	**133**	111	22	20%
	34,973	39,794	(4,821)	(12%)
INCOME BEFORE INCOME TAXES FROM CONTINUINGOPERATIONS	**4,046**	5,133	(1,087)	(21%)
PROVISION FOR INCOME TAX	**771**	899	(128)	(14%)
NET INCOME FROM CONTINUING OPERATIONS	**3,275**	4,234	(959)	(23%)
NET INCOME FROM DISCONTINUED OPERATIONS	**–**	225	(225)	(100%)
NET INCOME	**3,275**	4,459	(1,184)	(27%)
ATTRIBUTABLE TO:				
Equity holders of the parent company				
Profit for the year from continuing operations	**2,544**	3,308	(764)	(23%)
Profit for the year from discontinued operations	**–**	115	(115)	(100%)
	2,544	3,423	(879)	(26%)
Non-controlling interests				
Profit for the year from continuing operations	**731**	926	(195)	(21%)
Profit for the year from discontinued operations	**–**	110	(110)	(100%)
	731	1,036	(305)	(29%)
	3,275	4,459	(1,184)	(27%)

GT Capital Holdings, Inc. ("GT Capital" or the "Parent Company" or the "Company") consolidated net income attributable to equity holders of the Parent Company dropped by 26% from Php3.42 billion in the first quarter of 2019 to Php2.54 billion in the first quarter of 2020. The decline was principally due to decline in consolidated revenues with decreases registered in automotive operations and in equity in net income of associates and joint venture.

Core net income attributable to equity holders of the Parent Company declined by 15% from Php3.35 billion for the first quarter of 2019 to Php2.84 billion in the same period of 2020. Core net income for the first quarter of 2020 amounted to Php2.84 billion, after adding back the Php0.30 billion non-recurring expenses incurred by Metro Pacific Investments Corporation (MPIC) and amortization of fair value adjustments arising from various business combinations. Core net income for the first quarter of 2019 amounted to Php3.35 billion, after deducting the P0.12 billion income from discontinued operations and adding back the Php0.05 billion amortization of fair value adjustments arising from various business combinations and non-recurring expenses incurred by MPIC.

The financial statements of Federal Land, TMP, 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"), Toyota Financial Services Philippines Corporation ("TFSPC"), Metro Pacific Investments Corporation ("MPIC") and Sumisho Motor Finance Corporation ("SMFC") are reported through equity accounting.

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

Automotive operations comprising the sale of assembled and imported auto vehicles and spare parts decreased by 15% from Php38.77 billion in the first quarter of 2019 to Php32.78 billion in the first quarter of 2020 due to a 21% drop in wholesale volume from 32,394 units to 25,636 units.

Real estate sales and interest income on real estate sales grew by 33% from Php1.80 billion in the first quarter of 2019 to Php2.39 billion in the first quarter of 2020.

Equity in net income of associates and joint ventures declined by 19% from Php3.29 billion in the first quarter of 2019 to Php2.68 billion in the first quarter of 2020 primarily due to decreases in the net income of the following associates:

(1) Metrobank by 9.3% from Php6.75 billion to Php6.12 billion partially mitigated by increased ownership from 36.36% in the first quarter of 2019 to 37.15 % in the first quarter of 2020 due to a significant increase in provisions for credit and impairment losses;
(2) MPIC by 47.5% from Php3.54 billion to Php1.86 billion due to non-core expenses primarily the provisioning in full of the carrying value of Meralco's investment in Pacific Light Power; and
(3) AXA Philippines by 54% from Php0.81 billion to Php0.37 billion due to unrealized equity losses in the life insurance business.

Rent income mainly from the GT Tower International office building, Blue Bay Walk, Met One and Florida Sun Estates increased by 36% from Php0.33 billion to Php0.41 billion.

Commission income decreased by Php6.52 million from Php73.16 million in the first quarter of 2019 to Php66.64 million in the first quarter of 2020 due to the a decline in booked sales from Grand Hyatt Residences of Federal Land.

Interest income dropped by 51% from Php123.61 million in the first quarter of 2019 to Php60.76 million in the first quarter of 2020 due to lower time deposit placements in 2020.

Other income grew by Php64 million from Php0.40 billion to Php0.47 billion with: (1) Federal Land contributing Php0.17 billion comprising real estate forfeitures, management fees and other income; (2) TMP contributing Php0.16 billion consisting of ancillary income, foreign exchange gain and other income;(3) TMBC contributing Php0.10 billion consisting of ancillary income on finance and insurance commissions and other income. The remaining balance of Php0.04 billion came from GT Capital and GTCAD.

Consolidated costs and expenses decreased by 12% from Php39.79 billion in the first quarter of 2019 to Php34.97 billion in the first quarter of 2020. TMP contributed Php26.66 billion comprising cost of goods sold for manufacturing and trading activities, general and administrative expenses and interest expenses. TMBC contributed Php4.07 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses. Federal Land contributed Php2.72 billion consisting of cost of real estate sales, cost of goods and services sold, general and administrative expenses, cost of rental and interest expenses. GT Capital Parent Company contributed Php1.24 billion consisting of interest expenses and general and administrative expenses. GTCAD accounted for the balance of Php0.28 billion consisting of cost of goods and services sold, general and administrative expenses and interest expenses.

Cost of goods and services sold dropped by 17% from Php26.82 billion to Php22.38 billion relative to the decline in automotive sales.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP declined by Php1.22 billion from Php7.68 billion to Php6.46 billion due to a decline in sales volume of assembled vehicles from 10,934 units to 9,365 units.

General and administrative expenses grew by 12% from Php2.79 billion to Php3.14 billion. TMP accounted for Php1.83 billion consisting of salaries and wages, taxes and licenses, advertisements and promotional expenses, and delivery and handling expenses. Federal Land accounted for Php0.76 billion composed of salaries and wages, commission expenses, taxes and licenses and outside services. TMBC contributed Php0.40 billion representing salaries and wages, commission expenses, taxes and licenses and advertisements and promotional expenses. GT Capital contributed Php0.12 billion representing salaries, professional fees and taxes and licenses. The remaining balance of Php0.03 million came from GTCAD's salaries and wages, commission expenses, depreciation expense and advertisements and promotional expenses.

Interest expenses increased by 20% from Php1.29 billion in the first quarter of 2019 to Php1.54 billion in the first quarter of 2020 with GT Capital, Federal Land, TMP, TMBC and GTCAD accounting for Php1.11 billion, Php0.35 billion, Php0.04 billion, Php0.03 billion and Php0.01 billion, respectively.

Cost of real estate sales increased by 19% from Php1.12 billion to Php1.33 billion relative to the increase in real estate sales of Federal Land.

Cost of rental increased by 20% from Php0.11 billion to Php0.13 billion due to an increase in operating expenses incurred in the leasing business such as depreciation, maintenance and other overhead expenses.

Provision for income tax declined by 14% from Php0.90 billion to Php0.77 billion due to the lower taxable income in the first quarter of 2020 vis-à-vis the same period in 2019.

Net income from discontinued operations of Php225 million in 2019 pertains to the income earned by Property Company of Friends, Inc., which was disposed in said year.

Net income attributable to non-controlling interest decreased by 29% from Php1.04 billion to Php0.73 billion due to a decline in the net income of subsidiaries which are not wholly-owned.

Consolidated net income attributable to equity holders of the Parent Company decreased by 26% from Php3.42 billion in the first quarter of 2019 to Php2.54 billion in the same period of 2020.

Consolidated Statements of Financial Position- As of March 31, 2020 and As of December 31, 2019

GT CAPITAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	**Unaudited**	**Audited**	**Increase (Decrease)**	
(In Million Pesos, Except for Percentage)	**March 2020**	**December 2019**	**Amount**	**Percent**
ASSETS				
Current Assets				
Cash and cash equivalents	**22,786**	12,133	10,653	88%
Short-term investments	**49**	–	49	100%
Financial assets at fair value through profit or loss	**4,286**	4,698	(412)	(9%)
Receivables	**8,226**	13,382	(5,156)	(39%)
Contract assets	**5,419**	5,095	324	6%
Inventories	**75,468**	72,189	3,279	5%
Due from related parties	**209**	209	–	0%
Prepayments and other current assets	**10,584**	10,416	168	2%
Total Current Assets	**127,027**	118,122	8,905	8%
Noncurrent Assets				
Financial assets at fair value through other comprehensive income	**10,789**	12,373	(1,584)	(13%)
Receivables– net of current portion	**3,805**	3,421	384	11%
Contract assets – net of current portion	**6,010**	5,556	454	8%
Investment properties	**15,196**	15,347	(151)	(1%)
Investments in associates and joint ventures	**177,234**	178,059	(825)	(0%)
Property and equipment	**12,743**	13,159	(416)	(3%)
Goodwill and intangible assets	**10,032**	10,040	(8)	(0%)
Deferred tax assets	**1,155**	1,141	14	1%
Other noncurrent assets	**964**	436	528	121%
Total Noncurrent Assets	**237,928**	239,532	(1,604)	(1%)
	364,955	357,654	7,301	2%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**31,048**	25,234	5,814	23%
Contract liabilities	**4,550**	4,553	(3)	(0%)
Short-term debt	**12,495**	12,890	(395)	(3%)
Current portion of long-term debt	**4,974**	4,974	–	0%
Current portion of liabilities on purchased properties	**432**	432	–	0%
Current portion of bonds payable	–	3,899	(3,899)	(100%)
Customers' deposits	**745**	560	185	33%
Dividends payable	**442**	589	(147)	(25%)
Due to related parties	**180**	204	(24)	(12%)
Income tax payable	**1,077**	875	202	23%
Other current liabilities	**403**	1,371	(968)	(71%)
Total Current Liabilities	**56,346**	55,581	765	1%

GT CAPITAL CONSOLIDATED STATEMENTS OF FINANCIAL POSITION	Unaudited	Audited	Increase (Decrease)	
(In Million Pesos, Except for Percentage)	March 2020	December 2019	Amount	Percent
Noncurrent Liabilities				
Long-term debt – net of current portion	**94,213**	87,149	7,064	8%
Bonds payable	**15,045**	15,040	5	0%
Liabilities on purchased properties - net of current portion	**3,067**	3,352	(285)	(9%)
Pension liabilities	**1,271**	1,222	49	4%
Deferred tax liabilities	**3,448**	3,138	310	10%
Other noncurrent liabilities	**3,534**	2,852	682	24%
Total Noncurrent Liabilities	**120,578**	112,753	7,825	7%
	176,924	168,334	8,590	5%
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	**77,113**	74,569	2,544	3%
Appropriated	**400**	400	–	0%
Other comprehensive loss	**(6,572)**	(2,019)	(4,553)	226%
Other equity adjustments	**2,322**	2,322	–	0%
	175,460	177,469	(2,009)	(1%)
Non-controlling interest	**12,571**	11,851	720	6%
Total Equity	**188,031**	189,320	(1,289)	(1%)
	364,955	357,654	7,301	2%

The major changes in GT Capital's consolidated balance sheet from December 31, 2019 to March 31, 2020 are as follows:

Consolidated assets increased by 2% or Php7.30 billion from Php357.65 billion as of December 31, 2019 to Php364.96 billion as of March 31, 2020. Total liabilities increased by 5% or Php8.59 billion from Php168.33 billion to Php176.92 billion while total equity decreased by 1% or Php1.29 billion from Php189.32 billion to Php188.03 billion.

Cash and cash equivalents increased by Php10.65 billion from Php12.13 billion to Php22.79 billion with TMP, GT Capital-Parent Company, Federal Land, TMBC and GTCAD accounting for Php13.37 billion, Php4.44 billion, Php4.39 billion, Php0.38 billion, Php0.21 billion, respectively.

Short-term investments increased by 100% or Php49.00 million mainly from short-term money market placements of TMP.

Financial assets at fair value through profit or loss declined by Php0.41 billion from Php4.70 billion to Php4.29 billion due to Php0.43 billion partial withdrawal of unit investment trust placement.

Receivables – current dropped by 39% from Php13.38 billion to Php8.23 billion due to collections received during the period.

Contract assets-current increased by 6% from Php5.10 billion to Php5.42 billion due to the excess of the progress of work over the right to an amount of consideration that is unconditional.

Inventories increased by Php3.28 billion from Php72.19 billion to Php75.47 billion attributable to higher inventory level from TMP arising from lower sales. .

Financial assets at fair value through other comprehensive income (FVOCI) declined by 13% or Php1.58 billion due to the MTM loss on investments in shares of stock.

Non-current receivables increased by 11% from Php3.42 billion to Php3.51 billion due to an increase in long-term receivables of Federal Land.

Non-current contract assets increased by Php0.45 billion from Php5.56 billion to Php6.01 billion due to the excess of the progress of work over the right to an amount of consideration that is unconditional.

Other non-current assets more than doubled from Php0.44 billion to Php0.96 billion comprising long-term deposits, non-current input tax, derivative asset, non-current prepaid rent and other assets from Federal Land, (Php0.74 billion); TMP, (Php0.15 billion); GTCAD, (Php0.04 billion); TMBC, (Php0.02 billion); and GT Capital, (Php0.01 billion).

Accounts and other payables increased by Php5.81 billion from Php25.23 billion to Php31.05 billion with TMP, Federal Land , TMBC, GT Capital and GTCAD accounting for Php22.83 billion, Php6.36 billion, Php1.45 billion, Php0.33 billion, Php0.08 billion, respectively.

Current portion of bonds payable decreased by Php3.90 billion due to full settlement of bonds payable in February 2020.

Customers' deposit increased by Php0.18 billion from Php0.56 billion to Php0.74 billion with TMP, TMBC, and GTCAD accounting for Php0.36 billion, Php0.35 billion, Php0.03 billion, respectively.

Dividends payable decreased by 25% from Php0.59 billion to Php0.44 billion due to GT Capital's payment of cash dividends on perpetual preferred shares in the first quarter of 2020.

Due to related parties decreased by Php24.32 million from Php204.10 million to Php179.78 million mainly Federal Land's related parties.

Income tax payable grew by 23% from Php0.88 billion to Php1.08 billion due to the recognition of income tax payable for the three-month period ending March 2020.

Other current liabilities declined by Php0.97 billion from Php1.37 billion to Php0.40 billion primarily due to the settlement of withholding tax and output tax as of December 31, 2019 which were paid in the first quarter of 2020.

Non-current portion of long-term debt grew by 8% from Php87.15 billion to Php94.21 billion due to new loan availments by GT Capital – Parent and Federal Land during the period.

Non-current portion of liabilities on purchased properties decreased by 9% or Php0.29 billion due to partial settlement made during the period.

Deferred tax liabilities increased by 10% from Php3.14 billion to Php3.45 billion mostly pertaining to Federal Land.

Other noncurrent liabilities grew by 24% or Php0.68 billion mainly due to deferred output VAT on sales of GT Capital Parent.

Unappropriated retained earnings increased by Php2.54 billion from Php74.57 billion to Php77.11 billion mainly due to the Php2.54 billion consolidated net income earned attributable to Parent Company in the first three (3) months of 2020.

Other comprehensive loss increased by Php4.55 billion from Php2.02 billion to Php6.57 billion primarily due to the MTM losses on financial assets at FVOCI of the Group.

Non-controlling interest (NCI) increased by 6% from Php11.85 billion to Php12.57 billion attributable to the NCI share on net income during the period for subsidiaries which are not wholly-owned.

Key Performance Indicators (In Million Pesos, except %)

Income Statement	**March 31, 2019**	**March 31, 2020**
Total Revenues	44,927	39,019
Net Income attributable to GT Capital Holdings	3,423	2,544
Balance Sheet	**December 31, 2019**	**March 31, 2020**
Total Assets	357,654	364,955
Total Liabilities	168,334	176,924
Equity attributable to GT Capital Holdings	177,469	175,460
Return on Equity	9.78%*	5.86%*

** 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, 2019 is full year while March 31, 2020 is annualized.*

Automobile Assembly and Importation, Dealership and Financing

Toyota Motor Philippines (TMP)

	In Million Pesos, except for ratios		**Inc (Dec)**	**%**
	1Q 2020	**1Q 2020**		
Sales	33,751.3	28,773.2	(4,978.0)	(14.7)
Gross Profit	4,059.6	3,744.5	(315.0)	(7.8)
Operating Profit	2,454.3	1,982.4	(471.9)	(19.2)
Net income attributable to Parent	1,782.4	1,430.6	(351.7)	(19.7)
	FY 2019	**1Q 2020**		**%**
Total Assets	38,750.9	44,988.4	6,237.5	16.1
Total Liabilities	23,142.4	27,911.6	4,769.1	20.6
Total Equity	15,608.4	17,076.8	1,468.4	9.4
Total Liabilities to Equity ratio*	1.5x	1.6x		

**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 slightly declined from Php33.8 billion in the first quarter of 2019 to Php28.8billion in the first quarter of 2020 as wholesales volume contracted by 20.9% from 32,394 to 25,636 units. TMPs' retail sales volume also decreased by 23.4% from 35,554 units to 25,686 units. Retail sales volume outperformed the industry which declined by 27.0% from 96,920 to 70,730 units. As a result, TMP overall market share improved from 34.6% in 2019 to 36.3% in 2020.

The year-on-year decline was largely due to lower vehicle sales volume caused by the Taal Volcano eruption in January and the Enhanced Community Quarantine (ECQ) implemented in the second half of March. The top selling vehicles for the period are the Vios, Hiace, Innova, Hilux, and Rush.

Gross profit margin slightly improved from 9.3% to 9.4% due to a selective price increase implemented in January and favorable model mix. Operating profit margin, however, declined due to lower revenues. As a result, consolidated net income attributable to equity holders saw a 19.7% decline from Php1.8 billion to Php1.4 billion.

As of March 31, 2020, TMP directly owns seven (7) 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 and Toyota Santa Rosa, situated in Sta. Rosa, Laguna.

Toyota Manila Bay Corporation (TMBC)

	In Million Pesos, except for ratios			
	1Q 2019	**1Q 2020**	**Inc (Dec)**	**%**
Net Sales	4,652.4	4,021.5	(630.9)	(13.6)
Gross Profit	340.2	338.2	(2.0)	(0.6)
Net Income*	31.8	11.9	(20.0)	(62.8)
	FY 2019	**1Q 2020**		
Total Assets	7,731.5	6,827.2	(904.3)	(11.7)
Total Liabilities	5,233.4	4,317.2	(916.2)	(17.5)
Total Equity	2,498.1	2,510.0	11.9	0.5

**Note: Includes booked commission income from insurance*

Consolidated sales, comprising vehicle sales, spare parts and maintenance services, decreased by 13.6% from Php4.7 billion in the first quarter of 2019 to Php4.0 billion in the first quarter of 2020. The decline was driven significantly by the ECQ which required TMBC to close its 5 dealer outlets from the third week of March up to the present. Penetration rate improved from 10.7% in the first quarter of 2019 to 11.7% in the first quarter of 2020 as TMBC retail sales volume sales declined at a slower pace of 16.8% vis-a-vis Toyota retail sales volume which fell by 23.4%.

The decline in retail sales volume from 3,600 to 2,996 units resulted in a 12.9% decline in vehicle sales revenue. Sales from spare parts and maintenance services, accounting for a combined 10.6% of revenues, decreased by 16.1% chiefly due to the ECQ.

Consolidated net income decreased by 62.8% from Php31.8 million in 1Q 2019 to Php11.9 million in 1Q 2020 due to lower revenues for the period.

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 2019	**1Q 2020**	**Inc (Dec)**	**%**
Gross Interest Income	1,716.2	1,845.8	129.6	7.6%
Net Interest Income	755.2	913.7	158.5	21.0%
Net Income	170.8	89.7	(81.1)	(47.5%)
	1Q 2019	**1Q 2020**	**Inc (Dec)**	**%**
Total Assets	84,757.6	82,005.0	(2,752.5)	(3.2%)
Total Equity	9,580.4	9,657.93	77.5	0.8%
Finance Receivable	68,773.3	76,498.5	7,725.2	11.2%

TFSPC recorded a modest 7.6% growth in gross interest income from Php1.7 billion to Php1.8 billion, as finance receivables increased by 11.2% from Php68.8 billion to Php76.5 billion on a year-on-year basis.

Booking volume declined by 11.7% from 7,920 units to 6,996 units attributable to the underperformance in TMP's sales volume brought about by the ECQ in March 2020. This, however, resulted in an improved penetration rate from 23.6% to 27.2%.

Net income was at Php89.7 million due to the increase in provision for credit losses in March caused by the ECQ.

Sumisho Motor Finance Corporation (SMFC)

	In Million Pesos, except for ratios			
	1Q 2019	**1Q 2020**	**Inc (Dec)**	**%**
Gross Interest Income	360.7	486.2	125.6	34.8%
Net Interest Income	323.4	424.4	101.0	31.2%
Net Income	89.5	110.9	21.4	23.9%
	FY 2019	**1Q 2020**	**Inc (Dec)**	**%**
Total Assets	7,124.5	7,447.0	322.5	4.5%
Total Equity	2,521.1	2,632.0	110.9	4.4%
Finance Receivable	6,854.7	7,084.1	229.5	3.3%

SMFC recorded a 34.8% growth in gross interest income from Php0.4 billion to Php0.5 billion, as finance receivable increased modestly by 3.3% from Php6.9 billion to Php7.1 billion on a year-on-year basis. Bookings, however, declined by 15.3% from 16,000 units to 13,552 units due to the ECQ in March 2020. This outperformed the strong performance of the Philippine motorcycle industry, which fell by 24.6% from 451,283 units to 340,387 units.

As a result, net income increased by 23.9% from Php89.5 million to Php110.9 million due to the increase in net interest income by 31.2% from Php323.4 million to Php424.4 million partially offset by increases in provision for credit losses, salaries, taxes and licenses.

Banking

	In Billion Pesos, except for percentages and ratios			
	1Q 2019	**1Q 2020**	**Inc (Dec)**	**%**
Net income attributable to equity holders	6.8	6.1	(0.6)	-9.3
Net interest margin on average earning assets	3.84%	4.06%		0.22%
Operating efficiency ratio	55.6%	52.5%		-3.1%
Return on average assets	1.2%	1.0%		-0.2%
Return on average equity	9.5%	8.0%		-1.5%

	FY 2019	**1Q 2020**	**Inc (Dec)**	**%**
Total assets	2,450.8	2,376.7	(74.2)	-3.0%
Total liabilities	2,132.3	2,063.0	(69.3)	-3.3%
Equity attributable to equity holders of the parent company	309.6	304.5	(5.0)	-1.6%
Tier 1 capital adequacy ratio	16.2%	16.3%		0.1%
Total capital adequacy ratio	17.5%	17.6%		0.1%
Non-performing loans ratio	1.3%	1.4%		0.1%
Non-performing loans coverage ratio	103.0%	114.0%		11.0%

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, 2016, 2017 and 2018 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 declined by 9.3% from Php6.8 billion in the first quarter of 2019 to Php6.1 billion in the first quarter of 2020. Net interest income grew by 18.3%, comprising 77.5% of total operating income. This was accompanied by modest loan growth from the commercial and consumer segments at 5.5% and the expansion in net interest margin from 3.84% to 4.06% due to higher CASA ratio at 65.7% of total deposits. However, non-interest income slightly fell by 3.8% from Php6.5 billion in the first quarter of 2019 to Php6.2 billion in the first quarter of 2020 due to the decline in net trading and foreign exchange gains by 5.0% slightly offset by 6.7% increases in service charges, fees and commissions. The growth in total operating income by Php3.1 billion or 12.5% from Php24.6 billion in the first quarter of 2019 to Php27.6 billion in the first quarter of 2020 was further tempered by the increase in provisions by 109.8% from Php2.4 billion in the first quarter of 2019 to Php5.0 billion in the first quarter of 2020.

Total assets grew from Php2.45 trillion as of December 31, 2019 to Php2.38 trillion as of March 31, 2020 due to increases in investment securities, cash and other cash items, deferred tax assets and other assets, offset by decreases in loans and receivables, due from Bangko Sentral ng Pilipinas, interbank loans receivable and securities purchased under resale agreements.

Total liabilities, however, declined from Php2.13 trillion to Php2.06 trillion due to decreases in deposit liabilities, bills payable and securities sold under repurchase agreements, accrued interest and other expenses and deferred tax liabilities, offset by increases in derivative liabilities, manager's checks and demand drafts outstanding, income taxes payable and bonds payable.

Equity attributable to equity holders of the parent company fell slightly by 1.6% from Php309.6 billion as of December 31, 2019 to Php304.5 billion as of March 31, 2020 due to net unrealized losses on FVOCI offset by the net income reported during the period.

<u>Property Development</u>

Federal Land Inc.

	In Million Pesos, except for percentages and ratios			
	1Q 2019	**1Q 2020**	**Inc(Dec)**	**%**
Real estate sales*	1,774.1	2,387.2	613.1	34.6%
Revenues	2,440.9	3,253.7	812.8	33.3%
Net income attributable to equity holders of the parent	189.7	374.6	184.9	97.5%
	FY2019	**1Q 2020**	**Inc(Dec)**	**%**
Total assets	92,319.1	100,602.1	8,283.0	9.0%
Total liabilities	55,169.2	63,174.1	8,004.9	14.5%
Total equity attributable to equity holders of the parent	37,039.4	37,314.0	274.6	0.7%
Current ratio[1]	2.3x	2.5x		
Debt to equity ratio[2]	1.0x	1.0x		

** 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 grew by 86.2% from Php4.2 billion in the first quarter of 2019 to Php7.9 billion in the first quarter of 2020 due to strong sales from The Seasons Residences - Natsu and Haru, The Estate, Grand Hyatt Residences II and Quantum Residences - Amethyst.

Real estate sales and revenues rose by 34.6% and 33.3%, respectively, due to faster construction growth and sales take-up of projects in Bonifacio Global City, Pasay City and Makati City.

Net income attributable to equity holders of the parent increased by 97.5% to Php0.4 billion due to the improvement in gross profit margin of real estate sales and rent income.

Total assets of Federal Land grew from Php92.3 billion as of December 31, 2019 to Php100.6 billion as of March 31, 2020. The asset expansion was mainly driven by increases in inventories as a result of land banking and receivables from real estate buyers.

Property Company of Friends, Inc.

On July 4, 2019, the Philippine Competition Commission approved the redemption of PCFI shares in exchange for selected assets. Realized net gain on redemption was Php2.3 billion. PCFI was then deconsolidated in the financial statements of GT Capital (see Note 5 of the Interim Condensed Consolidated Financial Statements).

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 2019 and 2020.

In Million Pesos, except ratios	Consolidated			
	1Q 2019	**1Q 2020**	**Inc (Dec)**	**%**
Gross Premiums	7,432.8	9,457.8	2,024.9	27.2%
Net income after tax	808.4	367.4	(441.0)	-54.6%
	FY 2019	**1Q 2020**	**Inc (Dec)**	**%**
Total Assets	142,168.3	118,863.6	(23,304.6)	-16.4%
Total Liabilities	130,416.0	107,221.4	(23,194.6)	-17.8%
Total Equity	11,752.3	11,642.2	(110.1)	-0.9%
In Million Pesos, except ratios	**Life (Stand-alone)**			
	1Q 2019	**1Q 2020**	**Inc (Dec)**	**%**
Gross Premiums	6,043.1	8,121.3	2,078.2	34.4%
Net income after tax	944.7	355.3	(589.4)	-62.4&
	FY 2019	**1Q 2020**	**Inc (Dec)**	**%**
Total Assets	132,278.6	110,349.9	(21,928.7)	-16.6%
Total Liabilities	119,268.6	97,426.4	(21,842.2)	-18.3%
Total Equity	13,010.0	12,923.5	(86.6)	-0.7%
Solvency ratio[1]	435%	%		

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.

New business from life insurance expressed in Annualized Premium Equivalent declined by 12.3% from Php1.8 billion in the first quarter of 2019 to Php1.5 billion in the first quarter of 2020. Such was driven by the 25.4% decline in Regular Premium, partially offset by the 89.5% growth in Single Premium. The lower sales production was attributable to the limited mobility of agents and lower foot traffic in banks during the Enhanced Community Quarantine (ECQ) in March 2020. Despite the decline in Regular Premium, Protection and Health line grew by 23.6% as flagship products continued to grow year-on-year. The reported premium revenue mix of life insurance changed to 46%/54% (Single Premium vs. Regular Premium) in the first quarter of 2020 from 33%/67% in the first quarter of 2019. By distribution platform, bancassurance, sales agency and corporate solutions accounted for 64%, 32% and 4% of premium revenues, respectively.

Gross written premiums of CPAIC declined from Php1.3 billion in the first quarter of 2019 to Php1.1 billion in the first quarter of 2020. The ECQ resulted in limited mobility, lower consumer spending and ban in travels which affected CPAIC's sales in Motor and Personal Accident lines.

Consolidated net income reached Php0.4 billion in the first quarter of 2020. AXA Philippines's net income declined from Php0.9 billion for the first quarter of 2019 to P0.4 billion for the first quarter of 2020 due to unrealized losses from equity investments. Conversely, CPAIC's net income increased to P12 million for the first quarter of 2020 from a loss of Php136 million for the first quarter of 2019 as it benefited from lower net losses, reinsurance cost and management expenses.

<u>Infrastructure and Utilities</u>

Metro Pacific Investments Corporation (MPIC)

	In Million Pesos, except for Percentage			
	1Q 2019	**1Q 2020**	**Inc (Dec)**	**%**
Core net income	3,660	3,430	(230)	-6%
Net income attributable to equity holders	1,890	3,542	(1,652)	-47%
	FY 2019	**1Q 2020**	**Inc (Dec)**	**%**
Total assets	611,778	612,577	799	0%
Total liabilities	365,733	369,429	3,696	1%
Total equity attributable to owners of Parent Company	190,962	185,966	(4,996)	-3%

For the first quarter of 2020, MPIC's share in the consolidated operating core income decreased by 5% from Php5.0 billion for the first quarter of 2019 to Php4.7 billion for the first quarter of 2020 owing largely to the economic contraction brought about by the ECQ. Specifically, the decline was driven by the following:

- Reduced traffic on toll roads; Core net income contribution of Metro Pacific Tollways Corporation (MPTC) to MPIC was Php0.9 billion;
- Suspended light rail services; Core net income contribution of Light Rail Manila Corporation (LRMC) to MPIC was Php0.1 billion;
- Decreased commercial and industrial demand for water; Core net income contribution of Maynilad Water Services (Maynilad) to MPIC was Php0.9 billion; and
- Lower share in the earnings of the hospital business after the sell-down of interest to KKR & Co.
- Meanwhile, MPIC's power business contributed Php2.9 billion driven by higher energy sales volume of Manila Electric Company (Meralco) and volume recovery from prior year maintenance shutdowns of Global Business Power Corporation (GBPC).

Reported net income attributable to equity holders declined by 47% from Php3.5 billion in the first quarter of 2019 to Php1.9 billion in the first quarter of 2020 due to the provisioning in full of the carrying value of Meralco's investment in Pacific Light Power. Excluding non-recurring income or expenses, MPIC reported a core income of Php3.4 billion in the first quarter of 2020 from Php3.7 billion in the first quarter of 2019.

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 2019 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, 2020

Number of Days	Amount
Less than 30 days	**Php1,868**
30 days to 60 days	**832**
61 days to 90 days	**342**
91 days to 120 days	**426**
Over 120 days	**443**
Current	**4,648**
Impaired	**191**
Noncurrent receivables	**3,512**
Total	**Php12,262**

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, 2020:

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	62,152,208	28.870%
PCD Nominee-Filipino	32,022,886	14.875%

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 15, 2020

ANNEX A

GT Capital Holdings, Inc. and Subsidiaries

Interim Condensed Consolidated Financial Statements
As of March 31, 2020 (Unaudited) and December 31, 2019 (Audited) and for the quarters ended March 31, 2020 and 2019 (Unaudited)

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(In Millions)

	Unaudited March 31, 2020	Audited December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	**₱22,786**	₱12,133
Short-term investments	**49**	–
Financial assets at fair value through profit or loss (FVTPL)	**4,286**	4,698
Receivables	**8,226**	13,382
Contract assets	**5,419**	5,095
Inventories	**75,468**	72,189
Due from related parties	**209**	209
Prepayments and other current assets	**10,584**	10,416
Total Current Assets	**127,027**	118,122
Non Current Assets		
Financial assets at fair value through other comprehensive income (FVOCI)	**10,789**	12,373
Receivables – net of current portion	**3,805**	3,421
Contract assets – net of current portion	**6,010**	5,556
Investment properties	**15,196**	15,347
Investments in associates and joint ventures	**177,234**	178,059
Property and equipment	**12,743**	13,159
Goodwill and intangible assets	**10,032**	10,040
Deferred tax assets	**1,155**	1,141
Other noncurrent assets	**964**	436
Total Noncurrent Assets	**237,928**	239,532
	₱364,955	₱357,654
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	**₱31,048**	₱25,234
Contract liabilities	**4,550**	4,553
Short term debt	**12,495**	12,890
Current portion of long-term debt	**4,974**	4,974
Current portion of liabilities on purchased properties	**432**	432
Current portion of bonds payable	**–**	3,899
Customers' deposits	**745**	560
Dividends payable	**442**	589
Due to related parties	**180**	204
Income tax payable	**1,077**	875
Other current liabilities	**403**	1,371
Total Current Liabilities	**56,346**	55,581
Noncurrent Liabilities		
Long-term debt – net of current portion	**94,213**	87,149
Bonds payable	**15,045**	15,040
Liabilities on purchased properties - net of current portion	**3,067**	3,352
Pension liabilities	**1,271**	1,222
Deferred tax liabilities	**3,448**	3,138
Other noncurrent liabilities	**3,534**	2,852
Total Noncurrent Liabilities	**120,578**	112,753
	176,924	168,334

(forward)

	Unaudited March 31, 2020	Audited December 31, 2019
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	**77,113**	74,569
Appropriated	**400**	400
Other comprehensive loss	**(6,572)**	(2,019)
Other equity adjustments	**2,322**	2,322
	175,460	177,469
Non-controlling interest	**12,571**	11,851
Total Equity	**188,031**	189,320
	₱364,955	₱357,654

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

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

	UNAUDITED	
	Quarter ended March 31	
	2020	2019 (Restated)
REVENUE		
Automotive operations	**₱32,780**	₱38,766
Real estate sales and interest income on real estate sales	**2,387**	1,797
Equity in net income of associates and joint ventures	**2,675**	3,287
Rent income	**413**	303
Sale of goods and services	**171**	176
Commission income	**67**	73
Interest income	**61**	124
Other income	**465**	401
	39,019	44,927
COST AND EXPENSES		
Cost of goods and services sold	**22,376**	26,815
Cost of goods manufactured	**6,458**	7,675
General and administrative expenses	**3,136**	2,790
Interest expense	**1,538**	1,286
Cost of real estate sales	**1,332**	1,117
Cost of rental	**133**	111
	34,973	39,794
INCOME BEFORE INCOME TAXES FROM CONTINUING OPERATIONS	**4,046**	5,133
PROVISION FOR INCOME TAX	**771**	899
NET INCOME FROM CONTINUING OPERATIONS	**3,275**	4,234
NET INCOME FROM DISCONTINUED OPERATIONS	**–**	225
NET INCOME	**₱3,275**	₱4,459
ATTRIBUTABLE TO:		
Equity holders of the Parent Company		
Profit for the year from continuing operations	**₱2,544**	₱3,308
Profit for the year from discontinued operations	**–**	115
	2,544	3,423
Non-controlling interests		
Profit for the year from continuing operations	**731**	926
Profit for the year from discontinued operations	**–**	110
	₱731	₱1,036
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	**₱11.13**	₱15.21

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Millions)

	UNAUDITED	
	Quarter ended March 31	
	2020	2019 (Restated)
NET INCOME FROM CONTINUING OPERATIONS	**₱3,275**	₱4,234
NET INCOME FROM DISCONTINUED OPERATIONS	–	225
NET INCOME	**3,275**	4,459
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that may be reclassified to profit or loss in subsequent periods:		
Changes in cumulative translation adjustments	**3**	(1)
Changes in cash flow hedge reserves	**(2)**	(9)
Equity in other comprehensive income of associates:		
Cash flow hedge reserves	**57**	(77)
Remeasurement on life insurance reserves	**(82)**	(20)
Translation adjustments	**33**	(163)
	9	(270)
Items that may not be reclassified to profit or loss in subsequent periods:		
Changes in fair value of financial assets at FVOCI	**(1,815)**	(202)
Equity in changes in fair value of financial assets at FVOCI of associates	**(2,089)**	1,484
Remeasurement of defined benefit plans	**(1)**	9
Equity in remeasurement of defined benefit plans of associates	**(933)**	(3)
Income tax effect	**280**	(1)
	(4,558)	1,287
OTHER COMPREHENSIVE INCOME (LOSS) FROM CONTINUING OPERATIONS	**(4,549)**	1,017
OTHER COMPREHENSIVE INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	**–**	(136)
TOTAL OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	**(4,549)**	881
TOTAL COMPREHENSIVE INCOME (LOSS), NET OF TAX	**(₱1,274)**	₱5,340
ATTRIBUTABLE TO:		
Equity holders of the Parent Company		
Total comprehensive income for the year from continuing operations	**(₱2,009)**	₱4,316
Total comprehensive income for the year from discontinued operations	**–**	46
	(2,009)	4,362
Non-controlling interests		
Total comprehensive income for the year from continuing operations	**735**	934
Total comprehensive income for the year from discontinued operations	**–**	44
	735	978
	(₱1,274)	₱5,340

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF MARCH 31, 2020 AND 2019 (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, 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**

	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, 2019	₱3,211	₱85,592	₱53,459	₱17,000	(₱4,207)	₱2,322	₱157,377	₱24,910	₱182,287
Total comprehensive income	–	–	3,422	–	940	–	4,362	978	5,340
Dividends declared	–	–	(599)	–	–	–	(599)	–	(599)
Reversal of appropriation	–	–	16,600	(16,600)	–	–	–	–	–
At March 31, 2019	₱3,211	₱85,592	₱73,776	₱400	(₱3,267)	₱2,322	₱161,140	₱25,888	₱187,028

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)

	Unaudited	
	Quarters Ended March 31	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱4,046**	₱5,419
Adjustments for:		
Interest expense	**1,538**	1,398
Depreciation and amortization	**603**	589
Pension expense	**48**	(15)
Provision for impairment losses	**14**	18
Gain on disposal of property and equipment	**(2)**	(2)
Unrealized gain on financial assets at FVTPL	**(22)**	(19)
Unrealized foreign exchange losses (gain)	**(62)**	59
Interest income	**(529)**	(541)
Equity in net income of associates and joint ventures	**(2,675)**	(3,287)
Operating income before changes in working capital	**2,959**	3,619
Decrease (increase) in:		
Short-term investments	**(49)**	(3)
Receivables	**4,786**	(710)
Contract assets	**(778)**	3,748
Due from related parties	**–**	(20)
Inventories	**(3,243)**	(3,440)
Financial assets at FVTPL	**441**	201
Prepayments and other current assets	**(168)**	(589)
Increase (decrease) in:		
Accounts and other payables	**5,595**	1,587
Contract liabilities	**(2)**	(11)
Customers' deposits	**186**	17
Due to related parties	**(24)**	4
Other current liabilities	**(957)**	(149)
Cash provided by operations	**8,746**	4,254
Interest received	**509**	413
Interest paid	**(1,546)**	(1,311)
Dividends received	**2,035**	1,435
Dividends paid	**(162)**	(195)
Income taxes paid	**(570)**	(772)
Net cash provided by operating activities	**9,012**	3,824
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property and equipment	**2**	3
Additions to:		
Financial assets at FVOCI	**–**	(44)
Property and equipment	**(70)**	(770)
Investments in associates and joint ventures	**(1,247)**	(100)
Intangible assets	**(18)**	(9)
Investment properties	**–**	(476)
Decrease (increase) in other noncurrent asset	**(229)**	(196)
Net cash used in investing activities	**(1,562)**	(1,592)

(Forward)

	Unaudited	
	Quarters Ended March 31	
	2020	2019
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan availments	**₱12,247**	₱5,395
Payment of loans payable	**(5,821)**	(5,384)
Payment of bonds payable	**(3,900)**	–
Payment of liabilities on purchased properties	**(286)**	(153)
Increase (decrease) in:		
Other noncurrent liabilities	**901**	(74)
Net cash (used in) provided by financing activities	**3,141**	(216)
Effect of exchange rate changes on cash and cash equivalents	**62**	(59)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**10,653**	1,957
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**12,133**	14,353
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱22,786**	₱16,310

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, 2019.

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, 2020**	December 31, 2019
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	
	2020	2019
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

** Formerly Omni Orient Management Corp. Amended Articles of Incorporation was approved by the SEC on October 25, 2019.*
*** On April 30, 2019, FRHI was incorporated and has not started its commercial business operations.*
**** In September 2019, the Group increased ownership from 49.10% to 100.00% thereby obtaining control over Magnificat.*

Toyota's Subsidiaries

	Percentages of Ownership	
	2020	2019
Toyota Makati, Inc. (TMI)	**100.00**	100.00
Toyota Sta. Rosa Laguna, Inc. (TSRLI)	**100.00**	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

LMI has investments in LMI Insurance Agency, Inc. (LIAI), a company incorporated in the Philippines and primarily engaged in business as a non-life insurance agency, acting as general agents, managers or promoters for any insurance company in connection with the latter's non-life insurance business.

TMBC's Subsidiaries

	Percentages of Ownership	
	2020	2019
Oxfordshire Holdings, Inc. (OHI)	**100.00**	100.00
TMBC Insurance Agency Corporation (TIAC)	**100.00**	100.00

GTCAD's Subsidiaries

	Percentages of Ownership	
	2020	2019
Toyota Subic, Inc. (TSI)*	**55.00**	55.00
GT Mobility Ventures, Inc. (GTMV)**	**66.67**	66.67

** TSI was incorporated on July 14, 2016 and started its commercial business operations on November 8, 2018.*
*** On January 31, 2019, GTMV was incorporated and has not started its commercial business operations.*

On September 9, 2019, the SEC approved GTMV's increase in authorized capital stock, from 1,000,000 shares with par value of ₱1.00 per share to 600,000,000 shares with par value of ₱1.00 per share. GTCAD and Mitsui & Co. Ltd. (Mitsui) have subscribed to the increase in the authorized capital stock of GTMV and has paid for such subscription amounting to ₱99,750,000 and ₱50,000,000, respectively. This resulted to a change in GTCAD's direct holdings in GTMV from 100% to 66.67%.

In February 2019, the Parent Company remitted ₱100.00 million to GTCAD to fund the latter's investment in a used car auction business which was completed in March 2019. GTCAD, through GTMV, a joint venture between the Company and Mitsui, formed JBA Philippines with auction house operator Japan Bike Auction Co., Ltd. ("JBA"). 60% of JBA Philippines will be controlled by GTMV while 40% will be owned by JBA.

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.

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 audited annual consolidated financial statements as of and for the year ended December 31, 2019, except for the adoption of the following amended standards, which became effective beginning January 1, 2020.

Amendments

Amendments to PFRS 3, *Business Combinations - Definition of a Business*

The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business. These amendments will apply to future business combinations of the Group.

Amendments to PAS 1, *Presentation of Financial Statements, and PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Material*

The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

The adoption of these amended standards did not have significant impact on the financial statements of the Group.

Significant Accounting Policies

Leases

In 2019, the Group assesses at contract inception whether a contract is, or contains a lease. A contract contains a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and ROU assets representing the right-of-use the underlying assets.

ROU assets

The Group recognizes ROU assets (included in 'Property and Equipment') at the commencement date of the lease (i.e. the date the underlying asset is available for use). ROU assets are measured at cost less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized and lease payments made at or before the commencement date less any lease incentives received.

The useful lives of the ROU assets are as follows:

Land	50 years
Office space	2 to 3 years

Lease liabilities
At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term or a change in the lease payments.

The Group's lease liabilities are included in Other Current Liabilities and Other Noncurrent Liabilities.

Short-term leases and leases of low-value assets
The Group applies the short-term lease recognition exemption to its short-term leases of office spaces (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of other equipment that are considered to be of low value (i.e., those with value of less than ₱250,000). Lease payments on short-term leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Residual value of leased assets and deposits on lease contracts
The residual value of leased assets, which approximates the amount of guaranty deposit paid by the lessee at the inception of the lease, is the estimated proceeds from the sale of the leased asset at the end of the lease term. At the end of the lease term, the residual value of the leased asset is generally applied against the guaranty deposit of the lessee when the lessee decides to buy the leased asset.

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

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

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

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

The Group, in conjunction with the external valuers, also compares each of the changes in the fair value of each asset with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets on the basis of the nature, characteristics and risks of the asset and the level of the fair value hierarchy as explained above.

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

a. Financial assets
Initial recognition of financial instruments
At initial recognition, financial assets are classified as, and subsequently measured at amortized cost, FVOCI and FVTPL.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables, except for sales contract receivables, are measured at the transaction price determined under PFRS 15. Refer to the accounting policies on Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortized cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortized cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at FVTPL

Financial assets at amortized cost
This category is the most relevant to the Group. The Group measures financial assets at amortized cost if both of the following conditions are met:
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired.

The Group's financial assets at amortized cost include cash and cash equivalents, short-term investments and receivables.

FVOCI (debt instruments)
The Group measures debt instruments at FVOCI if both of the following conditions are met:
- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at FVOCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognized in the consolidated statement of income and computed in the same manner as for financial assets measured at amortized cost. The remaining fair value changes are recognized in OCI. Upon derecognition, the cumulative fair value change recognized in OCI is recycled to profit or loss.

The Group does not have debt instruments at FVOCI.

Financial assets designated at FVOCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under PAS 32, *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets can no longer be recycled to profit or loss. Dividends are recognized as other income in the consolidated statement of income when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at FVOCI are not subject to impairment assessment.

The Group's financial assets at FVOCI include investments in quoted and unquoted equity instruments.

Financial assets at FVTPL
Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of profit or loss.

This category includes investment in UITF.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:
- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of its continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of Financial Assets
The Group recognizes an allowance for ECLs for all debt instruments not held at FVTPL. ECL represents credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime ECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12-month ECL. The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of a financial instrument.

For trade receivables, installment contracts receivable and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For other financial assets such nontrade receivable, loans receivable, due from related parties and other receivables, ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a SICR since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For cash and cash equivalents and short-term investments, the Group applies the low credit risk simplification. The probability of default and loss given defaults are publicly available and are considered to be low credit risk investments. It is the Group's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL. The Group uses the ratings from reputable credit rating agencies to determine whether the debt instrument has SICR and to estimate ECLs.

The Group considers a debt investment security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

The key inputs in the model include the Group's definition of default and historical data of three years for the origination, maturity date and default date. The Group considers trade receivables and contract assets in default when contractual payment are 120 days past due, except for certain circumstances when the reason for being past due is due to reconciliation with customers of payment records which are administrative in nature which may extend the definition of default to 90 days and beyond. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Determining the stage for impairment
At each reporting date, the Group assesses whether there has been a SICR for financial assets since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and forward-looking analysis.

The Group considers that there has been a SICR when contractual payments are more than 90 days past due.

An exposure will migrate through the ECL stages as asset quality deteriorates. If, in a subsequent period, asset quality improves and also reverses any previously assessed SICR since origination, then the loss allowance measurement reverts from lifetime ECL to 12-months ECL.

b. Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include "Accounts and other payables" (other than "Taxes payable" which is covered by other accounting standard), "Short-term and long-term debts", "Bonds payable", "Liabilities on purchased properties" and "Other current liabilities".

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of income.

This category generally applies to short-term debt, long-term debt, bonds payable and liabilities on purchased properties.

Financial liabilities at FVTPL
Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by PFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the consolidated statement of income.

Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in PFRS 9 are satisfied. The Group has not designated any financial liability as at FVTPL.

Derecognition

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

Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the interim consolidated statement of financial position, if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Derivative Financial Instruments and Hedge Accounting

Initial Recognition and Subsequent Measurement

The Group uses derivative financial instruments such as cross-currency swaps, and interest rate swaps to hedge the risks associated with foreign currency and interest rate fluctuations. Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment; or,
- Cash flow hedges when hedging the exposure to variability in cash flows that is attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognized firm commitment.

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument.
- The effect of credit risk does not dominate the value changes that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of the hedged item.

Hedges are accounted for as fair value hedges or cash flow hedges.

Fair Value Hedge

The change in the fair value of a hedge instrument is recognized in the consolidated statement of income. The change in the fair value attributable to the risk hedged is recorded as part of the carrying value of the hedge instrument and is also recognized in the consolidated statement of income as other expense.

For fair value hedges carried at amortized cost, any adjustment to carrying value is amortized through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortization is initiated when an adjustment exists and no later than when the hedged instrument ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

In case of derecognition, the unamortized fair value of the hedged instrument is recognized immediately in profit or loss.

Cash Flow Hedges
The effective portion of the gain or loss on the hedging instrument is recognized in OCI, while any ineffective portion is recognized immediately in the consolidated statement of income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged instrument.

The amounts accumulated in OCI are accounted for depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognized in OCI for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which hedged cash flows affect profit or loss.

If hedge accounting is discontinued, the amount accumulated in OCI shall remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount shall be reclassified to profit or loss as a reclassification adjustment. When the hedged cash flow occurs, any amount remaining in accumulated OCI shall be accounted for depending on the nature of the underlying transaction.

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

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

Effective beginning on or after January 1, 2021

PFRS 17, *Insurance Contracts*
PFRS 17 provides updated information about the obligation, risks and performance of insurance contracts, increases transparency in financial information reported by insurance companies, and introduces consistent accounting for all insurance contracts based on a current measurement model. The standard is effective for annual periods beginning on or after January 1, 2021. Early application is permitted but only if the entity also applies PFRS 9 *Financial Instruments* and PFRS 15 *Revenue from Contracts with Customers*.

Deferred effectivity

Amendments to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, *Business Combinations*. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture. On January 13, 2016, the FRSC postponed the original effective date of January 1, 2016 of the said amendments until the IASB has completed its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

3. **Cash and cash equivalents**

This account consists of:

	March 31, 2020	March 31, 2019	December 31, 2019
Cash on hand	**₱12**	₱38	₱65
Cash in banks and other financial institution	**16,571**	2,643	4,452
Cash equivalents	**6,203**	13,629	7,616
	₱22,786	₱16,310	₱12,133

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, 2020.

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**

Disposal of Investment in PCFI
On May 10, 2019 the Parent Company and PCFI executed a Redemption Agreement for the redemption, cancellation and retirement of the 64,530,712 Series A Redeemable Voting Preferred Shares with a par value of ₱10.00 per share of PCFI, representing 51% interest of the Parent Company in PCFI. The Parent Company and PCFI have agreed to the redemption price of ₱20.00 billion through the assignment, transfer and conveyance of the selected assets owned and/or beneficially owned by PCFI to the Parent Company. On July 4, 2019, Philippine Competition Commission approved the Redemption Agreement of the Parent Company and PCFI. Accordingly, the financial statements of PCFI were deconsolidated from the consolidated financial statements of the Group as of that date. On October 18, 2019, the Parent Company and PCFI executed a Deed of Assignment to assign, transfer and convey the selected assets of PCFI to the Parent Company.

PFRS 5 requires income and expenses from disposal group to be presented separately from continuing operations, down to the level of profit after taxes. The resulting profit or loss (after taxes) is reported separately in the interim condensed consolidated statements of income. The resulting profit after taxes from the operations of PCFI amounting to ₱224.76 million is reported separately in the statement of income under "Net Income from Discontinued Operations". In the first quarter of 2019, each profit or loss item was previously consolidated and presented on a line-by-line basis prior to the approval of PCC in July 2019.

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%.

In October 2019, the Parent Company received stock dividends equivalent to a total of 189.22 million common shares of Metrobank.

On various dates in 2019, the Parent Company acquired an aggregate of 12.66 million common shares of Metrobank for a total consideration of ₱836.53 million. This increased the Parent Company's ownership interest in Metrobank from 36.36% to 36.65%.

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
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
2019					
MBTC	February 13, 2019	₱1.00	₱3,980	March 1, 2019	March 14, 2019
MPIC	March 5, 2019	0.076	2,395	March 20, 2019	April 3, 2019
MPIC	August 1, 2019	0.0345	1,087	August 19, 2019	August 30, 2019
Phil AXA	November 6, 2019	40.9008	409	October 24, 2019	December 17, 2019
SMFC	June 21, 2019	6.56	131	June 21, 2019	July 19, 2019

6. **Loans Payable**

This account consists of:

	March 31, 2020				
		Long-term debt			
	Short-term debt	**Corporate notes**	**Loans payable**	**Subtotal**	**Total**
Parent Company	**₱–**	**₱–**	**₱ 68,022**	**₱68,022**	**₱68,022**
Federal Land Group	**9,400**	**4,850**	**25,494**	**30,344**	**39,744**
Toyota Group	**1,645**	**–**	**246**	**246**	**1,891**
TMBC Group	**1,320**	**–**	**982**	**982**	**2,302**
GTCAD Group	**130**	**–**	**–**	**–**	**130**
	12,495	**4,850**	**94,743**	**99,594**	**112,089**
Less: Deferred financing cost	**–**	**–**	**407**	**407**	**407**
	12,495	**4,850**	**94,336**	**99,187**	**111,682**
Less: Current portion of long-term debt	**–**	**25**	**4,949**	**4,974**	**4,974**
	₱12,495	**₱4,825**	**₱89,387**	**₱94,213**	**₱106,708**

	December 31, 2019				
		Long-term debt			
	Short-term debt	Corporate notes	Loans payable	Subtotal	Total
Parent Company	₱–	₱–	₱63,790	₱63,790	₱63,790
Federal Land Group	8,580	4,850	22,586	27,436	36,016
Toyota Group	2,270	–	246	246	2,516
TMBC Group	1,855	–	1,021	1,021	2,876
GTCAD Group	185	–	–	–	185
	12,890	4,850	87,643	92,493	105,383
Less: Deferred financing cost	–	–	370	370	370
	12,890	4,850	87,273	92,123	105,013
Less: Current portion of long-term debt	–	3,885	1,089	4,974	4,974
	₱12,890	₱965	₱86,184	₱87,149	₱100,039

7. **Bonds Payable**

This account consists of the following Peso Bonds:

			Carrying Value	
Maturity Dates	Interest rate	Par Value	**March 31, 2020**	December 31, 2019
₱10.0 billion Bonds				
February 27, 2020	4.8371%	₱3,900	**₱–**	₱3,899
February 27, 2023	5.0937%	6,100	**6,078**	6,076
		10,000	**6,078**	9,975

			Carrying Value	
Maturity Dates	Interest rate	Par Value	**March 31, 2020**	December 31, 2019
₱12.0 billion Bonds				
November 7, 2019	4.7106%	3,000	–	–
August 7, 2021	5.1965%	5,000	**4,988**	4,986
August 7, 2024	5.6250%	4,000	**3,979**	3,978
		12,000	**8,967**	8,964
		22,000	**₱15,045**	₱18,939

Unamortized debt issuance costs on these bonds amounted to ₱54.94 million and ₱60.96 million as of March 31, 2020 and December 31, 2019, respectively.

The P3.90 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.

The P3.00 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				
March 26, 2019	₱0.00377	₱0.66	April 10, 2019	April 25, 2019
March 16, 2018	0.00377	0.66	April 4, 2018	April 13, 2018
Perpetual Preferred Shares				
Series A				
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
December 6, 2018	11.57475	56.01	January 3, 2019	January 28, 2019
December 6, 2018	11.57475	56.01	April 3, 2019	April 29, 2019
December 6, 2018	11.57475	56.01	July 3, 2019	July 29, 2019
December 6, 2018	11.57475	56.01	October 3, 2019	October 28, 2019
Series B				
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
December 6, 2018	12.73725	91.21	January 3, 2019	January 28, 2019
December 6, 2018	12.73725	91.21	April 3, 2019	April 29, 2019
December 6, 2018	12.73725	91.21	July 3, 2019	July 29, 2019
December 6, 2018	12.73725	91.21	October 3, 2019	October 28, 2019

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
March 26, 2019	₱3.00	₱598.01	April 10, 2019	April 25, 2019
March 16, 2018	3.00	577.53	April 4, 2018	April 13, 2018

Stock Dividends

The BOD and Shareholders of the Parent Company approved on March 26, 2019 and May 8, 2019, respectively, the declaration of an 8.0% stock dividend in favor of the Parent Company's common shareholders. The record and payment dates were set on July 8, 2019 and August 1, 2019, respectively. On August 1, 2019, the 8.0% stock dividend equivalent to 15,947,003 common shares were issued and listed in the Philippine Stock Exchange.

Other Comprehensive Loss

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

	March 31, 2020	March 31, 2019	December 31, 2019
Net unrealized gain (loss) on financial assets at FVOCI	**(₱819)**	(₱942)	₱999
Net unrealized loss on remeasurement of retirement plan	**(291)**	(102)	(290)
Cash flow hedge reserve	**(55)**	(25)	(53)
Cumulative translation adjustments	**–**	–	(2)
Equity in other comprehensive income of associates:			
Equity in cumulative translation adjustments	**(3,192)**	(2,836)	(3,225)
Equity in net unrealized loss on remeasurement of retirement plan	**(2,110)**	(714)	(1,457)
Equity in cash flow hedge reserves	**(144)**	28	(201)
Equity in remeasurement on life insurance reserves	**(64)**	165	18
Equity in net unrealized gain (loss) on financial assets at FVOCI	**97**	1,153	2,186
Equity in other equity adjustments	**6**	6	6
	(₱6,572)	(₱3,267)	(₱2,019)

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, 2020 and December 31, 2019, 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 from continuing operations attributable to equity holders of the Parent Company for the periods indicated were computed as follows:

		March 31, 2020	March 31, 2019 (Restated)	December 31, 2019
a.)	Net income attributable to equity holders of the Parent Company from continuing operations	**₱2,544**	₱3,308	₱16,586
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 from continuing operations	**2,397**	3,161	15,997
d.)	Weighted average number of outstanding common shares of the Parent Company, as previously reported	**–**	199	–
e.)	Basic/diluted earnings per share, as previously reported (c / d)	₱–	₱15.86	₱–
f.)	Weighted average number of outstanding common shares of the Parent Company, including effect of stock dividend issued in 2018 and 2019	**215**	215	215
g.)	Basic/diluted earnings per share, as restated (c / f)	**₱11.13**	₱14.68	₱74.31

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

		March 31, 2020	March 31, 2019 (Restated)	December 31, 2019
a.)	Net income attributable to equity holders of the Parent Company	**₱–**	₱115	₱3,723
b.)	Weighted average number of outstanding common shares of the Parent Company, as previously reported	**–**	199	–
c.)	Basic/diluted earnings per share, as previously reported (a / b)	**₱–**	₱0.58	₱–
d.)	Weighted average number of outstanding common shares of the Parent Company, including effect of stock dividend issued in 2018 and 2019	**215**	215	215
e.)	Basic/diluted earnings per share, as restated (a / d)	**₱–**	₱0.53	₱17.29

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

		March 31, 2020	March 31, 2019 (Restated)	December 31, 2019
a.)	Net income attributable to equity holders of the Parent Company	**₱2,544**	₱3,423	₱20,309
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	**2,397**	3,276	19,720
d.)	Weighted average number of outstanding common shares of the Parent Company, as previously reported	**–**	199	–
e.)	Basic/diluted earnings per share, as previously reported (c / d)	**₱–**	₱16.43	₱–
f.)	Weighted average number of outstanding common shares of the Parent Company, including effect of stock dividend issued in 2018	**215**	215	215
g.)	Basic/diluted earnings per share, as restated (c / f)	**₱11.13**	₱15.21	₱91.60

**Restated to show the effect of stock dividends distributed in 2019*

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.

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, 2020 and as of and for the year ended December 31, 2019:

		March 31, 2020				
	Real Estate	**Financial Institution**	**Automotive Operations**	**Infra structure**	**Others**	**Total**
Revenue	**₱1,919**	**₱–**	**₱32,780**	**₱–**	**₱–**	**₱34,699**
Other income	**815**	**–**	**266**	**–**	**35**	**1,116**
Equity in net income of associates and joint ventures	**27**	**2,363**	**–**	**285**	**–**	**2,675**
	2,761	**2,363**	**33,046**	**285**	**35**	**38,490**
Cost of goods and services sold	**141**	**–**	**22,235**	**–**	**–**	**22,376**
Cost of goods manufactured and sold	**–**	**–**	**6,458**	**–**	**–**	**6,458**
Cost of rental	**133**	**–**	**–**	**–**	**–**	**133**
Cost of real estate sales	**1,332**	**–**	**–**	**–**	**–**	**1,332**
General and administrative expenses	**761**	**–**	**2,272**	**–**	**103**	**3,136**
	2,367	**–**	**30,965**	**–**	**103**	**33,435**
Earnings before interest and taxes	**394**	**2,363**	**2,081**	**285**	**(68)**	**5,055**
Depreciation and amortization	**118**	**–**	**495**	**–**	**(10)**	**603**
EBITDA	**512**	**2,363**	**2,576**	**285**	**(78)**	**5,658**
Interest income	**468**	**–**	**46**	**–**	**15**	**529**
Interest expense	**(354)**	**–**	**(71)**	**–**	**(1,113)**	**(1,538)**
Depreciation and amortization	**(118)**	**C**	**(495)**	**–**	**10**	**(603)**
Pretax income	**508**	**2,363**	**2,056**	**285**	**(1,166)**	**4,046**
Provision for income tax	**(155)**	**–**	**(610)**	**–**	**(6)**	**(771)**
Income after tax	**₱353**	**₱2,363**	**₱1,446**	**₱285**	**(1,172)**	**₱3,275**
Segment assets	**₱94,025**	**₱128,137**	**₱65,046**	**₱36,653**	**₱41,094**	**₱364,955**
Segment liabilities	**₱57,968**	**₱–**	**₱34,518**	**₱–**	**₱84,438**	**₱176,924**

		December 31, 2019				
	Real Estate	Financial Institution	Automotive Operations	Infra structure	Others	Total
Revenue	₱7,982	₱–	₱192,966	₱–	₱–	₱200,948
Other income	3,299	–	1,337	–	473	5,109
Equity in net income of associates and joint venture	2	10,948	–	3,628	–	14,578
	11,283	10,948	194,303	3,628	473	220,635
Cost of goods and services sold	657	–	133,286	–	–	133,943
Cost of goods manufactured and sold	–	–	36,819	–	–	36,819
Cost of rental	435	–	–	–	–	435
Cost of real estate sales	5,340	–	–	–	–	5,340
General and administrative expenses	2,977	–	10,216	–	402	13,595
	9,409	–	180,321	–	402	190,132
Earnings before interest and taxes	1,874	10,948	13,982	3,628	71	30,503
Depreciation and amortization	459	–	1,950	–	8	2,417
EBITDA	2,333	10,948	15,932	3,628	79	32,920
Interest income	1,870	–	222	–	213	2,305
Interest expense	(1,319)	–	(704)	–	(4,430)	(6,453)
Depreciation and amortization	(459)	–	(1,950)	–	(8)	(2,417)
Pretax income	2,425	10,948	13,500	3,628	(4,146)	26,355
Provision for income tax	(813)	(3)	(4,076)	–	(165)	(5,057)
Net income from continuing Operations	1,612	10,945	9,424	3,628	(4,311)	21,298
Net income from discontinued Operations	3,814	–	–	–	–	3,814
Net income	₱5,426	₱10,945	₱9,424	₱3,628	(₱4,311)	₱25,112
Segment assets	₱90,315	₱128,712	₱60,085	₱36,951	₱41,591	₱357,654
Segment liabilities	₱54,006	₱–	₱31,009	₱–	₱83,319	₱168,334

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, 2020	March 31, 2019	December 31, 2019
Domestic	**₱37,329**	₱43,083	₱ 215,907
Foreign	**1,690**	1,844	7,033
	₱39,019	₱44,927	₱222,940

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, 2020 and December 31, 2019, 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, 2020 (Unaudited)			
	< 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents*	₱22,774	₱–	₱–	₱22,774
Short-term investment	49	–	–	49
Receivables	5,117	3,313	–	8,430
Due from related parties	209	–	–	209
Financial assets at FVTPL				
Investments in UITF	4,286	–	–	4,286
Financial assets at FVOCI				
Equity securities				
Quoted	–	–	10,576	10,576
Unquoted	–	–	213	213
Total undiscounted financial assets	₱32,435	₱3,313	₱10,789	₱46,537
Other financial liabilities				
Accounts and other payables	₱27,878	₱ 1,139	₱–	₱29,017
Dividends payable	442	–	–	442
Loans payable	22,139	52,705	73,058	147,902
Bonds payable	796	16,539	–	17,335
Due to related parties	180	–	–	180
Liabilities on purchased properties	432	2,709	–	3,141
Derivative liabilities	–	–	55	55
Total undiscounted financial liabilities	₱51,867	₱73,092	₱73,113	₱198,072
Liquidity Gap	(₱19,432)	(₱69,779)	(₱62,324)	(₱151,535)

**Excludes cash on hand amounting to ₱12 million.*

	December 31, 2019			
	< 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents*	₱12,068	₱–	₱–	₱12,068
Receivables	13,739	835	–	14,574
Due from related parties	209	–	–	209
Financial assets at FVTPL				
Investments in UITF	4,698	–	–	4,698
Financial assets at FVOCI				
Equity securities				
Quoted	–	–	12,160	12,160
Unquoted	–	–	213	213
Total undiscounted financial assets	₱30,714	₱835	₱12,373	₱43,922
Other financial liabilities				
Accounts and other payables	₱22,277	₱1,263	₱–	₱23,540
Dividends payable	589	–	–	589
Loans payable	22,199	37,051	79,391	138,641
Bonds payable	4,725	16,738	–	21,463
Due to related parties	204	–	–	204
Liabilities on purchased properties	432	2,396	799	3,627
Derivative liabilities	–	–	53	53
Total undiscounted financial liabilities	₱50,426	₱ 57,448	₱80,243	₱188,117
Liquidity Gap	(₱19,712)	(₱56,613)	(₱67,870)	(₱144,195)

**Excludes cash on hand amounting to ₱64.95 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, 2020 and December 31, 2019. 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, 2020 and December 31, 2019.

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, 2020 (Unaudited)				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	**₱4,286**	**₱–**	**₱4,286**	**₱–**	**₱4,286**
Financial assets at FVOCI					
Quoted equity securities	**10,576**	**10,576**	**–**	**–**	**10,576**
	₱14,862	**₱10,576**	**₱4,286**	**₱–**	**₱14,862**
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	**₱304**	**₱–**	**₱–**	**₱307**	**₱307**
Loans receivables	**3,512**	**–**	**–**	**3,673**	**3,673**
Non-financial Assets					
Investment in listed associates	**156,653**	**78,432**	**–**	**–**	**78,432**
Investment properties	**15,196**	**–**	**–**	**26,606**	**26,606**
	₱175,665	**₱78,432**	**₱–**	**₱30,586**	**₱109,018**
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liability	**₱55**	**₱–**	**₱55**	**₱–**	**₱55**
	₱55	**₱–**	**₱55**	**₱–**	**₱55**
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Lease Liabilities	**₱12**	**₱–**	**₱–**	**₱12**	**₱12**
Liabilities on purchased properties	**3,499**	**–**	**–**	**₱5,346**	**5,346**
Loans payable	**111,681**	**–**	**–**	**119,094**	**119,094**
Bonds payable	**15,045**	**15,279**	**–**	**–**	**15,279**
	₱130,237	**₱15,279**	**₱–**	**₱124,452**	**₱139,731**

	December 31, 2019 (Audited)				
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial Assets					
Financial assets at FVTPL	₱4,698	₱–	₱4,698	₱–	₱4,698
Financial assets at FVOCI					
Quoted equity securities	12,160	12,160	–	–	12,160
Other noncurrent assets					
Derivative asset	–	–	–	–	–
	₱16,858	₱12,160	₱4,698	₱–	₱16,858
Assets for which fair values are disclosed:					
Financial Assets					
Loans and receivables					
Installment contracts receivables	₱289	₱–	₱–	₱293	₱293
Loans receivables	3,421	–	–	1,243	1,243
Non-financial Assets					
Investment in listed associates	157,618	126,216	–	–	126,216
Investment properties	15,347	–	–	26,606	26,606
	₱176,675	₱126,216	₱–	₱28,142	₱154,358
Liabilities measured at fair value:					
Financial Liabilities					
Other noncurrent liabilities					
Derivative liability	₱53	₱–	53	₱–	₱53
	₱53	₱–	₱53	₱–	₱53
Liabilities for which fair values are disclosed:					
Financial Liabilities					
Liabilities on purchased properties	₱3,784	₱–	₱–	₱2,591	₱2,591
Lease liabilities	311	–	–	311	311
Loans payable	105,013	–	–	100,622	100,622
Bonds payable	18,939	19,120	–	–	19,120
	₱128,047	₱19,120	₱–	₱103,524	₱122,644

As of March 31, 2020 and December 31, 2019, 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 ₱3.76 billion and ₱3.83 billion as of March 31, 2020 and December 31, 2019, respectively.

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE PERIODS ENDED MARCH 31, 2020 AND MARCH 31, 2019 (UNAUDITED)

(Amounts in millions except ratio and %)	**2020**	2019
Liquidity Ratio		
Current ratio	**2.25**	2.22
Current assets	**₱127,027**	₱131,956
Current liabilities	**56,346**	59,477
Solvency Ratio		
Total liabilities to total equity ratio	**0.94**	0.96
Total liabilities	**176,924**	179,496
Total equity	**188,031**	187,028
Debt to equity ratio	**0.69**	0.70
Total debt	**130,226**	130,754
Total equity	**188,031**	187,028
Asset to Equity Ratio		
Asset to equity ratio	**1.94**	1.96
Total assets	**364,955**	366,524
Total Equity	**188,031**	187,028
Interest Rate Coverage Ratio*		
Interest rate coverage ratio	**3.29**	4.64
Earnings before interest and taxes (EBIT)	**5,055**	5,973
Interest expense	**1,538**	1,286
Profitability Ratio		
Return on average assets	**0.70%**	0.94%
Net income attributable to Parent Company	**2,544**	3,422
Total assets	**364,955**	366,524
Average assets	**361,305**	363,137
Return on Average Equity	**1.45%**	2.11%
Net income attributable to Parent Company (Common)	**2,396**	3,274
Equity attributable to Parent Company (Common)	**163,647**	165,999
Average equity attributable to Parent Company	**164,823**	155,335

*computed as EBIT/Interest Expense