GT CAPITAL
HOLDINGS, INCORPORATED

November 13, 2013

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

Attention: **Atty. Justina F. Callangan**
Acting Director – Corporation and Finance Department

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

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

Mr. Norberto T. Moreno
Assistant Head – Disclosure Department

Subject: **Submission of 17Q Report as of September 30, 2013**

Gentlemen / Mesdames:

In line with the reportorial requirements of the Securities Regulation Code and the Revised Disclosure Rules, we hereby submit the attached 2013 Third 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.

(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

836-4500

Company Telephone Number

1	2		3	1

Month Day

Fiscal Year

Third Quarter Report

FORM/TYPE

Second Monday of May of each year

Month Day

Annual Meeting

N A

Secondary License Type, If Applicable

SEC General Accountant &

C F D

Dept. Requiring this Doc.

N A

Amended Articles Number/Section

As of 9.30.13

72

Total No. of Stockholders

Total Amount of Borrow ings)

Domestic

Foreign

To be accomplished by SEC Personnel concerned.

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning

SEC Number CS200711792
File Number ___________

GT CAPITAL HOLDINGS, INC.
(Company's Full Name)

43rd Floor, GT Tower International, Ayala Avenue cor H.V. Dela Costa St, Makati City
(Company's Address)

836-4500
(Telephone Number)

December 31
(Fiscal year ending)

17-Q
(Form Type)

(Amendment Designation, if applicable)

September 30, 2013
(Period Ended Date)

None
(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **September 30, 2013**

2. Commission identification number: **CS200711792**

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

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

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

6. Industry Classification Code: (SEC Use Only)

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

8. Issuer's telephone number, including area code: **632 836-4500; Fax No: 632 836-4159**

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

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

Title of Each Class	Number of Shares of Outstanding Common Stock	Amount of Debt (Unpaid Subscriptions)
Common Stock -Php10.00 par value	**174,300,000 shares**	**None**

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

    Stock Exchange: THE PHILIPPINE STOCK EXCHANGE, INC.
    Class of Securities: Common Shares

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 the 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 Nine Months Ended September 30, 2013 and For the Nine Months Ended September 30, 2012

	Unaudited Nine Months Ended September		Increase (Decrease)	
(In millions, except for percentage)	2013	2012	Amount	Percentage
REVENUE				
Equity in net income of associates - net	**4,044**	3,595	449	12%
Auto sales	**52,759**	–	52,759	100%
Net fees	**12,508**	8,378	4,130	49%
Real estate sales	**3,699**	1,624	2,075	128%
Interest income on real estate sales	**515**	212	303	143%
Sale of goods and services	**541**	541	–	0%
Gain from loss of control of a subsidiary	–	1,448	(1,448)	(100%)
Gain from previously held interest	**1,260**	–	1,260	100%
Commission income	**153**	103	50	49%
Rent income	**476**	165	311	188%
Finance and other income	**1,207**	638	569	89%
	77,162	**16,704**	**60,458**	**362%**
COSTS AND EXPENSES				
Cost of real estate sales	**2,843**	1,023	1,820	178%
Cost of goods and services	**8,728**	475	8,253	1,737%
Cost of goods manufactured	**37,719**	-	37,719	100%
Power plant operation and maintenance	**6,484**	4,729	1,755	37%
General and administrative expenses	**6,786**	1,495	5,291	354%
Interest expense	**2,510**	1,987	523	26%
	65,070	**9,709**	**55,361**	**570%**
INCOME BEFORE INCOME TAX	**12,092**	6,995	5,097	73%
PROVISION FOR INCOME TAX	**1,474**	132	1,342	1,017%
NET INCOME	**10,618**	**6,863**	**3,755**	**55%**
Attributable to:				
Equity holders of the GT Capital Holdings, Inc.	**7,688**	5,330	2,358	44%
Non-controlling interest	**2,930**	1,533	1,397	91%
	10,618	6,863	3,755	55%

GT Capital Holdings, Inc. ("GT Capital" or the "Company") reported a consolidated net income attributable to shareholders of Php7.7 billion for the nine months ended September 30, 2013, representing a 44% growth over the Php5.3 billion recorded in the same period last year. The increase was principally due to the 362% improvement in consolidated revenues to Php77.2 billion from Php16.7 billion a year ago.

The revenue growth came from the following sources: (1) consolidation of Toyota Motor Philippines Corporation ("TMP") effective February 1, 2013 as auto sales amounted to Php52.8 billion accounting for 68% of total revenue; (2) consolidation of Global Business Power Corporation ("GBPC") effective May 1, 2012 as net fees amounted to Php12.5 billion accounting for 16% of total revenue; (3) higher equity in net income from associates amounting to Php4.0 billion; (4) higher real estate sales and interest income on real estate sales from Federal Land, Inc. ("Fed Land") amounting to Php4.2 billion and (5) non-recurring income of Php1.3 billion realized from the consolidation of TMP.

Excluding TMP's non-recurring income of Php1.3 billion and adding back one-time taxes of Php342 million, core net income attributable to shareholders amounted to Php6.8 billion, representing a 74% increase from the same period of the previous year. The Php1.3 billion TMP non-recurring income was a gain from previously-held interest when GT Capital achieved majority control of TMP effective February 1, 2013 after it acquired an additional 15% direct equity stake in TMP thereby increasing its direct equity interest to 51%.

Fed Land, GBPC and TMP are consolidated in the financial statements of the Company. The other component companies Metropolitan Bank and Trust Company ("Metrobank" or "MBTC") and Philippine AXA Life Insurance Corporation ("AXA Philippines") are reflected through equity accounting.

Of the five (5) component companies, only GBPC reported a lower net income owing to lower peak power consumption due to the cooler climate that prevailed during the earlier months of 2013, in turn leading to soft Wholesale Electricity Spot Market (WESM) prices which resulted in a decline in WESM margins by 28%. In addition, coal and diesel fuel prices dropped by 18% and 7%, year-on-year, respectively. The other component companies, on the other hand, posted double digit growth in net income.

Equity in net income of associates from GT Capital's component companies amounted to Php4.0 billion in the first nine months of 2013, 12% higher than Php3.6 billion recorded in the first nine months of 2012 as net income from Metrobank and AXA Philippines improved for the period.

Auto sales comprising the sale of assembled and imported vehicles contributed Php52.8 billion in revenues.

Net fees from GBPC comprising energy fees for the energy supplied by the generation companies contributed Php12.5 billion in revenues.

Real estate sales and interest income on real estate sales rose by 130% year-on-year to Php4.2 billion from Php1.8 billion driven by booked sales contributions from ongoing high-end and middle market development projects situated in Pasay City, Quezon City, Escolta, Manila, Cebu, Bonifacio Global City, and Marikina City.

Gain from previously-held interest amounted to Php1.3 billion as GT Capital achieved effective control of TMP effective February 1, 2013 when it purchased an additional 15% direct equity interest in TMP thereby increasing its direct equity stake to 51%.

Commission income reached Php153 million up 49% year-on-year from Php103 million chiefly due to commissions earned from the selling of units of Federal Land Orix Corporation and Bonifacio Landmark Realty Development Corporation in the Grand Midori project in Makati City and the Metrobank Center/Grand Hyatt project in Bonifacio Global City, respectively.

Rent income mainly from the GT Tower International office building and the Blue Wave malls and other Fed Land projects more than doubled to Php476 million from Php165 million. The occupancy rate in GT Tower International reached 99% as of end-September 2013 as it contributed Php269 million to rent income.

Finance and other income grew by 89% to Php1.2 billion from Php638 million with TMP contributing Php594 million consisting of foreign exchange gain, interest income and dividend income and Fed Land contributing Php365 million comprising interest income arising from in-house financing, management fees and other income. The remaining balance of Php249 million came from interest income realized from money market placements from GBPC (Php191 million) and GT Capital (Php58 million).

Consolidated costs and expenses grew more than 6 times to Php65.1 billion as of the first nine months of 2013 from Php9.7 billion in the same period of the previous year. TMP contributed Php49.1 billion comprising cost of goods sold for manufacturing and trading activities and general and administrative expenses. GBPC contributed Php10.3 billion comprising power plant operations and maintenance, general and administrative expenses and interest expenses. Fed Land contributed Php5.0 billion consisting of cost of real estate sales, cost of goods sold, general and administrative expenses and interest expenses. GT Capital Parent Company accounted for the balance of Php739 million, a major portion of which were interest expenses and general and administrative expenses.

Cost of real estate sales increased by 178% to Php2.8 billion from Php1.0 billion due to an increase in booked real estate sales.

Cost of goods and services increased by 18.4 times to Php8.7 billion from Php475 million with TMP's completely built-up units and spare parts accounting for Php8.2 billion and the balance from Fed Land's petroleum service station business.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP amounted to Php37.7 billion.

Power plant operations and maintenance expenses from the power generation companies of GBPC amounted to Php6.5 billion.

General and administrative expenses rose by 4.5 times to Php6.8 billion from Php1.5 billion with TMP accounting for Php3.2 billion comprising largely of advertising and sales promotion expenses, salaries, foreign exchange loss and taxes and licenses, GBPC contributing Php1.7 billion representing outside services, taxes and licenses, and insurance expenses and Fed Land accounting for Php1.3 billion composed of salaries and wages, employee benefits, commissions, taxes and licenses and advertising and promotions. GT Capital contributed Php0.3 billion principally fees and expenses incurred in the equity private placement.

Interest expenses increased by 26% or Php523 million to Php2.5 billion from Php2.0 billion with GBPC and Fed Land contributing Php2.0 billion, Php395 million, respectively and the remaining balance from GT Capital.

Provision for income tax increased by 11.2 times to Php1.5 billion from Php132 million with TMP, Fed Land and GBPC contributing Php1.2 billion, Php161 million and Php64 million, respectively.

Consolidated net income attributable to shareholders grew by 44% to Php7.7 billion in the first nine months of 2013 vis-à-vis Php5.3 billion in the same period last year.

Equity in net unrealized loss on available-for-sale (AFS) investments of associates amounted to Php1.8 billion. This loss arose principally from mark-to-market of AFS investments. Equity in translation adjustments of associates, on the other hand, recorded a gain of Php284 million. Net unrealized gain on AFS investments also recorded a gain of Php29 million. As a result, other comprehensive loss registered an aggregate loss of Php1.5 billion.

GT Capital Consolidated Results of Operations
Third Quarter ended September 30, 2013 versus Third Quarter ended September 30, 2012

	Unaudited			
	July to September		**Increase (Decrease)**	
(In millions, except for percentage)	**2013**	**2012**	**Amount**	**Percentage**
REVENUE				
Equity in net income of associates	**780**	1,039	(259)	(25%)
Auto sales	**20,709**	-	20,709	100%
Net fees	**3,852**	4,600	(748)	(16%)
Real estate sales	**1,445**	518	927	179%
Interest income on real estate sales	**219**	95	124	131%
Sale of goods and services	**202**	165	37	22%
Commission income	**62**	42	20	48%
Rent income	**176**	53	123	232%
Finance and other income	**517**	226	291	129%
	27,962	**6,738**	**21,224**	**315%**
COSTS AND EXPENSES				
Cost of real estate sales	**1,109**	347	762	220%
Cost of goods and services	**3,308**	144	3,164	2,197%
Cost of goods manufactured	**15,184**	-	15,184	100%
Power plant operation and maintenance	**2,079**	2,602	(523)	(20%)
General and administrative expenses	**2,501**	600	1,901	317%
Interest expense	**818**	932	(114)	(12%)
	24,999	**4,625**	**20,374**	**441%**
INCOME BEFORE INCOME TAX	**2,963**	**2,113**	**850**	**40%**
PROVISION FOR INCOME TAX	**472**	45	427	949%
NET INCOME	**2,491**	**2,068**	**423**	**20%**
Attributable to:				
Equity holders of the GT Capital Holdings, Inc.	**1,636**	**1,313**	**323**	**25%**
Non-controlling interest	**855**	755	100	13%
	2,491	**2,068**	**423**	**20%**

Net income attributable to equity holders of GT Capital registered a 25% increase to Php1.6 billion for the third quarter ended September 30, 2013 from Php1.3 billion in the third quarter of the previous year. The net income improvement came from 315% improvement in consolidated revenues to Php28.0 billion from Php6.7 billion in the same period a year ago.

Equity in net income of associates, however, recorded a 25% decrease or Php259 million to Php780 million from Php1.0 billion largely due to the consolidation of TMP effective February 1, 2013. In the third quarter of 2012, TMP contributed Php202 million to equity in net income of associates

Auto sales comprising the sale of assembled and imported vehicles contributed Php20.7 billion in revenues.

Net fees from GBPC declined by 16% to Php3.9 billion from Php4.6 billion as coal and diesel prices dropped by 18% and 7%, respectively, in the third quarter of 2013 versus the same period of the previous year.

Real estate sales and interest income on real estate sales rose by 171% quarter-on-quarter to Php1.7 billion from Php613 million driven by booked revenue contributions from the ongoing high-end and middle- market developments of Fed Land.

Sales of goods and services consisting of the sale of petroleum products, on a wholesale and retail basis, increased by 22% to Php202 million from Php165 million due to a series of fuel price hikes implemented in the quarter as compared to the same period of previous year.

Commission income rose by 48% to Php62 million from Php42 million due to commissions earned from the selling of units in the Grand Midori project in Makati City and the Metrobank Center/Grand Hyatt project in Bonifacio Global City.

Rent income coming from the lease of GT Tower, Blue Wave malls and other Fed Land projects more than tripled to Php176 million from Php53 million chiefly due to the contribution of GT Tower International office.

Finance and other income increased by 129% to Php517 million from Php226 million with TMP contributing Php306 million consisting of foreign exchange gain, interest income and dividend income and Fed Land contributing Php147 million comprising interest income arising from in-house financing, management fees and other income. The remaining balance of Php64 million consisted of interest income realized from money market placements from GBPC (Php53 million) and GT Capital (Php11 million).

Consolidated costs and expenses grew more than 5 times to Php25 billion from Php4.6 billion in the same period of the previous year. TMP contributed Php19.7 billion comprising cost of goods sold for manufacturing and trading activities and general and administrative expenses. GBPC accounted for Php3.3 billion comprising power plant operations and maintenance, general and administrative expenses and interest expense. Fed Land contributed Php1.9 billion from cost of real estate sales, cost of goods and services, general and administrative expenses and interest expense while the remaining balance of Php0.2 billion came from GT Capital comprising interest expenses.

Cost of real estate sales increased by 220% to Php1.1 billion from Php347 million due to the increase in booked real estate sales.

Cost of goods and services grew by more than 22 times to Php3.3 billion from Php144 million with TMP's completely built-up units and spare parts accounting for Php3.1 billion and the balance from Fed Land's petroleum service station business.

Cost of goods manufactured comprising cost of materials, labor and overhead incurred in the assembly of vehicles from TMP amounted to Php15.2 billion.

Power plant operation and maintenance expenses from GBPC declined by 20% to Php2.1 billion from Php2.6 billion chiefly due to a decrease in net fees.

General and administrative expenses grew more than 4 times to Php2.5 billion from Php600 million with by TMP, GBPC and Fed Land contributing Php1.4 billion, Php530 million and Php456 million, respectively.

Interest expenses declined by 12% to Php818 million from Php932 million with GBPC, GT Capital and Fed Land accounting for Php532 million, Php151 million and Php132 million, respectively.

Provision for income tax amounted Php472 million subdivided among TMP (Php389million), Fed Land, (Php75 million); GBPC (Php6 million); and GT Capital, (Php2 million).

Equity in net unrealized loss on AFS investments of associates amounted to Php58 million principally from marked-to-market AFS investments. On the other hand, equity in translation adjustments of associates and net unrealized gains on AFS investments recorded a gain of Php43 million and Php29 million, respectively. As a result, other comprehensive income amounted to Php14 million for the quarter ended September 30, 2013.

Consolidated Balance Sheet	Unaudited	Audited	Increase (Decrease)	
(In Million Pesos, Except for Percentage)	September 2013	December 2012	Amount	Percentage
ASSETS				
Current Assets				
Cash and cash equivalents	**25,787**	11,553	14,234	123%
Receivables	**9,719**	6,505	3,214	49%
Inventories	**17,731**	12,275	5,456	44%
Due from related parties	**133**	489	(356)	(73%)
Prepayments and other current assets	**5,522**	6,000	(478)	(8%)
Total Current Assets	**58,892**	36,822	22,070	60%
Noncurrent Assets				
Noncurrent receivables	**5,252**	3,159	2,093	66%
Option deposits	**2,085**	2,085	-	0%
Available-for-sale investments	**1,218**	1,060	158	15%
Investments and advances	**40,265**	43,364	(3,099)	(7%)
Investment properties	**8,264**	7,816	448	6%
Property and equipment	**41,053**	33,661	7,392	22%
Intangible assets	**8,334**	8,691	(357)	(4%)
Deferred tax assets	**890**	238	652	274%
Other noncurrent assets	**6,976**	571	6,405	1,122%
Total Noncurrent Assets	**114,337**	100,645	13,692	14%
	173,229	137,467	35,762	26%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**17,485**	7,377	10,108	137%
Loans payable	**1,859**	16,565	(14,706)	(89%)
Customers' deposits	**1,247**	974	273	28%
Due to related parties	**203**	191	12	6%
Dividends payable	**524**	1,949	(1,425)	(73%)
Income tax payable	**236**	26	210	808%
Other current liabilities	**869**	1,370	(501)	(37%)
Total Current Liabilities	**22,423**	28,452	(6,029)	(21%)
Noncurrent Liabilities				
Retirement benefit obligation	**268**	204	64	31%
Loans payable - non-current portion	**41,467**	39,188	2,279	6%
Accrued expenses-long-term	**2,046**	-	2,046	100%
Bonds payable	**9,902**	-	9,902	100%
Liabilities on purchased properties	**4,016**	2,581	1,435	56%
Deferred tax liabilities	**976**	935	41	4%
Other noncurrent liabilities	**248**	243	5	2%
Total Noncurrent Liabilities	**58,923**	43,151	15,772	37%
	81,346	71,603	9,743	14%
Equity				
Equity attributable to equity holders of GT Capital				
Capital stock	**1,743**	1,580	163	10%
Additional paid-in capital	**46,695**	36,753	9,942	27%
Retained earnings	**21,021**	13,856	7,165	52%
Other equity adjustments	**23**	(681)	704	103%
Other comprehensive income	**1,462**	2,983	(1,521)	(51%)
	70,944	54,491	16,453	30%
Non-controlling interest	**20,939**	11,373	9,566	84%
Total equity	**91,883**	65,864	26,019	40%
	173,229	137,467	35,762	26%

The major changes in the balance sheet items of the Company from December 31, 2012 to September 30, 2013 are as follows:

Total assets of the Group increased by 26% or Php35.7 billion from Php137.5 billion as of December 31, 2012 to Php173.2 billion as of September 30, 2013. Total liabilities increased by 14% or Php9.7 billion from Php71.6 billion to Php81.3 billion while total equity rose by 40% or Php26 billion from Php65.9 billion to Php91.9 billion.

Cash and cash equivalents increased by Php14.2 billion reaching Php25.8 billion with GBPC, TMP, Fed Land and GT Capital accounting for Php9.9 billion, Php9.5 billion , Php4.6 billion and Php1.8 billion, respectively.

Receivables increased by 49% to Php9.7 billion from Php6.5 billion with TMP and GBPC contributing Php3.3 billion each, consisting of trade receivables with credit terms ranging from one (1) to thirty (30) days, and outstanding billings for energy fees and passed-through fuel costs arising from the delivery of power, respectively and Fed Land contributing Php3.1 billion, a majority of which were installment contract receivables, trade receivables and other receivables.

Inventories increased by 44% or Php5.5 billion to Php17.7 billion due to the consolidation of TMP. Fed Land comprising condominium units for sale and land for development and TMP mostly finished goods accounted for Php11.8 billion and Php4.8 billion, respectively. The balance of Php1.1 billion came from GBPC representing coal and spare parts and supplies.

Due from related parties decreased by 73% or Php356 million due to collections received from the various subsidiaries of Fed Land.

Prepayments and other current assets declined by 8% or 478 million primarily due to decrease in GBPC's input tax arising from higher output tax collection than input tax claimed during the period.

Noncurrent receivables from Fed Land unit buyers who opted for long term payment arrangements (Php4.4 billion) and from various electric cooperatives of GBPC (Php850 million) rose by 66% or Php2.1 billion to Php5.3 billion from Php3.2 billion.

Available-for-sale investments mainly from GBPC and TMP increased by 15% to Php1.2 billion from Php1.1 billion.

Investments and advances declined by 7% or Php3.1 billion to Php40.3 billion due to the consolidation of TMP.

Investment properties increased by 6% or Php448 million to Php8.3 billion from Php7.8 billion with TMP and Fed Land accounting for Php313 million and Php135 million of the increase.

Property and equipment grew by 22% or Php7.4 billion to Php41.1 billion mainly due to the inclusion of the fixed assets of TMP.

Deferred tax assets mostly from TMP comprising deferred tax assets on accrued retirement benefits, provision for claims and assessments and warranty payable (Php612 million) and GBPC representing deferred tax assets on provision for retirement benefits and unrealized foreign exchange losses (Php260 million) reached Php890 million.

Other noncurrent assets rose by12.2 times or Php6.4 billion to Php7.0 billion mainly due to the recognition of Php6.3 billion goodwill from provisional accounting arising from the acquisition of effective control over TMP.

Accounts and other payables more than doubled to Php17.5 billion from Php7.4 billion with TMP, Fed Land and GBPC accounting for Php10.6 billion, Php3.7 billion and Php3.0 billion, respectively.

Loans payable decreased by Php14.7 billion to Php1.9 billion from Php16.6 billion due to loan prepayments and payments implemented by GT Capital, GBPC and Fed Land.

Customers' deposits increased by 28% or Php273 million to Php1.2 billion due to the increase in reservation sales for the new projects launched in 2013.

Due to related parties increased by 6% or Php12 million to Php203 million from Php191 million arising from Fed Land and TMP inter-company borrowings.

Dividends payable declined by 73% or Php1.4 billion due to full payment of Php1.9 billion dividends payable to holders of non-controlling interest of GBPC in June 2013 offset by Php0.5 billion dividends declared by GT Capital in September 2013. The cash dividends declared by GT Capital were paid in October 2013.

Income tax payable reached Php236 million of which Php225 million came from TMP and the remaining Php11 million came from GBPC.

Other current liabilities amounted to Php869 million, of which Php0.7 billion represented advances from holders of non-controlling interest and uncollected output VAT from energy sales generated from the bilateral customers of GBPC while the remaining balance of Php0.2 billion represented withholding taxes payable of Fed Land and TMP.

Retirement benefit obligation amounted to Php268 million of which GBPC and Fed Land accounted for Php223 million and Php45 million, respectively.

Non- current loans payable increased by Php2.3 billion due to Fed Land's issuance of Php5 billion notes facility agreement offset by scheduled loan principal payments of GBPC.

Long-term accrued expenses amounted to Php2.0 billion representing TMP's provision for claims and assessments, product warranties and corporate social responsibility activities.

Bonds payable from GT Capital Parent amounted to Php9.9 billion, net of deferred financing cost. The bonds were secured in February 2013 to partially finance the various equity calls of GBPC and to refinance the Company's existing term loans.

Non- current liabilities on purchased properties from Fed Land increased by 56% or Php1.4 billion to Php4.0 billion from Php2.6 billion comprising land acquisition in Macapagal Avenue, Pasay City.

Capital stock increased by 10% or Php163 million representing the new shares issued by the Company from the equity private placement last January 2013.

Additional paid-in capital increased by 27% or Php9.9 billion, representing the equity private placement proceeds received.

Retained earnings increased by 52% or Php7.2 billion principally due to the Php7.7 billion consolidated net income attributable to equity holders of GT Capital in the first nine (9) months of 2013 offset by Php0.5 billion dividends declared in September 2013.

Other equity adjustments increased by 103% or Php704 million to Php23 million from negative Php681 million as a result of the sale of 20% of GBPC by First Metro Investment Corporation (FMIC) to ORIX Corporation of Japan. The additional other equity adjustment represents the difference between the consideration and the value of the non-controlling interest sold.

Other comprehensive income decreased by 51% or Php1.5 billion to Php1.5 billion due to mark-to-market loses recognized on AFS investments.

Equity before non-controlling interests grew by 30% or Php16.5 billion to Php70.9 billion coming from the increase in capital stock (Php0.2 billion), additional paid- in-capital (Php9.9 billion), the net income realized for the period, net of dividends declared during the period (Php7.2 billion) and increase in other equity adjustments (Php0.7 billion), partially offset by decrease in other comprehensive income (Php1.5 billion).

Non-controlling interests increased by Php9.6 billion mainly due to the recognition of the Php6.1 billion non-controlling interest upon consolidation of TMP and Php2.9 billion net income attributable to non-controlling interest for the period.

Key Performance Indicators (In Million Pesos, except %)

Income Statement	**September 30, 2013**	**September 30, 2012**
Total Revenues	77,162	16,704
Net Income attributable to GT Capital Holdings	7,688	5,330
Balance Sheet	**September 30, 2013**	**December 31, 2012**
Total Assets	173,229	137,467
Total Liabilities	81,346	71,603
Equity attributable to GT Capital Holdings	70,944	54,491
Return on Equity (%) *	15.9	14.7

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

Component Companies Financial Performance

Metrobank

Metrobank's net income attributable to equity holders more than doubled from Php10.2 billion in the first nine months of 2012 to Php20.7 billion in the first nine months of this year due to the 75% or Php14 billion improvement in non-interest income from Php18.7 billion to Php32.7 billion and 20% or Php4.6 billion growth in net interest income from Php23 billion to Php27.6 billion. Key revenue drivers include net interest income arising from intensified lending activities with consumer loans as a significant contributor, treasury and investment activities, service charges, fees and commissions and one-time sale of non-core assets in the previous quarters.

FLI

FLI recorded total revenue of Php6 billion in the first nine months of this year, 32% higher from Php4.6 billion in the first nine months of last year. The revenue improvement came from: (1) real estate sales and interest income from real estate sales which more than doubled from Php1.8 billion to Php4.2 billion driven by increased booked sales from ongoing high-end and middle market development projects situated in Pasay City, Quezon City, Escolta, Manila, Cebu, Bonifacio Global City, and Marikina City; (2) rental income grew by 2.9 times from Php165.3 million to Php479.4 million with the GT Tower International office building contributing Php269 million; and (3) equity earnings of associate and a joint venture which more than doubled from Php121.3 million to Php283.9 million as it included earnings from the Metrobank Center / Grand Hyatt project in Bonifacio Global City and the Grand Midori project located in Legaspi Village, Makati City. As a result of the strong revenue growth, core net income attributable to shareholders almost doubled from Php439 million in 2012 to Php847 million in 2013. Consolidated net income, however, dropped by 55% from Php1.9 billion, inclusive of the Php1.4 billion non-recurring revaluation gain realized in 2012 to Php847 million.

GBPC

GBPC's net fees, comprising energy fees for electricity supplied by its operating companies with its customers as provided for in their respective electric power purchase agreements, net of adjustments, decreased by 15% from Php14.7 billion in the first nine (9) months of 2012 to Php12.5 billion in the first nine (9) months of 2013 owing to the following factors: (1) lower passed-through rates for coal and diesel fuel prices which dropped by 18% and 7%, respectively and Wholesale Electricity Spot Market (WESM) prices which declined by 28% from Php6.90 per kilowatt hour to Php4.96 per kilowatt hour; (2) revision in the contract of Carmen Copper Corporation from electric power purchase to electric conversion Under electric conversion, coal inventory is provided by the client thus reducing the billing for passed-on-fuel; (3) lower peak power consumption due to the cooler climate that prevailed during the earlier months of 2013.

As a result, net income attributable to shareholders dropped by 26% from Php2.1 billion in the first nine (9) months of 2012 to Php1.6 billion in the first nine (9) months of 2013.

TMP

TMP's consolidated sales which includes four (4) dealer outlets namely: Lexus Manila situated in Bonifacio Global City, Toyota Makati, Toyota San Fernando and Toyota Parade Bulacan registered 11% growth from Php52.7 billion in the first nine (9) months of 2012 to Php58.4 billion in the first nine (9) months of 2013 as sales from completely-knocked-down parts (CKDs) and completely built-up units (CBUs) grew by 14% and 13%, respectively. The double digit sales growth was attributed to the launching of the all-new Vios in July, sales volume increments across all models, aggressive sales and promotion and seven (7) new dealer outlets all situated outside Metro Manila. The sales improvement and favorable movements in the foreign exchange rate resulted in the continued growth in gross profit and operating profit margins from 11.1% to 12.8% and from 6.3% to7.5%, respectively. As a result, net income attributable to shareholders grew by 26% from Php2.6 billion in the first nine (9) months of 2012 to Php3.2 billion in the first nine (9) months of 2013. The Php3.2 billion net income as of the first nine (9) months of 2013 already exceeded the full year 2012 net income level of Php3 billion.

AXA Philippines

AXA Philippines realized a 39% increase in total sales, as expressed in Annual Premium Equivalent, composed of non-traditional insurance products and regular and single premium products, from Php2 billion in the first nine (9) months of 2012 to Php2.8 billion in the first nine (9) months of 2013. This translated into a 59% improvement in premium revenue from Php8.7 billion to Php13.9 billion. Of total premium revenue, single premium products accounted for 74% as it almost doubled from Php5.9 billion to Php10.3 billion. The balance of premium revenue came from traditional insurance products. By distribution channel, bancassurance accounted for 73% of premium income. Likewise, other income comprising non-linked investment returns and asset management fees increased by 44% from Php915 million to Php1.3 billion. The improvement in premium revenue and other income resulted in a 59% increase in net income from Php653 million as of the first nine (9) months of 2012 to Php1.039 billion as of the first nine (9) months of 2013.

Material Events or Uncertainties

Except for (i) and Part II – Other Information, 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, except for the following;

On August 12, 2013, the Board of Directors of the Company approved the declaration of cash dividends amounting to Php522.9 million or Php3.00 per share in favor of the Company's common stockholders as of September 10, 2013. The cash dividends were paid on October 2, 2013.

On October 7, 2013, GT Capital acquired 2,334,434 common shares of Charter Ping An Corporation (Charter Ping An) at a fixed price of Php614.3 per share for a total of Php1.4 billion. The acquisition represents 66.7% of the non-life insurance firm's outstanding capital stock, the selling shareholders of which were Ty family investment holding companies.

On October 22, 2013, First Metro Investment Corporation (FMIC) and Meralco PowerGen Corporation (MGen) signed a Shareholders Agreement to complete the sale of FMIC's 20% equity stake in GBPC to MGen. The other shareholders of GBPC are GT Capital and Orix Corporation of Japan. The transaction was valued at Php7.15 billion.

(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;

(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, except as disclosed in Annex A under Note 9 – Commitments and Contingent Liabilities of the General Notes to the Interim Condensed Consolidated Financial Statements;

(iv) Any material commitments for capital expenditures, their purpose, and sources of funds for such expenditures.

PART II - OTHER INFORMATION

On July 23, 2013 the Securities and Exchange Commission approved the amendment of Article III, Section 5 of the Company's Amended By-Laws on the holding of the Regular Meetings of the Board of Directors from once every month to at least six (6) times annually. The said amendment was approved by the Board of Directors during a Special Meeting held on March 20, 2013 and approved by an affirmative vote of a majority of the outstanding capital stock of the Company during its Annual Stockholders' Meeting on May 14, 2013.

On October 1, 2013, GT Capital has appointed Ms. Richel D. Mendoza as Vice President and Chief Audit Executive of the Company.

GT CAPITAL HOLDINGS, INC.
AGING OF RECEIVABLES
IN MILLION PESOS
AS OF SEPTEMBER 30, 2013

Number of Days	Amount
Less than 30 days	Php 3,472
30 days to 60 days	185
61 days to 90 days	74
91 days to 120 days	94
Over 120 days	906
Current (not yet due)	6,064
Noncurrent installment contract receivable	4,404
Total	Php 15,199

GT CAPITAL HOLDINGS, INC.
LIST OF STOCKHOLDERS AND PERCENTAGE OF HOLDINGS
AS OF SEPTEMBER 30, 2013

The following stockholders own more than 5% of the total issued and outstanding shares of the Company as of September 30, 2013:

Name Of Stockholder	Total Number Of Shares Held	Percent To Total Number Of Shares Issued
Grand Titan Capital Holdings, Inc.	103,371,110	59.306%
PCD Nominee (Non-Filipino)	57,908,960	33.224%
PCD Nominee (Filipino)	12,385,469	7.106%
Others	634,461	0.364%
Total	174,300,000	100.000%

SIGNATURES

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

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

Signature and Title:

Reyna Rose P. Manon-og Head, Accounting and Financial Control	**Francisco H. Suarez, Jr.** Chief Finance Officer

Date: November 13, 2013

GT Capital Holdings, Inc. and Subsidiaries

Interim Condensed Consolidated Financial Statements
As of September 30, 2013 (Unaudited) and
December 31, 2012 (Audited)
and for the period ended September 30, 2013 and 2012 (Unaudited)

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

	Unaudited September 30, 2013	Audited December 31, 2012
ASSETS		
Current Assets		
Cash and cash equivalents	₱25,787	₱11,553
Receivables	9,719	6,505
Inventories	17,731	12,275
Due from related parties	133	489
Prepayments and other current assets	5,522	6,000
Total Current Assets	58,892	36,822
Noncurrent Assets		
Noncurrent receivables	5,252	3,159
Option deposits	2,085	2,085
Available-for-sale investments	1,218	1,060
Investments and advances	40,265	43,364
Investment properties	8,264	7,816
Property and equipment	41,053	33,661
Intangible assets	8,334	8,691
Deferred tax assets	890	238
Other noncurrent assets	6,976	571
Total Noncurrent Assets	114,337	100,645
	₱173,229	₱137,467
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts and other payables	₱17,485	₱7,377
Loans payable	1,859	16,565
Customers' deposits	1,247	974
Due to related parties	203	191
Dividends payable	524	1,949
Income tax payable	236	26
Other current liabilities	869	1,370
Total Current Liabilities	22,423	28,452
Noncurrent Liabilities		
Pension liabilities	₱268	₱204
Long- term loans payable	41,467	39,188
Accrued expenses-long term	2,046	-
Bonds payable	9,902	-
Liabilities on purchased properties	4,016	2,581
Deferred tax liabilities	976	935
Other noncurrent liabilities	248	243
Total Noncurrent Liabilities	58,923	43,151
	81,346	71,603
Equity		
Equity attributable to equity holders of GT Capital Holdings, Inc.		
Capital Stock	1,743	1,580
Additional paid-in capital	46,695	36,753
Retained earnings	21,021	13,856
Other equity adjustments	23	(681)
Other comprehensive income	1,462	2,983
	70,944	54,491
Non-controlling interests	20,939	11,373
Total equity	91,883	65,864
	₱173,229	₱137,467

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME

(In Millions, Except Earnings Per Share)

	Unaudited			
	January to September		July to September	
	2013	2012	2013	2012
REVENUE				
Equity in net income of associates	₱4,044	₱3,595	₱780	₱1,039
Auto sales	52,759	-	20,709	-
Net fees	12,508	8,378	3,852	4,600
Real estate sales	3,699	1,624	1,445	518
Interest income on real estate sales	515	212	219	95
Sale of goods and services	541	541	202	165
Gain from loss of control of a subsidiary	-	1,448	-	-
Gain from previously held interest	1,260	-	-	-
Commission income	153	103	62	42
Rent income	476	165	176	53
Interest and other income	1,207	638	517	226
	77,162	16,704	27,962	6,738
COSTS AND EXPENSES				
Cost of real estate sales	2,843	1,023	1,109	347
Cost of goods and services	8,728	475	3,308	144
Cost of goods manufactured	37,719	-	15,184	-
Power plant operation and maintenance	6,484	4,729	2,079	2,602
General and administrative expenses	6,786	1,495	2,501	600
Interest expense	2,510	1,987	818	932
	65,070	9,709	24,999	4,625
INCOME BEFORE INCOME TAX	12,092	6,995	2,963	2,113
PROVISION FOR INCOME TAX	1,474	132	472	45
NET INCOME	10,618	6,863	2,491	2,068
Attributable to:				
Equity holders of the GT Capital Holdings, Inc.	₱7,688	₱5,330	₱1,636	₱1,313
Non-controlling interest	2,930	1,533	855	755
	₱10,618	₱6,863	₱2,491	₱2,068
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	₱44.3	₱36.8		

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

	Unaudited			
	January to September		July to September	
	2013	2012	**2013**	2012
NET INCOME	**₱10,618**	**₱6,863**	**₱2,491**	₱2,068
OTHER COMPREHENSIVE INCOME				
Equity in net unrealized gain (loss) on available-for-sale investments of associates	**(1,820)**	**(551)**	**(58)**	204
Equity in translation adjustment of associates	**284**	**(195)**	**43**	(30)
Movement in net unrealized gain on available-for- sale investments	**29**	**-**	**29**	-
	(1,507)	**(746)**	**14**	174
TOTAL COMPREHENSIVE INCOME	**₱9,111**	**₱6,117**	**₱2,505**	₱2,242
Attributable to				
Equity holders of the GT Capital Holdings, Inc.	**₱6,167**	₱4,584	**1,636**	1,487
Non-controlling interest	**2,944**	1,533	**869**	755
	₱9,111	₱6,117	**2,505**	2,242

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AS OF SEPTEMBER 30, 2013 AND 2012 (UNAUDITED)
(In Millions)

	Attributable to Equity Holders of GT Capital Holdings, Inc								
	Capital stock	Additional paid-in capital	Retained earnings	Other equity adjustment	Net unrealized gain (loss) on available-for-sale investments of associates	Equity in net unrealized gain (loss) on available-for-sale investments of associates	Equity in translation adjustment of associates	Non-controlling interest	Total Equity
At January 1, 2013	**₱1,580**	**₱36,753**	**₱13,856**	**(₱681)**	**(₱7)**	**₱2,954**	**₱36**	**₱11,373**	**₱65,864**
Issuance of capital stock	**163**	**9,942**	–	–	–	–	–	–	**10,105**
Net income	–	–	**7,688**	–	–	–	–	**2,930**	**10,618**
Other comprehensive income	–	–	–	–	**15**	**(1,820)**	**284**	**14**	**(1,507)**
Effect of acquisition of TMP Group	–	–	–	–	–	–	–	**6,062**	**6,062**
Declaration of dividends	–	–	**(523)**	–	–	–	–	–	**(523)**
Movement in non-controlling interest	–	–	–	**704**	–	–	–	**560**	**1,264**
At September 30, 2013	**₱1,743**	**₱46,695**	**₱21,021**	**₱23**	**₱8**	**₱1,134**	**₱320**	**₱20,939**	**₱91,883**
At January 1, 2012	₱1,250	₱23,072	₱7,802	₱–	₱–	₱2,544	₱261	₱2,221	₱37,150
Issuance of capital stock	330	13,622	–	–	–	–	–	–	13,952
Net income	–	–	5,330	–	–	–	–	1,533	6,863
Other comprehensive income	–	–	–	–	–	(551)	(195)	–	(746)
Effect of acquisition of GBP Group	–	–	–	–	–	–	–	14,433	14,433
Declaration of dividends	–	–	(501)	–	–	–	–	–	(501)
Acquisition of non-controlling interest	–	–	–	(607)	–	–	–	(4,417)	(5,024)
At September 30, 2012	₱1,580	₱36,694	₱12,631	(₱607)	₱–	₱1,993	₱66	₱13,770	₱66,127

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)

	Unaudited	
	Period Ended September 30	
	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱7,688**	₱6,995
Adjustments for:		
Interest expense	**2,510**	1,987
Depreciation and amortization	**1,989**	840
Equity in net income of associates and a joint venture	**(4,044)**	(3,595)
Gain on previously held interest	**(1,260)**	–
Unrealized foreign exchange losses	**(16)**	11
Interest income	**(830)**	(446)
Operating income before changes in working capital	**6,037**	5,792
Decrease (increase) in:		
Receivables	**(2,174)**	(3,877)
Due from related parties	**356**	876
Inventories	**(320)**	1,596
Prepayments and other current assets	**775**	(2,622)
Increase (decrease) in:		
Accounts and other payables	**666**	1,182
Customers' deposits	**273**	(41)
Other current liabilities	**84**	2,011
Pension liabilities	**(502)**	122
Cash provided by operations	**5,195**	5,039
Pension cost paid	**(20)**	–
Interest received	**290**	287
Interest paid	**(2,877)**	(1,629)
Dividends received	**530**	1,397
Dividends paid	**(1,425)**	–
Income taxes paid	**(1,259)**	(42)
Net cash provided by operating activities	**434**	5,052
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sales of:		
Long term investment	**–**	2,440
Property and equipment	**66**	1
Additions to:		
Investment properties	**(107)**	(49)
Property and equipment	**(2,744)**	(36,647)
Intangible assets	**(6)**	–
Acquisition of subsidiary through business combination	**665**	–
Increase in investments and advances	**–**	(587)
Decrease (increase) in other noncurrent assets	**701**	(2,633)
Net cash used in investing activities	**(1,425)**	(37,475)

	Unaudited	
	Period Ended September 30	
	2013	2012
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Bond issuance	**9,902**	–
Loan availments	**6,187**	24,324
Payment of loans payable	**(19,304)**	(4,941)
Issuance of capital stock	**10,105**	13,952
Increase (decrease) in:		
Liabilities on purchased land	**1,435**	–
Due to related parties	**12**	(24)
Other noncurrent liabilities	**555**	(1,105)
Non-controlling interest	**6,317**	11,549
Net cash provided by financing activities	**15,209**	43,755
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**16**	(25)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**14,234**	11,307
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**11,553**	454
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱25,787**	₱11,761

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

GENERAL NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Corporate Information

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

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

As of September 30, 2013, the Parent Company owns 100.00% of Federal Land, Inc. (Fed Land), 50.89% (with 58.14% effective ownership) of Global Business Power Corporation (GBPC) and 51.00% of Toyota Motor Philippines Corporation (Toyota). The ultimate parent of GT Capital Holdings, Inc. is Grand Titan Capital Holdings, Inc. (Grand Titan).

The Parent Company also has significant shareholdings in Metropolitan Bank & Trust Co. (MBTC) and Philippine AXA Life Insurance Corporation (AXA Philippines).

Group Activities

The Parent Company, Fed Land and Subsidiaries (Fed Land Group), GBPC and Subsidiaries (GBPC Group) and Toyota and Subsidiaries (Toyota Group) are collectively referred herein as the "Group". The Parent Company, the holding company of the Fed Land Group (Real estate business), GBPC Group (Power business) and Toyota Group (Auto business) is engaged in investing, purchasing and holding shares of stock, notes and other securities and obligations.

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

GBPC was registered with the Philippine SEC on March 13, 2002 primarily to invest in, hold, purchase, import, acquire (except land), lease, contract or otherwise, with the limits allowed for by law, any and all real and personal properties of every kind and description, whatsoever, and to do acts of being a holding company except to act as brokers dealers in securities. The Parent Company acquired effective control of GBPC on April 30, 2012. The acquisition of control over GBPC accounted for as a business combination achieved in stages and the related provisional accounting for said business combination are discussed extensively in the 2012 audited consolidated financial statements. In April 2013, the Parent Company finalized its purchase price allocation for the acquisition of GBPC and there were no changes to the fair market values of the assets acquired and liabilities assumed for GBPC.

Toyota is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of automobile parts, accessories and instruments. The Parent Company gained control over GBP upon acquisition of additional 15% in January 2013 thereby increasing its shareholdings in Toyota to 51.00%.

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

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, 2012.

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

Statement of Compliance

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

Presentation of Financial Statements

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is 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 statement of income unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

Basis of Consolidation

Basis of consolidation

The interim condensed consolidated financial statements include the financial statements of the Parent Company, consolidated financial statements of Fed Land Group, GBPC Group, Toyota Group and the Group's share in the net assets of the associates plus cost of investment.

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

	Direct Percentages of Ownership		Effective Percentages of Ownership	
	September 30, 2013	December 31, 2012	**September 30, 2013**	December 31, 2012
Fed Land and Subsidiaries	**100.00**	80.00	**100.00**	80.00
GBPC and Subsidiaries	**50.89**	50.89	**58.14**	62.98
Toyota and Subsidiaries	**51.00**	36.00	**51.00**	36.00

On January 17, 2013, the Parent Company and MBTC executed a Sale and Purchase Agreement for the acquisition of 2,324,117 common shares of stock of Toyota from MBTC under the second tranche as provided in the MOU for a total consideration of ₱4.54 billion. This represented 15.00% of Toyota's outstanding capital stock which increased the Parent Company's shareholdings in Toyota to 51.00% (see Note 3).

Fed Land's Subsidiaries

	Percentage of Ownership
Southern Horizon Development Corp. (SHDC)	**100.00**
FLI - Management and Consultancy, Inc. (FMCI)	**100.00**
Fedsales Marketing, Inc. (FMI)	**100.00**
Baywatch Project Management Corporation (BPMC)	**100.00**
Horizon Land Property and Development Corp. (HLPDC) (previously known as Heritage Consolidated Assets, Inc.)	**100.00**
Harbour Land Realty & Devt. Corp. (HLRC)	**100.00**
Top Leader Property Management Corp. (TLPMC)	**100.00**
Bonifacio Landmark Realty and Dev't Corp (BLRDC) (formerlyMorano Holdings Corp. (MHC))	**–**
Omni-Orient Marketing Network, Inc. (OOMNI)	**87.80**
Central Realty and Development Corp. (CRDC)	**75.80**
Federal Brent Retail, Inc. (FBRI)	**51.66**

GBPC's Subsidiaries

	Percentage of Ownership
GBH Cebu Limited Duration Company (GCLDC)	100.00
ARB Power Venture, Inc. (APVI)	100.00
Toledo Holdings Corp. (THC)	100.00
Toledo Cebu Int'l Trading Resources Corp. (TCITRC)	100.00
Toledo Power Company (TPC)	100.00
GBH Power Resources, Inc. (GPRI)	100.00
Global Energy Supply Corp. (GESC)	100.00
Global Formosa Power Holdings, Inc. (GFPHI)	93.00
Panay Power Holdings Corp (PPHC)	89.30
Panay Power Corp. (PPC)	89.30
Panay Energy Development Corp. (PEDC)	89.30
Cebu Energy Development Corp. (CEDC)	52.18

Toyota's Subsidiaries

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

Combinations of Entities Under Common Control

Business combination of entities under common control is accounted for using the uniting of interest method. The combined entities accounted for by the uniting of interests method reports 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 current assets, current liabilities, revenues, and cost of sales 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 acquire 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 acquire in accordance with applicable PRFS;
- no amount is recognized as goodwill.
- any non-controlling interest is measured as a proportionate share of the book values of the related assets and liabilities; and
- comparative amounts are restated as if the combination had taken place at the beginning of the earliest comparative period presented.

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

The subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continues to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Non-controlling interests (NCI) represent the portion of profit or loss and net assets in a subsidiary not wholly owned and are presented separately in the interim condensed consolidated statement 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. Any losses attributable to the NCI are allocated even if it results in a deficit balance. Acquisitions of non-controlling interests are accounted for as equity transactions.

Changes in Accounting Policies
The accounting policies adopted in preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the audited annual consolidated financial statements as of and for the year ended December 31, 2012 except for the following new and amended PFRS and Philippine Interpretations which were adopted as of January 1, 2013.

- PAS 1, *Financial Statement Presentation - Presentation of Items of Other Comprehensive Income*
  The amendments to PAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified.

- PAS 19, *Employee Benefits* (Amendment)
  Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk.

  The Group reviewed its existing employee benefits and determined that the amended standard has significant impact on its accounting for retirement benefits. The Group obtained the services of an external actuary to compute the impact to the financial statements upon adoption of the standard.

  The effects in the consolidated statements of financial position as at December 31, 2012 and January 1, 2012 are as follows:

	December 31, 2012	January 1, 2012
Increase (decrease) in:	(in million pesos)	
Net defined benefit liability	**₱360**	₱350
Deferred tax asset	**108**	105
Other comprehensive loss	**102**	85
Retained earnings	**(151)**	(153)

  The effects in the consolidated statement of comprehensive income in 2012 are as follows:

Increase (decrease) in (in million pesos):	
Net retirement benefit expense	(₱3)
Profit for the year	(2)
Other comprehensive loss	17

- PAS 27, *Separate Financial Statements* (as revised in 2011)
  As a consequence of the new PFRS 10, *Consolidated Financial Statement* and PFRS 12, *Disclosure of Interests in Other Entities*, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in the separate financial statements. The adoption of the amended PAS 27 does not have a significant impact on the separate financial statements of the entities in the Group.

- PAS 28, *Investments in Associates* and *Joint Ventures* (as revised in 2011)
  As a consequence of the new PFRS 11, *Joint Arrangements* and PFRS 12, PAS 28 has been renamed PAS 28, *Investments in Associates and Joint Ventures*, and describes the application of the equity method to investments in joint ventures in addition to associates. The adoption of the amended PAS 27 does not have a significant impact on the financial statements of the Group.

- PFRS 7, *Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*
  These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:
  a) The gross amounts of those recognized financial assets and recognized financial liabilities;
  b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;
  c) The net amounts presented in the statement of financial position;
  d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
     i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
     ii. Amounts related to financial collateral (including cash collateral); and
  e) The net amount after deducting the amounts in (d) from the amounts in (c) above.

  The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 10, *Consolidated Financial Statements*
  PFRS 10 replaces the portion of PAS 27, *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12, *Consolidation - Special Purpose Entities*. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27. The adoption of this standard does not have a significant impact to the financial statements of the Group.

- PFRS 11, *Joint Arrangements*
  PFRS 11 replaces PAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly-controlled Entities-* Non-monetary Contributions by Venturers. PFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The adoption of this standard does not have a significant impact on the Group's financial position and performance.

- PFRS 12, *Disclosure of Involvement with Other Entities*
  PFRS 12 includes all of the disclosures that were previously in PAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in PAS 31 and PAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The adoption of this standard affects disclosures only and has no impact on the Group's financial position or performance.

  PFRS 13, *Fair Value Measurement*
  PFRS 13 establishes a single source of guidance under PFRS for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted. The adoption of this standard does not have a significant impact on the Group's financial position and performance.

Amendments to PFRS 1 covering first time adoption of PFRS on government loans are not applicable to the Group.

Annual Improvements to PFRSs (2009-2011)
The Annual Improvements to PFRSs (2009-2011) contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively. Earlier application is permitted.

- PFRS 1, *First-time Adoption of PFRS - Borrowing Costs*
- PAS 1, *Presentation of Financial Statements - Clarification of the requirements for comparative information*
- PAS 16, *Property, Plant and Equipment - Classification of servicing equipment*
- PAS 32, *Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments*
- PAS 34, *Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities*

Except as otherwise indicated, the impact of the revised standards adopted effective January 1, 2013 has been reflected in the interim condensed consolidated financial statements, as applicable.

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

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

recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

As of September 30, 2013 and December 31, 2012, the Group's financial assets are of the nature of loans and receivables and AFS investments while financial liabilities are of the nature of other financial liabilities. The Group made no reclassifications in its financial assets in 2013 and 2012.

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

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models.

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

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

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

After initial recognition, AFS investments are measured at fair value with gains or losses recognized as a separate component of equity until the investment is derecognized or until the investment is determined to be impaired at which time the cumulative gain or loss previously included in equity are included in the consolidated statement of comprehensive income. Dividends on an AFS equity instrument are recognized in the consolidated statement of comprehensive income when the entity's right to receive payment is established.

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

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

This accounting policy applies primarily to the Group's accounts and other payables, loans payable, liabilities for purchased properties, due to related parties and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable).

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

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial liabilities*
  These amendments to PAS 32 clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. While the amendment is expected not to have any impact on the net assets of the Group, any changes in offsetting is expected to impact leverage ratios and regulatory capital requirements. The amendments to PAS 32 are to be retrospectively applied for annual periods beginning on or after January 1, 2014. The Group is currently assessing impact of the amendments to PAS 32.

- PFRS 9, *Financial Instruments: Classification and Measurement*
  PFRS 9, as issued, reflects the first phase on the replacement of PAS 39 and applies to the classification and measurement of financial assets and liabilities as defined in PAS 39, Financial Instruments: Recognition and Measurement. The standard is effective for annual periods beginning on or after January 1, 2015. In subsequent phases, hedge accounting and impairment of financial assets will be addressed.

  The Group conducted an evaluation of the financial impact of the adoption of PFRS 9 based on the audited financial statements as of December 31, 2011 and decided not to early adopt PFRS 9 for its 2013 financial reporting. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will potentially have no impact on classification and measurements of financial liabilities.

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

  The adoption of this Philippine Interpretation will be accounted for retrospectively and will result in the restatement of prior period consolidated financial statements. The adoption of this Philippine Interpretation may significantly affect the determination of the net income and the related statement of financial position accounts as follows: installment contract receivables, inventories, customer's deposit, deferred tax and retained earnings.

3. Investments and Advances

Investment in Toyota
The BOD of the Parent Company and MBTC, upon the endorsement of their Related Party Transaction Committees, approved in principle the acquisition of MBTC's 30.00% ownership in Toyota at a consideration of ₱9.00 billion on October 19, 2012 and October 23, 2012, respectively. In relation to this, a Memorandum of Understanding (MOU) was entered into by the Parent Company and MBTC on October 22, 2012. Pursuant to the MOU, the sale was effected in two tranches and an option payment was given by the Parent Company to MBTC amounting to ₱20.00 million for the exclusive option to acquire the shares under the second tranche.

On December 3, 2012, the Parent Company and MBTC executed a Sale and Purchase Agreement (SPA) for the acquisition of 2,324,118 common shares of Toyota under the first tranche for a total consideration of ₱4.50 billion. The acquisition represented 15.00% of Toyota's issued and outstanding capital stock, thus, increasing the Parent Company's interest in Toyota from 21.00 % to 36.00%.

On January 17, 2013, the Parent Company and MBTC executed a Sale and Purchase Agreement for the acquisition of 2,324,117 common shares of stock of Toyota from MBTC under the second tranche as provided in the MOU for a total consideration of ₱4.54 billion. This represented 15.00% of Toyota's outstanding capital stock and increased the Parent Company's shareholdings in Toyota to 51.00%. In addition, option deposit amounting to ₱20.00 million was returned by MBTC to the Parent Company.

As of September 30, 2013, the purchase price allocation relating to the Parent Company's acquisition of control over Toyota has been prepared on a preliminary basis. The provisional fair values of the assets acquired and liabilities assumed as of date of acquisition is based on net book values of identifiable assets and liabilities plus certain adjustments since the Parent Company currently has limited information. The difference between the total consideration and the net assets amounting to ₱6.3 billion was initially allocated to goodwill as of September 30, 2013. In addition, based on the preliminary valuation of Toyota, the Parent Company recognized a gain on the revaluation of the previously held interest amounting to ₱1.26 billion. The preliminary allocation is subject to revision to reflect the final determination of fair values. The preliminary accounting will be completed based on further valuations and studies carried out within twelve months from acquisition date.

<u>Investment in GBPC</u>
On June 27, 2013, First Metro Investment Corporation (FMIC), the investment bank subsidiary of MBTC, concluded a Share Sale and Purchase Agreement for 200,000,000 shares of GBPC to ORIX Corporation (ORIX) at a price of ₱7.15 billion. With the transaction, resulting ownership structure of GBPC follows: FMIC with 29.11%, ORIX with 20.00% and the Parent Company with direct majority ownership of 50.89% and effective ownership of 58.14%. This sale transaction resulted to an equity adjustment amounting to ₱703.57 million representing the excess of the consideration over the carrying amount of non-controlling interest sold.

<u>Investment in Fed Land</u>
On July 15, 2013, the Parent Company executed a Subscription Agreement with Fed Land, a wholly-owned subsidiary, to acquire 11,000,000 common shares of stock from Fed Land's authorized capital stock for an aggregate consideration amounting to ₱1.1 billion.

<u>Equity call from GBPC</u>
On February 15, 2013 and March 15, 2013, the Parent Company disbursed ₱763.35 million and ₱230.77 million, respectively, as its pro rata share in response to equity calls from GBPC upon its stockholders.

<u>Dividends from MBTC</u>
On January 23, 2013, the BOD of MBTC approved the declaration of a 5.00% cash dividend or ₱1.00 per share based on a par value of ₱20.00 to all stockholders of record as of March 8, 2013. The BSP approved such dividend declaration on February 8, 2013. On April 3, 2013, the Parent Company received its prorate share in the dividends declared by MBTC.

On March 15, 2013 the BOD of MBTC approved the amendment of the Articles of Incorporation for the purpose of increasing the authorized capital stock and the declaration of a 30% stock dividend. On August 16, 2013, the Securities and Exchange Commission approved the application for the increase in MBTC's capital stock from ₱50.00 billion to ₱100.00 billion consisting of 4.0 billion common shares and 1.0 billion preferred shares, both with par value of ₱20.00 per share. The 30% stock dividend equivalent to 633.4 million common shares amounting to ₱12.7 billion represents at least the minimum 25% subscribed and paid-up capital for the above-mentioned increase in authorized capital stock. As delegated by the BOD, the President fixed the record and payment dates on September 3 and 16, 2013, respectively. On September 16, 2013, the Parent Company received its prorate share in the stock dividends declared by MBTC.

<u>Cash dividends from Toyota</u>
On April 11, 2013, the BOD of Toyota approved the declaration of cash dividends amounting to ₱2.99 billion or ₱193.24 per share to all stockholders of record as of December 31, 2012. On April 15, 2013, the Parent Company received its prorate share in the dividends declared by Toyota.

4. Bonds Payable and Corporate Notes Facility Agreement

On February 13, 2013, the Parent Company issued a ₱10.00 billion worth of 7-year and 10-year worth of bonds due on February 27, 2020 and February 27, 2023, respectively with an interest rate of 4.84% and 5.09% respectively. Gross proceeds amounted to ₱10.00 billion and net proceeds amounted to ₱9.90 billion, net of deferred financing cost incurred amounting to ₱0.10 billion.

The net proceeds will be utilized for general corporate requirements which may include, but shall not be limited to the following:

	(Amounts in millions)
Funding of various equity calls (in millions)	
Toledo plant, to be completed within 2013	₱1,900
Panay plant, to be completed within 2014	3,900
Refinancing of corporate notes due on November 25, 2013	4,200
	₱10,000

Said bonds were listed on February 27, 2013.

On July 3, 2013, Fed Land signed a ₱5.0 billion Corporate Notes Facility agreement with a syndicate of institutional lenders composed of banks, insurance companies, pension funds and trust institutions. Proceeds of the facility, which consist of seven and ten-year Fixed-rate Notes will be used for ongoing projects, working capital and general corporate purposes.

5. Equity

As of September 30, 2013 and December 31, 2012, the paid-up capital consists of (amounts in millions except for par value and number of shares:

	September 30, 2013	December 31, 2012
Common stock - ₱10 par value		
Authorized - 500,000,000 shares		
Issued and outstanding	**₱1,743**	₱1,580
Additional paid-in capital	**46,695**	36,753
	₱48,438	₱38,333

The movements in the issued and outstanding common stock follow:

	September 30, 2013		December 31, 2012	
	Number of shares	**Amount**	Number of shares	Amount
Balance at beginning of year	**158,000,000**	**₱1,580**	125,000,000	₱1,250
Issuance of shares of stocks	**16,300,000**	**163**	33,000,000	330
Balance at end of year	**174,300,000**	**₱1,743**	158,000,000	₱1,580

On January 10, 2013, the Parent Company conducted an overnight placement of 23,027,000 shares to institutional investors, where Grand Titan is the selling entity. The placement, which was priced at ₱620.00 per share, raised approximately ₱10.11 billion of primary proceeds for the Parent Company and ₱4.17 billion secondary proceeds for Grand Titan. The placement was realized via a top-up structure, whereby Grand Titan concurrently subscribed 16,300,000 new shares. This decreased Grand Titan's interest in the Parent Company from 69.68% as of December 31, 2012 to 59.30% as of January 10, 2013.

On August 12, 2013, the Board of Directors of the Company approved the declaration of cash dividends amounting to Php522.9 million or Php3.00 per share in favor of the Parent Company's common stockholders as of September 10, 2013. The cash dividends were paid on October 2, 2013.

6. Related Party Transactions

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

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

As of September 30, 2013 and December 31, 2011, the Group has not made any provision for probable losses relating to amounts owed by related parties. This assessment is undertaken each financial year by examining the financial position of the related party and the market in which the related party operates.

7. Basic/Diluted Earnings Per Share

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

	September 30		December 31,
	2013	2012	2012
	Unaudited		Audited
Net income attributable to Parent Company	**₱7,688**	₱5,330	₱6,555
Weighted average number of shares	**174**	145	148
	₱44.3	₱36.8	₱44.27

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

8. 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 segment is engaged in real estate and leasing, development and selling of properties of every kind and description
- Financial institutions are engaged in the banking and insurance industry
- Motor segment is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of automobiles including automobile parts, accessories, and instruments.
- Other segments have been aggregated to form a reportable segment are engaged in the following business:
  a) trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintains a petroleum service station and
  b) engaged in the food and restaurant service
  c) to act as a marketing agent for and in behalf of any real estate development company or companies.

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, operating profit and pretax income which are measured similarly in the financial statements.

Transfer prices between operating segments are on arm's length basis in a manner similar to third parties.

The following tables present revenue and income information of operating segments presented in accordance with PFRS and segment assets and liabilities as of and for the period ended September 30, 2013 and as of and for the year ended December 31, 2012.

	Real Estate	Financial Institution	Motor	Power	Others	Total
Nine Months Ended September 30, 2013 (Unaudited)						
Results of Operations						
Revenue	₱4,749	₱–	₱53,216	₱12,587	₱1,260	₱71,812
Rentals	476	–	–	–	–	476
Equity in net income of associates	284	3,655	102	–	–	4,041
	5,509	3,655	53,318	12,587	1,260	76,329
Cost of sales and services	3,340	–	45,950	–	–	49,290
Power plant operation and maintenance (before depreciation and amortization)	–	–	–	5,150	–	5,150
General and administrative expense (before depreciation and amortization)	1,167	–	3,081	1,619	263	6,130
	4,507	–	49,031	6,769	263	60,570
EBITDA	1,002	3,655	4,287	5,818	997	15,759
Other income (expenses)						
Finance income	524	–	112	137	58	831
Finance cost	(394)	–	(5)	(1,639)	(472)	(2,510)
Depreciation and amortization	(117)	–	(100)	(1,768)	(3)	(1,988)
Pretax income	1,015	3,655	4,294	2,548	580	12,092
Provision for income tax	150	–	1,236	76	12	1,474
Net Income (Loss)	₱865	₱3,655	₱3,058	2,472	₱568	₱10,618
Statement of Financial Position						
Total Assets	₱41,642	₱35,178	₱32,623	₱61,168	₱2,618	₱173,229
Total Liabilities	₱23,199	₱–	₱13,892	₱33,780	₱10,475	₱81,346

	Real Estate	Financial Institution	Motor	Power	Others	Total
Year Ended December 31, 2012 (Audited)						
Results of Operations						
Revenue	₱4,687	₱–	₱–	₱12,915	₱428	₱18,030
Rentals	233	–	–	–	–	233
Equity in net income of associates	226	3,047	631	–	–	3,904
	5,146	3,047	631	12,915	428	22,167
Cost of sales and services	2,023	–	–	–	–	2,023
Power plant operation and maintenance(before depreciation and amortization)	–	–	–	5,456	–	5,456
General and administrative expense (before depreciation and amortization)	1,256	–	–	1,733	274	3,263
	3,279	–	–	7,189	274	10,742
EBITDA	1,867	3,047	631	5,726	154	11,425
Other income (expenses)						
Finance income	577	–	–	213	77	867
Finance cost	(327)			(826)	(598)	(1,751)
Depreciation and amortization	(68)	–	–	(1,559)	(2)	(1,629)
Pretax income	2,049	3,047	631	3,554	(369)	8,912
Provision for income tax	61	–	–	222	15	298
Net Income (Loss)	₱1,988	₱3,047	₱631	₱3,332	(₱384)	₱8,614
Statement of Financial Position						
Total Assets	₱19,817	₱33,421	₱5,901	₱53,513	₱24,815	₱137,467
Total Liabilities	₱11,805	₱–	₱–	₱38,937	₱20,861	₱71,603

9. Financial Risk Management and Objectives

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

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

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

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

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

Financial assets comprise of cash and cash equivalents, receivables, due from related parties and AFS financial assets. 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 post-dated 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 September 30, 2013 and December 31, 2012, the maximum exposure to credit risk of the Group's financial assets is equal to its carrying value except for installment contracts receivable with nil exposure to credit risk since the fair value of the related condominium units collateral is greater than the carrying value of the installment contracts receivable.

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

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

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

Unaudited September 30, 2013
(Amounts in millions)

	< 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	₱25,791	₱–	₱–	₱25,791
Receivables	10,198	6,188	898	17,284
Due from related parties	132	–	–	132
AFS investments - quoted	–	–	1,050	1,050
AFS investments - unquoted	–	–	168	168
Other current assets	–	17	–	17
Other non-current assets	33	–	–	33
Total undiscounted financial assets	₱36,154	₱6,205	₱2,116	₱44,475
Other financial liabilities				
Accounts and other payables	₱15,678	₱3	₱175	₱15,856
Dividends payable	523	–	–	523
Loans payable	6,905	35,435	27,547	69,887
Due to related parties	581	–	–	581
Liabilities on purchased properties	550	1,583	2,500	4,633
Total undiscounted financial liabilities	₱24,237	₱37,021	₱30,222	₱91,480
Liquidity Gap	₱11,917	(₱30,816)	(₱28,106)	(₱47,005)

Audited
December 31, 2012

(Amounts in millions)	< 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	₱11,568	₱–	₱–	₱11,568
Receivables	6,591	3,024	862	10,477
Due from related parties	489	–	–	489
AFS financial assets - quoted	–	–	1,050	1,050
AFS financial assets - unquoted	–	–	10	10
Total undiscounted financial assets	₱18,648	₱3,024	₱1,922	₱23,594
Other financial liabilities				
Accounts and other payables	₱5,993	₱10	₱–	₱6,003
Dividends payable	1,949	–	–	1,949
Loans payable	18,668	32,743	19,349	70,760
Due to related parties	191	–	–	191
Liabilities on purchased properties	–	888	2,314	3,202
Total undiscounted financial liabilities	₱26,801	₱33,641	₱21,663	₱82,105
Liquidity Gap	(₱8,153)	(₱30,617)	(₱19,741)	(₱58,511)

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 consistof 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.

10. Contingent Liabilities

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

In addition, in order to partially guarantee the completion of Fed Land's ongoing projects, the Parent Company issued Letters of Guarantee (LG) in favor of Housing and Land Use Regulatory Board for a total guarantee amount of ₱894.28 million and ₱868.17 million as of September 30, 2013 and December 31, 2012, respectively.

11. Subsequent Events

On October 7, 2013, GT Capital acquired 2,334,434 common shares of Charter Ping An Corporation (Charter Ping An) at a fixed price of Php614.3 per share for a total of ₱1.4 billion. The acquisition represents 66.7% of the non-life insurance firm's outstanding capital stock, the selling shareholders of which were Ty family investment holding companies.

On October 22, 2013, FMIC, the investment bank subsidiary of MBTC and Meralco PowerGen Corporation (MGen), a wholly-owned subsidiary of Manila Electric Company signed a Shareholders' Agreement to complete the sale of FMIC's 20% equity stake in GBPC to MGen. The other shareholders of GBPC are GT Capital and Orix Corporation of Japan. The transaction was valued at ₱7.15 billion.

Annex B

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

FINANCIAL SOUNDNESS INDICATORS

AS OF AND FOR THE PERIOD ENDED SEPTEMBER 30, 2013 AND 2012

	2013	2012
1. Liquidity Ratio		
Current Ratio	2.63	2.81
2. Solvency Ratio		
Debt to Equity Ratio	0.62	0.71
3. Asset-to-Equity Ratio		
Assets to Equity Ratio	2.44	2.35
4. Interest Rate Coverage Ratio*		
Interest Rate Coverage Ratio	5.82	4.52
5. Profitability Ratios		
Return on Assets	6.4%	6.7%
Return on Equity	15.9%	15.2%

*computed as Earnings before Interest Expense and Taxes/Interest Expense