GT CAPITAL
HOLDINGS, INCORPORATED

May 14, 2014

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

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

Subject: Submission of 17Q Report as of March 31, 2014

Gentlemen /Mesdames:

In line with the reportorial requirements of the Securities Regulation Code and the Revised Disclosure Rules, we hereby submit the attached 2014 First Quarter Report on SEC Form 17-Q.

Very truly yours,

Francisco H. Suarez, Jr.
Chief Finance Officer

COVER SHEET

CS200711792
S.E.C. Registration Number

GT CAPITAL HOLDINGS, INC.

(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

12 31
Month Day
Fiscal Year

17-Q
FORM/TYPE

2nd Monday in May of each year
Month Day
Annual Meeting

NA
Secondary License Type, If Applicable

SEC General Accountant &
CFD
Dept. Requiring this Doc.

NA
Amended Articles Number/Section

As of March 31, 2014
75
Total No. of Stockholders

Total Amount of Borrowings
Domestic
Foreign

To be accomplished by SEC Personnel concerned.

File Number

Document I.D.

LCU

Cashier

STAMPS

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)

March 31, 2014

(Period Ended Date)

None

(Secondary License Type and File Number)

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-Q

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

1. For the quarterly period ended: **March 31, 2014**
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 Interim Condensed Consolidated Financial Statements and General Notes to Interim Condensed Consolidated Financial Statements (Refer to Annex A) and Financial Soundness Indicators (Refer to Annex B).

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

Consolidated Results of Operations- For the Three Months Ended March 31, 2014 and For the Three Months ended March 31, 2013

GT CAPITAL CONSOLIDATED INCOME STATEMENT	UNAUDITED			
	Quarter Ended March		Increase (Decrease)	
(In millions, except for Percentage)	2014	2013	Amount	Percentage
REVENUE				
Automotive operations	**23,626**	13,169	10,457	79%
Net fees	**4,004**	3,861	143	4%
Real estate sales and interest income on real estate sales	**1,691**	1,086	605	56%
Equity in net income of associates and joint ventures	**723**	2,218	(1,495)	(67%)
Net premium earned	**441**	-	441	100%
Rent income	**175**	154	21	14%
Sale of goods and services	**163**	170	(7)	(4%)
Interest income	**86**	117	(31)	(26%)
Commission income	**47**	61	(14)	(23%)
Gain on previously held interest	**-**	1,260	(1,260)	(100%)
Other income	**167**	145	22	15%
	31,123	22,241	8,882	40%
COST AND EXPENSES				
Cost of real estate sales	**998**	743	255	34%
Cost of goods and services	**14,827**	8,256	6,571	80%
Cost of goods manufactured	**5,983**	3,331	2,652	80%
Power plant operation and maintenance	**2,331**	1,980	351	18%
General and administrative expenses	**2,587**	1,884	703	37%
Interest expense	**823**	851	(28)	(3%)
Net insurance benefits and claims	**180**	-	180	100%
COSTS AND EXPENSE	**27,729**	17,045	10,684	63%
INCOME BEFORE INCOME TAX	**3,394**	5,196	(1,802)	(35%)
PROVISION FOR INCOME TAX	**605**	404	201	50%
NET INCOME	**2,789**	4,792	(2,003)	(42%)
ATTRIBUTABLE TO:				
EQUITY HOLDERS OF THE PARENT COMPANY	**1,737**	3,969	(2,232)	(56%)
NON-CONTROLLING INTEREST	**1,052**	823	229	28%
	2,789	4,792	(2,003)	(42%)

GT Capital Holdings, Inc. ("GT Capital" or the "Parent Company" or the "Company") reported a consolidated net income attributable to shareholders of the Parent Company of Php1.7 billion for the three months ended March 31, 2014, representing a 56% decline over the Php4.0 billion recorded in the same period last year. Consolidated revenue, however, increased by 40% from Php22.2 billion in the first quarter of 2013 to Php31.1 billion in the first quarter of 2014.

The revenue growth came from the following sources: (1) consolidation of Toyota Motor Philippines Corporation ("TMP") as auto sales increased from from Php13.2 billion to Php23.6 billion accounting for 76% of total revenue; (2) Net fees increased from Php3.9 billion to Php4 billion; (3) higher real estate sales and interest income on real estate sales from Php1.1 billion to Php1.7 billion; and (4) consolidation of Charter Ping An Insurance Corporation (CPAIC).

Core net income attributable to shareholders of the Parent Company reached Php1.7 billion, a decline of 36% from the same period of the previous year, after excluding the Php1.3 billion non-recurring income from the remeasurement of GT Capital's 36% previously held interest in TMP following GT Capital's acquiring of effective control in TMP.

Federal Land, Inc. ("Fed Land"), Global Business Power Corporation (GBPC), TMP, CPAIC and TCI are consolidated in the financial statements of the Company. The other component companies Metropolitan Bank and Trust Company ("Metrobank"), Philippine AXA Life Insurance Corporation ("AXA Philippines") and Toyota Manila Bay Corporation (TMBC) are presented through equity accounting.

Of the eight (8) component companies, GBPC, Metrobank, AXA Philippines and CPAIC registered decreases in net income for the period in review. TMP, Fed Land, TCI and TMBC posted double digit increases in their respective net income.

Automotive operations comprising the sale of assembled and imported auto vehicles and parts increased by 79.4% from Php13.2 billion in the first quarter of 2013 to Php23.6 billion in the first quarter of 2014.

Net fees from GBPC contributed Php4.0 billion in the first quarter of 2014 from Php3.9 billion in the first quarter of 2013.

Real estate sales and interest income on real estate sales rose by 56% year-on-year from Php1.1 billion to Php1.7 billion driven by 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.

Equity in net income of associates was 67% lower from Php2.2 billion to Php0.7 billion as net income from Metrobank and AXA Philippines declined for the period. The decrease in Metrobank's net income was chiefly due to a decline in trading, security and foreign exchange gains. Metrobank's net income contribution also excluded the one-time gain on the sale of First Metro Investment Corporation's direct equity stakes in CPAIC, TMBC and TCI as the sale constitute intercompany sale within the GT Capital Group which is eliminated in the consolidation. AXA Philippines net income also declined from Php324 million in the first quarter of 2013 to Php241 million in the first quarter of 2014 primarily due to a decline in premium revenue, reduction in investment income from non-linked investments, and higher corporate support expenses and higher business and income taxes.

Net premium earned from CPAIC comprising gross earned premiums on non-life insurance contracts, net of reinsurer's share, contributed Php0.4 billion in revenues.

Rent income mainly from the GT Tower International office building, the Blue Wave malls, the Blue Bay Walk and Florida Sun Estates increased by 14% from Php154 million to Php175 million.

Interest income declined by 26% year-on-year from Php117 million to Php86 million due to a decrease in interest rates on short-term investments.

Commission income dropped by 23% year-on-year from Php61 million to Php47 million as sales from Bonifacio Landmark Realty Development Corporation and Federal Land Orix Development Corporation declined for the period.

Other income grew by 15% from Php145 million to Php167 million with Fed Land contributing Php108.4 million comprising forfeitures, management fees, dividend income and other income; TMP accounting for Php38.7 million comprising gain on sale of fixed assets and other income, GBPC contributing Php11.7 million while the remaining Php8 million came from CPAIC.

Consolidated costs and expenses grew by 63% from Php17.0 billion in the first quarter of 2013 to Php27.7 billion in the first quarter of 2014. TMP contributed Php21.8 billion comprising cost of goods sold for manufacturing and trading activities, selling, general and administrative expenses and interest expenses. GBPC contributed Php3.6 billion comprising power plant operations and maintenance, general and administrative expenses and interest expenses. Fed Land contributed Php1.8 billion consisting of cost of real estate sales, cost of goods and services, general and administrative expenses and interest expenses. CPAIC contributed Php0.4 billion comprising general and administrative expenses and net insurance benefits and claims. GT Capital Parent Company accounted for the balance of Php0.1 billion consisting of general and administrative and interest expenses.

Cost of real estate sales increased by 34% from Php743 million to Php998 million due to an increase in booked real estate sales.

Cost of goods and services rose by 80% from Php8.3 billion to Php14.8 billion with TMP's completely built-up units and spare parts accounting for Php14.7 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 rose by 80% year-on-year from Php3.3 billion to Php6.0 billion.

Power plant operations and maintenance expenses from the power generation companies of GBPC increased by 18% from Php2.0 billion to Php2.3 billion.

General and administrative expenses grew by 37% from Php1.9 billion to Php2.6 billion with TMP accounting for Php1.1 billion consisting of advertisements and promotional expenses, salaries and wages, taxes and licenses, delivery and handling expenses and warranty; GBPC contributing Php0.8 billion representing salaries and wages, amortization of intangible asset, taxes and licenses, outside services, administrative and management fees, repairs and maintenance and insurance expenses; Fed Land accounting for Php0.4 billion composed of salaries and wages, commission expenses, depreciation expense, taxes and licenses and advertising and promotions, CPAIC contributing Php0.2 billion consisting of commission expenses, salaries and wages and depreciation; and GT Capital contributing Php29 million representing salaries and wages and taxes and licenses.

Net insurance benefits and claims reached Php180 million representing benefits and claims paid to policyholders, including changes in the valuation of insurance contract liabilities and internal and external claims handling costs directly related to the processing and settlement of claims.

Provision for income tax increased by 50% from Php404 million to Php605 million with TMP, Fed Land, and CPAIC contributing Php522.7 million, Php105.1 million, Php21.2 million, respectively. For the period, GBPC recognized a deferred tax asset on Net Operating Loss Carry Over resulting in a benefit from deferred income tax amounting to Php44.1 million.

Consolidated net income attributable to shareholders dropped by 56% from Php4 billion in the first quarter of 2013 to Php1.7 billion in the first quarter of 2014.

Balance Sheet (March 31, 2014 versus December 31, 2013)
In Millions except for Percentage

	Unaudited	Audited	Increase (Decrease)	
	March 2014	December 2013	Amount	Percentage
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**27,734**	27,167	567	2%
Short-term investments	**1,255**	1,467	(212)	(14%)
Receivables	**13,671**	12,451	1,220	10%
Reinsurance assets	**5,116**	4,966	150	3%
Inventories	**26,536**	20,813	5,723	27%
Due from related parties	**656**	849	(193)	(23%)
Prepayments and other current assets	**4,943**	5,969	(1,026)	(17%)
Total Current Assets	**79,911**	73,682	6,229	8%
NON CURRENT ASSETS				
Noncurrent receivables	**4,919**	4,929	(10)	(0%)
Long-term cash investment	**2**	-	2	100%
Option deposits	**-**	-	0	0%
Available-for-sale investments	**3,373**	3,111	262	8%
Investment in associates and joint ventures	**39,635**	40,559	(924)	(2%)
Investment properties	**8,502**	8,329	173	2%
Property and equipment	**41,953**	41,163	790	2%
Goodwill and intangible assets	**18,309**	18,275	34	0%
Deferred tax assets	**1,249**	1,109	140	13%
Other noncurrent assets	**2,295**	1,203	1,092	91%
Total Noncurrent Assets	**120,237**	118,678	1,559	1%
	200,148	192,360	7,788	4%
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts and other payables	**21,391**	20,837	554	3%
Insurance contract liabilities	**6,878**	6,684	194	3%
Short-term loans payable	**5,026**	1,744	3,282	188%
Current portion of long-term debt	**3,307**	3,364	(57)	(2%)
Current portion of liabilities on purchased properties	**949**	783	166	21%
Customers' deposit – current	**1,918**	1,844	74	4%
Due to related parties – current	**183**	188	(5)	(3%)
Dividends payable	**2,489**	1,966	523	27%
Income tax payable	**696**	876	(180)	(21%)
Other current liabilities	**761**	907	(146)	(16%)
Total Current Liabilities	**43,598**	39,193	4,405	11%
Noncurrent Liabilities				
Retirement benefit obligation	**1,821**	1,704	117	7%
Long-term debt – net of current portion	**41,886**	40,584	1,302	3%
Bonds payable	**9,886**	9,883	3	0%
Liabilities on purchased properties - net of current portion	**3,371**	3,537	(166)	(5%)
Deferred tax liabilities	**3,228**	3,252	(24)	(1%)
Other noncurrent liabilities	**1,726**	1,643	83	5%
Total Noncurrent Liabilities	**61,918**	60,603	1,315	2%
	105,516	99,796	5,720	6%
EQUITY				
Equity attributable to equity holders of the Parent Company				
Capital stock	**1,743**	1,743	0	0%
Additional paid-in capital	**46,695**	46,695	0	0%
Treasury shares	**(2)**	(6)	4	67%
Retained earnings				
Unappropriated	**20,016**	21,802	(1,786)	(8%)
Appropriated	**3,000**	-	3,000	100%
Other equity adjustments	**353**	729	(376)	(52%)
Other comprehensive income	**(1,598)**	(437)	(1,161)	(266%)
	70,207	70,526	(319)	(0%)
Non-controlling interest	**24,425**	22,038	2,387	11%
Total Equity	**94,632**	92,564	2,068	2%
	200,148	192,360	7,788	4%

The major changes in GT Capital's consolidated balance sheet from December 31, 2013 to March 31, 2014 are as follows:

Total assets of the Group slightly increased by 4% or Php7.8 billion from Php192.4 billion as of December 31, 2013 to Php200.1 billion as of March 31, 2014. Total liabilities increased by 6% or Php5.7 billion from Php99.8 billion to Php105.5 billion while total equity increased by 2% from Php92.6 billion to Php94.6 billion.

Short-term investments decreased by 14% or Php212 million to Php1.3 billion due to maturity of short-term investments.

Receivables-current portion increased by 10% or Php1.2 billion to Php13.7 billion with TMP accounting for Php3.3 billion composed of trade receivables with credit terms ranging from one (1) to thirty (30) days; GBPC accounting for Php3.5 billion representing outstanding billings for energy fees and passed-through fuel costs arising from the delivery of power; Fed Land contributing Php3.5 billion, majority of which were installment contract receivables and trade receivables; and CPAIC contributing Php2.2 billion representing insurance receivables. The remaining Php1.2 billion came from GT Capital representing dividends receivable from Metrobank and TCI representing trade and non-trade receivables amounting to Php0.7 billion and Php0.5 billion, respectively.

Inventories increased by 27% or Php5.7 billion to Php26.5 billion. Fed Land comprising condominium units for sale and land for development and TMP mostly finished goods accounted for Php20.4 billion and Php4.9 billion, respectively. GBPC consisting mostly of coal and spare parts and supplies and TCI mostly vehicles and spare parts also contributed Php1.1 billion and Php0.1 billion, respectively.

Due from related parties decreased by 23% or Php193 million to Php656 million due to collections received from the various subsidiaries of Fed Land.

Prepayments and other current assets comprising input VAT, advances to contractors and suppliers and prepaid expenses decreased by 17% or Php1.0 billion to Php4.9 billion, mainly from Fed Land, (Php2.1 billion); GBPC, (Php2.0 billion); TMP, (Php0.4 billion); CPAIC, (Php0.3 billion); and TCI, (Php0.1 billion).

Long-term cash investment from CPAIC increased to Php 2 million.

Available-for-sale investments increased by 8% to Php3.4 billion, with CPAIC, GBPC, and TMP accounting for Php1.5 billion, Php1.3 billion and Php0.6 billion, respectively.

Deferred tax assets mostly from GBPC and TMP comprising accrued retirement benefits, provision for claims and assessments and warranty payable (Php0.8 billion) and provision for retirement benefits and unrealized foreign exchange losses (Php0.4 million) reached Php1.2 billion.

Other noncurrent assets rose by 91% or Php 1.1 billion to Php2.3 billion mainly due to the increase in noncurrent advances to contractors and suppliers relating to the engineering, procurement and construction contract for Panay Energy Development Corporation Unit 3 plant expansion.

Short-term loans payable increased by Php3.3 billion to Php5 billion due to loan availments made by GT Capital and Fed Land and consolidation of TCI's loans payable as a result of the business combination effective March 31, 2014.

Current portion of liabilities on purchased properties increased by 21% or Php166 million to Php949 million due to a reclassification from noncurrent portion.

Dividends payable increased by Php523 million to Php2.5 billion due to cash dividends declared by GT Capital payable in May 2014.

Income tax payable reached Php696 million of which Php630.6 million came from TMP, Php59.0 million from CPAIC and the remaining Php6.2 million from GBPC.

Other current liabilities amounted to Php761 million, majority of which consist of uncollected output VAT from energy sales generated from the bilateral customers of GBPC, withholding taxes payable from TMP, GBPC and Fed Land and due to holders of noncontrolling interest of GBPC amounting to Php240 million, Php216 million and Php194 million, respectively.

Retirement benefit obligation increased by 7% or Php117 million to Php1.8 billion, principally due to consolidation of TCI, with Php95 million pension liability and accrual of pension expense as of end of the quarter.

Noncurrent portion of liabilities on purchased properties decreased by 5% or Php166 million to Php3.4 billion due to a reclassification from noncurrent portion to current portion.

Other noncurrent liabilities reached Php1.7 billion, composed of long-term accrued expenses of TMP, refundable and other deposits of Fed Land and decommissioning liability of GBPC amounting to Php0.9 billion, Php0.2 billion and Php0.2 billion, respectively.

Treasury shares amounting to Php2 million and Php6 million as of March 31, 2014 and December 31, 2013, respectively, represent investment in shares of stock in GT Capital by CPAIC as of the respective balance sheet dates.

Unappropriated retained earnings decreased by 8% or Php1.8 billion to Php20.0 billion mainly due to the Php1.7 billion consolidated net income realized by the Company in the first three (3) months of 2014, reduced by Php0.5 billion cash dividends declared by GT Capital in March 2014 and appropriation of retained earnings amounting to Php3.00 billion.

Other equity adjustment decreased by 52% or Php376 million to Php353 million due to the acquisition of a 33.33% direct equity stake of CPAIC from First Metro Investment Corporation.

Other comprehensive income declined by 3.7 times or Php1.2 billion to (Php1.6 billion) due to mark-to-market losses incurred on available-for-sale investments of subsidiaries and associates.

Equity before non-controlling interests remained flat at Php70.2 billion after accounting for the Php1.7 billion net income realized for the period, Php523 million cash dividends declared, Php376 million decrease in other equity adjustments and Php1.2 billion decrease in other comprehensive income.

Non-controlling interests increased by Php2.4 billion to Php24.4 billion representing the net effect of (1) Php1.1 billion net income attributable to non-controlling interest for the period, (2) Php1.3 billion increase in non-controlling interest in GBPC arising from the equity call contribution to the Panay Energy Development Corporation Unit 3 Expansion Project; (3) Php321 million increase in non-controlling interest in Panay Power Holdings Corporation arising from the equity call contribution to the Panay Energy Development Corporation Unit 3 Expansion Project and (4) the reversal of non-controlling interest of Php336 million arising from GT Capital's acquisition of the remaining 33.33% of Charter Ping An.

Key Performance Indicators (In Million Pesos, except %)

Income Statement	**March 31, 2013**	**March 31, 2014**
Total Revenues	22,241	31,123
Net Income attributable to GT Capital Holdings	3,969	1,737
Balance Sheet	**December 31, 2013**	**March 31, 2014**
Total Assets	192,360	200,148
Total Liabilities	99,796	105,516
Equity attributable to GT Capital Holdings	70,526	70,207
Return on Equity	13.9%	9.9%*

* 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 recorded a consolidated net income attributable to equity holders of the Parent Company of Php5.7 billion in the first quarter of 2014 from Php11.4 billion realized in the same period of the previous year wherein the Bank registered non-recurring trading, security, and foreign exchange gains.

Net interest income grew by 35% to Php11.1 billion due to the 19% growth in loans and receivables. Non-interest income, on the other hand, amounted to Php9 billion broken down into miscellaneous income (Php5.7 billion); service charges, fees and commissions (Php2.1 billion); trading and securities and foreign exchange gains (Php0.9 billion); and income from trust operations (Php0.3 billion).

Notably, Metrobank miscellaneous income aggregated to Php5.7 billion largely from gains from a property sale and continued disposal of non-core assets.

Total resources reached Php1.4 trillion representing a 35% increase from Php1.0 trillion in the same period of the previous year. The improvement in resources came from the 50% expansion in total deposits from Php690.4 million to Php1 trillion.

Federal Land

Fed Land registered total revenue of Php2.3 billion in the first quarter of 2014, 38% higher from Php1.7 billion in 2013. The revenue improvement came from: (1) Real estate sales and interest income on real estate sales which grew by 56% from Ph1.1 billion to Php1.7 billion driven by continued increased 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 which rose by 15% from Php153.8 million to Php176.8 million with the GT Tower International office building contributing Php86 million; and (3) Equity in net earnings of an associate and a joint venture growing by 51% from Php88 million to Php133.2 million representing equity in net earnings from the Grand Hyatt project situated in Bonifacio Global City and the Grand Midori project located in Legaspi Village, Makati City. As a result of the strong revenue growth, net income attributable to shareholders of the Parent Company increased by 83% from Php231.6 million to Php423.7 million.

Global Business Power

GBPC's net fees, comprising energy fees realized by the operating companies as stipulated in their respective Power Purchase Agreements with their respective customers, net of adjustments, increased slightly by 4% from Php3.9 billion in first quarter of 2013 to Php4 billion in the first quarter of 2014. Net income attributable to shareholders of the Parent Company, however, dropped by 42.4% from Php390.7 million in 2013 to Php224.9 million in 2014. The reduction in net income were chiefly due to the following factors: (1) A prolonged cap in the Wholesale Electricity Spot Market (WESM) prices was implemented through an Administered Price in the Visayas Grid thereby resulting in a 56% drop in WESM margins as the administrative price was not sufficient to defray costs and expenses. To mitigate this, GBPC applied for additional compensation to recover its costs and expenses. Subsequently, this cap has been lifted effective March 26, 2014; and (2) Technical issues affecting the operation of the Toledo Power plant as one of its turbines is being repaired. Meanwhile, Toledo Power's 82 megawatt plant expansion is expected to be completed and become operational within the fourth quarter of 2014 or one quarter ahead of schedule.

Toledo Power and Panay Power entered into interim power agreements with the Manila Electric Company to supply an aggregate 55 megawatts of its diesel reserves from April 1, 2014 to June 30, 2014.

Toyota Motor Philippines

TMP which also owns three (3) dealer outlets and two (2) branches namely: Lexus Manila in Bonifacio Global City, Toyota Makati with one branch, Toyota Bicutan, Toyota San Fernando, Pampanga with one branch, Toyota Plaridel, Bulacan, registered a 28% growth in consolidated sales from Php18.5 billion in the first quarter of 2013 to Php23.6 billion in the first quarter of 2014 as sales from completely-knocked down parts and completely built-up units rose by 33% and 35%, respectively driven by the continued strong demand for the all new Vios, new models mix – Corolla Altis (January 16) and Wigo (February 15), sales volume increments across all other models, and aggressive sales and promotions. As a result, TMP's sales volume growth of 34% outpaced the industry's 21% thereby resulting in a continued upsurge in overall market share to 38.3% as of March 31. The favorable sales performance resulted in gross and operating profit margins of 13% and 8%, respectively. Consolidated net income attributable to equity holders of the Parent Company grew by 25% from Php1.1 billion in the first quarter of 2013 to Php1.4 billion in the first quarter of 2014.

AXA Philippines

As of March 31, 2014, capital markets volatility arising from external factors induced investors to remain liquid resulting in a 5% decrease in AXA Philippines new business expressed in Annualized Premium Equivalent from Php871 million in the first quarter of 2013 to Php829 million in the first quarter of 2014 translating in a 26% decline in premium income from Php4.7 billion in the first quarter of 2013 to Php3.5 billion in the first quarter of 2014. By product, single premium accounted for 59% or Php2 billion of premium income while traditional insurance products comprised the balance. By distribution channel, bancassurance contributed over 70% of premium income. Although premium margins improved by 28% from Php554 million to Php710 million, a 41% reduction in investment income from non-linked investments and higher corporate support expenses and business and income taxes resulted in 26% decrease in net income from Php324 million in the first quarter of 2013 to Php241 million in the first quarter of 2014.

Charter Ping An

CPAIC registered a 11% growth in gross premium written from Php754.3 million in the first quarter of 2013 to Php840.9 million in the first quarter of 2014. Motor car, property and compulsory OFW were the major revenue contributors comprising 79% of gross premium written. However, CPAIC incurred higher than normal claims and losses arising from a major typhoon that affected the Mindanao region in the first quarter thereby resulting in declines in gross underwriting contribution from Php167.3 million to Php152.9 million and operating income from Php97.7 million to Php71.9 million, respectively. Net income dropped by 22% from Php70.1 million in 2013 to Php55 million in 2014.

Toyota Manila Bay

TMBC consolidated sales composed of vehicle sales, parts and services grew by 18.9% from Php2.2 billion in the first quarter of 2013 to Php2.7 billion in the first quarter of 2014 as vehicle sales grew by 18.7% from Php2.1 billion to Php2.5 billion largely from the 26% increase in retail sales volume from 2,078 units to 2,613 units . Sales of parts and maintenance services, likewise, increased by 22% and 20%, respectively. Gross profit margins for vehicle sales decreased to 4.9% from 5.2% due to intensified competition. As a result, overall gross profit margins reached 6.9%. Net income for the first quarter rose by 18.9% from Php26.8 million to Php31.8 million.

Toyota Cubao, Inc.

TCI consolidated sales composed of vehicle sales, parts and services reached Php1.1 billion as of the first quarter of 2014 which was the same amount as in the previous year. Although retail sales volume grew by 6%, more passenger cars were sold as compared to commercial vehicles. Passenger cars have a lower average price as compared to commercial vehicles Gross profit margins for vehicle sales and maintenance services were maintained at 4.6% and 59%, respectively as compared to the same period of the previous year while spare parts improved to 23%. Net income grew from Php0.4 million in the first quarter of 2013 to Php5.6 million in the first quarter of 2014 as interest expenses dropped from Php10 million to Php3.8 million due to partial loan payments and lower borrowing costs.

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

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

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

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

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

The GT Capital Group's 2014 capital expenditures ("capex") budget is presented as follows:

Component Company	2014 Capex (In Billion Pesos)	Nature	Source of Funding
Metrobank	2.500	IT systems, ATM installation, renovation, investment in new branches/ renovation and relocation of existing branches	Internally generated funds
Fed Land	12.810	Residential projects: High end, Middle end, and Low Middle; retail and commercial project developments; and land acquisitions	Internally generated funds / project sales (Php8.81 billion) and land bank (Php4 billion)
GBPC	16.079	Panay Unit 3 expansion; and repairs and maintenance of existing power plants	Panay expansion: Php5.0 billion equity and Php10.6 billion project loan from banks. Existing power plants – internally generated funds
TMP	1.459	Model change, (Php488 million); capacity expansion, (Php352 million); plant rehabilitation, (Php113 million); logistics, (Php115 million); and others, (Php391 million)	Internally generated funds
AXA Philippines	0.120	IT and computer improvements, office improvements	Internally generated funds
Charter Ping An	0.035	Financial consolidation system, (Php8 million); branch expansion, (Php4 million); IT system improvement, (Php3 million); and others, (Php20 million)	Internally generated funds
Toyota Manila Bay	0.120	Property acquisition, (Php50 million); parking structure expansion, (Php45 million); and body paint expansion, (Php25 million)	Internally generated funds
TCI	0.0015	Upgrade document management system (Php1.5 million)	Internally generated funds
GT Capital (Parent)	12.140	Charter Ping An acquisition , (Php740 million); TMBC acquisition, (Php740 million); GBPC equity call, (Php2.66 billion); and strategic acquisitions/general corporate purposes, (Php8 billion)	Internally generated funds and loans
Total	**45.2645**		

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

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

(vii) The causes of any material change from period to period including vertical and horizontal analysis of any material item, the causes of material changes are discussed in the MD & A; and

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

PART II--OTHER INFORMATION

On March 11, 2014, the Company's Board of Directors approved the following amendments:

1. Amendment of Article III, Section 3 of the Company's By-laws reducing the number of shares required to qualify as a director of the Company from one thousand (1,000) to one hundred (100);
2. Amendment of Article SIXTH of the Company's Articles of Incorporation increasing the number of directors of the Company from nine (9) to eleven (11).

The foregoing amendments were approved by the stockholders at the Annual Stockholders Meeting on May 12, 2014 and shall be submitted for approval of the Securities and Exchange Commission.

Also, at the Annual Stockholders Meeting of the Company on May 12, 2014, the following directors were elected:

1.	George S.K. Ty	-	Group Chairman
2.	Arthur Vy Ty	-	Chairman
3.	Alfred Vy Ty	-	Vice Chairman
4.	Carmelo Maria Luza Bautista	-	Director/President
5.	Solomon S. Cua	-	Director
6.	Roderico V. Puno	-	Director
7.	David T. Go	-	Director**
8.	Francisco C. Sebastian	-	Director**
9.	Jaime Miguel G. Belmonte	-	Independent Director*
10.	Christopher P. Beshouri	-	Independent Director*
11.	Wilfredo A. Paras	-	Independent Director*

* As provided under Section 38 of the Securities Regulation Code (Republic Act No, 8799, as amended) and SRC Implementing Rule 38.1.

**Mr. Francis C. Sebastian and Dr. David T. Go shall assume their seats upon the approval by the Securities and Exchange Commission of the amendment of the Articles of Incorporation of the Corporation increasing the number of directors from nine (9) to eleven (11).

At the Organizational Meeting of the Board of Directors ("Organizational Meeting") that followed immediately after the Annual Stockholders Meeting, the following officers of the Company were appointed:

1. Carmelo Maria Luza Bautista - President
2. Mary V. Ty - Treasurer
3. Anjanette T. Dy Buncio - Assistant Treasurer
4. Alesandra T. Ty - Assistant Treasurer
5. Antonio V. Viray - Corporate Secretary
6. Margaret Ty Cham - Assistant Corporate Secretary
7. Jocelyn Y. Kho - Assistant Corporate Secretary
8. Francisco H. Suarez, Jr. - Senior Vice President and Chief Financial Officer
9. Joselito V. Banaag - Vice President and Head, Legal and Compliance
10. Jose B. Crisol, Jr. - Vice President and Head, Investor Relations and Corporate Communications
11. Susan E. Cornelio - Vice President and Head, Human Resources
12. Richel D. Mendoza - Vice President and Chief Audit Executive
13. Reyna Rose P. Manon-og - Vice President and Head, Accounting and Financial Control

Furthermore, the Board of Directors of the Cormpany appointed Messrs. Pascual M. Garcia III and Antonio S. Abacan, Jr. as Advisers to the Board of Directors.

Also during the Organizational Meeting, the following were appointed to the various Board Committees of the Company:

Executive Committee	
Mr. Alfred Vy Ty	Chairman
Ms. Mary Vy Ty	Vice-Chairman
Mr. Carmelo Maria Luza Bautista	Member
Mr. Solomon S. Cua	Member
Mr. Arthur Vy Ty	Adviser

Audit Committee	
Mr. Wilfredo A. Paras	Chairman
Mr. Christopher P. Beshouri	Member
Mr. Solomon S. Cua	Member

Compensation Committee	
Mr. Alfred Vy Ty	Chairman
Mr. Solomon S. Cua	Member
Mr. Jaime Miguel G. Belmonte	Member

Nominations Committee	
Mr. Roderico V. Puno	Chairman
Mr. Carmelo Maria Luza Bautista	Member
Mr. Wilfredo A. Paras	Member

Corporate Governance Committee	
Mr. Christopher P. Beshouri	Chairman
Mr. Wilfredo A. Paras	Member
Mr. Jaime Miguel G. Belmonte	Member

Re-Appointment of External Auditors

Finally, the stockholders, upon recommendation of the Audit Committee of the Company, by a majority vote of its outstanding capital stock, re-appointed Sycip Gorres Velayo & Company as the external auditors of the Company for the year 2014-2015.

GT CAPITAL HOLDINGS, INC.
AGING OF ACCOUNTS RECEIVABLE
IN MILLION PESOS
AS OF MARCH 31, 2014

Number of Days	Amount
Less than 30 days	Php 3,827
30 days to 60 days	296
61 days to 90 days	367
91 days to 120 days	593
Over 120 days	922
Current	11,933
Noncurrent receivables	4,919
Total	22,857

GT CAPITAL HOLDINGS, INC.
LIST OF STOCKHOLDERS AND PERCENTAGE OF HOLDINGS
AS OF MARCH 31, 2014

The following stockholders own more than 5% of the total issued and outstanding shares of the Company as of March 31, 2014:

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	58,406,484	33.509%
PCD Nominee-Filipino	11,886,055	6.819%
Others	636,351	0.366%
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: May 14, 2014

GT Capital Holdings, Inc. and Subsidiaries

Interim Condensed Consolidated Financial Statements

As of March 31, 2014 (Unaudited) and December 31, 2013 (Audited)
and for the quarters ended March 31, 2014 and 2013 (Unaudited)

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(In Millions)

	Unaudited March 31, 2014	Audited December 31, 2013
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	27,734	27,167
Short-term investments	1,255	1,467
Receivables	13,671	12,451
Reinsurance assets	5,116	4,966
Inventories	26,536	20,813
Due from related parties	656	849
Prepayments and other current assets	4,943	5,969
TOTAL CURRENT ASSETS	79,911	73,682
NONCURRENT ASSETS		
Noncurrent receivables	4,919	4,929
Long-term cash investment	2	-
Available-for-sale investments	3,373	3,111
Investments in associates and joint ventures	39,635	40,559
Investment properties	8,502	8,329
Property and equipment	41,953	41,163
Goodwill and intangible assets	18,309	18,275
Deferred tax assets	1,249	1,109
Other noncurrent assets	2,295	1,203
TOTAL NONCURRENT ASSETS	120,237	118,678
	200,148	192,360
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts and other payables	21,391	20,837
Insurance contract liabilities	6,878	6,684
Short-term debt	5,026	1,744
Current portion of long-term debt	3,307	3,364
Current portion of liabilities on purchased properties	949	783
Customers' deposit - current	1,918	1,844
Due to related parties – current	183	188
Dividends payable	2,489	1,966
Income tax payable	696	876
Other current liabilities	761	907
TOTAL CURRENT LIABILITIES	43,598	39,193
NONCURRENT LIABILITIES		
Pension liability	1,821	1,704
Long term debt-net of current portion	41,886	40,584
Bonds payable	9,886	9,883
Liabilities on purchased properties - net of current portion	3,371	3,537
Deferred tax liabilities	3,228	3,252
Other noncurrent liabilities	1,726	1,643
TOTAL NONCURRENT LIABILITIES	61,918	60,603
	105,516	99,796
EQUITY		
Equity attributable to equity holders of the Parent Company		
Capital stock	1,743	1,743
Additional paid-in capital	46,695	46,695
Treasury shares	(2)	(6)
Retained earnings		
Unappropriated	20,016	21,802
Appropriated	3,000	-
Other equity adjustments	353	729
Other comprehensive income	(1,598)	(437)
	70,207	70,526
Non-controlling interest	24,425	22,038
TOTAL EQUITY	94,632	92,564
	200,148	192,360

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

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

	UNAUDITED	
	Quarter Ended March	
	2014	2013
REVENUE		
Automotive operations	**23,626**	13,169
Net fees	**4,004**	3,861
Real estate sales	**1,438**	955
Equity in net income of associates	**723**	2,218
Net premium earned	**441**	-
Rent income	**175**	154
Sale of goods and services	**163**	170
Interest income	**339**	248
Commission income	**47**	61
Gain on previously held interest	**-**	1,260
Other income	**167**	145
	31,123	22,241
COST AND EXPENSES		
Cost of goods and services sold	**14,827**	2,204
Cost of goods manufactured	**5,983**	9,383
General and administrative expenses	**2,587**	1,884
Power plant operation and maintenance expenses	**2,331**	1,980
Cost of real estate sales	**998**	743
Interest expense	**823**	851
Net insurance benefits and claims	**180**	-
	27,729	17,045
INCOME BEFORE INCOME TAX	**3,394**	5,196
PROVISION FOR INCOME TAX	**605**	404
NET INCOME	**2,789**	4,792
ATTRIBUTABLE TO:		
Equity holders of the Parent Company	**1,737**	3,969
Non-controlling interest	**1,052**	823
	2,789	4,792
Basic/Diluted Earnings Per Share Attributable to Equity Holders of the Parent Company	**9.97**	23.01

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Millions)

	Unaudited	
	Quarter Ended March 31	
	2014	2013
NET INCOME	**₱2,789**	₱4,792
OTHER COMPREHENSIVE INCOME		
Items that may be reclassified to profit or loss in subsequent periods:		
Changes in fair value of available-for-sale investments	**59**	-
Equity in other comprehensive income of associates:		
Changes in fair value of available-for-sale investments of associates	**(1,169)**	834
Translation adjustment of associates	**(26)**	(37)
	(1,136)	797
Items that may not be reclassified to profit or loss in subsequent periods:		
Remeasurement of defined benefit plans	**2**	-
Equity in remeasurement of defined benefit plans of associates	**(1)**	-
Income tax effect	**-**	-
	1	-
TOTAL OTHER COMPREHENSIVE INCOME, NET OF TAX	**(1,135)**	797
TOTAL COMPREHENSIVE INCOME, NET OF TAX	**1,654**	₱5,589
Attributable to:		
Equity holders of the GT Capital Holdings, Inc.	**576**	₱4,766
Non-controlling interest	**1,078**	823
	1,654	₱5,589

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
QUARTER ENDED MARCH 31, 2014 AND 2013 (UNAUDITED)
(In Millions)

	Equity Attributable to Equity Holders of the Parent Company												
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Unappropriated Retained Earnings	Appropriated Retained Earnings	Net Unrealized Gain on Available-for-Sale Investments	Net Unrealized Gain (Loss) on Remeasurement of Defined Benefit Plans	Equity in Net Unrealized Gain (Loss) on Available-for-Sale Investments of Associates	Equity in Translation Adjustment of Associates	Equity in Net Unrealized Loss on Remeasurement of Defined Benefit Plans of Associates	Other Equity Adjustment	Non-controlling Interests	Total
At January 1, 2014	**₱1,743**	**₱46,695**	**(₱6)**	**₱21,802**	**₱–**	**₱80**	**(₱216)**	**₱5**	**₱417**	**(₱723)**	**₱729**	**₱22,038**	**₱92,564**
Total comprehensive income	–	–	–	1,737	–	33	2	(1,169)	(26)	(1)	–	1,078	1,654
Dividends declared	–	–	–	(523)	–	–	–	–	–	–	–	–	(523)
Appropriation of retained earnings	–	–	–	(3,000)	3,000	–	–	–	–	–	–	–	–
Effect of acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	24	24
Acquisition of non-controlling interest in a subsidiary	–	–	–	–	–	–	–	–	–	–	(376)	(336)	(712)
Movement in non-controlling interest of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	1,621	1,621
Reissuance of treasury shares	–	–	4	–	–	–	–	–	–	–	–	–	4
At March 31, 2014	**₱1,743**	**₱46,695**	**(₱2)**	**₱20,016**	**₱3,000**	**₱113**	**(₱214)**	**(₱1,164)**	**₱391**	**(₱724)**	**₱353**	**₱24,425**	**₱94,632**

(Forward)

	Equity Attributable to Equity Holders of the Parent Company												
	Capital Stock	Additional Paid-in Capital	Treasury Shares	Unappropriated Retained Earnings	Appropriated Retained Earnings	Net Unrealized Loss on Available-for-Sale Investments	Net Unrealized Gain on Remeasurement of Defined Benefit Plans	Equity in Net Unrealized Gain on Available-for-Sale Investments of Associates	Equity in Translation Adjustment of Associates	Equity in Net Unrealized Gain on Remeasurement of Defined Benefit Plans of Associates	Other Equity Adjustment	Non-controlling Interests	Total
At January 1, 2013	₱1,580	₱36,753	₱–	₱13,856	₱–	(₱7)	₱–	₱2,954	₱36	₱–	(₱681)	₱11,373	₱65,864
Issuance of capital stock	163	9,943	–	–	–	–	–	–	–	–	–	–	10,106
Total comprehensive income	–	–	–	3,969	–	–	–	834	(37)	–	–	823	5,589
Effect of acquisition of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	6,062	6,062
Movement in non-controlling interest of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	959	959
At March 31, 2013	₱1,743	₱46,696	₱–	₱17,825	₱–	(₱7)	₱–	₱3,788	(₱1)	₱–	(₱681)	₱19,217	₱88,580

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Millions)

	Unaudited	
	Quarters Ended March 31	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,394**	₱5,196
Adjustments for:		
Interest expense	**823**	851
Depreciation and amortization	**681**	640
Equity in net income of associates and joint ventures	**(723)**	(2,218)
Gain on previously held interest	–	(1,260)
Interest income	**(339)**	(117)
Pension expense	**30**	26
Unrealized foreign exchange losses	–	1
Gain on disposal of property and equipment	**(18)**	–
Gain on sale of available-for-sale investments	**(2)**	–
Operating income before changes in working capital	**3,846**	3,119
Decrease (increase) in:		
Short-term investments	**212**	–
Receivables	**(711)**	(3,130)
Reinsurance assets	**15,698**	–
Due from related parties	**194**	339
Inventories	**(21,454)**	885
Prepayments and other current assets	**1,127**	(20)
Increase (decrease) in:		
Accounts and other payables	**241**	1,978
Insurance contract liabilities	**194**	–
Customers' deposits	**74**	(299)
Other current liabilities	**(146)**	76
Cash provided by operations	**(725)**	2,948
Interest received	**329**	108
Interest paid	**(892)**	(931)
Dividends received	**689**	–
Income taxes paid	**(868)**	(11)
Net cash provided by (used in) operating activities	**(1,467)**	2,114
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of:		
Property and equipment	**470**	66
Available-for-sale investments	**160**	–
Additions to:		
Property and equipment	**(1,814)**	(946)
Investments in associates and joint ventures	**(237)**	–
Available-for-sale investments	**(340)**	–
Long-term cash investments	**(2)**	–
Intangible assets	**(1)**	20
Investment properties	**–**	(284)
Acquisition of subsidiary, net of cash acquired	**(282)**	4,255
Acquisition of non-controlling interests in consolidated subsidiaries	**(712)**	–
Increase in other noncurrent asset	**(1,038)**	(36)
Net cash provided by (used in) investing activities	**(3,796)**	3,075

(Forward)

	Unaudited	
	Quarters Ended March 31	
	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan availment	**₱5,165**	₱505
Proceeds from issuance of capital stock	**–**	10,106
Proceeds from bond issuance	**–**	9,897
Payment of loans payable	**(1,015)**	(10,273)
Increase (decrease) in:		
Due to related parties	**(5)**	(4)
Other noncurrent liabilities	**64**	35
Capital contribution from non-controlling interests	**1,621**	–
Net cash provided by financing activities	**5,830**	10,266
NET INCREASE IN CASH AND CASH EQUIVALENTS	**567**	15,455
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**27,167**	11,553
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱27,734**	₱27,008

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.

Group Activities

The Parent Company, Federal Land, Inc. (Fed Land) and Subsidiaries (Fed Land Group), Charter Ping An Insurance Corporation (Charter Ping An or Ping An), Toyota Motor Philippines Corporation (Toyota or TMPC) and Subsidiaries (Toyota Group), Global Business Power Corporation (GBPC) and Subsidiaries (GBPC Group) and Toyota Cubao, Inc. (TCI) and Subsidiary (TCI Group) are collectively referred herein as the "Group". The Parent Company, the holding company of the Fed Land Group (real estate business), Charter Ping An (non-life insurance business), Toyota Group (automotive business), GBPC Group (power generation business) and TCI Group (automotive business) is engaged in investing, purchasing and holding shares of stock, notes and other securities and obligations.

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

GBPC was registered with the Philippine SEC on March 13, 2002 primarily to invest in, hold, purchase, import, acquire (except land), lease, contract or otherwise, with the limits allowed for by law, any and all real and personal properties of every kind and description, whatsoever, and to do acts of being a holding company except to act as brokers dealers in securities.

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

Charter Ping An is engaged in the business of nonlife insurance which includes fire, motor car, marine hull, marine cargo, personal accident insurance and other products that are permitted to be sold by a nonlife insurance company in the Philippines.

TCI is engaged in purchasing, trading, exchanging, distributing, marketing, repairing and servicing automobiles, trucks and all kinds of motor vehicles and automobile products of every kind and description, motor vehicle parts, accessories, tools and supplies and equipment items.

The Parent Company also has significant shareholdings in Metropolitan Bank & Trust Co. (MBTC), Philippine AXA Life Insurance Corporation (AXA Philippines or Phil AXA) and Toyota Manila Bay Corporation (TMBC).

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.

The accompanying interim condensed consolidated financial statements of the Company were approved for issue by the Company's Audit Committee on May 9, 2014.

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, 2013.

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.

Presentation of Financial Statements

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Income and expense are not offset in the consolidated 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

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

		Direct Percentages of Ownership		Effective Percentages of Ownership	
	Country of Incorporation	**March 31, 2014**	December 31, 2013	**March 31, 2014**	December 31, 2013
Fed Land and Subsidiaries	Philippines	**100.00**	100.00	**100.00**	100.00
Charter Ping An	-do-	**100.00**	66.67	**100.00**	74.97
Toyota and Subsidiaries	-do-	**51.00**	51.00	**51.00**	51.00
GBPC and Subsidiaries	-do-	**50.89**	50.89	**53.16**	53.16
TCI and Subsidiary	-do-	**89.05**	–	**89.05**	–

As of March 31, 2014 and December 31, 2013, the Parent Company has effective ownership over GBPC of 53.16% (50.89% direct interest and 2.27% indirect interest). The Parent Company's indirect interest comes from its 25.11% direct interest in MBTC, which has 99.23% direct interest in First Metro Investments Corporation (FMIC). FMIC, in turn, has 9.11% direct interest in GBPC as of March 31, 2014 and December 31, 2013. The Parent Company acquired effective control of GBPC on April 30, 2012. The acquisition of control over GBPC was accounted for as a business combination achieved in stages and the details of the said transaction are discussed extensively in 2013 Audited Financial Statements.

On January 17, 2013, the Parent Company and MBTC executed a Deed of Absolute Sale for the acquisition of 2,324,117 common shares of stock of Toyota from MBTC as provided in the memorandum of understanding (MOU) entered into by the Parent Company and MBTC, for a total consideration of ₱4.54 billion. This represented an additional 15.00% of Toyota's outstanding capital stock and increased the Parent Company's shareholdings in Toyota to 51.00%. The Parent Company assessed that it has control over Toyota because of its ability to direct the relevant activities of Toyota to generate returns for itself through its ability to appoint majority of the members of the Board of Directors (BOD) of Toyota and accounted for Toyota as a subsidiary (see Note 3).

As of March 31, 2014 and December 31, 2013, the Parent Company has effective ownership over Charter Ping An of 100.00% and 74.97% (66.67% direct interest and 8.30% indirect interest), respectively. The Parent Company's indirect interest comes from its direct investment in MBTC, which has direct interest in FMIC. FMIC, in turn, owns the remaining 33.33% ownership interest over Charter Ping An as of December 31, 2013. The Parent Company acquired the remaining 33.33% ownership interest of FMIC over Charter Ping An on January 27, 2014 (see Notes 3 and 8).

In March 2014, the Parent Company acquired a total of 69,620,000 common shares of TCI. This represents 89.05% of TCI. The Parent Company assessed that it has control over TCI through its 89.05% ownership and accounted for TCI as a subsidiary (see Note 3).

Fed Land's Subsidiaries

	Percentage of Ownership
FLI - Management and Consultancy, Inc. (FMCI)	100.00
Baywatch Project Management Corporation (BPMC)	100.00
Horizon Land Property and Development Corp. (HLPDC)	100.00
Top Leader Property Management Corp. (TLPMC)	100.00
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
Mindanao Energy Development Corporation (MEDC)	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

TCI has investments in Oxfordshire Holdings, Inc., a wholly owned subsidiary.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if, and only if, the Parent Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure or rights to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting policies except for Charter Ping An which uses the revaluation method in accounting for its condominium units included as part of 'Property and equipment' account in the interim condensed consolidated statement of financial position. The carrying values of the condominium units are adjusted to eliminate the effect of revaluation and to recognize the related accumulated depreciation based on the original acquisition cost to align the measurement with the Group's accounting policy. All intragroup transactions, balances, income and expenses resulting from intragroup transactions and dividends are eliminated in full on consolidation.

Non-controlling interests (NCI) represent the portion of profit or loss and net assets in a subsidiary not attributed, directly or indirectly, to the Parent Company. NCI are presented separately in the interim condensed consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and within equity in the consolidated statement of financial position, separately from the Parent Company's equity.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company and to the NCI, even if that results in the NCI having a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary, the carrying amount of any NCI and the cumulative translation differences, recorded in equity;
- Recognizes the fair value of the consideration received, the fair value of any investment retained and any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Business Combinations Involving Entities Under Common Control

A business combination involving entities under common control is accounted for using the uniting of interest method, except when the acquisition is deemed to have commercial substance for the Group, in which case the business combination is accounted for under the acquisition method. The combined entities accounted for by the uniting of interests method reports the results of operations for the period in which the combination occurs as though the entities had been combined as of the beginning of the period. Financial statements of the separate entities presented for prior years are also restated on a combined basis to provide comparative information. The effects of intercompany transactions on assets, liabilities, revenues, and expenses for the periods presented, and on retained earnings at the beginning of the periods presented are eliminated to the extent possible.

Under the uniting of interest method, the acquirer accounts for the combination as follows:

- the assets and liabilities of the acquiree are consolidated using the existing carrying values instead of fair values;
- intangible assets and contingent liabilities are recognized only to the extent that they were recognized by the acquiree in accordance with applicable 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.

When evaluating whether an acquisition has commercial substance, the Group considers the following factors, among others:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as NCI or other third parties; and
- whether or not the transaction is conducted at fair value.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the date of acquisition. Acquisition-related costs are expensed and included in the interim condensed consolidated statement of income.

When the Group acquires a business, it assesses the financial assets and liabilities of the acquiree for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree. The Group also assesses whether assets or liabilities of the acquiree that are previously unrecognized in the books of the acquiree will require separate recognition in the interim condensed consolidated financial statements of the Group at the acquisition date.

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

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognized either in the interim condensed consolidated statements of income or as changes to other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured until it is finally settled within equity.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that if known, would have affected the amounts recognized as at that date. The measurement period is the period from the date of acquisition to the date the Group receives complete information about facts and circumstances that existed as at the acquisition date and is subject to a maximum of one year.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount recognized for any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held interest, if any, over the fair value of the net assets acquired.

If after reassessment, the fair value of the net assets acquired exceeds the consideration transferred, the amount recognized for any non-controlling interest in the acquiree and the fair value of the acquirer's previously-held interest, if any, the difference is recognized immediately in the interim condensed consolidated statements of income as 'Gain on bargain purchase'.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Any impairment loss is recognized immediately in the interim condensed consolidated statement of income and is not subsequently reversed. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash-generating unit (CGU) that are expected to benefit from the combination from the acquisition date irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

<u>Change in Ownership without Loss of Control</u>
Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling interest and NCI are adjusted by the Group to reflect the changes in its relative interests in the subsidiary. Any difference between the amount by which the NCI is adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the equity holders of the Parent Company.

<u>Changes in Accounting Policies</u>
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, 2013 except for the following new and amended Philippine Financial Reporting Standards (PFRS), PAS and Philippine Interpretations which were adopted as of January 1, 2014.

- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)
  The amendments 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. The amendments affect presentation only and have no impact on the Group's financial position or performance.

- PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)
  These amendments remove the unintended consequences of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or CGUs for which impairment loss has been recognized or reversed during the period. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting* (Amendments)
  These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novations.

- Investment Entities (Amendments to PFRS 10, PFRS 12 and PAS 27)
  They provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. It is not expected that this amendment would be relevant to the Group since none of the entities in the Group would qualify to be an investment entity under PFRS 10.

- Philippine Interpretation 21, *Levies* (Philippine Interpretation 21)
  Philippine Interpretation 21 clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. The Group does not expect that Philippine Interpretation 21 will have material financial impact in future financial statements.

Except as otherwise indicated, the impact of the revised standards adopted effective January 1, 2014 has been reflected in the interim condensed consolidated financial statements, as applicable.

Significant Accounting Policies

<u>Fair Value Measurement</u>
The Group measures financial instruments, such as AFS investments, at fair value at each consolidated statement of financial position date.

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

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

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

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

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

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

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

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

Financial Instruments – Initial Recognition and Subsequent Measurement

Date of recognition

The Group recognizes a financial asset or a financial liability in the 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: financial assets at FVPL, held-to-maturity (HTM) investments, AFS investments, and loans and receivables. The Group classifies its financial liabilities as financial liabilities at FVPL or other financial liabilities. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Management determines the classification of its investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every reporting date.

As of March 31, 2014 and December 31, 2013, 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 2014 and 2013.

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 asking price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models, and other relevant valuation models. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for longer dated derivatives and discount rates.

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

Loans and 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 method, less allowance for impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in "Interest Income" in the interim condensed consolidated statement of income. The losses arising from impairment of such loans and receivables are recognized in the interim condensed 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 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 interim condensed consolidated statement of comprehensive income when the Group's right to receive payment has been established. Interest earned on holding AFS debt instruments are reported in the statement of income as "Interest income" using the effective interest method.

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

Other financial liabilities
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", "Bonds payable", "Liabilities on purchased properties", "Due to related parties" and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable).

<u>Standards Issued But Not Yet Effective</u>
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 19, *Employee Benefits – Defined Benefit Plans: Employee Contributions* (Amendments)
  The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as

reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans. The amendments to PAS 19 are to be retrospectively applied for annual periods beginning on or after July 1, 2014.

Annual Improvements to PFRSs (2010-2012 cycle)
The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

- PFRS 2, *Share-based Payment – Definition of Vesting Condition*
  The amendment revised the definitions of vesting condition and market condition and added the definitions of performance condition and service condition to clarify various issues. This amendment shall be prospectively applied to share-based payment transactions for which the grant date is on or after July 1, 2014. This amendment does not apply to the Group as it has no share-based payments.

- PFRS 3, *Business Combinations – Accounting for Contingent Consideration in a Business Combination*
  The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PFRS 9 (or PAS 39, if PFRS 9 is not yet adopted). The amendment shall be prospectively applied to business combinations for which the acquisition date is on or after July 1, 2014. The Group shall consider this amendment for future business combinations.

- PFRS 8, *Operating Segments - Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*
  The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. These amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PFRS 13, *Fair Value Measurement – Short-term Receivables and Payables*
  The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial.

- PAS 16, *Property, Plant and Equipment – Revaluation Method – Proportionate Restatement of Accumulated Depreciation*
  The amendment clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  b. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

  The amendment is effective for annual periods beginning on or after July 1, 2014. The amendment shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendment has no impact on the Group's financial position or performance.

- PAS 24, *Related Party Disclosures - Key Management Personnel*
  The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent company of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments are effective for annual periods beginning on or after July 1, 2014 and are applied retrospectively. The amendments affect disclosures only and have no impact on the Group's financial position or performance.

- PAS 38, *Intangible Assets – Revaluation Method – Proportionate Restatement of Accumulated Amortization*
  The amendments clarify that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

  a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  b. The accumulated amortization is eliminated against the gross carrying amount of the asset.

  The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard.

  The amendments are effective for annual periods beginning on or after July 1, 2014. The amendments shall apply to all revaluations recognized in annual periods beginning on or after the date of initial application of this amendment and in the immediately preceding annual period. The amendments have no impact on the Group's financial position or performance.

Annual Improvements to PFRSs (2011-2013 cycle)
The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

- PFRS 1, *First-time Adoption of Philippine Financial Reporting Standards – Meaning of 'Effective PFRSs'*
  The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment is not applicable to the Group as it is not a first-time adopter of PFRS.

- PFRS 3, *Business Combinations - Scope Exceptions for Joint Arrangements*
  The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no impact to the Group as it has not applied PFRS 3 to any of its joint arrangements, which are investments in joint ventures.

- PFRS 13, *Fair Value Measurement - Portfolio Exception*
  The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no significant impact on the Group's financial position or performance.

- PAS 40, *Investment Property*
  The amendment clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3. This amendment is effective for annual periods beginning on or after July 1, 2014 and is applied prospectively. The amendment has no significant impact on the Group's financial position or performance.

- PFRS 9, *Financial Instruments*
  PFRS 9, as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at fair value through profit or loss. All equity financial assets are measured at fair value either through other comprehensive income (OCI) or profit or loss. Equity financial assets held for trading must be measured at fair value through profit or loss. For liabilities designated as at FVPL using the fair value option, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO.

  On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. It introduces new requirements for hedge accounting that align hedge accounting more closely with risk management. PFRS 9 also requires more extensive disclosures for hedge accounting.

  The mandatory effective date of PFRS 9 is not specified but will be determined when the outstanding phases are completed. PFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology.

  The Group has started the process of evaluating the potential effect of this standard but is awaiting finalization of the limited amendments before the evaluation can be completed. This standard is expected to have an impact on the Group's financial statements, in particular on the classification and measurement of the Group's financial assets.

- Philippine Interpretation 15, *Agreements for the Construction of Real Estate*
  This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11 or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis

will also be accounted for based on stage of completion. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by the International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

3. Investment in subsidiaries, associates and joint ventures

Investment in Toyota

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 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%.

As of March 31, 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 the date of acquisition is based on net book values of identifiable assets and liabilities plus certain adjustments since the Parent Company 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 March 31, 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.

As of December 31, 2013, the fair values of the identifiable assets and liabilities of Toyota were finalized. Details of the final purchase price allocation relating to the acquisition of control over Toyota are extensively discussed in the 2013 Audited Financial Statements.

Investment in Charter Ping An

On October 10, 2013, GT Capital acquired 2,334,434 common shares of Ping An from Ty family investment holding companies at a fixed price of Php614.3 per share for a total of ₱1.4 billion. The acquisition represented 66.7% of the non-life insurance firm's outstanding capital stock. The Parent Company has effective ownership over Ping An of 74.97% (66.67% direct holdings and 8.30% indirect ownership). The Parent Company's 8.30% indirect ownership came from its 25.11% direct interest in MBTC which has 99.23% direct interest in FMIC. FMIC, in turn, has 33.33% direct interest in Ping An.

On June 19, 2012 and April 23, 2013, the BOD and the stockholders of Ping An approved the amendment of the Articles of Incorporation for the purpose of increasing the authorized capital stock and the declaration of 1.62 million stock dividends equivalent to ₱162.50 million. On October 18, 2013, the Securities and Exchange Commission approved the application for the increase in Ping An's authorized capital stock from ₱350.00 million to ₱1.00 billion consisting of 10.00 million common shares with par value of ₱100.00 per share. The ₱162.50 million stock dividend equivalent to 1.62 million common shares represented the minimum 25.00% subscribed and paid-up capital for the above-mentioned increase in authorized capital stock.

As of March 31, 2014, and December 31, 2013, the purchase price allocation relating to the Parent Company's acquisition of control over Charter Pin An was prepared on a preliminary basis. Details of the preliminary purchase price allocation relating to the acquisition of control over Charter Ping An are extensively discussed in the 2013 Audited Financial Statements.

On January 27, 2014, the Parent Company completed the acquisition of 100.00% ownership interest in Charter Ping An. The Parent Company purchased an additional 1.7 million common shares of Charter Ping An from FMIC for a total consideration of ₱712.00 million. The acquisition represents the remaining 33.33% of the non-life insurance firm's outstanding capital stock.

As a result of the acquisition of the non-controlling interest in Charter Ping An, the Group recognized other equity adjustment amounting to ₱375.67 million, representing the excess of the consideration paid over the carrying amount of the non-controlling interests acquired (see Note 8).

Investment in TMBC
On March 4, 2014 the Parent Company acquired 48.12 million common shares of TMBC owned by FMIC for a total purchase price of ₱237.26 million. The acquisition represents 19.25% of TMBC's outstanding capital stock and raised the Parent Company's ownership interest in TMBC to 60.00%. The Parent Company assessed that it has joint control over TMBC based on the existing contractual arrangement among TMBC's shareholders.

Investment in TCI
On March 24 and 31, 2014 the Parent Company acquired an aggregate of 69.62 million common shares of TCI for a total purchase price of ₱347.40 million. The acquisition represents 89.05% of the TCI's outstanding capital stock. The Parent Company assessed that it has control over TCI through its ability to direct the relevant activities of TCI and accounted for TCI as a subsidiary.

As of March 31, 2014, the purchase price allocation relating to the Parent Company's acquisition of control over TCI has been prepared on a preliminary basis. The provisional fair values of the assets acquired and liabilities assumed as of the 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 of TCI amounting to ₱154.06 million was initially allocated to goodwill. The preliminary allocation is subject to revision to reflect the final determination of fair values. The preliminary accounting will be completed based on further valuations and studies carried out within twelve months from acquisition date.

As of March 31, 2014, the provisional fair values of the identifiable assets and liabilities of TCI are as follows (amounts in million pesos):

Assets	
Cash and cash equivalents	₱66
Receivables	489
Inventories	117
Other current assets	101
Available-for-sale investments	1
Property and equipment	58
Investment properties	206
Deferred tax assets	24
Other noncurrent assets	1
	1,063
Liabilities	
Accounts and other payables	254
Loans payable	497
Pension liability	95
	846
Net assets	₱217

The aggregate consideration transferred consists of:

Cash consideration	₱347
Fair value of non-controlling interests	24
	₱371

The business combination resulted in provisional goodwill computed as follows:

Total consideration transferred	₱371
Less: Provisional fair value of identifiable net assets	217
Goodwill	₱154

If the business combination with TCI has taken place at the beginning of the year, total revenues and net income attributable to equity holders of the Parent Company for the period ended March 31, 2014 would have been ₱32.2 billion and ₱1.7 billion, respectively.

Equity call from GBPC
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 to support the TPC 1A Expansion Project.

On January 7, 2014 and February 26, 2014, the Parent Company disbursed funds amounting to ₱681.67 million on each date, representing its pro rata share in response to capital calls from GBPC upon its stockholders to support the Panay Energy Development Corporation Unit 3 Expansion Project.

4. Cash and cash equivalents

This account consists of:

	March 31, 2014	March 31, 2013	December 31, 2013
Cash on hand	**₱8**	₱7	₱6
Cash in banks	**5,679**	10,850	4,651
Cash equivalents	**22,047**	16,151	22,510
	₱27,734	₱27,008	₱27,167

5. Inventories

Additional inventories in 2014 mainly pertain to acquisition of land for development amounting to ₱4.4 billion located in Macapagal, Pasay City and Bonifacio Global City, Taguig City.

6. Property and Equipment and Other Noncurrent Assets

Incremental other noncurrent assets in 2014 mainly represent the noncurrent portion of the advances to contractors and suppliers in relation to the Panay Energy Development Corporation Unit 3 Plant Expansion amounting to ₱1.3 billion.

The significant increase in the property and equipment account is primarily attributable to the ongoing construction of the TPC 1A Expansion Project of the GBPC Group amounting to ₱1.2 billion.

7. Loans Payable and Bonds Payable

The increase in the Group's loans payable in 2014 is primarily due to the following: (1) availment of short-term loans by the Parent Company and Fed Land totaling ₱2.96 billion, (2) consolidation of TCI's loans payable as a result of the business combination amounting to ₱0.50 billion, and (3) additional GBPC loan drawdowns in relation to the TPC1A Expansion Project amounting to ₱2.00 billion. During the period, GBPC Group repaid certain loans totaling ₱0.86 billion.

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. Said bonds were listed on February 27, 2013.

8. Equity

Treasury shares
As of March 31, 2014 and December 31, 2013, treasury shares of the Group pertain to 5,000 shares and 10,000 shares of the Parent Company held by Ping An with original acquisition cost of ₱2.28 million and ₱6.13 million, respectively.

Retained earnings
Declaration of cash dividends of the Parent Company
On March 11, 2014, the BOD of the Parent Company approved the declaration of cash dividends of ₱3.00 per share to all stockholders of record as of April 8, 2014 which was paid on May 2, 2014.

Appropriation of retained earnings of the Parent Company
On March 11, 2014, the BOD of the Parent Company approved the appropriation of retained earnings amounting to ₱3.00 billion. The appropriation is earmarked for the following:

Project Name	Timeline	Amount
Equity call from GBPC for plant expansions	2014	₱2.00 billion
Acquisition of investments	2014-2015	1.00 billion
		₱3.00 billion

Other equity adjustments
Charter Ping An
On January 27, 2014, the Parent Company completed the acquisition of 100.00% ownership interest in Charter Ping An The Parent Company purchased the remaining 33.33% (represented by 1.71 million shares) of Charter Ping An's outstanding capital stock from FMIC for a total consideration of ₱712.00 million. Prior to the said acquisition, the Parent Company's ownership interest in Charter Ping An was at 66.67%. This acquisition was accounted for as an equity transaction in the interim condensed consolidated financial statements and resulted in the recognition of other equity adjustments amounting to ₱375.67 million, presented under equity attributable to equity holders of the Parent Company in the interim condensed consolidated statement of financial position, representing the excess of the consideration paid over the carrying amount of the non-controlling interests acquired at the acquisition date.

The acquisition of NCI of Charter Ping An by the Parent Company resulted in a decrease in other equity adjustments from ₱729.05 million as of December 31, 2013 to ₱353.39 million as of March 31, 2014. There were no other transactions affecting other equity adjustments for the period.

9. Related Party Transactions

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

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.

Decrease in the due from related parties is due to collections received from the various subsidiaries of Fed Land.

As of March 31, 2014 and December 31, 2013, 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.

10. Basic/Diluted Earnings Per Share

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

	March 31		December 31,
	2014	**2013**	2013
	Unaudited		Audited
Net income attributable to equity holders of the Parent Company	**₱1,737**	₱3,969	₱8,640
Weighted average number of shares outstanding	**174.3**	172.5	174
	₱9.97	₱23.01	₱49.70

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

11. Operating Segments

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

- Real estate is engaged in real estate and leasing, development and selling of properties of every kind and description, as well as ancillary trading of goods such as petroleum, non-fuel products on wholesale or retail basis, maintenance of a petroleum service station, engaging in food and restaurant service and acting as a marketing agent for and in behalf of any real estate development company or companies;
- Financial institutions are engaged in the banking and insurance industry;
- Power is engaged mainly in the generation and distribution of electricity;
- Automotive operations is engaged in the assembly, manufacture, importation, sale and distribution of all kinds of automobiles including automobile parts, accessories, and instruments; and
- Others pertain to other corporate activities of the Group (i.e., capital raising activities, acquisitions and investments).

The chief operating decision maker (CODM) monitors the operating results of the Group for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on revenue, earnings before interest, taxes and depreciation/amortization (EBITDA) and pretax income which are measured similarly under PFRS, except for EBITDA. EBITDA is computed by reconciling net interest income (expense) and provision for income taxes to the net income and adding back depreciation and amortization expenses for the period.

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

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

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

In 2014, the Group changed its presentation of operating segment assets, particularly for the Group's investments in subsidiaries, associates and joint ventures which are previously reported under others segment. Beginning January 1, 2014, the Group's investments in subsidiaries, associates and joint ventures are presented under the respective segment to which the investee entity belongs. The presentation of operating segment assets as of December 31, 2013 has been updated to reflect this change.

The following tables present the financial information of the operating segments of the Group as of and for the quarter ended March 31, 2014 and as of and for the year ended December 31, 2013:

	Period Ended March 31, 2014 (Unaudited)					
	Real Estate	Financial Institution	Automotive	Power	Others	Total
Revenue	₱1,602	₱441	₱23,626	₱4,004	₱–	₱29,673
Other income	305	36	39	9	–	389
Equity in net income of associates	133	574	16	–	–	723
	2,040	1,051	23,681	4,013	0	30,785
Cost of goods and services sold	155	–	14,672	–	–	14,827
Cost of goods manufactured	–	–	5,983	–	–	5,983
Cost of real estate sales	998	–	–	–	–	998
Power plant operation and maintenance	–	–	–	2,331	–	2,331
Net insurance benefits	–	180	–	–	–	180
General and administrative expense	437	243	1,114	764	29	2,587
	1,590	423	21,769	3,095	29	26,906
Earnings before interest and taxes	450	628	1,912	918	(29)	3,879
Depreciation and amortization	44	7	53	576	1	681
EBITDA	494	635	1,965	1,494	(28)	4,560
Interest income	258	20	36	24	–	338
Interest expense	(173)	–	(18)	(492)	(140)	(823)
Depreciation and amortization	(44)	(7)	(53)	(576)	(1)	(681)
Pretax income	535	648	1,930	450	(169)	3,394
Provision for income tax	105	21	518	(39)	–	605
Net Income (Loss)	₱430	₱627	₱1,412	₱489	(₱169)	₱2,789
Segment Assets	₱43,345	₱44,851	₱41,336	₱69,667	₱949	₱200,148
Segment Liabilities	₱24,337	₱8,408	₱18,799	₱39,879	₱14,093	₱105,516

	December 31, 2013					
Results of Operations	Real Estate	Financial Institution	Automotive	Power	Others	Total
Revenue	₱5,359	₱504	₱74,359	₱16,944	₱–	₱97,166
Other income	1,043	43	109	100	2,069	3,364
Equity in net income of associates	410	3,059	119	–	–	3,588
	6,812	3,606	74,587	17,044	2,069	104,118
Cost of goods and services sold	619	–	44,850	–	–	45,469
Cost of goods manufactured	–	–	19,986	–	–	19,986
Cost of real estate sales	3,667	–	–	–	–	3,667
Power plant operation and maintenance	–	–	–	8,945	–	8,945
Net insurance benefits	–	290	–	–	–	290
General and administrative expense	1,733	236	4,282	2,842	301	9,394
	6,019	526	69,118	11,787	301	87,751
Earnings before interest and taxes	793	3,080	5,469	5,257	1,768	16,367
Depreciation and amortization	164	6	190	2,492	5	2,857
EBITDA	957	3,086	5,659	7,749	1,773	19,224
Interest income	1,043	16	177	134	59	1,429
Interest expense	(621)	–	(87)	(2,154)	(600)	(3,462)
Depreciation and amortization	(164)	(6)	(190)	(2,492)	(5)	(2,857)
Pretax income	1,215	3,096	5,559	3,237	1,227	14,334
Provision for income tax	204	4	1,506	77	12	1,803
Net Income (Loss)	₱1,011	₱3,092	₱4,053	₱3,160	₱1,215	₱12,531
Segment Assets	₱43,227	₱46,304	₱38,478	₱63,763	₱588	₱192,360
Segment Liabilities	₱24,655	₱7,897	₱17,958	₱38,519	₱10,767	₱99,796

Geographical Information

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

	March 31, 2014	March 31, 2013	December 31, 2013
Domestic	**₱28,100**	₱20,398	₱95,441
Foreign	**3,125**	1,843	10,106
	₱31,225	₱22,241	₱105,547

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

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

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

As of March 31, 2014 and December 31, 2013, 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:

(Amounts in millions)	March 31, 2014 (Unaudited) < 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	**₱27,742**	**₱–**	**₱–**	**₱27,742**
Short-term investments	**1,259**	**–**	**–**	**1,259**
Receivables	**17,891**	**7,743**	**862**	**26,496**
Due from related parties	**656**	**–**	**–**	**656**
AFS investments				
Equity securities				
Quoted	**–**	**–**	**1,656**	**1,656**
Unquoted	**–**	**–**	**495**	**495**
Debt securities	**–**	**–**	**1,222**	**1,222**
Total undiscounted financial assets	**₱47,548**	**₱7,743**	**₱4,235**	**₱59,526**
Financial liabilities				
Accounts and other payables	**₱21,391**	**₱–**	**₱–**	**₱21,391**
Dividends payable	**2,489**	**–**	**–**	**2,489**
Loans payable	**10,931**	**33,862**	**17,856**	**62,649**
Bonds payable	**367**	**1,957**	**11,268**	**13,592**
Due to related parties	**183**	**–**	**–**	**183**
Liabilities on purchased properties	**1,037**	**1,810**	**1,905**	**4,752**
Total undiscounted financial liabilities	**₱36,398**	**₱37,629**	**₱31,029**	**₱105,056**
Liquidity Gap	**₱11,150**	**(₱29,886)**	**(₱26,794)**	**(₱45,530)**

(Amounts in millions)	December 31, 2013 < 1 year	> 1 to < 5 years	> 5 years	Total
Financial assets				
Cash and cash equivalents	₱28,416	₱–	₱–	₱28,416
Short-term investments	2,016	–	–	2,016
Receivables	13,665	4,016	857	18,538
Due from related parties	849	–	–	849
AFS investments				
Equity securities				
Quoted	–	–	1,498	1,498
Unquoted	–	–	480	480
Debt securities	31	286	836	1,153
Total undiscounted financial assets	₱44,977	₱4,302	₱3,671	₱52,950
Other financial liabilities				
Accounts and other payables	₱20,837	₱–	₱–	₱20,837
Dividends payable	1,966	–	–	1,966
Loans payable	1,092	36,613	17,336	55,041
Bonds payable	489	1,957	11,268	13,714
Due to related parties	188	–	–	188
Liabilities on purchased properties	–	1,487	3,873	5,360
Total undiscounted financial liabilities	₱24,572	₱40,057	₱32,477	₱97,106
Liquidity Gap	₱20,405	(₱35,755)	(₱28,806)	(₱44,156)

Foreign currency risk

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

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

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

13. Fair Value Measurement

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

Cash and cash equivalents and Other current assets (short-term cash investments)
The fair value of cash and cash equivalents approximate the carrying amounts at initial recognition due to the short-term maturities these instruments.

Receivables
The fair value of receivables due within one year approximates its carrying amounts. The fair values of installment contracts receivable are based on the discounted value of future cash flows using the applicable rates for similar types of instruments. The discount rates used ranged from 8.00% to 12.00% as of March 31, 2014 and December 31, 2013. For the long-term loan receivable, the Group used discounted cash flow analyses to measure the fair value of the loan and determined that the carrying amount of the loans receivable was not materially different from its calculated fair value.

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

AFS investments - unquoted
These are carried at cost less allowance for impairment losses because fair value cannot be measured reliably due to lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair value.

AFS investments - quoted
Fair value of quoted AFS investment is based on the quoted market bid prices at the close of business on the reporting date.

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

Loans payable
Current portion of loans payable approximates its fair value due to its short-term maturity. Long-term portion of loans payable subjected to quarterly repricing is not discounted. The interest rates used ranged from 3.75% to 7.10% for the year ended March 31, 2014 and December 31, 2013.

Bonds payable
In 2014, the fair value of the bonds payable is based on its quoted market price in the Philippine Dealing and Exchange Corporation. In 2013, the fair value of the bonds payable has been determined based on the quoted market price of debt instruments with similar terms that are traded in an active market.

Liabilities on purchased properties
Estimated fair value was based on the discounted value of future cash flows using the applicable interest rates for similar types of loans as of reporting date. Long-term payable was incurred on December 20, 2012 with 3.00% interest per annum.

The following tables summarize the carrying amount and fair values of financial assets and liabilities, as well as nonfinancial assets, analyzed based on the fair value hierarchy (see accounting policy on Fair Value Measurement), except for assets and liabilities where the carrying values as reflected in the consolidated statements of financial position and related notes approximate their respective fair values.

		March 31, 2014 (Unaudited)			
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial Assets					
Loans and receivables					
Installment contracts receivable	**₱6,437**	**₱–**	**₱–**	**₱6,614**	**₱6,614**
AFS investments					
Government securities	**740**	**–**	**740**	**–**	**740**
Quoted debt securities	**482**	**482**	**–**	**–**	**482**
Quoted equity securities	**1,656**	**1,656**	**–**	**–**	**1,656**
Total Financial Assets	**₱9,315**	**₱2,138**	**₱740**	**₱6,614**	**₱9,492**
Non-Financial Assets					
Investment properties	**₱8,502**	**₱–**	**₱–**	**₱11,259**	**₱11,259**
Financial Liabilities					
Loans payable	**₱41,886**	**₱–**	**₱46,648**	**₱–**	**₱46,648**
Bonds payable	**9,886**	**10,018**	**–**	**–**	**10,018**
Total Financial Liabilities	**₱51,772**	**₱10,018**	**₱46,648**	**₱–**	**₱56,666**

		December 31, 2013			
	Carrying Value	Level 1	Level 2	Level 3	Total
Financial Assets					
Loans and receivables					
Installment contracts receivable	₱5,820	₱–	₱–	₱7,690	₱7,690
AFS investments					
Government securities	480	–	480	–	480
Quoted debt securities	1,153	1,153	–	–	1,153
Quoted equity securities	1,506	1,506	–	–	1,506
Total Financial Assets	₱8,959	₱2,659	₱480	₱7,690	₱10,829
Non-Financial Assets					
Investment properties	₱8,329	₱–	₱–	₱10,840	₱10,840
Financial Liabilities					
Loans payable	₱45,693	₱–	₱47,609	₱–	₱47,609
Bonds payable	9,883	–	9,994	–	9,994
Total Financial Liabilities	₱55,576	₱0	₱57,603	₱–	₱57,603

As of March 31, 2014 and December 31, 2013, other than the bonds payable, no transfers were made among the three levels in the fair value hierarchy.

Inputs used in estimating fair values of financial instruments carried at cost and categorized under Level 3 include risk-free rates and applicable risk premium.

The fair value of the Group's investment properties has been determined based on valuations performed by third party valuers. The value of the land was estimated by using the Market Data Approach, a valuation approach that considers the sales, listings and other related market data within the vicinity of the subject properties and establishes a value estimate by processes involving comparison. Valuation of the Group's investment properties are done every three years with the latest valuation report issued in February 2012.

The table below summarizes the valuation techniques used and the significant unobservable inputs valuation for each type of investment properties held by the Group:

	Valuation Techniques	Significant Unobservable Inputs
Land	Market Data Approach	Price per square meter, size, location, shape, time element and corner influence
Building and Land Improvements	Cost Approach and Market Data Approach	Lineal and square meter, current cost of materials, labor and equipment, contractor's profits, overhead, taxes and fees

Description of the valuation techniques and significant unobservable inputs used in the valuation of the Group's investment properties are as follows:

Valuation Techniques

Market Data Approach	A process of comparing the subject property being appraised to similar comparable properties recently sold or being offered for sale.
Cost Approach	A process of determining the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation on physical wear and tear, and obsolescence.

Significant Unobservable Inputs

Reproduction Cost New	The cost to create a virtual replica of the existing structure, employing the same design and similar building materials.
Size	Size of lot in terms of area. Evaluate if the lot size of property or comparable conforms to the average cut of the lots in the area and estimate the impact of lot size differences on land value.
Shape	Particular form or configuration of the lot. A highly irregular shape limits the usable area whereas an ideal lot configuration maximizes the usable area of the lot which is associated in designing an improvement which conforms with the highest and best use of the property.
Location	Location of comparative properties whether on a Main Road, or secondary road. Road width could also be a consideration if data is available. As a rule, properties located along a Main Road are superior to properties located along a secondary road.
Time Element	"An adjustment for market conditions is made if general property values have appreciated or depreciated since the transaction dates due to inflation or deflation or a change in investors' perceptions of the market over time". In which case, the current data is superior to historic data.
Discount	Generally, asking prices in ads posted for sale are negotiable. Discount is the amount the seller or developer is willing to deduct from the posted selling price if the transaction will be in cash or equivalent.
Corner influence	Bounded by two (2) roads.

14. Contingent Liabilities

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

In addition, in order to partially guarantee the completion of 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 ₱1.08 billion and ₱901.82 million as of March 31, 2014 and December 31, 2013, respectively.

15. Events after Financial Reporting Date

Cash dividends from MBTC
On March 26, 2014, 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 May 7, 2014 payable on May 16, 2014. The BSP approved such dividend declaration on April 15, 2014.

Equity Call from GBPC
On April 25, 2014, the Parent Company disbursed funds totaling ₱681.67 million representing its pro rata share in response to the 3rd tranche of the capital calls from GBPC upon its stockholders to support the Project Panay Energy Development Corporation Unit 3 Expansion Project.

Cash dividends from Toyota
On April 29, 2014, the BOD of Toyota approved the declaration of cash dividends amounting to ₱4.61 billion or ₱297.44 per share to all stockholders of record as of December 31, 2013 payable on May 5, 2014.

Annex B

GT CAPITAL HOLDINGS, INC. AND SUBSIDIARIES

SCHEDULE OF FINANCIAL SOUNDNESS INDICATORS
AS OF AND FOR THE PERIODS ENDED MARCH 31, 2014 AND MARCH 31, 2013 (UNAUDITED)

(Amounts in millions except ratio and %)	2014	2013
Liquidity Ratio		
Current ratio	**1.83**	2.01
Current assets	**₱79,911**	₱62,103
Current liabilities	**43,598**	30,882
Solvency Ratio		
Total liabilities to total equity ratio	**1.12**	0.94
Total liabilities	**105,516**	83,606
Total equity	**94,632**	88,580
Debit to equity ratio	**0.68**	0.64
Total debt	**64,425**	56,291
Total equity	**94,632**	88,580
Asset to Equity Ratio		
Asset equity ratio	**2.85**	2.48
Total assets	**200,148**	172,186
Equity attributable to Parent Company	**70,207**	69,363
Interest Rate Coverage Ratio*		
Interest rate coverage ratio	**5.12**	7.11
Earnings before interest and taxes (EBIT)	**4,217**	6,047
Interest expense	**823**	851
Profitability Ratio		
Return on average assets	**0.89%**	2.56%
Net income attributable to Parent Company	**1,737**	3,969
Total assets	**200,148**	172,186
Average assets	**196,254**	154,827
Return on Average Equity	**2.47%**	6.41%
Net income attributable to Parent Company	**1,737**	3,969
Equity attributable to Parent Company	**70,207**	69,363
Average equity attributable to Parent Company	**70,367**	61,927

*computed as EBIT/Interest Expense