



Filinvest Development Corporation

November 14, 2011

Philippine Stock Exchange

3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

Please find attached Quarterly Report of Filinvest Development Corporation for the period ended September 30, 2011.

Thank you.

Very truly yours,


ATTY. ADRIAN BANCORO
Corporate Information Officer

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-Q

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

1. For the quarterly period ended **September 30, 2011.**
2. Commission identification **Number 51048.** 3. BIR Tax Identification **No. 000-053-167.**
4. Exact name of registrant as specified in its charter: **FILINVEST DEVELOPMENT CORPORATION**
5. **Philippines** 6. **(SEC Use Only)**
Province, Country or other jurisdiction of incorporation of organization Industry Classification Code:
7. **173 P. Gomez St., San Juan City, Metro Manila** 8. **727-04-31, 1500**
Address of principal office Registrant's telephone number, including area code
9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report
10. Securities registered pursuant to Sections 4 and 8 of the RSA
- | Title of Each Class | Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding |
|--------------------------------------|---|
| Common Stock, P1.00 par value | 7,555,525,452 |
| | P30.94B Long-Term Debt |
11. Are any or all of these securities listed in the Philippines Stock Exchange?
Yes [] No []
- If yes, state the name of such Stock Exchange and the class/es of securities listed therein:
- | | |
|----------------------------------|---------------------|
| Philippine Stock Exchange | Common Stock |
|----------------------------------|---------------------|
12. Indicate by check mark whether the registrant:
- (a) has filed all reports required to be filed by Section 17 of the Revised Securities Act (RSA) and SRC Rule 17 thereunder and Sections 11 of the RSA and RSA 11(a)-1 thereunder, and Sections 26 and 141 of the Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports):
Yes [] No []
- (b) has been subject to such filing requirements for the past 90 days.
Yes [] No []

PART I -- FINANCIAL INFORMATION

Item 1. Financial Statements

Please refer to the attached financial statements consisting of Consolidated Statements of Financial Position, Consolidated Statements of Income, Consolidated Statements of Comprehensive Income, Consolidated Statements of Changes in Equity and Consolidated Statements of Cash Flows.

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

To capture the growing potential in the Philippine tourism industry, FDC ventured into the hospitality sector with the opening in October 2010, of its maiden hotel, Crimson Resort and Spa at Seascapes Resort Town in Mactan, Cebu. The hotel operation is managed by Filarchipelago Hospitality, Inc., a 60%/40% joint venture of FDC and Singapore-registered Archipelago International Pte. Ltd., an affiliate of Aston International. In 2011, the hotel business segment started to contribute to the consolidated revenues of FDC. Two more hotels are under construction, the Crimson Hotel in Alabang and the Grand Cenia Residences in Cebu (to be operated under the Quest Hotel brand).

In 2010, FDC Utilities, Inc., a wholly-owned subsidiary of FDC, was established to implement FDC's re-entry into the infrastructure and utilities business through the development of power plants in selected areas in the country. The power investment is envisioned to form the third leg of the FDC conglomerate within the next few years.

In March 2011, the Board of Directors (BOD) of East West Banking Corporation (EWBC) approved to early adopt PFRS-9 (2009) effective January 1, 2011. PFRS-9 (2009), Financial Instruments reflects the first phase of the work on the replacement of PAS 39 and applies to classification and measurement of financial assets. EWBC chose to apply the exemption given in the transitional provision for early application of PFRS-9 and hence the restatement of comparative information in the year of the initial application is not necessary. Although PFRS-9 is effective for annual periods beginning on or after January 1, 2013, EWBC opted to early adopt the said standard for the following merits: (a) Adoption of PFRS-9 is inevitable, hence, adopting in 2011 rather than later is operationally more efficient, particularly with the need to restate prior year financials for comparative purposes, if adopted after 2011; and (b) this will allow the Bank to better manage its financial and capital position as the business model approach introduced by PFRS-9 is consistent with the Bank's risk, capital, and asset-liability management framework. The early adoption of PFRS-9 (2009) in 2011 resulted in the restatement of the balance of retained earnings as at January 1, 2011 by P136.2 million. For the nine-month period ended September 30, 2011, the effect of the early adoption of PFRS 9 (2009) to the Group's net profit (upward adjustment) amounted to P248.6 million.

On May 5, 2011, the BOD of EWBC approved the acquisition of the outstanding shares of Green Bank (a Rural Bank), Inc. (GBI). Subsequently, on May 24, 2011 EWBC and the majority shareholders of GBI entered into a Memorandum of Understanding to acquire the shares of the latter representing 84% of the outstanding shares of GBI. On August 12, 2011, the Bangko Sentral ng Pilipinas approved the acquisition by EWBC of up to 100% of the total outstanding shares of GBI. Consequently, on August 19, 2011, a Deed of Assignment was executed between EWBC and the majority shareholders of GBI for the purchase of the outstanding shares of the latter. As of this date, EWBC effectively obtained control of GBI, and has a tender offer to acquire the shares of the minority shareholders of GBI, which will end on November 17, 2011.

Results of Operations

Nine-Month Period Ended September 30, 2011

Compared to Nine-Month Period Ended September 30, 2010

For the period ended September 30, 2011, FDC registered total consolidated revenues of Php16,257 million, an increase of 8% or Php1,272 million from Php14,984 million for the same period in 2010. The total consolidated revenues for 2010 included the one-time extraordinary gain of P510 million that resulted from re-measurement of previously held interest in connection with the acquisition by Filinvest Land, Inc. (FLI) of Africa-Israel's 40% ownership each in CPI and FAPI. Excluding this one-time gain, FDC's nine-month total consolidated revenues was up 12% or Php1.8 billion year-on-year.

Net of eliminating entries, the Real Estate Segment contributed revenues of Php7,902 million, or 49% of total consolidated revenues. Finance and Banking Services contributed Php6,790 million or 42% of total revenues while Sugar Operations and the newly launched Hotel Operations contributed Php1,178 million or 7% and Php386 million or 2%, respectively.

FDC registered a consolidated net income of Php3,130 million for the first nine months of 2011 compared to the consolidated net income of Php3,814 posted in the same period last year. The consolidated net income for 2010 included the one-time extraordinary gain mentioned above. Excluding this one-time gain, FDC's nine-month consolidated net income was slightly down by 5% year-on-year.

Real Estate Operations

For the first nine months of 2011, real estate revenues inclusive of other income from real estate segment posted an increase of 15% to Php7,902 million from Php6,848 million for the same period last year. This increase was driven by the following: a) 26% increase in the sale of commercial lots, condominiums units, residential units and club shares; b) 5% increase in mall and office rental revenues due to higher occupancy rate and additional leasable office spaces; and c) 49% increase in miscellaneous income and other income generated from installment contracts receivables. Without last year's one-time gain, real estate segment would post a 25% growth in revenues.

Costs of real estate sales increased at a faster pace than revenues at 35%, mainly due to increased share of sales of Medium Rise Buildings (MRBs) and High-Rise Buildings (HRBs) which have lower gross profit margins (GPMs). Revenue from MRBs grew by Php419 million from Php1,979 million for the first nine months of 2010 to Php2,398 million for same period in 2011. The group's real estate operating expenses at Php2,334 million declined by 6% which was at relatively much slower pace than the increase in its revenues, as operating costs were kept under control.

Filinvest Land, Inc. (FLI)

For the nine months ended September 30, 2011, FLI's consolidated net income from its business segments registered a year-on-year growth of 17% or Php237 million to Php1,661 million from Php1,424 million which excludes the aforementioned one-time extraordinary gain. Including this one-time gain, FLI's consolidated net income would register a 17% drop, year-on-year.

Total revenues from real estate and leasing segments grew by 6% to Php6,183 million during the first nine months of 2011 versus Php5,844 million for the same period last year. The growth in revenues could have been higher at 17% if the one-time gain, as mentioned, is excluded from last year's revenues. This growth was driven by the following: a) 18% increase in booked real estate sales due to the continued strong demand for the company's projects; and b) 8% increase in rental income from mall and office spaces due to higher occupancy rates and

higher leasable office spaces with Vector One which started commercial operations in December 2010.

General and administrative (G&A) expenses amounted to Php962 million in the first nine months of 2011 versus Php890 million for the same period last year. The Company was able to manage operating costs with G&A expenses growing at a slower pace than revenues at 8% to Php962 million. Meanwhile, interest expense increased by 13% as loans stood at Php15,995 million as at September 30, 2011 from P12,328 million as at September 30, 2010. New borrowings were availed to fund FLI's various projects.

Filinvest Alabang, Inc. (FAI)

Before eliminating entries, FAI reported a consolidated net income of Php515 million for the first nine months of 2011, higher by Php371 million or a 258% growth from Php144 million for the same period last year. The growth in net income was attributable to the Php510 million increase in net revenues for the first nine months of 2011. Growth was driven by the higher lot sales in Filinvest Corporate City as well as increased revenue from the sales of residential units from the La Vie Flats, Studio 1 and Studio 2 high-rise projects. FAI's nine-month GPM stood at 53%, an improvement of 20% over the 32% GPM recorded for the first nine months last year, due to higher sales of commercial lots.

The portion of the elevated skyway to Alabang was completed in second quarter of 2011. This was seen to significantly cut down the travel time from FCC to the Makati CBD further enhancing the attractiveness of Filinvest Corporate City (FCC).

Financial and Banking Services

Eastwest Banking Corporation (EWBC)

Before eliminating entries, revenues and other income generated by EWBC for the nine months ended September 30, 2011, increased by 4% to Php6,819 million compared to Php6,534 million for the same period of 2010. Interest income grew by Php785 million due to the 22% and 21% growth of the corporate and consumer lending business, respectively, with corporate and consumer loan volume increase of Php4 billion and Php3 billion, respectively. However, the bank's other income declined by Php501 million caused mainly by lower trading gains.

Costs incurred by EWBC increased by 24% due to higher interest expense from Php1,145 million in 2010 to Php1,417 million in 2011. With the growth in the volume of business, operating expenses also increased by 18%, principally due to higher manpower and expanded operation costs. Provision for income tax escalated by Php156.8 million because of higher tax provision as BIR tax ruling was recently issued this year regulating the bank's allocation of deductible expenses.

As of September 30, 2011, EWBC's total branch network reached 119 while the total number of ATMs deployed was 123, an increase of six ATMs from December 31, 2010, in both onsite and offsite locations. The Bank opened six branches this year at Butuan City, 168 Mall in Manila, Ozamis City in Misamis Occidental, General Trias in Cavite, San Pablo in Laguna and Baclaran.

Sugar Operations

Due to management's move towards a more deliberate selling program in light of the prevailing market volatility, sugar revenues and other income declined by 27% from Php1,612 million to Php1,178 million for the first nine months of 2011. Cost of sales and operating expenses decreased by Php200 million and Php42 million, respectively. Meanwhile, inventory increased from Php161 million as of year-end 2010 to Php1.4 billion as of September 30, 2011.

For the first nine months of 2011, sugar cane milled amounted to 924 thousand tons as compared to 705 thousand tons for the same period last year. As a result, sugar production likewise increased to 1.63 million bags from 1.41 million bags.

Hotel Operations

The Crimson Resort and Spa at Seascapes Resort Town in Cebu, which started operations in October 2010, contributed Php386 million to the Group's first nine months' total revenues and other income. Since the start of operations, the Crimson Resort has achieved a 61% occupancy rate with average room rates of Php5,600. Revenues were generated mainly from room rentals, food and beverage sales, and miscellaneous charges. Costs of hotel operations of Php219 million pertained mostly to cost of food and beverage and cost of room operations, while hotel operating expenses of Php64 million consisted of salaries and employee benefits, utilities, marketing expenses, and depreciation.

Due to the start-up nature of the hotel operations, revenues and income contributions were expected to be marginal. However, this should steadily increase as occupancy rates improve going forward.

Financial Condition

As of September 30, 2011 compared to as of December 31, 2010

As of September 30, 2011, total consolidated assets stood at Php193.4 billion, total equity at Php67.2 billion (including noncontrolling interest of Php14.2 billion) while total liabilities stood at Php126.2 billion. Total consolidated assets increased by Php13.2 billion or 7% from Php180.2 billion as of December 31, 2010. The following were the significant movements in assets during the period:

- **Cash and cash equivalents – 11.2% decrease from Php18.5 billion to Php16.4 billion**
Cash and cash equivalents as of September 30, 2011 was P2.1 billion lower than end-2010 balance due to EWBC's purchases of held-for-trading investments. The proceeds from loan availments during the period were utilized for various project developments of the real estate segment.
- **Loans and receivables – Financial and banking services**
- 12.5% increase from Php39.4 billion to Php44.4 billion
The P5.0 billion growth was due to (i) EWBC's aggressive marketing efforts that led to higher loans and credit card receivables; and (ii) additional unquoted debt securities classified as loans. Also, this account now includes receivables of GBI, the newly acquired subsidiary of EWBC, as mentioned in the preceding section.
- **Loans and receivables – Real estate operations**
- 7.3% increase from Php10.9 billion to Php11.7 billion
The increase was principally due to sale of lots, condominium and residential units of FLI and FAI during the current period.
- **Financial assets at fair value through profit or loss**
- 141.4% increase from Php4.6 billion to Php11.1 billion
Financial assets at fair value through other comprehensive income
- 100% increase to Php0.4 billion
Financial assets at amortized cost
-100% increase to Php11.8 billion
Available-for-sale financial assets
-100% decrease from Php16.5 billion
Available-for-sale financial assets with 2010 year-end balance of Php16.5 billion had no balance as of September 30, 2011, upon its reclassification to proper accounts, in

accordance with the early-adopted PFRS 9, as discussed in the preceding section. Financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortized costs increased by Php6.5 billion, Php0.4 billion and Php11.8 billion, respectively. The net increase in total financial assets was primarily due to purchases of investments mostly consisting of held-for-trading securities.

- **Subdivision lots, condominiums and residential units for sale**
- 24.4% increase from Php18.4 billion to Php22.9 billion

The increase resulted from the additional residential development projects of FLI and FAI such as MRBs, middle-income residential projects, and the Entrata project.

- **Inventories – 781.2% increase from Php161 million to Php1.4 billion**

This represents sugar milled and refined during the current milling period, which remained unsold as of end of reporting period.

- **Investment properties – 3.4% decrease from Php30.4 billion to Php29.4 billion**

The decrease was due to (i) depreciation during the period; and (ii) reclassification to property and equipment account of hotel buildings, furniture, fixtures, and equipment.

- **Property and equipment – 35.0% increase from Php5.6 billion to Php7.5 billion**

The increase was due to the reclassification of Crimson hotel buildings and fixed assets from the investment properties account to the property and equipment account, partially offset by depreciation booked for the period.

- **Goodwill – 5.4% increase from Php11.3 billion to Php11.9 billion**

Goodwill grew by Php613.7 million arising from EWBC's acquisition of its new subsidiary – GBI.

- **Other assets – 18.2% increase from Php2.3 billion to Php2.7 billion**

The Php420.3 million increase in other assets was due to FLI's partial payments made for the acquisition of investment.

Total liabilities rose to Php127.2 billion as of September 30, 2011 from Php113.7 billion as of December 31, 2010. The increase in liabilities was primarily due to: 1) additional loan availments used primarily to fund the Group's various property projects and developments; and 2) increase in the Group's accounts payable and accrued expenses as a result of FLI's additional receivables discounted on a with recourse basis and higher levels of bills payables from EWBC which were used to fund the growth in the lending business and other investments.

As of September 30, 2011, net unrealized gain on financial assets at fair value through other comprehensive income shown under Equity, amounted to Php44.0 million, while no balance was recognized on revaluation reserve on available-for-sale investments, resulting from early adoption of PFRS 9, as previously discussed.

On August 19, 2011, the Securities and Exchange Commission approved the Parent Company's increase in authorized capital stock from P10.0 billion to P17.0 billion, divided into 15 billion common shares and 2 billion preferred shares, both with par value each of P1.

On May 27, 2011, the stockholders of the Parent Company approved the declaration of stock dividend equivalent to 23.32% of the issued and outstanding shares of the Corporation. The stock dividend shall be issued out of the Php7.0 billion increase in the authorized capital stock of the Corporation from Php10.0 billion to Php17.0 billion. The increase in authorized capital stock and stock dividend totaling 1,761,948,535 shares were approved by the Securities and Exchange Commission on August 26, 2011. The 23.32% stock dividend which constituted the minimum subscription and paid-in capital requirement for the Php7.0 billion increase in the authorized capital stock of the Corporation, as aforesaid, will be paid on October 12, 2011, to stockholders of record as of September 18, 2011.

Cash dividends were declared by the Parent Company and its subsidiary FLI out of their respective unappropriated retained earnings. On May 27, 2011, the Parent Company's Board of Directors approved the declaration and payment of cash dividends of Php356.5 million or Php0.0475 per share to shareholders of record as of June 22, 2011, payable on July 14, 2011. FLI, on the other hand, paid on June 7, 2011 a cash dividend of Php0.039 per share to shareholders of record as of May 13, 2011.

The Group has no material commitments for capital expenditures, except for the ongoing development of Beaufort Project inside the Global City in Fort Bonifacio, Taguig City, project developments of the real estate and hotel subsidiaries, expansion and modernization plans of the sugar manufacturing subsidiaries, the planned development of power plant projects, and the initial expenses necessary for the new branches of the bank subsidiary which expenditures can be adequately covered by the operating cash flow, availment of medium and long term loans and capital raising programs. There are no events or uncertainties that are reasonably expected to have a material impact on the Company's short term or long-term liquidity or on the Company's revenues from continuing operations.

Performance Indicators	As of and For The Nine- Month Period Ended September 30, 2011	As of December 31, 2010 and For The Nine-Month Period Ended September 30, 2010
Earning per share	0.417 /share	0.518 /share
$\frac{\text{Net Income Attributable to Equity Holders (Annualized)}}{\text{Weighted Average Number of Outstanding Shares}}$		
Price Earnings Ratio	9.23 Times	10.14 Times
$\frac{\text{Closing Price}}{\text{Earnings Per Share}}$		
Return on Revenues	19%	25%
$\frac{\text{Net Income}}{\text{Total Revenues}}$		
Debt to equity ratio	0.46 : 1	0.39 : 1
$\frac{\text{Long-term Debt}}{\text{Total Stockholders' Equity}}$		
EBITDA to Total Interest Paid	5.58 times	5.25 times
$\frac{\text{EBITDA}}{\text{Total Interest Payment}}$		

Earnings per share (EPS) and Return on Revenues as of September 30, 2011 went down, on account of lower net income. Price Earnings (PE) Ratio as of September 30, 2011 was lower than PE ratio as of September 30, 2010 on account of lower closing price of FDC share.

Debt-to-equity ratio was at 0.46:1 which is higher than the ratio as of end of 2010. EBITDA to total interest paid went up from 5.25 times in 2010 to 5.58 times in 2011.

Financial Assets and Liabilities

The following table sets forth the carrying values of financial assets and liabilities recognized as of September 30, 2011 and December 31, 2010. There were no material unrecognized financial assets and liabilities as of these dates.

	September 30, 2011		December 31, 2010	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In Thousands)			
Cash and cash equivalents	16,433,919	16,433,919	18,510,036	18,510,036
Loans and receivables				
Financial and banking services	44,394,981	45,022,607	39,444,873	41,388,395
Real estate operations	11,698,824	11,853,502	9,773,304	9,900,999
Sugar operations	144,868	144,868	14,878	14,878
Hotel operations	17,040	17,040	14,226	14,226
	56,255,713	57,038,017	49,247,281	51,318,498
Investments				
Financial assets at fair value through profit or loss	11,100,943	11,100,943	4,598,479	4,598,479
Financial assets at fair value through other comprehensive income	388,106	388,106	-	-
Financial assets at amortized cost	11,822,749	12,122,841	-	-
Available-for-sale financial assets	-	-	16,512,361	16,512,361
	23,311,798	23,611,890	21,110,840	21,110,840
Total Financial Assets	96,001,430	97,083,826	88,868,157	90,939,374
Deposit liabilities				
Demand	19,003,230	19,003,230	19,319,701	19,319,701
Savings	6,431,791	6,431,791	6,964,542	6,964,542
Time	38,392,865	38,782,034	36,988,869	37,363,806
Long-term negotiable certificate of deposit (LTNCD)	1,668,801	1,763,404	1,668,801	1,763,404
	65,496,687	65,980,459	64,941,913	65,411,453
Accounts payable and accrued expenses	23,245,307	23,069,159	15,862,080	15,741,881
Long-term debt	30,944,303	31,654,663	26,251,694	26,854,330
Total Financial Liabilities	119,686,297	120,704,281	107,055,687	108,007,664

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

Cash and cash equivalents: The carrying amounts approximate fair values considering that these accounts consist mostly of short-term deposits and placements.

Loans and receivables: Fair value of loans and discounts was based on the discounted value of future cash flows using the prevailing interest rates and current incremental lending rates for similar types of receivables for real estate operations and financial and banking services, respectively.

Investments: Fair values were determined using quoted market prices at reporting date.

Deposit liabilities: Fair values of liabilities approximate their carrying amounts due either to demand nature or the relatively short-term maturities of these liabilities except for time deposit

liabilities and LTNCD whose fair values were estimated by the discounted cashflow methodology using incremental borrowing rates with maturities consistent with those remaining for the liability being valued.

Accounts payable and accrued expenses: On accounts due within one year, the fair value of accounts payable and accrued expenses approximates their carrying amounts. On accounts due for more than one year, estimated fair value was based on the discounted value of future cash flows using the prevailing interest rates on loans and similar types of payables.

Long-term debt: Estimated fair value of debts with fixed interest rates and not subjected to quarterly repricing was based on the discounted value of future cash flows using the applicable risk free rates for similar types of loans adjusted for credit risk. Long-term debt subjected to quarterly repricing was not discounted since it approximates fair value.

Financial Risk Management Objectives and Policies

The Group's principal financial instruments are composed of cash and cash equivalents, investments, loans from financial institutions, mortgage and installment contracts receivable, and other receivables. The main purpose of these financial instruments is to raise financing for the Group's operations.

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.

Financial and Banking Operations

Risk Management

To ensure that corporate goals and objectives and business and risk strategies are achieved, EWBC utilizes a risk management process that is applied throughout the organization in executing all business activities. Employees' functions and roles fall into one of the three categories where risk must be managed in the business units, operating units and governance units.

EWBC's activities are principally related to the use of financial instruments and are exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to operating risks. Forming part of a coherent risk management system are the risk concepts, trading tools, analytical models, statistical methodologies, historical studies and market analysis, which are being employed by EWBC. These tools support the key risk process that involves identifying, measuring, controlling and monitoring risks.

Credit Risk

Excessive concentration of lending plays a significant role in the weakening of asset quality. EWBC reduces this risk by diversifying its loan portfolio across various sectors and borrowers. EWBC believes that good diversification across economic sectors and geographic areas, among others, will enable it to ride through business cycles without causing undue harm to its asset quality.

The Risk Management Department (RMD) reviews EWBC's loan portfolio in line with EWBC's policy of not having significant concentrations of exposure to specific industries or group of borrowers. Management of concentration of risk is by client/counterparty and by industry sector. For risk concentration monitoring purposes, the financial assets are broadly categorized into loans and receivables, loans and advances to bank, and investment securities. RMD ensures compliance to BSP's limit on exposure to any single person or group of connected

persons and top 20 borrowers for both single and group accounts. To maintain the quality of its large exposure accounts, it is EWBC's policy to keep the expected loss (determined based on the credit risk rating of the account) from such accounts to, at most, one percent (1%) of the aggregate outstanding balance of accounts that qualify as large exposures. With this, accounts with better risk grades are given priority in terms of being granted a bigger share in EWBC's loan facilities. While there is currently no industry limit set, EWBC considers its loan portfolio concentrated if at least thirty percent (30%) of it is centered on a particular industry sector.

Liquidity Risk

The main responsibility of daily asset liability management lies with the Treasury Group, specifically the Liquidity Desk, which is tasked to manage EWBC's statement of financial position and have a thorough understanding of the risk elements involved in the business. EWBC's liquidity risk management is then monitored through ALCO. Resulting analysis of the statement of financial position along with the recommendation is presented during the weekly ALCO meeting where deliberations, formulation of actions and decisions are made to minimize risk and maximize EWBC's returns. Discussions include actions taken in the previous ALCO meeting, economic and market status and outlook, liquidity risk, pricing and interest rate structure, limit status and utilization. To ensure that EWBC has sufficient liquidity at all times, the ALCO formulates a contingency plan which sets out the amount and the sources of funds (such as unutilized credit facilities) available to EWBC and the circumstances under which such funds will be used. By way of the Maximum Cumulative Outflow (MCO) limit, EWBC is able to manage its short-term liquidity risks by placing a cap on the outflow of cash on a cumulative basis. EWBC takes a multi-tiered approach to maintaining liquid assets. EWBC's principal source of liquidity is comprised of COCI, due from BSP, due from other banks and IBLR and SPURA with maturities of less than one year. In addition to regulatory reserves, EWBC maintains a sufficient level of secondary reserves in the form of liquid assets such as short-term trading and investment securities that can be realized quickly.

Market Risk

The Board has set limits on the level of risk that may be accepted. Price risk limits are applied at the business unit level and approved by the BOD based on, among other things, a business unit's capacity to manage price risks, the size and distribution of the aggregate exposure to price risks and the expected return relative to price risks.

EWBC applies a VaR methodology to assess the market risk positions held and to estimate the potential economic loss based upon a number of parameters and assumptions on market conditions. VaR is a method used in measuring financial risk by estimating the potential negative change in the market value of a portfolio at a given confidence level and over a specified time horizon.

Foreign Currency Risk

EWBC holds foreign currency denominated assets and liabilities, thus, fluctuations on the foreign exchange rates can affect the financial and cash flows of EWBC. Managing the foreign exchange exposure is important for banks with exposures in foreign currencies. It includes managing foreign currency positions in order to control the impact of changes in exchange rates on the financial position of EWBC. EWBC likewise applies the VaR methodology in estimating the potential loss of EWBC due to foreign currency fluctuations. EWBC uses a 99% confidence level with one-day horizon in estimating the FX VaR. The use of a 99% confidence level means that within a one-day horizon, losses exceeding the VaR figure should occur, on average, not more than once every hundred days.

EWBC's policy is to maintain foreign currency exposure within acceptable limits and within existing regulatory guidelines. EWBC believes that its profile of foreign currency exposure on its

assets and liabilities is within limits for financial institutions engaged in the type of businesses in which EWBC is engaged.

Total foreign currency assets amounted to US\$452.1 million as of September 30, 2011 and US\$735.3 million as of December 31, 2010. Total foreign currency liabilities, on the other hand amounted to US\$446.3 million as of September 30, 2011 and US\$741.9 million as of December 31, 2010.

Interest Rate Risk

A critical element of risk management program consists of measuring and monitoring the risks associated with fluctuations in market interest rates on EWBC's net interest income. The short-term nature of its business and of its assets and liabilities reduces the exposure of its net interest income to such risks.

EWBC employs "Gap Analysis" to measure the interest rate sensitivity of its assets and liabilities. The asset/liability gap analysis measures, for any given period, any mismatches between the amounts of interest-earning assets and interest-bearing liabilities that would re-price, or mature (for contracts that do not re-price), during that period. The re-pricing gap is calculated by first distributing the assets and liabilities contained in EWBC's statement of financial position into tenor buckets according to the time remaining to the next re-pricing date (or the time remaining to maturity if there is no re-pricing), and then obtaining the difference between the total of the re-pricing (interest rate sensitive) assets and re-pricing (interest rate sensitive) liabilities. If there is a positive gap, there is asset sensitivity which generally means that an increase in interest rates would have a positive effect on EWBC's net interest income. If there is a negative gap, this generally means that an increase in interest rates would have a negative effect on net interest income.

EWBC also monitors its exposure to fluctuations in interest rates by using scenario analysis to estimate the impact of interest rate movements on its interest income. This is done by modeling the impact to EWBC's interest income and interest expenses of different parallel changes in the interest rate curve, assuming the parallel change only occurs once and the interest rate curve after the parallel change does not change again for the next twelve months.

Operational Risk

EWBC captures, analyzes and reports operational risk using crimes and losses data and is monitored against established limits approved by the BOD. This data capturing is in the process of enhancement, which eventually would include bank wide risk incident reporting and to be supported by a risk software tool. This is to be achieved simultaneously with the completion of the Risk Awareness program introduced in 2010 and is targeted to be completed by yearend 2011. The program promotes a systematic process of risk identification and control self assessment (RICSA), and establishes transparency across EWBC through its issues identification and reporting. The RICSA to be conducted by the business will be used to identify risks and calibrate the severity of potential risk issues and potential losses. Non-quantifiable risks will be rated based on reputational risk, compliance risk and health and safety risk. These assessments are to be reviewed by the lines of businesses and executive management. To the extent appropriate, assessments are to be reviewed by the Board or its Risk Management Committee to ensure appropriate risk management on identified enterprise wide issues and oversight.

Real Estate, Sugar and Hotel Operations

Interest Rate Risk

The Group's exposure to the risk for changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's interest rate exposure management policy centers on reducing the Group's overall interest expense and exposure to changes in interest rates. The Group's policy is to manage its interest cost using a

mix of fixed and floating interest-rate debts. The Group regularly monitors available loans in the market which is cheaper and substitutes expensive debts of the Group. The Group's long-term debt with floating interest rate usually mature after 3-5 years from the date of availment, while fixed term-loans mature after 5-7 years. The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant of the Group's profit before tax.

Increase (decrease) in basis points	Effect on income before tax
+ 200bps	(P314 million)
- 200bps	P314 million

Liquidity Risk

The Group seeks to manage its liquidity profile to be able to finance capital expenditures and service maturing debts. To cover its financing requirements, the Group intends to use internally generated funds and draw on available long-term and short-term credit facilities.

As part of its liquidity risk management, the Group regularly evaluates its projected and actual cash flows. It also continuously assesses conditions in the financial markets for opportunities to pursue fund raising activities, in the event any foreseeable requirements arise. Fund raising activities may include straight bank loans and capital market issuances. 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 ensure financing flexibility while continuously enhancing the Group's businesses.

Credit Risk

It is the Group's policy that buyers who wish to avail of the in-house financing scheme are subjected to credit verification procedures. Receivable balances are being monitored on a regular basis and subjected to appropriate actions to manage credit risk. With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, other receivables and investments, the Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.

Foreign Currency Risk

Financial assets and financing facilities extended to the Group were mainly denominated in Philippine Peso. As such, the Group's exposure to this risk is not significant.

Notes to Financial Statements

1. The attached interim consolidated financial statements are prepared in compliance with Philippine Financial Reporting Standards (PFRS). The accounting policies and methods of computation followed in the financial statements for the period ended September 30, 2011 are the same as those followed in the annual financial statements of the Company for the year ended December 31, 2010.
2. The consolidated financial statements include the financial statements of the Company and its subsidiaries together with the Group's proportionate share in its joint ventures. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies except for PSHC whose reporting period starts from October 1 and ends on September 30.
3. Except for the sugar operations, the operating activities of the Company are carried out uniformly over the calendar year. There are no unusual operating cycles or seasons that will

differentiate the operations for the period January to September 2011 from the operations for the rest of the year. The milling activities of the subsidiaries engaged in sugar operations usually start in November and end in June of the following year.

4. Except as disclosed in the Management Discussion and Analysis of Financial Condition and Results of Operation, there are no unusual items affecting assets, liabilities, equity, net income or cash flows for the interim period. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.
5. There are no changes in estimates of amounts reported in the previous period that have material effects in the current interim period.
6. Except for those discussed in the Management Discussion and Analysis of Financial Condition and Results of Operations, there are no issuances, repurchases and repayments of debt and equity securities.
7. There were no other dividends paid (aggregate or per share) separately for ordinary shares and other shares during the interim period, except as discussed in the Management Discussion and Analysis of Financial Condition and Results of Operation.
8. The Company derives its revenues from the following reportable segments:

Real estate which involves acquisition of land, planning and development of large-scale fully integrated residential and commercial communities; development and sale of residential and commercial lots and the development and leasing of retail and office space and land in these communities; construction and sale of residential housing and condominiums and office buildings; development of farm estates, industrial and business parks; operation of cinema and mall; and property management.

Banking and financial services which involve commercial and banking operations, including generations of savings, current and time deposits in pesos and foreign currencies; commercial, mortgage and agribusiness loans; payment services, provision of credit card facilities, fund transfers, international trade settlements and remittances from overseas workers; trust and investment services including portfolio management, unit funds, trust administration and estate planning; and safety deposit facilities.

Sugar operations which involve planting and harvesting of sugar cane, milling of canes into raw sugar, conversion of raw sugar into refined sugar and trading of the products as well as the molasses by-product.

Hotel operations which involve management of hotel suites, villas, food and beverage outlets, resort and banquet facilities, and spa.

Financial information on the operations of these business segments as of and for the nine-month periods ended September 30, 2011 and 2010 are summarized in the attached Annex F.

9. Except as discussed in the Management Discussion and Analysis of Financial Condition and Results of Operations, there are no material events subsequent to September 30, 2011 up to the date of this report that have not been reflected in the financial statements for the interim period.
10. There have been no changes in the composition of the Company during the interim period, such as business combination, acquisition or disposal of subsidiaries and long-term

investments, restructurings and discontinuing operations, except as discussed in the Developments of the Company and Management Discussion on its Results of Operations.

11. There are no changes in contingent liabilities or contingent assets since December 31, 2010.
12. There are no material contingencies and any other events or transactions affecting the current interim period.
13. There are no known events that will trigger direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.
14. There are no known material off-balance sheet transactions, arrangements, obligations including contingent liabilities, and other relationships of the Company, with unconsolidated entities or other persons created during the reporting period.
15. There are no significant elements of income or loss, except as discussed in the Management Discussion on the Results of Operations, that did not arise from the issuer's continuing operations.
16. There are no known seasonal aspects that had a material effect on the financial condition or results of operations.
17. Aside from the possible material increase in interest rates on the outstanding floating – rate term loans, there are no known trends, events or uncertainties or any material commitments that may result to any cash flow or liquidity problems of the Group within the next 12 months. The Group is not in default or breach of any note, loan, lease or other indebtedness or financing arrangements requiring it to make payments or any significant amount in its accounts payable that have not been paid within the stated terms.

PART II -- OTHER INFORMATION

There are no other information required to be reported that have not been previously reported in SEC Form 17-C.


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
Signature

FILINVEST DEVELOPMENT CORPORATION

Title
Date


JOSEPHINE G. YAP
President
November 10, 2011

Title
Date


NELSON M. BONA
Chief Finance Officer
November 10, 2011

Signature
Title
Date


EFREN M. REYES
SVP - Comptroller
November 10, 2011

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in thousands of Pesos)

(ANNEX A)

	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
ASSETS		
Cash and cash equivalents	16,433,919	18,510,036
Loans and receivables - net		
Financial and banking services	44,394,981	39,444,873
Real estate operations	11,698,824	10,899,787
Sugar manufacturing operations	144,868	117,084
Hotel operations	17,040	14,353
Financial assets at fair value through profit or loss	11,100,943	4,598,479
Financial assets at fair value through other comprehensive income	388,106	-
Financial assets at amortized cost	11,822,749	-
Available-for-sale financial assets	-	16,512,361
Subdivision lots, condominiums and residential units for sale	22,879,301	18,388,109
Sugar and molasses inventories	1,418,503	160,982
Land and land development	19,847,561	20,243,153
Investment properties - net	29,354,354	30,402,410
Property and equipment - net	7,535,974	5,582,176
Deferred income tax assets	1,678,186	1,644,835
Goodwill	11,942,790	11,329,117
Other assets	2,734,996	2,314,673
	193,393,096	180,162,427
LIABILITIES AND EQUITY		
LIABILITIES		
Deposit liabilities	65,496,687	64,941,913
Accounts payable and accrued expenses	23,247,483	16,048,745
Income tax payable	183,482	214,521
Deferred income tax liabilities	6,359,489	6,225,869
Long-term debt	30,944,303	26,251,694
Total liabilities	126,231,444	113,682,742
EQUITY		
Equity attributable to equity holders of the parent		
Capital stock - P1 par value		
Preferred		
Authorized - 2,000,000,000 shares in 2011 and none in 2010		
Common		
Authorized - 15,000,000,000 shares in 2011 and		
10,000,000,000 shares in 2010		
Issued - 7,557,923,852 shares in 2011 and 7,508,123,852		
shares in 2010	7,557,924	7,508,124
Additional paid-in capital	11,909,074	11,709,874
Revaluation increment in land	46,331	46,331
Revaluation reserve on investment property at deemed cost	9,382,112	9,382,112
Net unrealized gain on financial assets at fair value		
through other comprehensive income	44,009	-
Revaluation reserve on available-for-sale financial assets	-	232,540
Retained earnings	24,031,424	23,794,154
Translation adjustment	(11,286)	(54,429)
Treasury stock	(24,220)	(24,220)
Total	52,935,369	52,594,486
Noncontrolling interest	14,226,284	13,885,199
Total Equity	67,161,652	66,479,685
	193,393,096	180,162,427

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME - Unaudited
(Amounts in Thousands of Pesos Except Earnings Per Share)

(ANNEX B)

	For the Quarters Ended September 30		Nine-Month Periods Ended September 30	
	2011	2010	2011	2010
REVENUES AND OTHER INCOME				
Real Estate Operations				
Sale of lots, condominium and residential units and club shares	1,451,994	1,791,800	5,553,176	4,413,182
Mall and rental revenues	398,018	427,338	1,237,223	1,177,317
Other income	427,730	226,768	1,112,010	746,676
Gain from business combination	-	510,339	-	510,339
	2,277,741	2,956,245	7,902,409	6,847,514
Financial and Banking Services				
Interest income	2,021,186	1,423,646	5,123,871	4,357,981
Other income	617,739	1,085,534	1,666,300	2,166,988
	2,638,925	2,509,180	6,790,171	6,524,969
Sugar Operations				
Sale of sugar	600,084	766,156	1,144,352	1,550,038
Other income	10,290	46,919	33,661	61,931
	610,375	813,075	1,178,013	1,611,969
Hotel Operations				
Hotel revenues	150,818	-	384,729	-
Other income	847	-	1,348	-
	151,665	-	386,077	-
TOTAL REVENUES AND OTHER INCOME	5,678,705	6,278,500	16,256,670	14,984,452
COSTS				
Cost of sale of lots, condominium and residential units and club shares	886,325	990,524	3,281,593	2,436,113
Cost of financial and banking services	610,009	369,369	1,391,645	1,099,274
Cost of sale of sugar	538,390	593,057	854,031	1,054,521
Cost of hotel operations	93,007	-	219,126	-
	2,127,731	1,952,951	5,746,395	4,589,908
OPERATING EXPENSES				
Real estate operations	842,384	1,022,205	2,333,892	2,483,806
Financial and banking services	1,618,538	1,011,291	3,969,194	3,387,623
Sugar operations	68,420	109,976	177,763	220,210
Hotel operations	(35,795)	-	64,141	-
	2,493,546	2,143,472	6,544,991	6,091,640
INCOME BEFORE INCOME TAX	1,057,427	2,182,077	3,965,285	4,302,904
PROVISION FOR INCOME TAX	312,886	259,096	834,940	488,448
NET INCOME	744,541	1,922,981	3,130,345	3,814,456
Attributable to:				
Equity holders of the parent company	564,756	1,532,872	2,354,653	2,914,478
Noncontrolling interest	179,786	390,110	775,692	899,978
	744,541	1,922,982	3,130,345	3,814,456
Basic/Diluted Earnings Per Share (Annualized)			0.417	0.518

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES (ANNEX C)
 CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME -Unaudited
 (Amounts in Thousands of Pesos)

	Nine-Month Periods Ended September 30	
	2011	2010
NET INCOME FOR THE PERIOD	3,130,345	3,814,456
OTHER COMPREHENSIVE INCOME		
Changes in fair value of available-for-sale financial assets	(232,540)	530,544
Changes in fair value of financial assets through other comprehensive income	44,009	-
Translation adjustment	43,143	(41,181)
	(145,388)	489,363
NET COMPREHENSIVE INCOME	2,984,957	4,303,819

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES (ANNEX D)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY - Unaudited
(Amounts in Thousands of Pesos)

	Nine-Month Periods Ended September 30	
	2011	2010
CAPITAL STOCK - P1 par value		
Preferred		
Authorized - 2,000,000,000 shares in 2011 and none in 2010		
Common		
Authorized - 15,000,000,000 shares in 2011 and 10,000,000,000 shares in 2010		
Issued - 7,557,923,852 shares in 2011 and 7,508,123,852 shares in 2010	7,557,924	7,508,124
ADDITIONAL PAID-IN CAPITAL	11,909,074	11,709,874
REVALUATION INCREMENT IN LAND	46,331	46,331
REVALUATION RESERVE ON INVESTMENT PROPERTY AT DEEMED COST	9,382,112	9,382,112
NET UNREALIZED GAIN ON FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	44,009	-
REVALUATION RESERVE ON AVAILABLE-FOR-SALE FINANCIAL ASSETS	-	836,540
NET GAIN ON SWAP OF FLI SHARES RECOGNIZED IN EQUITY		1,808,968
RETAINED EARNINGS		
Balance at beginning of period, as restated	23,794,154	18,719,337
Net income for the period	2,354,653	2,914,478
Effect of business combination and swap	-	(1,432,542)
Effect of dilution of interest	1,088	1,883,249
Dividends	(2,118,470)	(337,758)
Balance at end of period	24,031,424	21,746,765
TRANSLATION ADJUSTMENT	(11,286)	(55,416)
TREASURY STOCK - at cost	(24,220)	(24,220)
NONCONTROLLING INTEREST		
Balance at beginning of period, as restated	13,885,199	14,733,953
Net income for the period	775,692	899,978
Effect of acquisition of noncontrolling interest	(1,088)	(1,883,249)
Dividends	(433,519)	(373,003)
Balance at end of period	14,226,284	13,377,679
TOTAL EQUITY	67,161,652	66,336,757

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS - Unaudited
(Amount in Thousands of Pesos)

(ANNEX E)

	Nine-Month Periods Ended September 30	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	3,965,285	4,302,904
Adjustments for:		
Interest income	(340,792)	(347,256)
Interest expense	662,692	777,640
Depreciation and amortization	744,090	632,480
Gain from business combination	-	(510,339)
Gain on exchange of property and equipment	(244,710)	-
Gain on asset foreclosure and dacion transactions	(29,651)	(23,405)
Dividend income	-	(2,701)
Provision for probable losses	553,870	518,061
Provision for retirement benefits	6,647	17,537
Operating income before changes in operating assets and liabilities	5,317,431	5,364,922
Decrease (increase) in:		
Loans and receivables	(6,333,485)	(2,495,424)
Subdivision lots, condominiums and residential units for sale	(4,491,192)	(4,158,246)
Sugar inventories	(1,257,521)	(397,441)
Land and land development	395,592	(2,416,738)
Increase (decrease) in:		
Deposit liabilities	554,774	(251,617)
Accounts payable and accrued expenses	5,044,421	2,658,582
Net cash used in operations	(769,981)	(1,695,962)
Income taxes paid	(585,377)	(333,978)
Net cash used in operating activities	(1,355,358)	(2,029,940)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Investments	(2,200,958)	(5,095,993)
Other assets	(390,673)	(649,986)
Interest received	340,792	443,437
Dividends received	-	346
Acquisition of investment property and property and equipment	(1,649,832)	(3,066,740)
Proceeds from sale of investment property	-	166,760
Net cash used in investing activities	(3,900,671)	(8,202,176)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	(962,992)	(1,088,558)
Net proceeds of long-term debt	4,692,609	935,736

FINANCIAL INFORMATION ON OPERATIONS OF BUSINESS SEGMENTS – Unaudited

For the Nine - Month Periods Ended September 30, 2011 and 2010

(Amounts in Thousands)

	Real Estate Operations		Banking and Financial Services		Sugar Manufacturing Operations		Hotel Operations	
	2011	2010	2011	2010	2011	2010	2011	2010
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
Revenues and other income	9,649,706	7,672,332	6,926,668	6,560,862	1,178,184	1,612,749	398,374	-
Net income	3,227,400	2,321,985	1,304,726	1,567,003	76,157	218,909	84,522	-
Segment assets	138,594,919	130,874,577	93,358,137	78,710,309	4,596,477	3,973,274	1,921,617	-
Less deferred tax asset	388,970	482,917	1,247,970	1,258,963	32,588	50,257	8,658	-
Net segment assets	138,205,948	130,391,660	92,110,167	77,451,346	4,563,889	3,923,017	1,912,960	-
Segment liabilities	50,217,122	44,336,729	82,622,393	67,018,562	3,421,713	2,444,042	1,831,617	-
Less:								
Income tax payable	153,334	129,399	-	153,685	29,510	95,917	638	-
Deferred tax liabilities	6,237,494	6,081,962	-	-	121,995	142,875	-	-
Net segment liabilities	43,826,294	38,125,368	82,622,393	66,864,877	3,270,207	2,205,250	1,830,979	-
Cash flows arising from:								
Operating activities	(3,878,592)	3,111,230	2,544,549	(4,691,043)	(217,537)	(149,871)	1,147,353	-
Investing activities	3,207,752	(3,720,852)	(4,063,324)	(6,023,759)	(49,551)	230,696	(1,793,721)	-
Financing activities	1,513,793	(2,350,931)	(157,500)	1,432,500	382,006	(302,410)	687,500	-

	Combined		Eliminating		Consolidated	
	2011	2010	2011	2010	2011	2010
	(Unaudited)		(Unaudited)		(Unaudited)	
Revenues and other income	18,152,933	15,845,943	1,896,263	861,491	16,256,670	14,984,452
Net income	4,692,805	4,107,897	1,562,460	293,441	3,130,345	3,814,456
Segment assets	238,471,150	213,558,160	45,078,054	43,018,952	193,393,096	170,539,208
Less deferred tax asset	1,678,186	1,792,137	-	533,174	1,678,186	1,258,963
Net segment assets	236,792,964	211,766,023	45,078,054	42,485,778	191,714,910	169,280,245
Segment liabilities	138,092,844	113,799,333	11,861,401	9,596,882	126,231,444	104,202,451
Less:						
Income tax payable	183,482	379,001	-	-	183,482	379,001
Deferred tax liabilities	6,359,489	6,224,837	-	533,174	6,359,489	5,691,663
Net segment liabilities	131,549,873	107,195,495	11,861,401	9,063,708	119,688,473	98,131,787
Cash flows arising from:						
Operating activities	(404,228)	(1,729,684)	(951,131)	359,764	(1,355,358)	(2,089,448)
Investing activities	(2,698,843)	(9,513,915)	(1,201,828)	(1,371,246)	(3,900,671)	(8,142,669)
Financing activities	2,425,798	(1,220,841)	754,115	(417,330)	3,179,913	(803,511)

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

ANNEX G

AGING OF LOANS AND RECEIVABLES - Unaudited

As of September 30, 2011

(Amounts in thousands of Pesos)

Type of receivable	Total	Current	1-30 days	31-60 days	61-90 days	91-120 days	>120 days
a) Trade Receivables							
Mortgage, Notes and Installment Contracts Receivable	7,645,119	7,475,534	18,683	11,473	8,809	8,148	122,473
Receivable from Financing Institutions	526,629	526,629	-	-	-	-	-
Receivable from Customer	48,463,063	41,122,718	706,763	556,411	120,444	1,033,500	4,923,227
Rentals and others	134,807	86,384	2	2,811	2,788	2,556	40,265
	56,769,618	49,211,266	725,447	570,695	132,041	1,044,204	5,085,966
Less: Allowance for Doubtful Accounts	4,139,222	-	-	-	-	(0)	4,139,222
	52,630,397	49,211,266	725,447	570,695	132,041	1,044,204	946,744
b) Non-trade Receivables							
Other Receivables	3,626,751	3,488,073	1,540	2,129	1,378	2,348	131,283
Less: Allowance for Doubtful Accounts	1,435	-	-	-	-	-	1,435
Net	3,625,316	3,488,073	1,540	2,129	1,378	2,348	129,848
Net Receivables	56,255,713	52,699,339	726,988	572,824	133,419	1,046,552	1,076,591