

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C**

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER**

1. 28 May 2020
Date of Report (Date of earliest event reported)
2. SEC Identification Number 51048 3. BIR Tax Identification No. 042-000-053-167
4. FILINVEST DEVELOPMENT CORPORATION
Exact name of issuer as specified in its charter
5. Philippines Province, country or other jurisdiction of incorporation
6. (SEC Use Only) Industry Classification Code:
7. The Beaufort, 5th Avenue corner 23rd Street, Bonifacio Global City, Taguig City 1634
Address of principal office Postal Code
8. (632) 7918-8188 / 7798-3958
Issuer's telephone number, including area code
9. Not applicable
Former name or former address, if changed since last report

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

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	8,648,462,987

11. Indicate the item numbers reported herein: Item 9

Please see attached press release which is self-explanatory.

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 hereunto duly authorized.

FILINVEST DEVELOPMENT CORPORATION

Issuer

Date 28 May 2020



SHARON P. PAGALING-REFUERZO
Corporate Secretary and
Corporate Information Officer

PRESS RELEASE

May 28, 2020

FDC posts 1Q20 net income growth of 8% to P3.0B

Gotianun family-led Filinvest Development Corporation (FDC) reported a net income attributable to equity holders of the parent company of P3.0 billion in the first quarter of 2020, growing by 8 percent from the P2.8 billion in the same period last year while consolidated net income was recorded at P4.0 billion, rising by 5 percent. The company managed to post a respectable net income growth amidst the COVID-19 pandemic due to the strong performance of its banking subsidiary, EastWest Bank, as well as cost control measures implemented across the group. Total revenues slightly declined by 2 percent but it was more than offset by a 27 percent drop in costs. Meanwhile, operating expenses increased by 27 percent largely due to provisions for losses made by EastWest Bank in anticipation of the economic fallout resulting from the effects of COVID-19.

“We are in unprecedented times. The events continue to unfold and we cannot ascertain the full impact of the disruptions brought about by the COVID-19 pandemic. The government declared an Enhanced Community Quarantine (ECQ) in mid-March to give the Philippines time to build up its health care arsenal. Beyond financial and scenario planning, FDC and its subsidiaries answered the pandemic with clear protocols to safeguard the health and safety of the Filinvest family. We responded quickly to address our customers’ needs and provided financial relief such as rental waivers, deferment or loan term extensions during the ECQ period. These have impacted on our results for the first quarter,” said FDC President and CEO L. Josephine G. Yap.

The company’s balance sheet remained healthy at the end of the first quarter. Debt-to-equity stood at 1.02:1 while net debt-to-equity stood at 0.54:1. On April 2, 2020, FDC fully paid its maturing foreign currency obligation, retiring its USD300 million fixed-rate seven-year bonds using the Filinvest group’s excess cash coupled with new local currency term-loan financing from local banks. For the rest of 2020, the group has earmarked P26 billion for capital expenditures to be used primarily by the property segment.

EastWest Bank delivered a net income contribution to the group of P2.3 billion in the first quarter of 2020, 75 percent higher than the same period last year, driven by better margins from its core lending and deposit-taking businesses, and higher trading gains. On a standalone basis, EastWest’s net interest income, which accounts for 69 percent of revenues, increased by 42 percent to P6.6 billion. This was on the back of a net interest margin (NIM) improvement by 173 bps from year-ago level to 8.1 percent as market liquidity and deposit rates normalized. Non-interest income increased by 52 percent to P2.9 billion, mainly due to securities trading gains. On the other hand, operating expenses, excluding provisions for losses, increased by 14 percent to P4.6 billion from higher compensation costs. Its cost-to-income ratio improved to 48 percent from last year’s 60 percent. EastWest more than doubled its provisions for losses to

P2.4 billion in anticipation of probable loan losses resulting from the economic damage to households and businesses caused by the virus-induced disruptions. Despite the heavy provisioning, EastWest performed strongly as shown by its return on equity (ROE) of 18 percent.

The imposition of the ECQ had immediate effects on FDC's real estate business composed of listed subsidiary, Filinvest Land, Inc. (FLI), and Filinvest Alabang, Inc. (FAI). Sale of lots, condominium and residential units declined by 40 percent to P3.4 billion in the first quarter of 2020 while net income contribution to the group fell by 26 percent to P1.5 billion. This was largely due to the lower sales take-up in 2019 and delays in the completion of projects brought about by the construction halt in mid-March. A grace period for the payment of its homebuyers was likewise granted during the ECQ period which affected real estate sales recognition. Meanwhile, rental revenues from FLI as well as FAI was flat at P1.9 billion in the first quarter of 2020. The growth in office leasing was offset by the decline in retail mall revenues. FLI's office buildings remained operational during the ECQ period while enjoying a high average occupancy rate of 91 percent. Meanwhile, most parts of the malls were closed beginning the second half of March and for the duration of the ECQ, with a few exceptions. Filinvest waived rental payments for establishments that were not operational during the ECQ period.

Power subsidiary, FDC Utilities, Inc. (FDCUI), reported a slight decline in revenues by 5 percent to P2.2 billion, bringing net income to P511 million, as demand from its customers contracted in the latter part of March due the imposition of the ECQ. FDCUI's plant, located in Misamis Oriental, remained fully operational even when the area was in ECQ. FDCUI operates an aggregate 405-megawatt clean coal plant that is the largest operating baseload power plant in Mindanao. With the gradual easing of the ECQ, FDCUI ensures that various precautionary measures are in place to be able to serve its customers such as rotation setup for its work force, strict adherence to personal hygiene practices, mandatory temperature checks and social distancing protocols, and frequent proper sanitation and deep disinfection of plant premises.

The imposition of travel restrictions and quarantine measures as early as January impacted the hospitality business. Hotel operations under Filinvest Hospitality Corporation (FHC) posted a revenue decline of 21 percent to P689 million in the first quarter of 2020 that brought net income contribution to P15.6 million as occupancy rates dropped during the quarter. Five out of the six hotels and resorts under the Filinvest group's portfolio remained in operation during the ECQ but on very limited basis to accommodate business needs. Crimson Boracay, however, temporarily ceased operations while the entire island of Boracay was on lockdown. Quest Tagaytay was used as a quarantine facility for OFWs and other returning overseas Filipinos while Crimson Alabang and Quest Clark were used by BPO employees. FHC's portfolio of six managed properties has approximately 1,800 rooms under the Crimson and Quest brands.

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About Filinvest Development Corp.

Filinvest Development Corp. (FDC) is one of the leading, most stable and diversified conglomerates in the Philippines. Through its diverse businesses, FDC has established a strong reputation as a dependable partner in economic development. FDC currently has strategic holdings in key industries such as real estate development and leasing, banking and financial services, hotel and resort management, power generation and sugar.

FDC aims to grow this legacy of success by continuing to strengthen its position in the industries where it competes and embarking on new endeavors that will bolster its role in nation building.

Visit www.filinvestgroup.com for information on the company.

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