

**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. 13 November 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 6. (SEC Use Only)
Province, country or other Industry Classification Code:
jurisdiction of incorporation
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 13 November 2020



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

PRESS RELEASE

November 13, 2020

FDC net income grows by 3% in 9M20 to P8.9B

Gotianun family-led Filinvest Development Corporation (FDC) reported a net income attributable to equity holders of the parent company of P8.9 billion in the first nine months of 2020, growing by 3 percent from the P8.6 billion in the same period last year, while consolidated net income was recorded at P11.3 billion, slightly dropping by 1 percent. The net income growth that FDC continued to demonstrate amidst the COVID-19 pandemic disruptions was brought about largely by the higher revenue contribution from its banking subsidiary combined with lower direct costs. Cost control measures, particularly the decline in direct costs by 36 percent to P15.6 billion, offset the 9 percent drop total revenues and other income to P57.1 billion and the 18 percent increase in operating expenses to P28.8 billion in the first nine months of 2020.

“We are pleased with the strength and resilience of the Filinvest Group. Our banking and sugar businesses covered the gap caused by the hospitality and real estate businesses which are the most affected by the pandemic-related government restrictions. We are however encouraged by improvements in the quarter-on-quarter performance of residential revenues which saw a jump of 47 percent in the third quarter compared to the second quarter of 2020. Together with the V-shape recovery in option sales, this signifies a turnaround as government restrictions have started to ease. Our power subsidiary has also been stable and gradually picking up to pre-pandemic levels. Overall, we are confident that our balanced portfolio can withstand the current crisis and we are prepared to take advantage of opportunities when the current situation turns around,” said FDC President and CEO L. Josephine G. Yap.

The company’s balance sheet remained healthy at the end of the first nine months. Debt-to-equity stood at 0.94:1 while net debt-to-equity was at 0.39:1. This is on the heels of FDC’s recent successful offering of US\$200 million fixed-rate five-year bonds in September. The bonds were issued to further optimize the company’s capital structure as well as finance new investments in infrastructure and sustainable solutions such as solar energy, water and wastewater services.

EastWest Bank (EW) delivered a net income contribution to the group of P5.8 billion in the first nine months of 2020, 32 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, EW’s net interest income, which accounted for 75 percent of revenues, increased by 33 percent to P20.1 billion. EW sustained its industry leading net interest margins and return on equity ratios. Non-interest income increased by 13 percent to P6.6 billion mainly due to securities trading gains. On the other hand, operating expenses, excluding provisions for losses, declined by 3 percent to P12.0 billion that helped in the improvement of its cost-to-income ratio to 45 percent from last year’s 59 percent. EW tripled its provisions for losses to P7.7 billion as a pre-emptive measure in anticipation of probable loan losses resulting from the cashflow impact to

households and businesses of the virus-induced disruptions. Despite the heavy provisioning, EastWest performed strongly as shown by its annualized return on equity (ROE) of 15 percent.

FDC's real estate business composed of listed subsidiary, Filinvest Land, Inc. (FLI), and Filinvest Alabang, Inc. (FAI) contributed P5.1 billion in net income to the group. This was lower by 15 percent from the first nine months of 2019 as the segment was affected by lower sales take-up, completion delays resulting from the construction halt in mid-March, and the grace period granted to the homebuyers during the ECQ period for the payment of their purchases which delayed real estate sales recognition. As expected, sales revenues of lots, condominium and residential units slowed down during the first nine months of 2020 by 55 percent to P7.2 billion. Less affected by the restrictions was the group's office leasing business as the Filinvest buildings remained operational throughout the pandemic. However, most parts of the malls were closed for the duration of the ECQ, with Filinvest waiving rental payments for the non-operational establishments during the ECQ period. The group's rental revenues declined by 4 percent to P5.1 billion in the first nine months of 2020 as the growth in office leasing was countered by the decline in retail mall revenues.

Power subsidiary, FDC Utilities, Inc. (FDCUI), registered a net income of P1.8 billion, growing by 3 percent from the same period last year. Revenues declined by 17 percent to P6.4 billion as volume contracted by 19 percent following lower demand from its customers during the ECQ period. The situation has improved with the easing of lockdowns in Misamis Oriental in Mindanao where its 405-megawatt clean coal plant is located. The lower volume was offset by the reduction in operating expenses by 29 percent to P1,516 million and the 3 percent increase in average price.

Hotel operations under Filinvest Hospitality Corporation (FHC) remained the most affected by the pandemic in the group. FHC posted a revenue decline of 59 percent to P981 million in the first nine months of 2020 as occupancy rates dropped across the properties, leading to a net loss of P487 million from a net income of P266 million in the same period last year. 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 while Crimson Boracay temporarily ceased operations while the entire island of Boracay was on lockdown. Crimson Boracay and Crimson Mactan are now experiencing some improvement coming from domestic tourism in the fourth quarter. Quest Clark is currently blocked for the "PBA Bubble", an ongoing basketball league held in the area. 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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