Filinvest Development Corporation

May 13, 2011

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

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

Dear Ms. Encarnacion,

Please find attached Quarterly Report of Filinvest Development Corporation for the period ended March 31, 2011.

Thank you.

Very truly yours,

ATTY. APOLLO M. ESCAREZ
VP & Corporate Information Officer

173 P. GOMEZ ST. SAN JUAN, METRO MANILA, PHILIPPINES TEL. 727-0431 TO 39

COVER SHEET

5 1 0 4 8

SEC Registration Number

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES

(Company's Full Name)

173 P. Gomez Street, San Juan, Metro Manila

(Business Address: No. Street City/Town/Province)

c/o Atty. Pablito A. Perez

(Contact Person)

7270431 / 7256328

(Company Telephone Number)

0 3 | 3 1 | 2 0 1 1

Month *Day* *Year*

(Fiscal Year)

1 7 - Q

(Form Type)

Month *Day*

(Annual Meeting)

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

S T A M P S

Remarks: Please use BLACK ink for scanning purposes.

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, 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**
Province, Country or other jurisdiction of incorporation of organization

6. **(SEC Use Only)**
Industry Classification Code:

7. **173 P. Gomez St., San Juan City**
Address of principal office

8. **727-04-31, 1500**
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	**7,505,725,452**
	P27.07B Long-Term Debt

11. Are any or all of these securities listed in the Philippines Stock Exchange?

Yes [**X**] 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 [**X**] No [ ]

(b) has been subject to such filing requirements for the past 90 days.

Yes [**X**] 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

On November 25, 2010, the Board of Directors approved the equity fund raising of FDC consisting of a placing and subscription transaction involving the offer and sale by ALG Holdings Corporation (ALGHC) of its existing shares in FDC not exceeding 3 billion common shares and the subscription by ALGHC and issuance by FDC of new common shares not exceeding the number of shares sold by ALGHC. On January 21, 2011, the Board of Directors approved to defer the equity fund raising activity of the Corporation due to volatile market conditions.

On December 28, 2009, Filinvest Land, Inc. (FLI), a subsidiary, executed separate deeds of absolute sale of shares of stock for the acquisition of the 40% share of Africa Israel Investments (Phils.), Inc. in Filinvest AII Philippines, Inc. (FAPI) and 40% equity interest of Africa-Israel Properties (Phils.), Inc. in Cyberzone Properties Inc. (CPI). The closing of the sale transactions was subject to the full payment of the purchase prices and other conditions which were not yet fulfilled as of December 31, 2009. On February 8, 2010, the sale transactions were closed as the purchase price was fully paid by FLI and all other conditions of the sales were met. The sale transactions made FAPI and CPI wholly owned subsidiaries of FLI.

Crimson Resort and Spa, the hotel component of Seascapes Resort Town in Mactan, Cebu, was formally launched on October 8, 2010. The hotel operation is managed by Filarchipelago Hospitality, Inc., a joint venture with Archipelago International Pte. Ltd. which is well known in the management of hotels, resorts, residences, spas and villas under the Aston, Alana, Quest, Favehotel, Kamuela and Crimson brands.

In March 2011, the Board of Directors of East West Banking Corporation (EWBC) approved to early adopt PFRS 9 effective January 1, 2011. PFRS 9, Financial Instruments, Classification and Measurement, as issued in 2010, reflects the first phase of the work on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. The early adoption of PFRS 9 increased the Group's income (in the Statements of Income) by P253.9 million. 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, upon adoption; (b) This puts the Bank in a position to manage better its earnings and capital as the business model approach introduced by PFRS 9 aims to align the accounting standards with the Bank's risk, capital, and asset-liability management practices; and (c) Corollary to better managed earnings and capital is stability in the Bank's earnings.

Results of Operations
Three-Month Period Ended March 31, 2011
Compared to Three-Month Period Ended March 31, 2010

For the first quarter of 2011, FDC registered total revenues and other income of P4,593.5 million and consolidated net income of P1,145.5 million, a growth of P612.5 million or 15% and P193.1 million or 20%, respectively, from the P3,981.0 million reported revenues and other income and P952.4 million reported net income for the first quarter of 2010.

Real Estate Operations

Real estate operations registered total revenues and other income of P2,509.9 million, 44% significantly higher than the same period last year of P1,747.8 million, attributable to (a) 50% increase in sale of lots, condominium and residential units, and club shares during the current period, from P1,148.6 million to P1,720.0 million due to (i) FLI's higher sales from Medium Rise Buildings (MRBs) and (ii) sales recognition of FDC's Beaufort project; (b) 14% improvement in mall and rental revenues during the first quarter of 2011 as a result of opening of Fastbytes - Phase 2 and increase in rental income of Westgate Complex in Filinvest Corporate City and; (c) 60% increase in other income due to higher interests generated from short-term investments and installment contracts receivable.

Costs of sale of lots, condominium and residential units and club shares increased by 64% due to an increased proportion of sales of Medium Rise Buildings (MRBs). The Group's real estate operating expenses increased by 13% to P752.1 million for the first three months of 2011 from P665.9 million for the same period of 2010. This was primarily due to (a) increased selling and marketing expenses; (b) increased general and administrative expenses because of higher maintenance costs of various properties, insurance and general expenses for mall and parking operations; and (c) higher depreciation due to additional investment properties and property and equipment, as a consequence of the acquisition by FLI of Africa-Israel's 40% interest in CPI in February 2010 and the opening of Crimson Hotel in October 2010.

Financial and Banking Operations

For the three-month period ended March 31, 2011, the Group's revenues and other income from financial and banking services slightly decreased by 1% to P1,962.8 million from P1,992.5 million for the same period of 2010. Despite of an 8% growth in interest income, other income declined by 22% due to lower trading gains, thereby causing the 1% or P29.7 million decrease in total revenues and other income.

While there is also an increase of P46.0 million or 13% in the cost of financial and banking services as a result of slightly higher interest expense, operating expenses from financial and banking operations decreased by 12% or P137.3 million, due mainly to lower provision for doubtful accounts and probable losses when the current balance of its allowance for impairment and credit losses was considered adequate after reassessment.

Sugar Operations

Sugar operations contributed P17.6 million to the Group's total revenues and other income during the first quarter. Sales of sugar/molasses amounted to P13.6 million, which marked a 94% or P222.1 million decrease from last year's sales of P236 million, due to this year's strategic considerations of management to sell majority of sugar inventories before the start of current year, as indicated by extremely low level of inventories as of December 31, 2010. While there is a P188 million or 117% increase in inventories as of March 31, 2011, it only represents sugar milled and refined during the latter part of current crop quarter.

Corresponding to the decrease in revenues, sugar operations' cost of sales and operating expenses decreased by P140.5 million and P1.2 million, respectively.

Hotel Operations

Hotel operations contributed P103.2 million to the Group's total revenues and other income during the current period, which consist mostly of room rentals, sales of food and beverage, and miscellaneous charges. As mentioned, the hotel formally launched its operation in October 2010. Costs of hotel operations of P55.3 million pertain mostly to cost of food and beverage and cost of room operations, while hotel operating expenses of P22.8 million consist of salaries and employee benefits, utilities, marketing expenses and depreciation.

Financial Condition
As of March 31, 2011 compared to as of December 31, 2010

As of March 31, 2011, total consolidated assets stood at P174.9 billion, total stockholders' equity at P67.5 billion (including noncontrolling interest of P14.2 billion) while total liabilities stood at P107.4 billion. Total consolidated assets dropped by P5.3 billion or 3% from P180.2 billion as of December 31, 2010. The following were the significant movements in assets during the period:

- Cash and cash equivalents decreased to P11.3 billion, by P7.2 billion or 39% resulting from EWBC's lower level of cash and cash equivalents due to 15% reduction of its bank deposits.
- Receivables of real estate increased by P0.3 billion or 3% due to Parent Company's and FLI's sales of lots, condominium and residential units.
- The 2010 year-end balance of available-for-sale financial assets of P16.5 billion has no balance as of March 31, 2011, while 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 P3.6 billion, P0.4 billion and P12.2 billion, respectively, all of which resulted from EWBC's early adoption of PFRS 9, as discussed in the preceding section.
- Subdivision lots, condominium and residential units for sale likewise increased by P1.6 billion or 9% with the additional residential development projects of FLI particularly the MRBs and middle-income residential projects and FAI specifically the Entrata project.
- Land and land development of P20.8 billion was higher by 3% or P0.5 billion mainly due to FLI's acquisition of rawland.
- Deferred income tax assets increased by P0.1 billion or 6% derived from FDC's recognition of deferred income tax for the current quarter.
- Other assets increased by P0.1 billion or 5% due mainly to FLI's additional construction materials, input vat and deposits made to acquire certain property.

Corresponding to the decline in total assets, total liabilities also marked a decline of P6.3 billion or 6%, which plunged to P107.4 billion as of March 31, 2011 from P113.7 billion as of December 31, 2010. The decline resulted mainly from the P9.9 billion (15%) decrease in deposit liabilities due to withdrawals of bank deposits during the period, offset by increase in accounts payable and accrued expenses, and long-term debt by P2.6 billion (16%) and P815.0 million (3%), respectively. The 16% increase in accounts payable and accrued expenses was due to FLI's additional rediscounted receivables and EWBC's higher bills payables, while the 3% increase in long-term debt is the net effect of P1.5 billion loan availments and P0.7 billion loan amortization.

As of March 31, 2011, net unrealized gain on financial assets at fair value through other comprehensive income amounted to P34.4 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 April 12, 2011, the Board of Directors 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 which shall be issued out of the P7.0 billion increase in the authorized capital stock of the Corporation from P10.0 billion to P17.0 billion shall be submitted to the Securities and Exchange for approval. The 23.32% stock dividend will constitute the minimum subscription and paid-in capital requirement for the P7 billion increase in the authorized capital stock of the Corporation, as aforesaid and the aforementioned stock dividend declaration shall be submitted for approval by the stockholders of the Corporation during its annual meeting scheduled on May 27, 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 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 and availment of medium and long term loans. 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 Three-Month Period Ended March 31, 2011		As of December 31, 2010 and For The Three-Month Period Ended March 31, 2010	
Earning per share	**0.458**	**/share**	0.358	/share
Net Income Attributable to Equity Holders (Annualized) / Weighted Average Number of Outstanding Shares				
Price Earnings Ratio	**9.66**	**Times**	5.59	Times
Closing Price / Earnings Per Share				
Return on Revenue	**25%**		24%	
Net Income / Total Revenue				
Debt to equity ratio	**0.40**	**: 1**	0.39	: 1
Long-term Debt / Total Stockholders' Equity				
EBITDA to Total Interest Paid	**4.95**	**times**	4.16	Times
EBITDA / Total Interest Payment				

Earnings per share (EPS) and Price Earnings (PE) Ratio for the first quarter of 2011 went up compared to the EPS and PE Ratio as of March 31, 2010 on account of higher net income and closing price of FDC share, respectively.

Return on revenue slightly went down because of lower increase in net income than the increase in total revenue. Debt-to-equity ratio was at 0.40:1 which is slightly higher than the ratio as of end of 2010. EBITDA to total interest paid went up to 4.95 times from 4.16 times in 2010 mainly due to higher income as discussed.

Financial Assets and Liabilities

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

	March 31, 2011		December 31, 2010	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
	(In Thousands)			
Cash and cash equivalents	**11,316,095**	**11,316,095**	18,510,036	18,510,036
Loans and receivables				
Real estate operations	**11,208,766**	**11,363,445**	9,773,304	9,900,999
Financial and banking services	**38,851,167**	**39,478,793**	39,444,873	41,388,395
Sugar operations	**125,282**	**125,282**	14,878	14,878
Hotel operations	**7,485**	**7,485**	14,226	14,226
	50,192,700	**50,975,004**	49,247,281	51,318,498

	March 31, 2011		December 31, 2010	
	Carrying Value	**Fair Value**	Carrying Value	Fair Value
	(In Thousands)			
Investments				
Financial assets at fair value through profit or loss	**8,161,731**	**8,161,731**	4,598,479	4,598,479
Financial assets at fair value through other comprehensive income	**392,705**	**392,705**	-	-
Financial assets at amortized cost	**12,183,825**	**12,256,077**	-	-
Available-for-sale financial assets	**-**	**-**	16,512,361	16512,361
	20,738,261	**20,810,513**	21,110,840	21,110,840
Total Financial Assets	**82,247,057**	**83,101,613**	88,868,157	90,939,374
Deposit liabilities				
Demand	**17,146,182**	**17,146,182**	19,319,701	19,319,701
Savings	**5,342,917**	**5,342,917**	6,964,542	6,964,542
Time	**30,906,997**	**31,281,934**	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
	55,064,897	**55,534,437**	64,941,913	65,411,453
Accounts payable and accrued expenses	**18,693,853**	**18,552,196**	15,862,080	15,741,881
Long-term debt	**27,066,675**	**27,688,020**	26,251,694	26,854,330
Total Financial Liabilities	**100,825,426**	**101,774,653**	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 is 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 whose fair values are 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 is 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 is 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 is 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$665.2 million as of March 31, 2011 and US$735.3 million as of December 31, 2010. Total foreign currency liabilities, on the other hand amounted to US$652.6 million as of March 31, 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.

<u>Real Estate, Sugar and Hotel Operations</u>

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	(P220 million)
- 200bps	P220 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 quarter ended March 31, 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 March 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 quarter ended March 31, 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 March 31, 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.

18. On November 25, 2010, the stockholders of the Parent Company approved the increase in the authorized capital from P10 billion, consisting of 10 billion common shares at P1 par value to P17 billion, consisting of 15 billion common shares at P1 par value and P2 billion preferred shares at P1 par value. The application for increase has not yet been filed with the Securities and Exchange Commission as of the date of this report.

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 **FILINVEST DEVELOPMENT CORPORATION**

Signature:

JOSEPHINE G. YAP

Title President

Date May 10, 2011

Signature:

NELSON M. BONA

Title Chief Finance Officer

Date May 10, 2011

Signature:

ARLENE G. SAN JUAN

Title Accounting Manager

Date May 10, 2011

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES **(ANNEX A)**

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in thousands of Pesos)

	March 31, 2011 (Unaudited)	December 31, 2010 (Audited)
ASSETS		
Cash and cash equivalents	**11,316,095**	18,510,036
Loans and receivables - net		
Financial and banking services	**38,851,167**	39,444,873
Real estate operations	**11,208,766**	10,899,787
Sugar manufacturing operations	**125,282**	117,084
Hotel operations	**7,485**	14,353
Financial assets at fair value through profit or loss	**8,161,731**	4,598,479
Financial assets at fair value through other comprehensive income	**392,705**	-
Financial assets at amortized cost	**12,183,825**	-
Available-for-sale financial assets	**-**	16,512,361
Subdivision lots, condominiums and residential units for sale	**19,964,786**	18,388,109
Sugar and molasses inventories	**349,242**	160,982
Land and land development	**20,792,181**	20,243,153
Investment property - net	**30,288,573**	30,402,410
Property and equipment - net	**5,724,692**	5,582,176
Deferred income tax assets	**1,736,391**	1,644,835
Goodwill	**11,329,117**	11,329,117
Other assets	**2,430,991**	2,314,673
	174,863,029	180,162,427
LIABILITIES AND EQUITY		
LIABILITIES		
Deposit liabilities	**55,064,897**	64,941,913
Accounts payable and accrued expenses	**18,693,853**	16,048,745
Income tax payable	**318,853**	214,521
Deferred income tax liabilities	**6,252,858**	6,225,869
Long-term debt	**27,066,675**	26,251,694
Total liabilities	**107,397,136**	113,682,742
EQUITY		
Equity attributable to equity holders of the parent		
Capital stock - P1 par value		
Common		
Authorized - 10,000,000,000 shares		
Issued - 7,508,123,852 shares	**7,508,124**	7,508,124
Additional paid-in capital	**11,709,874**	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	**34,437**	-
Revaluation reserve on available-for-sale investments	**-**	232,540
Retained earnings	**24,652,885**	23,794,154
Translation adjustment	**(15,599)**	(54,429)
Treasury stock	**(24,220)**	(24,220)
Total	**53,293,945**	52,594,486
Noncontrolling interest	**14,171,948**	13,885,199
Total Equity	**67,465,893**	66,479,685
	174,863,029	180,162,427

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

	For the Three-Month Periods Ended March 31	
	2011	2010
REVENUES AND OTHER INCOME		
Real Estate Operations		
Sale of lots, condominium and residential units and club shares	**1,720,019**	1,148,594
Mall and rental revenues	**415,650**	365,961
Other income	**374,248**	233,248
	2,509,917	1,747,803
Financial and Banking Services		
Interest income	**1,473,948**	1,365,225
Other income	**488,825**	627,280
	1,962,773	1,992,505
Sugar Operations		
Sale of sugar	**13,571**	235,700
Other income	**4,078**	5,025
	17,649	240,725
Hotel Operations		
Hotel revenues	**102,973**	-
Other income	**217**	-
	103,190	-
TOTAL REVENUES AND OTHER INCOME	**4,593,529**	3,981,032
COSTS		
Cost of sale of lots, condominium and residential units and club shares	**920,829**	562,645
Cost of financial and banking services	**388,602**	342,569
Cost of sale of sugar	**4,190**	144,689
Cost of hotel operations	**55,307**	-
	1,368,928	1,049,903
OPERATING EXPENSES		
Real estate operations	**752,136**	665,865
Financial and banking services	**1,039,000**	1,176,280
Sugar operations	**52,292**	53,463
Hotel operations	**22,785**	-
	1,866,214	1,895,608
INCOME BEFORE INCOME TAX	**1,358,387**	1,035,521
PROVISION FOR INCOME TAX	**212,906**	83,120
NET INCOME	**1,145,480**	952,401
Attributable to:		
Equity holders of the parent company	**858,732**	671,689
Noncontrolling interest	**286,749**	280,712
	1,145,480	952,401
Basic/Diluted Earnings Per Share (Annualized)	**0.458**	0.358

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES **ANNEX C**

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME -Unaudited

(Amounts in Thousands of Pesos)

	For the Three-Month Periods Ended March 31	
	2011	2010
NET INCOME FOR THE PERIOD	**1,145,480**	951,260
OTHER COMPREHENSIVE INCOME		
Changes in fair value of available-for-sale financial assets	**(232,540)**	154,440
Changes in fair value of financial assets through other comprehensive income	**34,437**	-
Translation adjustment	**38,830**	(8,064)
	(159,273)	146,376
NET COMPREHENSIVE INCOME	**986,207**	1,097,636

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

	For the Three-Month Periods Ended March 31	
	2011	2010
CAPITAL STOCK - P1 par value		
Common		
Authorized - 10,000,000,000 shares		
Issued - 7,508,123,852 shares	**7,508,124**	7,508,124
ADDITIONAL PAID-IN CAPITAL	**11,709,874**	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	**34,437**	-
REVALUATION RESERVE ON		
AVAILABLE-FOR-SALE INVESTMENT	**-**	131,471
RETAINED EARNINGS		
Balance at beginning of period, as restated	**23,794,154**	18,719,337
Net income for the period	**858,732**	671,689
Balance at end of period	**24,652,886**	19,391,026
TRANSLATION ADJUSTMENT	**(15,599)**	(16,502)
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	**286,749**	280,712
Balance at end of period	**14,171,948**	15,014,665
TOTAL EQUITY	**67,465,893**	63,142,881

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES **(ANNEX E)**

CONSOLIDATED STATEMENTS OF CASH FLOWS - Unaudited

(Amount in Thousands of Pesos)

	For the Three-Month Periods Ended March 31	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**1,358,387**	1,035,521
Adjustments for:		
Interest income	**(116,578)**	(82,487)
Interest expense	**209,527**	216,347
Depreciation and amortization	**206,461**	164,082
Gain on asset foreclosure and dacion transactions	**(6,993)**	(4,075)
Dividend income	**(27,032)**	-
Provision for probable losses	**87,208**	239,157
Provision for retirement benefits	**6,185**	753
Operating income before changes in operating assets and liabilities	**1,717,164**	1,569,298
Decrease (increase) in:		
Loans and receivables	**196,189**	(2,089,341)
Subdivision lots, condominiums and residential units for sale	**(1,576,677)**	579,967
Sugar inventories	**(188,260)**	(144,086)
Land and land development	**(549,028)**	(875,161)
Increase (decrease) in:		
Deposit liabilities	**(9,877,016)**	(4,187,917)
Accounts payable and accrued expenses	**2,660,888**	294,141
Net cash used in operations	**(7,616,739)**	(4,853,099)
Income taxes paid	**(42,849)**	(72,566)
Net cash used in operating activities	**(7,659,588)**	(4,925,665)
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (increase) in:		
Investments	**372,579**	(3,959,813)
Other assets	**(109,325)**	(124,394)
Interest received	**116,578**	82,487
Acquisition of investment property and property and equipment	**(370,080)**	(1,347,649)
Net cash provided by (used in) investing activities	**9,752**	(5,349,369)
CASH FLOWS FROM FINANCING ACTIVITIES		
Interest paid	**(359,086)**	(340,334)
Net proceeds of long-term debt	**814,981**	635,093
Net cash provided by financing activities	**455,895**	294,759
NET DECREASE IN CASH AND CASH EQUIVALENTS	**(7,193,941)**	(9,980,275)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**18,510,036**	22,424,831
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**11,316,095**	12,444,556

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES (ANNEX F)

FINANCIAL INFORMATION ON OPERATIONS OF BUSINESS SEGMENTS – Unaudited
For the Three - Month Periods Ended March 31, 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	**2,651,330**	1,835,275	**2,027,074**	1,992,505	**17,662**	241,231	**106,089**	-
Net income	**824,452**	520,073	**496,814**	475,249	**(34,128)**	21,407	**20,320**	-
Segment assets	**136,227,760**	138,015,496	**78,402,360**	74,161,420	**3,686,212**	3,676,509	**136,939**	-
Less deferred tax asset	**445,140**	368,621	**1,234,799**	1,196,837	**47,795**	34,575	**8,658**	-
Net segment assets	**135,782,621**	137,646,875	**77,167,561**	72,964,583	**3,638,417**	3,641,934	**128,282**	-
Segment liabilities	**47,444,005**	51,922,329	**68,396,896**	64,246,891	**2,054,966**	2,080,459	**101,460**	-
Less:								
Income tax payable	**275,711**	126,170	**-**	-	**43,142**	87,933	**-**	-
Deferred tax liabilities	**6,121,328**	6,051,817	**-**	-	**131,530**	162,188	**-**	-
Net segment liabilities	**41,046,965**	45,744,342	**68,396,896**	64,246,891	**1,880,294**	1,830,338	**101,460**	-
Cash flows arising from:								
Operating activities	**(2,336,200)**	(2,079,671)	**(7,145,701)**	(3,414,625)	**(25,005)**	(190,544)	**12,846**	-
Investing activities	**2,028,034**	(2,538,260)	**144,328**	(2,742,281)	**192,918**	(48,439)	**25,527**	-
Financing activities	**536,750**	(1,401,696)	**(108,000)**	-	**(73,743)**	-	**-**	-

	Combined		Eliminating		Consolidated	
	2011	2010	2011	**2010**	2011	**2010**
	(Unaudited)		(Unaudited)		(Unaudited)	
Revenues and other income	**4,802,155**	4,069,011	**208,627**	87,979	**4,593,529**	3,981,032
Net income	**1,307,459**	1,016,730	**161,978**	64,328	**1,145,480**	952,401
Segment assets	**218,453,271**	215,853,425	**43,590,242**	52,353,252	**174,863,029**	163,500,173
Less deferred tax asset	**1,736,391**	1,600,033	**-**	187,470	**1,736,391**	1,412,563
Net segment assets	**216,716,880**	214,253,392	**43,590,242**	52,165,782	**173,126,638**	162,087,610
Segment liabilities	**117,997,327**	118,249,679	**10,600,191**	18,054,704	**107,397,136**	100,194,975
Less:						
Income tax payable	**318,853**	214,103	**-**	-	**318,853**	214,103
Deferred tax liabilities	**6,252,858**	6,214,005	**-**	187,471	**6,252,858**	6,026,534
Net segment liabilities	**111,425,616**	111,821,571	**10,600,191**	17,867,233	**100,825,425**	93,954,338
Cash flows arising from:						
Operating activities	**(9,494,060)**	(5,684,840)	**1,834,473**	(759,175)	**(7,659,588)**	(4,925,665)
Investing activities	**2,390,807**	(5,328,980)	**(2,381,055)**	20,389	**9,752**	(5,349,369)
Financing activities	**355,007**	(1,401,696)	**100,888**	(1,696,455)	**455,895**	294,759

FILINVEST DEVELOPMENT CORPORATION AND SUBSIDIARIES **ANNEX G**

AGING OF LOANS AND RECEIVABLES - Unaudited

As of March 31, 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	8,286,232	8,056,994	32,835	19,156	14,635	14,444	148,168
Receivable from Financing Institutions	195,105	195,105	-	-	-	-	-
Receivable from Customer	42,491,216	3,646	17,213,400	3,536,675	2,574,586	1,175,745	17,987,164
Rentals and others	122,348	77,594	2,510	1,245	1,176	1,524	38,299
	51,094,901	8,333,339	17,248,745	3,557,076	2,590,397	1,191,713	18,173,631
Less: Allowance for Doubtful Accounts	3,672,560	-	-	-	-	0	3,672,560
	47,422,341	**8,333,339**	**17,248,745**	**3,557,076**	**2,590,397**	**1,191,713**	**14,501,071**
b) Non-trade Receivables							
Other Receivables	2,770,359	2,632,361	26,236	879	2,368	24,328	84,186
Less: Allowance for Doubtful Accounts	-	-	-	-	-	-	-
Net	**2,770,359**	**2,632,361**	**26,236**	**879**	**2,368**	**24,328**	**84,186**
Net Receivables	**50,192,700**	**10,965,700**	**17,274,981**	**3,557,955**	**2,592,765**	**1,216,041**	**14,585,257**