PhilRatings PHILIPPINE RATING SERVICES CORPORATION *The Pioneer Domestic Credit Rating Agency*	**RATING NEWS** **July 25, 2025**

Filinvest Development Corporation Gets Highest Issuer Credit Rating in Relation to its P8.0 billion Preferred Shares

Philippine Rating Services Corporation (PhilRatings) has assigned an Issuer Credit Rating of **PRS Aaa (corp.)**, with a **Stable Outlook**, to Filinvest Development Corporation (FDC). The Issuer Credit Rating was assigned in relation to FDC's planned offering of up to ₱8.0 billion preferred shares.

An Issuer Credit Rating is an opinion on the general and overall creditworthiness of the company, evaluating its ability to meet all its financial obligations within a time horizon of one year. A company rated **PRS Aaa (corp.)** has a **very strong** capacity to meet its financial commitments relative to that of other Philippine corporates. PRS Aaa (corp.) is the highest Issuer Credit Rating assigned by PhilRatings.

A **Stable Outlook**, on the other hand, indicates that the assigned rating is likely to be maintained or to remain unchanged in the next 12 months.

PhilRatings also maintained its Issue Credit Rating of **PRS Aaa**, with a Stable Outlook, for FDC's ₱10.0 billion outstanding bonds. Obligations rated **PRS Aaa** are of the highest quality with minimal credit risk. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. **PRS Aaa** is the highest Issue Credit Rating assigned by PhilRatings.

The assigned credit ratings and corresponding Outlook take into account the following key considerations: (1) experienced and professional management; (2) proven track record and established brand names of key revenue contributors; (3) solid profitability on the back of sustained growth in earnings; and (4) conservative capital structure.

PhilRatings' ratings are based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to FDC and may change the ratings at any time, should circumstances warrant a change.

FDC is a diversified holding company with investments in real estate, banking and financial services, hospitality, utilities, sugar and infrastructure. Being in the business for 70 years, FDC and its subsidiaries (the Filinvest Group) have successfully navigated economic downturns, financial crises and political turmoil.

Having started as a family business, the Gotianun family has a significant presence in FDC's Board of Directors. Operations, however, have been run by non-family key executives who have notable experience in the various industries where the Company's subsidiaries operate. FDC's chosen technical partners in power, hospitality and other business ventures also have substantial expertise and track records in their respective fields.

The Company's real estate and banking operations were the highest contributors in terms of revenues and other income, accounting for 24.8% and 44.7%, respectively, in 2024. FDC's power and utility business had become a close third, with its share to the top line expanding from 18.3% in 2022 to 21.6% in 2024. This was primarily attributable to higher dispatched and contracted electricity enabled by the interconnection between Mindanao and Visayas, which drove the 41.8% jump in the segment's revenues in 2024.

Filinvest Land Inc. (FLI), the publicly-listed property arm of FDC, is primarily engaged in the development of residential condominiums and subdivisions, office and commercial leasing. FLI is 71.4%-owned by FDC, as of June 30, 2025. In the first quarter of 2025 (1Q2025), FLI's consolidated revenues expanded by 11.6%, from ₱5.2 billion in 1Q2024 to ₱5.8 billion, on the back of continued solid performance of its residential and commercial portfolio. FLI's bottom line rose by 8.0%, from ₱982.1 million in 1Q2024 to ₱1.1 billion in 1Q2025.

East West Banking Corporation (EastWest Bank), the banking arm of FDC, is a publicly-listed universal bank that provides a broad range of financial services to consumer and corporate clients. As of June 30, 2025, FDC's effective ownership in EastWest Bank stood at 77.85%. EastWest Bank was able to sustain its profitability in the 1Q2025, with net income climbing by 8.0% to ₱1.8 billion, from ₱1.7 billion in the same period in 2024. Net interest income increased by 13.4% year-on-year (YoY) to ₱9.3 billion, primarily attributable to sustained loan growth. Net interest margin remained within historical levels at 8.1%.

On a consolidated basis, FDC registered a record high total revenues and other income of ₱113.4 billion in 2024, up by 22% from 2023. Continued growth was supported by double-digit improvement in contributions from all the Company's business segments. With total costs and expenses posting a controlled increase of 20%, consolidated net income jumped by 29% to ₱15.7 billion. Net income attributable to equity holders of the parent company likewise climbed by 36% to ₱12.1 billion. Margins and returns were similarly better in 2024.

FDC sustained its growth momentum in 1Q2025, recording an 11% YoY improvement in its total revenues and other income to ₱29.3 billion. With costs and expenses continuing to increase at a slightly slower rate, consolidated net income amounted to ₱4.5 billion, up by 21% YoY. Net income attributable to equity holders of the parent company similarly rose by 25% YoY to ₱3.6 billion. Net profit margin increased from 14% in 1Q2024 to 15% in 1Q2025, while return on average equity (ROAE) went up from 8% to 9%.

Going forward, FDC expects to sustain the double-digit growth in its earnings, mainly driven by higher revenues from its banking, real estate and power operations. Margins and returns are also expected to further improve over the projected period.

Regarding its capital structure, the Company's debt-to-equity ratio stood at 0.77x as of end-March 2025. This is expected to remain manageable moving forward.