COVER SHEET

SEC Registration Number

						1	9	0	7	3

Company Name

FIRST PHILIPPINE HOLDINGS CORPORATION

Principal Office (No./Street/Barangay/City/Town/Province)

6th Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City

Form Type	Department requiring the report	Secondary License Type, If Applicable
17-Q		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
InvRel@fphc.com	**(02) 8631-8024**	**N/A**

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
11,984 ***As of March 31, 2021***	**Last Monday of May** (per By-laws) ***ASM will be held on May 21, 2021***	**December 31**

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Maria Carmina Z. Ubaña	**CZUbana@fphc.com**	**3449-6253**	**09173279054**

Contact Person's Address

6th Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, 1604 Philippines

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

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, 2021**

2. Commission identification number: **19073**

3. BIR Tax Identification No.: **000-288-698-000**

4. Exact name of issuer as specified in its charter:

   FIRST PHILIPPINE HOLDINGS CORPORATION

5. Province, country or other jurisdiction of incorporation or organization: **Metro Manila, Philippines**

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office: Postal Code:
   6th Floor, Rockwell Business Center Tower 3, **1604**
   Ortigas Avenue, Pasig City

8. Issuer's telephone number, including area code: **(632) 8631-8024**

9. Former name, former address and former fiscal year, if changed since last report:
   N/A

10. Securities registered pursuant to Sections 8 and 12 of the Code, or Sections 4 and 8 of the Revised Securities Act ("RSA")

Title of each Class	Number of shares of common stocks outstanding and amount of debt outstanding (as of March 31, 2021)
Common Shares	**504,545,994**

11. Are any or all of the securities listed on a Stock Exchange?

    Yes [**X**]   No [ ]

    If yes, state the name of such Stock Exchange and the class/es of securities listed therein:

    The registrant's common and preferred shares are being traded at the Philippine Stock Exchange.

12. Indicate by check mark whether the registrant:

(a) has filed all reports required to be filed by Section 17 of the Securities Regulation Code ("SRC") and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 23 and 177 of the Revised Corporation Code of the Philippines, during the preceding twelve (12) months (or for such shorter period the registrant was required to file such reports)

Yes [**X**]   No [ ]

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

Yes [**X**]   No [ ]

BUSINESS DISCUSSION

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PART I--FINANCIAL INFORMATION

Financial Statements

The unaudited interim condensed consolidated financial statements of the registrant are incorporated herein by reference to the enclosed document. They are prepared in compliance with the Philippine Financial Reporting Standards (PFRS) specific to Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*, as issued by the Financial Reporting Standards Council and adopted by the Philippine SEC and hence do not include all of the information required in the December 31, 2020 annual audited consolidated financial statements. *See Exhibit A*.

References to PFRS standards include the application of PAS, PFRS, and Philippine Interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

Earnings per share is presented on the face of unaudited interim consolidated statements of income for the periods ended March 30, 2021 and 2020. The accompanying notes to financial statements describe the basis of computation thereof.

The unaudited interim condensed consolidated financial statements followed the same accounting policies and methods of computations as used in the December 31, 2020 annual consolidated financial statements, except for the adoption of the new accounting standards effective January 1, 2021 as discussed under the Summary of Significant Accounting Policies in the Financial Statements.

The nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidents are described in Item 2, Management's Discussion and Analysis or Plan of Operation.

Cases relating to the recovery of certain PCIB Shares

FPH was allowed by the Supreme Court (SC) in FPH vs. Sandiganbayan, G.R. No. 88345 to intervene and litigate its claim of ownership over 6,299,177 sequestered PCIBank shares of stock in the case of the Republic of the Philippines ("Republic") vs. Benjamin Romualdez, et al., Civil Case No. 0035, which is pending before the Sandiganbayan. FPH anchors its claim on, among other facts, the nullity or voidability of the contract transferring the shares from itself to Romualdez, et al. The Sandiganbayan, however, dismissed FPH's Second Complaint-in-Intervention, as well as FPH's subsequent motions for reconsideration/petitions. FPH filed a Petition for Review in the SC as to said dismissal, which is currently pending before the SC.

In a related case, the Presidential Commission on Good Government and FPH separately filed petitions for review before the SC for the dismissal of the Republic's Third Amended Complaint as to TMEE. The petitions and FPH's subsequent Motion for Reconsideration were denied. Meanwhile, FPH continues to pursue its interest in the Sandiganbayan against the other defendants.

In the Sandiganbayan case, the Republic filed a Partial Compliance with Motion for Production and Inspection dated April 30, 2014, which was denied. The Republic's Motion for Reconsideration thereon was denied. FPH filed a Petition for Certiorari dated January 20, 2016 with the SC assailing the Sandiganbayan's denial.

The Petition likewise remains pending as of the filing of this report.

Tax Cases

Several companies within the Group (excluding the First Gen group's tax cases discussed below) received Final Assessment Notices (FAN) from the Bureau of Internal Revenue (BIR) Large Taxpayers Service (LTS) for the taxable year 2009 for alleged deficiency taxes. Alleged interest and penalties indicated in the FANs amounted to ₱1.86 billion. The companies duly protested on factual, due process and legal grounds, including prescription of some assessments and have filed Petitions for Review with the Court of Tax Appeals (CTA) questioning the validity of the assessment on the same foregoing grounds following the inaction by the BIR on their protest. The management of the companies, based on consultation with their legal counsels, believes that the final settlement of the cases, if any, would not adversely affect the companies' financial position or results of operations. Several cases have since been dismissed or settled.

Other legal proceedings

West Tower Condominium Corporation, et al. vs.
First Philippine Industrial Corporation, et al.
G.R. No. 194239, Supreme Court of the Philippines

On November 15, 2010, a Petition for the Issuance of a Writ of Kalikasan was filed before the SC by the West Tower Condominium Corporation, et al., against respondents First Philippine Industrial Corporation (FPIC), First Gen, their respective boards of directors and officers, and John Does and Richard Roes. The petition was filed in connection with the accidental oil leak from a segment of FPIC's white oil pipeline located in Bangkal, Makati City and which seeped into the basement of the West Tower Condominium building.

The petition was brought by the West Tower Condominium Corporation purportedly on behalf of its unit owners and in representation of the inhabitants of Barangay Bangkal, Makati City. The petitioners sought the issuance of a Writ of Kalikasan to protect the constitutional rights of the Filipino people to a balanced and healthful ecology, and prayed that the respondents permanently cease and desist from committing acts of negligence in the performance of their functions as a common carrier; continue to check the structural integrity of the entire 117-km white oil pipeline and replace the same; make periodic reports on findings with regard to the said pipeline and their replacement of the same; be prohibited from opening the white oil pipeline and allowing its use until the same has been thoroughly checked and replaced; rehabilitate and restore the environment, especially Barangay Bangkal and West Tower Condominium, at least to what it was before the signs of the leak became manifest; open a special trust fund to answer for similar contingencies in the future; and be temporarily restrained from operating the said pipeline until final resolution of the case.

On November 19, 2010, the SC issued a Writ of Kalikasan with Temporary Environmental Protection Order (TEPO) directing the respondents to: (i) make a verified return of the Writ within a non-extendible period of ten days from receipt thereof; (ii) cease and desist from operating the pipeline until further orders from the court; (iii) check the structural integrity of the whole span of the pipeline, and in the process apply and implement sufficient measures to prevent and avert any untoward incident that may result from any leak in the pipeline; and (iv) make a report thereon within 60 days from receipt thereof.

First Gen and its impleaded directors and officers filed a verified Return in November 2010, and a

Compliance in January 2011, explaining that First Gen is not the owner and operator of the pipeline, and is not involved in the management, day-to-day operations, maintenance and repair of the pipeline. For this reason, neither First Gen nor any of its directors and officers has the capability, control, power or responsibility to do anything in connection with the pipeline, including to cease and desist from operating the same.

For the purpose of expediting the proceedings and the resolution of all pending incidents, the SC reiterated its order to remand the case to the CA to conduct subsequent hearings within a period of 60 days, and after trial, to render a report to be submitted to the SC.

On December 21, 2012, the former 11th Division of the CA rendered its Report and Recommendation in which the following recommendations were made to the SC: (i) that certain persons/organizations be allowed to be formally impleaded as petitioners subject to the submission of the appropriate amended petition; (ii) that FPIC be ordered to submit a certification from the DOE that the white oil pipeline is safe for commercial operation; (iii) that the petitioners' prayer for the creation of a special trust fund to answer for similar contingencies in the future be denied for lack of sufficient basis; (iv) that respondent First Gen not be held solidarily liable under the TEPO; and (v) that without prejudice to the outcome of the civil and criminal cases filed against respondents, the individual directors and officers of FPIC and First Gen not be held liable in their individual capacities.

Petitioners filed a Motion for Partial Reconsideration in January 2013, in which they prayed, among others, that the Department of Science and Technology (DOST), specifically its Metal Industry Research and Development Center, be tasked to chair the monitoring of FPIC's compliance with the directives of the court and issue the certification required to prove that the pipeline is safe to operate before commercial operation is resumed; that stakeholders be consulted before a certification is issued; that a trust fund be created to answer for future contingencies; and that the Company and the directors and officers of the Company and FPIC also be held liable under the Writ of Kalikasan and the TEPO.

In a Compliance dated January 25, 2013, FPIC submitted to the SC a Certification signed by then DOE Secretary Carlos Jericho L. Petilla stating that the black oil pipeline is safe for commercial operation.

On July 30, 2013, the SC resolved to adopt the recommendations of the CA in its December 2012 resolution. Specifically, the SC ordered FPIC to secure a certification from the DOE that the white oil pipeline is safe to resume commercial operations, as well as consider FPIC's adoption of an appropriate leak detection system used in monitoring the entire pipeline's mass input versus mass output and the necessity of replacing pipes with existing patches and sleeves.

FPIC filed an application for DOE's issuance of the required certification, and on October 25, 2013 the DOE issued a certification that the white oil pipeline is safe to return to commercial operations. FPIC submitted the DOE certification to the SC on October 29, 2013.

On October 25, 2013 the DOE issued a certification that the white oil pipeline is safe to return to commercial operations. FPIC submitted the DOE certification to the SC on October 29, 2013. On June 16, 2015, the SC issued another resolution recognizing the powers of the DOE to oversee the operation of the pipelines. The resolution also stated that the DOE is fully authorized by law to issue an order for the return to commercial operations of the pipeline following integrity tests. Petitioners have filed several motions for the SC to reconsider this resolution.

As of the date of this report, the final resolution of the Writ remains pending with SC.

West Tower Condominium Corporation, et al. vs. First
Philippine Industrial Corporation, et al.
Civil Case No. 11-256, Regional Trial Court, Makati Branch 58

On March 24, 2011, a civil case for damages was filed by the West Tower Condominium Corporation and some residents of the West Tower Condominium against FPIC, the FPIC directors and officers, First Gen, Pilipinas Shell Petroleum Corporation, and Chevron Philippines, Inc. before the Makati City RTC. In their complaint, the Plaintiffs alleged that FPIC, its directors and officers, and First Gen violated Republic Act (R.A.) No. 6969 (Toxic Substances and Hazardous and Nuclear Wastes Control Act of 1990), R.A. 8749 (Philippine Clean Air Act of 1999) and Its Implementing Rules and Regulations, and R.A. 9275 (Philippine Clean Water Act of 2004). The complaint sought payment by the Defendants of actual damages comprising incurred rentals for alternative dwellings, incurred additional transportation and gasoline expenses and deprived rental income; recompense for diminished or lost property values to enable the buying of new homes; incurred expenses in dealing with the emergency; moral damages; exemplary damages; a medical fund; and attorney's fees.

First Gen filed its Answer in May 2011, in which it was argued that the case is not an environmental case under the Rules of Procedure for Environmental Cases, but an ordinary civil case for damages under the Rules of Court for which the appropriate filing fees should be paid before the court can acquire jurisdiction thereof. In an Order dated August 22, 2011, Makati City RTC (Branch 158) Judge Eugene Paras ruled that the complaint is an ordinary civil action for damages and that the Plaintiff should pay the appropriate filing fees in accordance with the Rules of Court within 10 days from receipt of the Order. The other individual plaintiffs were ordered dropped as parties in the case. The Plaintiffs filed a Motion to Inhibit Judge Paras as well as a Motion for Reconsideration of the Order. In an Order dated October 17, 2011, the court reiterated that it has no jurisdiction over the case and ordered the referral of the case to the Executive Judge for re-raffle.

In an Order dated December 1, 2011, Judge Elpidio Calis of the Makati City RTC (Branch 133) declared that the records of the case have been transferred to his court. In an Order dated March 29, 2012, Judge Calis denied the plaintiffs' Motion for Reconsideration for lack of merit, and ordered the plaintiffs to pay the appropriate filing fees within ten (10) days from receipt of the Order, with a warning that non-compliance will constrain the court to dismiss the case for lack of jurisdiction. Instead of paying the filing fees, the plaintiffs filed a Petition for Certiorari with the CA to nullify the order of Branch 133.

In a resolution dated June 30, 2014, the CA denied the petition of West Tower and affirmed the trial court's recognition of the case as being an ordinary action for damages. The CA, however, also ruled that the individual residents who joined West Tower in the civil case need not file separate cases, but instead can be joined as parties in the present case. West Tower and FPIC each filed a motion for partial reconsideration, with West Tower arguing that the case is an ordinary action for damages, and FPIC assailing the ruling that the individual residents can be joined as parties in the present case. Both motions were denied in a CA resolution dated December 11, 2014. Both parties subsequently filed separate Petitions for Certiorari with the SC assailing the CA's resolution.

As of the date of this report, the resolution of the Petition for Review remains pending.

Bayan Muna Representatives, et al. vs. ERC and Meralco (G.R. No. 210245) NASECORE, et al. vs. Meralco, ERC and DOE (G.R. No. 210255)
Meralco vs. Philippine Electricity Market Corporation (PEMC), et al
(G.R. No. 210502) Supreme Court
Manila

In these cases the SC issued separate Temporary Restraining Orders (TROs) restraining Meralco from increasing the generation charge rate it charges to its consumers during the November 2013 billing period, and similarly restraining PEMC and other generation companies, including certain subsidiaries of First Gen, namely, FGPC, FGP, FG Hydro, BGI, and BEDC, from demanding and collecting from Meralco the deferred amounts representing the costs raised by the latter. The TROs will remain effective until April 22, 2014, unless renewed or lifted ahead of such date.

On February 26, 2014, FGPC, FGP, FG Hydro, BGI and BEDC filed with the SC a Memorandum with Motion to Lift TRO. It is First Gen's position that its right to the payment of the generation charges owed by Meralco is neither dependent nor conditional upon Meralco's right to collect the same from its consumers. In the case of FGPC and FGP, Meralco's obligation to pay is contractual and thus governed by the terms and conditions of their respective PPAs. Ultimately, Meralco is bound to comply with its contractual obligations to FGPC and FGP, whether via the pass-through mechanism or some other means. On April 22, 2014, the subject TRO was extended indefinitely and until further orders from the SC.

In the meantime, the SC ordered the parties to comment on the March 2014 Order of ERC declaring void the WESM prices for November and December 2013, and imposing regulated prices for the said months to be calculated by the PEMC. First Gen group filed its Comment in May 2014, where it noted that the ERC has not made any adverse finding against the group or any ruling that the group committed an abuse of market power or anti-competitive behavior.

There has been no further substantial movement in the case since then.

Arbitration Proceedings

First PV and First Philec Nexolon Corporation (FPNC)

The Parent Company's (or "FPH") subsidiaries, First PV and FPNC initiated arbitration proceedings against Nexolon with the ICC in 2012 on the basis of Nexolon's breaches of the Supply Agreement. The arbitral tribunal rendered the final award in October 2014 which required Nexolon to pay damages and pre-award interest to FPNC in the amount of US$24.8 million and a put option price to First PV in the amount of ₱2.09 billion (FPNC and First PV are referred to as the "Companies"). To date, no payments have been received on the award from Nexolon which is reported to be in rehabilitation proceedings. The companies have filed their appropriate claims in Korean rehabilitation courts.

Significant Transactions of the Parent

The Parent Company conducted a tender offer ("Tender Offer") to acquire a minimum of 908,459,782 issued and outstanding common stocks of Lopez Holdings Corporation (Lopez Holdings), the immediate parent company, representing approximately 20% of its total issued and outstanding common stocks and up to a maximum of 1,430,824,156 issued and outstanding common stocks representing approximately 31.5% of its total issued and outstanding common stocks, from all the shareholders of Lopez Holdings. The Tender Offer Period started on January 22, 2021 and ended on March 8, 2021. Following the close of the Tender Offer Period, a total of 712,206,016 common stocks of Lopez Holdings representing 15.68% of its total issued and outstanding common stocks were tendered, accepted and thereafter purchased by the Parent Company for a total transaction value of ₱2,742 million.

On March 25, 2021, the BOD approved the Audited Financial Statements for the calendar year ended December 31, 2020.

FPH's most recent dividend payments (as of March 31, 2021) are presented below:

	Declaration Date	Record Date	Payment date	Amount
Common Shares	November 5, 2020	November 20, 2020	December 15, 2020	₱1.00 per share
Preferred Shares	November 5, 2020	November 20, 2020	December 2, 2020	₱13.75 per share
Common Shares	May 14, 2020	June 25, 2020	July 20, 2020	₱1.00 per share
Preferred Shares	April 23, 2020	May 18, 2020	June 2, 2020	₱13.75 per share

Certain subsidiaries and associates have contingent liabilities with respect to claims, lawsuits and tax assessments. The respective management of the subsidiaries and associates, after consultations with external counsels, believes that the final resolution of these issues will not materially affect their respective financial position and results of operations.

Except for First Gen's subsidiaries, particularly FG Hydro's and FG Bukidnon's sale of electricity coming from hydroelectric power/operations, as well as First Gen's merchant plant and EDC's Burgos Wind and solar projects, seasonality or cyclicality of interim operations is not applicable to the Group's type of business. The Group's other operating segments are also not subject to seasonality or cyclicality.

There are no material changes in contingent liabilities or contingent assets since the last annual balance sheet date.

Item 2. Management's Discussion and Analysis or Plan of Operation

The following management's discussion and analysis of the FPH Group's (the Group) financial condition and results of operations should be read in conjunction with the accompanying unaudited interim condensed consolidated financial statements and the related notes as of and for the periods ended March 31, 2021 and 2020 and the audited consolidated financial statements as at December 31, 2020. This discussion includes forward-looking statements, which may include statements regarding future results of operations, financial condition or business prospects, which are subject to significant risks, uncertainties and other factors and are based on the Group's current expectations, some of which are beyond the Group's control and the actual results are difficult to predict and may differ materially from those anticipated in these forward-looking statements.

FINANCIAL HIGHLIGHTS

The financial highlights and analysis of account movements for the comparative periods are in Philippine pesos (unless specifically indicated), which is the Group's functional currency. The financial statements of the consolidated subsidiaries and associates with functional currency other than the Philippine peso such as the First Gen group are translated to Philippine peso as follows:

- *Assets and liabilities using the spot rate of exchange prevailing at financial reporting date;*
- *Components of equity using historical exchange rates; and*
- *Income and expenses using the monthly weighted average exchange rate.*

The table below summarizes the relevant exchange rates used throughout the comparative periods:

Translation Basis	*March 31, 2021*	*Dec. 31,2020*	*March 31, 2020*	*Dec. 31, 2019*
End of period spot rate 1 US$ to Php	*48.53*	*48.02*	*50.68*	*50.64*
Average exchange rate 1 US$ to Php	*48.12*	*49.84*	*50.79*	*51.96*

Whenever necessary, the impact of exchange rate movements are separately discussed in order to properly explain the movement in account balances in conjunction with business results and transactions.

Consolidated Statements of Income (Unaudited)
For the three months ended March 31, 2021 vs. March 31, 2020

Revenues

The Group's consolidated revenues for the period ended March 31, 2021 declined by ₱1.4 billion or 5%, from ₱29.3 billion to ₱27.9 billion, on account of the following:

- Sale of electricity went down by ₱1.2 billion or 5% (from ₱24.5 billion to ₱23.3 billion) mainly due to lower revenues from First Gen's natural gas power plants aggravated by the lower average US$ to Php exchange rate used in translating the revenues of First Gen. The Santa Rita, San Lorenzo and San Gabriel gas plants posted lower electricity sales primarily caused by lower average gas prices coupled with lower combined generation. These declines were partly offset by the improved electricity sales of Avion driven by the ancillary service revenues following the commencement of its Ancillary Services Procurement Agreement (ASPA) contract with the National Grid Corporation of the Philippines (NGCP) in June 2020 complemented by an increase in volume of electricity sold to the spot market. Likewise, FG Hydro reported higher revenues primarily on account of a 100MW Power Supply Agreement (PSA) with Meralco which commenced in July 2020.

- Revenues from contracts and services decreased by ₱344 million or 16% (from ₱2.2 billion to ₱1.9 billion) reflecting the reflecting the lower contributions of First Balfour from on-going construction projects and lower recurring lease earnings from Rockwell's commercial spaces following the rent concessions given to retail tenants in response to the closure of establishments during the community quarantine period.

- Revenues from sale of merchandise declined by ₱102 million or 18% (from ₱556 million to ₱454 million) mainly due to First Philec's lower volume of electrical transformer sales during the period.

Costs and Expenses

The Group's consolidated costs and expenses totalled ₱20.0 billion, lower by ₱1.7 billion or 8% compared to last year's ₱21.7 billion. The decrease mainly pertains to the decline in costs of sale of electricity, costs of contracts and services, and merchandise sold, caused by the decline in sales. General and administrative expenses of the Group also declined mainly on account of lower depreciation expenses.

Net Income

Consolidated net income increased by ₱629 million or 11% (from ₱6.0 billion to ₱6.6 billion) primarily due to stronger operating results of the First Gen group complemented by the Group's lower general and administrative expenses and lower provision for income tax. On a recurring net income (RNI) basis, the Group reported earnings of ₱6.4 billion, higher by ₱318 million or 5% compared to last year's ₱6.1 billion.

Net Income Attributable to Equity Holders of the Parent

Net income attributable to equity holders of the Parent increased by ₱225 million or 7% (from ₱3.2 billion to ₱3.4 billion) mainly reflecting the improved operating income of the First Gen group complemented with lower general and administrative expenses. Moreover, one-off gains were booked for the share of the equity holders of the Parent in the non-recurring gains caused by the retroactive income tax reduction from the CREATE Law, favorable foreign exchange and deferred income tax movements, partly reduced by the COVID-19 expenses incurred this period. Excluding FPH's share in these non-recurring items, RNI attributable to equity holders of the Parent slightly went up by ₱52 million or 2% (from ₱3.2 billion to ₱3.3 billion). *(see Notes to Unaudited Interim Condensed Consolidated Financial Statements)*.

Detailed discussions of the changes in the Consolidated Statements of Income are presented in the succeeding sections of this report.

<u>Consolidated Statements of Financial Position</u>

March 31, 2021 (Unaudited) vs. December 31, 2020 (Audited)

Assets

Total assets of the Group were slightly lower by 2% or ₱7.8 billion, (from ₱385.6 billion to ₱377.8 billion), reflecting the following major movements:

- Cash and cash equivalents (including Short-term investments) declined by ₱10.1 billion or 16% (from ₱61.4 billion to ₱51.3 billion) mainly representing the cash used in the Group's financing activities pertaining to scheduled principal and interest payments for outstanding loans, capital expenditures, payments of cash dividends, and disbursements for the First Gen's share buyback program (see Consolidated Statements of Cash Flows). These were partly offset by the cash generated from the Group's operating activities and proceeds from loan drawdowns during the period.

- Trade and other receivables - net declined by ₱4.7 billion or 16% (from ₱28.6 billion to ₱23.9 billion) largely on account of First Gen group's lower period-end balance due to higher collections from Meralco for the period complemented by the collection of the insurance claims of EDC in 2021.

Liabilities and Equity

Total liabilities and equity of the Group were slightly lower by 2% or ₱7.8 billion (from ₱385.6 billion to ₱377.8 billion) primarily due to the following movements:

- Trade payables and other current liabilities decreased by ₱6.6 billion or 15% (from ₱43.7 billion to ₱37.1 billion) primarily on account of the decrease in First Gen group's outstanding payables to the gas sellers supplemented by the payment for the liquid fuel importation made during the last quarter of 2020.

- Long-term debt, including the current portion, declined by ₱4.7 billion or 4% (from ₱132.6 billion to ₱127.9 billion) mainly due to the various scheduled principal payments of the Group partly offset by the new loans obtained particularly by the First Gen group.

- Total equity reported an increase of ₱2.6 billion or 1% (from ₱189.0 billion to ₱191.6 billion) brought by the Group's total consolidated net income for the period partly reduced by the unrealized losses on financial assets at FVOCI, exchange losses from foreign currency translation adjustments and the share buyback of a subsidiary during the period.

Detailed discussions of the significant account movements in the Consolidated Statements of Financial Position are presented in the succeeding sections of this report.

DETAILED ANALYSIS OF MATERIAL CHANGES
Consolidated Statements of Income (Results of Operations)

Horizontal and Vertical Analyses of Material Changes for the three-month periods ended March 31, 2021 vs. 2020

(Php in millions except earnings per share data)	Unaudited YTD March 31 2021	Unaudited YTD March 31 2020	Horizontal Analysis Increase/ Decrease Amount	Horizontal Analysis Increase/ Decrease (%)	Vertical Analysis March 31 2021	Vertical Analysis March 31 2020
REVENUES						
Sale of electricity	₱23,263	₱24,480	(₱1,217)	-5%	83%	84%
Sale of real estate	2,305	2,061	244	12%	8%	7%
Contracts and services	1,851	2,195	(344)	-16%	7%	7%
Sale of merchandise	454	556	(102)	-18%	2%	2%
	27,873	29,292	(1,419)	-5%	100%	100%
COSTS AND EXPENSES						
Costs of sale of electricity	13,413	14,967	(1,554)	-10%	-48%	-51%
Real estate sold	1,455	1,186	269	23%	-5%	-4%
Contracts and services	1,215	1,239	(24)	-2%	-4%	-4%
Merchandise sold	300	352	(52)	-15%	-1%	-1%
General and administrative expenses	3,564	3,919	(355)	-9%	-13%	-13%
	19,947	21,663	(1,716)	-8%	-72%	-74%
OTHER INCOME (CHARGES)						
Finance costs	(1,493)	(1,803)	310	-17%	-5%	-6%
Finance income	445	689	(244)	-35%	2%	2%
Foreign exchange gains - net	50	(1)	51	5100%	0.2%	0.0%
Equity in net earnings of associates and joint venture	160	103	57	55%	0.6%	0.4%
Dividend income	351	462	(111)	-24%	1%	2%
Others - net	125	228	(103)	-45%	0.4%	1%
	(362)	(322)	(40)	-12%	-1%	-1%
INCOME BEFORE INCOME TAX	7,564	7,307	257	4%	27%	25%
PROVISION FOR (BENEFIT FROM) INCOME TAX						
Current	893	1,307	(414)	-32%	-3%	-4%
Deferred	69	27	42	156%	-0.2%	-0.1%
	962	1,334	(372)	-28%	-3%	-5%
NET INCOME	₱6,602	₱5,973	₱629	11%	24%	20%
Attributable To						
Equity holders of the Parent	₱3,424	₱3,199	₱225	7%	12%	11%
Non-controlling Interests	3,178	2,774	404	15%	11%	9%
	₱6,602	₱5,973	₱629	11%	24%	20%
Earnings Per Share for Net Income Attributable to the Equity Holders of the Parent						
Basic	₱6.785	₱6.288	₱0.497	8%		
Diluted	6.785	6.288	0.497	8%		

Revenues

The Group's consolidated revenues for the three months ended March 31, 2021 totaled ₱27.9 billion, lower by ₱1.4 billion or 5% compared to the previous period. The significant movements in the Group's revenues consist of:

Sale of electricity – decreased by ₱1.2 billion or 5% (from ₱24.5 billion to ₱23.3 billion) and accounted for 83% and 84% of total revenues for 2021 and 2020, respectively. The decrease was mainly due to lower revenues of First Gen's natural gas power plants aggravated by lower average US$ to Php exchange rates during the period (*please refer to the exchange rate table above*). The Santa Rita ,San Lorenzo, and San Gabriel gas plants posted lower electricity sales primarily caused by lower average gas prices (an average of $6.9/MMBtu in 2021 vs. average of $8.3/MMBtu in 2020 coupled with lower combined generation. These declines were partly offset by the improved electricity sales of Avion driven by the ancillary service revenues following the commencement of its ASPA contract with NGCP in June 2020 complemented by increase in volume of electricity sold to the spot market. Likewise, FG Hydro reported higher revenues mainly on account of a 100MW PSA with Meralco which commenced in July 2020.

Sale of real estate – increased by ₱244 million or 12% (from ₱2.1 billion to ₱2.3 billion) and accounted for 8% and 7% of total revenues for 2021 and 2020, respectively. This was largely attributable to Rockwell Land's higher percentage of construction completion recognized on its residential development projects.

Contracts and services – decreased by ₱344 million or 16% (from ₱2.2 billion to ₱1.9 billion) and accounted for 7% of total revenues for both periods. The decline reflects the (a) lower construction revenues from the ongoing Cebu-Cordova Link Expressway Project coupled with the absence of revenues from the ATI Manila South Harbour Expansion following completion of the project in January 2021 and (b) weaker revenues from Rockwell's commercial leasing spaces following rent concessions given to its retail tenants.

Sale of merchandise – declined by ₱102 million or 18% (from ₱556 million to ₱454 million) and accounted for 2% of total revenues for both periods. This was largely on account of First Philec's lower sales volume of electrical distribution transformers.

Costs and expenses

Consolidated costs and expenses decreased by ₱1.7 billion or 8% (from ₱21.7 billion to ₱20.0 billion) and accounted for 72% and 74% of total revenues for 2021 and 2020, respectively. Details of costs and expenses line items as well as significant changes for the comparative periods are discussed as follows:

Cost of sale of electricity – decreased by ₱1.6 billion or 10% (from ₱15.0 billion to ₱13.4 billion) and accounted for 48% and 51% of total revenues for 2021 and 2020, respectively. The movement mainly reflects the lower fuel and other variable costs attributable to the decreased dispatch of the gas plants for the period as well as lower fuel costs for Santa Rita, San Lorenzo, and San Gabriel plants because of lower average gas prices (an average of $6.9/MMBtu in 2021 vs. average of $8.3/MMBtu in 2020).

Cost of real estate sold – increased by ₱269 million or 23% (from ₱1.2 billion to ₱1.5 billion) and accounted for 5% and 4% of total revenues for 2021 and 2020, respectively. The decrease primarily reflects Rockwell Land's higher costs recognized for higher project completion.

Cost of contracts and services – slightly declined by ₱24 million or 2% (₱1.2 billion for both periods) and accounted for 4%total revenues for both periods. This primarily reflects the decrease in First Balfour's direct costs following the corresponding decline in recognized revenue from ongoing construction projects partly offset by the incremental expenses incurred to comply with the health protocols and community quarantine restrictions.

Cost of sale of merchandise – lower by ₱52 million or 15% (from ₱352 million to ₱300 million) and accounted for 1% of total revenues for both periods. The downturn reflects the decline in the volume of electrical transformers sold by First Philec, Inc. for the period.

General and administrative expenses – declined by ₱355 million or 9% (from ₱3.9 billion to ₱3.6 billion) and accounted for 13% of total revenues for both periods. The decrease was mainly attributable to the Group's lower depreciation expenses partly offset by the COVID-19 related expenses incurred by the Group during the period.

Finance costs

Finance costs declined by ₱310 million or 17% and accounted for 5% and 6% of total revenues for 2021 and 2020, respectively. This was primarily due to lower interest rates and debt levels of the Group at the start of the year, partly tempered by incremental finance charges incurred for new loan availments of First Gen group, Rockwell and First Balfour.

Finance income

Finance income decreased by ₱244 million or 35% (from ₱689 million to ₱445 million) and accounted for 2% of total revenues for both periods. This was primarily due to lower finance income of Rockwell following the sell out and completion of various residential projects coupled with First Gen group's lower finance income resulting from lower placements and lower average interest rates on its investible funds for the period.

Foreign exchange gains - net

Foreign exchange gains - turned-around by ₱51 million (from ₱1 million loss to ₱50 million gain) and accounted for 0.2% and ~0.0% of total revenues for 2021 and 2020, respectively. This was primarily due to the favorable movement of Philippine Peso against the US dollar in the first quarter of 2021 as compared to the same period last year (refer to foreign exchange table above).

Equity in net earnings of associates and joint venture

This account increased by ₱57 million or 55% (from ₱103 million to ₱160 million) and accounted for 0.6% and 0.4% of total revenues for 2021 and 2020, respectively. This was largely on account of the improved income of respective joint venture companies of Rockwell and First Balfour.

Dividend income

Dividend income decreased by ₱111 million or 24% from last year's ₱462 million to ₱351 million and accounted for 1% and 2% of total revenues for 2021 and 2020, respectively. This largely reflects the decline in dividends received from Meralco (₱7.824 per share in 2021 vs ₱10.395 per share in 2020).

Others

Other income declined by ₱103 million or 45% from last year's ₱228 million to ₱125 million and accounted for 0.4% and 1% of total revenues for 2021 and 2020, respectively. This was largely due to the lower cinema revenues and other income of Rockwell.

Provision for income tax

Provision for income tax decreased by ₱372 million or 28% from last year's ₱1.3 billion to ₱962 million, and accounted for 3% and 5% of total revenues for 2021 and 2021, respectively. The decrease mainly pertains to the impact of CREATE Law in provision for income tax which lowered the corporate income tax rate (CIT) rate from 30% to 25% effective July 1, 2020. The decrease also reflects a one-time retroactive income tax reduction by applying the new CIT rate to taxable income from July 1, 2020 until December 31, 2020.

Net income

Consolidated net income increased by ₱629 million or 11% (from ₱6.0 billion to ₱6.6 billion) primarily due to stronger operating results of the First Gen group complemented by the Group's lower general and administrative expenses and lower provision for income tax. On a recurring net income (RNI) basis, the Group reported earnings of ₱6.4 billion, higher by ₱318 million or 5% compared to last year's ₱6.1 billion.

Net income attributable to equity holders of the Parent

Net income attributable to equity holders of the Parent increased by ₱225 million or 7% (from ₱3.2 billion to ₱3.4 billion) mainly reflecting the improved operating income of the First Gen group complemented by the Group's lower general and administrative expenses coupled with the share of the equity holders of the Parent in the non-recurring gains mostly pertaining to impact of the CREATE Law and favorable foreign exchange and deferred income tax movements, partly reduced by the one-off COVID-19 expenses incurred this period. Excluding FPH's share in these non-recurring items, RNI attributable to equity holders of the Parent slightly went up by ₱52 million or 2% (from ₱3.2 billion to ₱3.3 billion). *(see Notes to Unaudited Interim Condensed Consolidated Financial Statements)*.

Net income attributable to non-controlling interests

Net income attributable to non-controlling interest increased by ₱404 million or 15% (from ₱2.8 billion to ₱3.2 billion) mainly reflecting the increase in the minority shareholders' share in the consolidated net income, following higher income reported by the First Gen group and higher ownership interest of NCI in Rockwell subsidiaries. The significant portion of this account pertains to the share of non-controlling stockholders of First Gen, EDC, Rockwell Land, FPIP and AEI on the consolidated net income.

Earnings per share (EPS)

Basic and diluted EPS for the period amounted to ₱6.785, higher by ₱0.497 or 8%, versus last year's basic and diluted EPS of ₱6.288. The increase was mainly due to higher net income attributable to equity holders of the Parent as well lower outstanding common shares during the period.

__Consolidated Statements of Comprehensive Income__

For the three months ended March 31 2021 vs. March 31, 2020

	(Unaudited) Three Months Ended March 31		Increase/(Decrease)	
	2021	2020	Amount	%
NET INCOME	**₱6,602**	₱5,973	₱629	11%
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Net gains on cash flow hedge deferred in equity - net of tax	**56**	475	(419)	88%
Unrealized losses on financial assets at FVOCI	**(1,236)**	(4,092)	2,856	70%
Exchange losses on foreign currency translation	**(331)**	(1,793)	1,462	82%
	(1,511)	(5,410)	3,899	-72%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**₱5,091**	₱563	₱4,528	804%
Attributable To				
Equity holders of the Parent	**₱2,351**	(₱823)	3,174	386%
Non-controlling Interests	**2,740**	1,386	1,354	98%
	₱5,091	₱563	₱4,528	804%

Total comprehensive income for the period

Total comprehensive income significantly increased by ₱4.5 billion (from ₱563 million to ₱5.1 billion). The major movements in the comprehensive income of the Group were as follows:

(1) Consolidated net income increased by ₱629 billion or 11% (from ₱6.0 billion to ₱6.6 billion) due to factors discussed in the preceding sections.

(2) Exchange losses on foreign currency translation were lower by ₱1.5 billion or 82% (from ₱1.8 billion to ₱331 million), mainly due to the translation of First Gen's U.S. dollar-denominated financial statements into Philippine peso for financial consolidation purposes (refer to foreign exchange table above).

(3) Net gains on cash flow hedge deferred in equity was down by ₱419 million or 88% (from ₱475 million to ₱56 million) pertaining to the effective portion of the MTM valuation of the Group's derivative instruments.

(4) Unrealized fair value losses on financial assets at FVOCI, which largely pertain to the movements in fair value of Meralco and Lopez Holdings shares held by the Group, was lower by ₱2.9 billion loss from ₱4.1 billion in 2020 to ₱1.2 billion in 2021 due to the steeper decline in Meralco share price last year compared to the same period this year (share price of ₱292.0 per share at December 31, 2020 to ₱272.0 per share at March 31, 2021 vs. ₱317.0 per share at December 31, 2019 to ₱225.0 per share at March 31, 2020) partly offset by the incremental loss from the revaluation of Lopez Holdings shares acquired this year.

Total comprehensive income for the period attributable to equity holders of the Parent

Total comprehensive income attributable to equity holders of the Parent was up by ₱3.2 billion or 386% from ₱823 million loss last year to an income of ₱2.4 billion this year reflecting the Parent's share in the higher consolidated net income supplemented by the material drop in its share in the unrealized losses on foreign currency translation and on financial assets at FVOCI.

Total comprehensive income for the period attributable to non-controlling interests

Total comprehensive income attributable to non-controlling interests increased by ₱1.3 billion or 98% (from ₱1.4 billion to ₱2.7 billion) primarily due to higher net income attributable to non-controlling interest for the period and material drop in its share in the unrealized losses on foreign currency translation.

(Continued next page)

Consolidated Statements of Financial Position

Horizontal and Vertical Analyses of Material Changes as of March 31, 2021 and December 31, 2020

(Php in millions)	(Unaudited) March 31 2021	(Audited) Dec. 31 2020	Horizontal Analysis Increase/Decrease Amount	%	Vertical Analysis March 31 2021	Dec. 31 2020
ASSETS						
Current Assets						
Cash and cash equivalents	₱50,049	₱51,695	(₱1,646)	-3%	13%	13%
Short-term investments	1,262	9,707	(8,445)	-87%	0%	3%
Trade and other receivables - net	23,876	28,581	(4,705)	-16%	6%	7%
Current portion of contract assets	15,225	13,577	1,648	12%	4%	4%
Inventories	25,193	24,503	690	3%	7%	6%
Other current financial assets	3,955	2,713	1,242	46%	1%	1%
Prepayments and other current assets	10,119	9,353	766	8%	3%	2%
Total Current Assets	129,679	140,129	(10,450)	-7%	34%	36%
Noncurrent Assets						
Property, plant and equipment - net	133,776	131,707	2,069	2%	35%	34%
Goodwill and intangible assets	49,923	50,016	(93)	0%	13%	13%
Investment properties - net	22,875	22,852	23	0%	6%	6%
Financial assets at fair value through other comprehensive income (FVOCI)	15,131	13,699	1,432	10%	4%	4%
Investments in associates and joint ventures	4,968	3,916	1,052	27%	1%	1%
Contract assets - net of current portion	1,330	1,810	(480)	-27%	0%	0%
Deferred tax assets - net	2,142	2,113	29	1%	1%	1%
Other noncurrent financial assets	1,377	1,414	(37)	-3%	0%	0%
Other noncurrent assets - net	16,683	17,979	(1,296)	-7%	4%	5%
Total Noncurrent Assets	248,205	245,506	2,699	1%	66%	64%
TOTAL ASSETS	₱377,884	₱385,635	(₱7,751)	-2%	100%	100%
LIABILITIES AND EQUITY						
Current Liabilities						
Trade payables and other current liabilities	₱37,098	₱43,711	(₱6,613)	-15%	10%	11%
Current portion of long-term debts	20,352	31,266	(10,914)	-35%	5%	8%
Loans payable	2,216	1,845	371	20%	1%	0%
Income tax payable	1,170	1,103	67	6%	0%	0%
Total Current Liabilities	60,836	77,925	(17,089)	-22%	16%	20%
Noncurrent Liabilities						
Long-term debts - net of current portion	107,544	101,370	6,174	6%	28%	26%
Retirement and other long-term employee benefits liability	4,954	5,134	(180)	-4%	1%	1%
Deferred tax liabilities - net	3,574	3,789	(215)	-6%	1%	1%
Asset retirement and preservation obligations	3,236	3,409	(173)	-5%	1%	1%
Other noncurrent liabilities	6,142	5,017	1,125	22%	2%	1%
Total Noncurrent Liabilities	125,450	118,719	6,731	6%	33%	31%
Total Liabilities	186,286	196,644	(10,358)	-5%	49%	51%
Equity						
Common stock	6,096	6,096	-	0%	2%	2%
Preferred stock	360	360	-	0%	0%	0%
Capital in excess of par value	5,506	5,506	-	0%	1%	1%
Accumulated unrealized fair value gains on financial assets at FVOCI	3,726	4,962	(1,236)	-25%	1%	1%
Cumulative translation adjustments	(11,752)	(11,915)	163	-1%	-3%	-3%
Equity reserve	(8,459)	(8,459)	-	0%	-2%	-2%
Retained earnings						
Unappropriated	93,793	90,369	3,424	4%	25%	23%
Appropriated	28,700	28,700	-	0%	8%	7%
Treasury stock	(7,204)	(7,204)	-	0%	-2%	-2%
Equity Attributable to Equity Holders of the Parent	110,766	108,415	2,351	2%	29%	28%
Non-controlling Interests	80,832	80,576	256	0%	21%	21%
Total Equity	191,598	188,991	2,607	1%	51%	49%
TOTAL LIABILITIES AND EQUITY	₱377,884	₱385,635	(₱7,751)	-2%	100%	100%

Assets

As of March 31, 2021, the Group's consolidated assets totaled ₱377.8 billion, lower by ₱7.8 billion or 2% compared to the December 31, 2020 consolidated balance of ₱385.6 billion. The material changes in asset accounts are discussed as follows:

Cash and cash equivalents and short-term investments – declined by ₱10.1 billion or 16% (from ₱61.4 billion to ₱51.3 billion) and accounted for 14% and 16% of total assets for 2021 and 2020 respectively. The decline mainly represents the lower period end balances of short term investment mainly due to the maturity of the various short-term investments held by the First Gen group. Cash and cash equivalents likewise declined resulting from the cash used for the scheduled principal and interest payments for outstanding loans, payment of dividends, and disbursements for the First Gen's share buyback programs. These were partly offset by the cash generated from the Group's operating activities and proceeds from loan drawdowns (see Consolidated Statements of Cash Flows).

Trade and other receivables – decreased by ₱4.7 billion or 16% (from ₱28.6 billion to ₱23.9 billion) and accounted for 6% and 7% of total assets for 2021 and 2020, respectively. The decrease was mostly on account of First Gen's lower period-end balance following higher collections from Meralco for the period complemented by the collection of the insurance claims by EDC in 2021.

Contract assets, including noncurrent portion – increased by ₱1.2 billion or 8% (from ₱15.4 billion to ₱16.6 billion) and accounted for 4% of total assets for 2021 and 2020, respectively. This was mainly due to Rockwell's higher level of contract assets as at period-end.

Other current financial assets - higher by ₱1.2 billion or 46% (from ₱2.7 billion to ₱3.9 billion) and accounted for 1% of total assets for both periods. This mainly resulted from the additional investments made by the First Gen group on its Investment Management Account (IMA) accounts.

Prepayments and other current assets - higher by ₱766 million or 8% (from ₱9.4 billion to ₱10.1 billion) and accounted for 3% and 2% of total assets for 2021 and 2020, respectively. This was largely on account of prepayments made by First Gen for plant insurance and higher insurance premiums for the year.

Financial assets at fair value through other comprehensive income (FVOCI) - increased by ₱1.4 billion or 10% (from ₱13.7 billion to ₱15.1 billion) and accounted for 4% of total assets for both periods. This increase mainly pertain to the Lopez Holding shares acquired this period via Tender Offer partly offset by the decline in stock price of the Meralco shares held by the Group (share price of ₱272.0 per share at March 31 2021 vs. ₱292.0 per share at December 31, 2020).

Investments in associates and joint ventures - increased by ₱1.1 billion or 27% (from ₱3.9 billion to ₱5.0 billion) and accounted for 1% of total assets for both periods. This increase mainly pertains to Rockwell's investment in common and preferred stocks of Nepwell Property Management Inc. which was accounted for as investment in associates.

Other noncurrent assets– decreased by ₱1.3 billion or 7% (from ₱18.0 billion to ₱16.7 million) and accounted for less than 4% and 5% of total assets for 2021, and 2020, respectively. The decline was mainly due to the reclassification of San Gabriel and Sta. Rita's s turbine blade replacement costs to PPE following their replacement in the first quarter of 2021.

Liabilities and equity

As of March 31, 2021, the Group's consolidated liabilities and equity totaled ₱377.8 billion, lower by ₱7.8 billion or 2% compared to the December 31, 2020 consolidated balance of ₱385.6 billion. Material movements in liabilities and equity accounts are discussed as follows:

Trade payables and other current liabilities – lower by ₱6.6 billion or 15% (from ₱43.7 billion to ₱37.1 billion) and accounted for 10% and 11% of total assets for 2021 and 2020, respectively. The decline was primarily on account of the decrease in First Gen' group's outstanding payables to the gas sellers, the payment for the liquid fuel importation made during the last quarter of 2020 as well as the settlement of the Group's accrued expenses in 2020.

Loans payable – higher by ₱371 million or 20% (from ₱1.8 billion to ₱2.2 billion) and accounted for 1% and less than 1% of total assets for 2021 and 2020, respectively. The increase was primarily driven by additional loan availments of First Gen and First Balfour during the period.

Long-term debt, including current portion – declined by ₱4.7 billion or 4% (from ₱132.6 billion to ₱127.9 billion) and accounted for 34% of total assets for both periods. The decline was primarily on account of the various scheduled principal payments of the Group partly offset by the new loans obtained by the First Gen group.

Income tax payable – was up by ₱67 million or 6% (from ₱1.1 billion to ₱1.2 billion) and accounted for less than 1% of total assets for both periods. The increase was primarily due to higher taxable income for the period, offset by the reductions in tax expenses to reflect the reduced CIT rate under the CREATE Law.

Deferred tax liabilities-net – down by ₱215 million or 6% (from ₱3.8 billion to ₱3.6 billion) and accounted for 1% of total assets for both periods. The decrease is primarily due to the decline in First Gen's deferred tax liability mainly due to a reduction in the applicable tax rate under the new CREATE law.

Asset retirement and preservation obligations – lower by ₱173 million or 5% (from ₱3.4 billion to ₱3.2 billion) and accounted for 1% of total assets for both periods. The movement was largely caused by the change in First Gen group's estimate of the related obligations.

Other noncurrent liabilities – went up by ₱1.1 billion or 22% (from ₱5.0 billion to ₱6.1 billion) and accounted for 2% and 1% of total assets for 2021 and 2020, respectively. The movement largely pertains to Rockwell's outstanding subscription payable in relation to its investment in the common and preferred stocks of Nepwell Property Management Inc.

Equity attributable to equity holders of the Parent – up by ₱2.4 billion or 2% (from ₱108.4 billion to ₱110.8 billion) and accounted for 29% and 28% of total assets for 2021 and 2020, respectively. The following major items brought about the net decrease in the account:

(1) Accumulated unrealized fair value gains on financial assets at FVOCI decreased by ₱1.2 billion or 25% largely due to the decline in market price of the Meralco and Lopez Holdings shares held by the Group;

(2) Unappropriated retained earnings increased by ₱3.4 billion or 4% (from ₱90.4 billion to ₱93.8 billion) reflecting the net income attributable to the Parent for the first quarter of 2021.

* * * * *

Item 3. KEY PERFORMANCE INDICATORS

The following are the key performance indicators of the Group:

Performance Indicator	YTD March 31	
	2021	2020
Return on Average Shareholders' Equity (%) * - annualized	10.71	10.93
Interest Coverage Ratio	6.07	5.05
Diluted Earnings per Share	6.785	6.288

Annualized return on average equity decreased from 10.93% in 2020 to 10.71% this year following higher average stockholders' equity attributable to Parent by ₱5.9 billion or 5% (from ₱116.8 billion to ₱122.7 billion) slightly subdued by the increase in annualized earnings by ₱381 million or 3% (from ₱12.8 billion to ₱13.1 billion).

Interest coverage ratio increased from 5.05:1 in 2020 to 6.07:1 this year largely due to the decline in finance cost of ₱310 million or 17% (from ₱1.8 billion to ₱1.5 billion). Earnings before interest and tax slightly decreased by ₱53 million or 0.6%.

Earnings per common share (diluted) slightly increased from ₱6.288 to ₱6.785 or 8% due to lower weighted average number of outstanding shares at period-end coupled with the increase in net income attributable to equity holders of the Parent.

Performance Indicator	March 31	December 31
	2021	2020
Asset to Equity Ratio	1.97	2.04
Debt to Equity Ratio	0.68	0.71
Current Ratio	2.13	1.80
Quick Ratio	1.49	1.33
Book Value per Common Share*	₱249.63	₱245.30

The ratio of total assets to total equity slightly decreased from 2.04:1 in 2020 to 1.97:1 this year due to the increase in stockholders' equity by ₱2.6 billion combined with a ₱7.8 billion decrease in total assets (from ₱385.6 billion at December 2020 to ₱377.8 billion at March 2021).

The debt to equity ratio decreased from 0.71:1 in 2020 to 0.68:1 this year traceable to the decrease in total interest-bearing debt by ₱4.4 billion or 3% (from ₱134.5 billion at December 2020 to ₱130.1 billion at March 2021), coupled with a higher total stockholders' equity during the period.

Current ratio increased from 1.80:1 in 2020 to 2.13:1 mainly due to the considerable decrease in the balance of current liabilities by ₱17.1 billion or 22% (from ₱77.9 billion in December 2020 to ₱60.8 billion in March 2021), traceable from the decrease in trade payables and other current liabilities by ₱6.6 billion or 15% and current portion of long-term debt by ₱10.9 billion or 35%, slightly subdued by the ₱371 million increase in short-term loans. This was moderately toned down by the decrease in current assets by ₱10.4 billion or 7% (from ₱140.1 billion to ₱129.7 billion).

Correspondingly, the Quick ratio increased from 1.33:1 in 2020 to 1.49:1 this year as a result of the decrease in current liabilities as mentioned above.

Book value per common share slightly increased from ₱245.30 in 2020 to ₱249.63 this year. The increase was brought about by the ₱2.2 billion or 2% increase in equity attributable to equity holders of the parent for the current period (from ₱123.8 billion in December 2020 to ₱126.0 billion in March 2021), which mostly reflects the net income generated during the period.

The following are key performance indicators of First Gen group (consolidated):

Performance Indicator	March 31 2021	March 31 2020	December 31 2020
Current Ratio	1.73	1.36	1.54
Asset to Equity Ratio	1.86	1.97	1.93
Debt to Equity Ratio	0.86	0.97	0.93
Quick Ratio	1.35	1.16	1.12
Return on Assets (%) - annualized	8.51*	7.40*	7.09
Return on Equity(%) - annualized	16.13*	14.72*	13.96
Interest-bearing Debt to Equity Ratio (times)	0.63	0.72	0.66

**annualized*

The following are EDC group's (consolidated) key performance indicators:

Performance Indicator	YTD March 31 2021	YTD March 31 2020
Current Ratio	1.44	1.03
Debt to Equity Ratio	0.78	0.88
Net Debt to Equity Ratio	0.55	0.65
Return on Assets (%)	8.63	8.65
Return on Equity (%)	17.98	19.05
Solvency Ratio	0.09	0.09
Interest Rate Coverage Ratio	5.71	4.99
Asset to Equity Ratio	2.05	2.12

The following are the key performance indicators of the Rockwell:

Performance Indicator	YTD March 31 2021	YTD March 31 2020
Return on Assets (%)	4.2	4.6
Return on Equity (%)	10.3	11.9

Performance Indicator	March 31 2021	December 31 2020
Current Ratio	2.76	2.37
Debt to Equity Ratio	0.99	1.00
Net Debt to Equity Ratio	0.88	0.87
Asset to Equity Ratio	2.48	2.49
Interest coverage Ratio	3.81	3.29

Key Performance Indicator/ Description

Annualized Return on Average Shareholders' Equity
Annualized net income attributable to Parent divided by average shareholders' equity. This ratio reflects how much the firm has earned on the funds invested by the shareholders.

Interest Rate Coverage Ratio
Earnings before interest and taxes for the period divided by interest expense of the same period. This ratio determines how easily a company can pay interest on outstanding debt.

Earnings Per Share
Net income attributable to Parent divided by weighted average shares outstanding. This measures the portion of the Group's profit allocated to each outstanding share of common stock.

Asset to Equity Ratio
Total assets divided by total stockholders' equity. This ratio shows the Group's leverage, the amount of debt used to finance the firm.

Debt to Equity Ratio
Total interest-bearing debts divided by stockholders' equity. This ratio expresses the relationship between capital contributed by the creditors and the owners.

Current Ratio
Total current assets divided by total current liabilities. This ratio is a rough indication of a company's ability to pay its short-term obligations.

Quick Ratio
Current assets (excluding inventories and others) divided by current liabilities. This is an indicator of the Group's ability to pay short-term obligations with its most liquid assets (cash and cash equivalents, short-term investments and trade and other receivables).

Book Value Per Share
Equity attributable to Parent divided by number of shares outstanding at period end. Measure used by owners of common shares in a firm to determine the level of safety associated with each individual share after all debts are paid.

Net Debt to Equity Ratio
Total interest-bearing debts less cash & cash equivalents divided by stockholders' equity. This ratio measures the company's financial leverage and stability. A negative net debt-to-equity ratio means that the total of cash and cash equivalents exceeds interest-bearing liabilities.

Return on Assets
Annual net income divided by average total assets. This ratio indicates how profitable a company is relative to its total assets. This also gives an idea as to how efficient management is at using its assets to generate earnings.

Return on Equity
Annual net income divided by average total stockholders' equity. This ratio reveals how much profit a company earned in comparison to the total amount of shareholder equity found on the balance sheet.

Interest Rate Coverage Ratio
Earnings before interest and taxes of one period divided by interest expense of the same period. This ratio determines how easily a company can pay interest on outstanding debt.

Asset-to-Equity Ratio
Total assets divided by total stockholders' equity. This ratio shows a company's leverage, the amount of debt used to finance the firm.

Solvency Ratio
Net income excluding depreciation and non-cash provisions divided by total debt obligations. This ratio gauges a company's ability to meet its long-term obligations.

Interest-bearing Debt to Equity Ratio (times)
Calculated by dividing total interest-bearing debt over total equity. This ratio measures the percentage of funds provided by the lenders/creditors.

* - *Equity pertains to equity attributable to equity holders of the parent and excludes cumulative translation adjustments, share in other comprehensive income, effect of equity transaction of subsidiaries and excess of acquisition cost over carrying value of minority interest.*

* * * * *

Item 4. Other Financial Information

(i) Any known trends, demands, commitments, events or uncertainties that will have a material impact on the issuer’s liquidity.

In response to the COVID-19 pandemic, the Philippine government imposed various community quarantine measures starting March 16, 2020. These measures have resulted in serious disruptions to businesses and economic activities and the adverse impact in the financial results of the Group for the period ended March 31, 2021 are discussed in *Item 2. Management’s Discussion and Analysis or Plan of Operation*. While the COVID-19 pandemic and its adverse economic impact is expected to continue throughout the remainder 2021, there are no known trends, events or uncertainties that are reasonably expected to have a material impact on the liquidity of the Group.

(ii) Any event that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

The registrant’s current financing arrangements include standard provisions relating to events of default. Any breach of the loan covenants or material adverse change may result in an event of default. The Company is in compliance with its loan covenants during the reporting period.

(iii) All material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

The Company did not enter into any material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other persons during the reporting period.

(iv) Any material commitment for capital expenditures, the general purpose of such commitments, and the expected sources of funds for such expenditures should be described.

There are no material commitments for capital expenditures except as otherwise disclosed or discussed herein.

(v) Any known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from continuing operations.

Aside from the impact of the COVID-19 pandemic discussed above and except as otherwise disclosed previously or discussed herein, there are no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on net sales or revenues or income from continuing operations.

(vi) Any significant elements of income or loss that did not arise from the registrant’s continuing operations.

During the period, there are no significant elements of income or loss that did not arise from the registrant’s continuing operations.

(vii) Causes for Any Material Changes from Period to Period of FS which shall include vertical and horizontal analyses of any material item (5%).

The causes for any material changes from period to period of FS, including the vertical and horizontal analyses of any material item (5%) the period ended March 31, 2021, are discussed in *Item 2. Management’s Discussion and Analysis or Plan of Operation*.

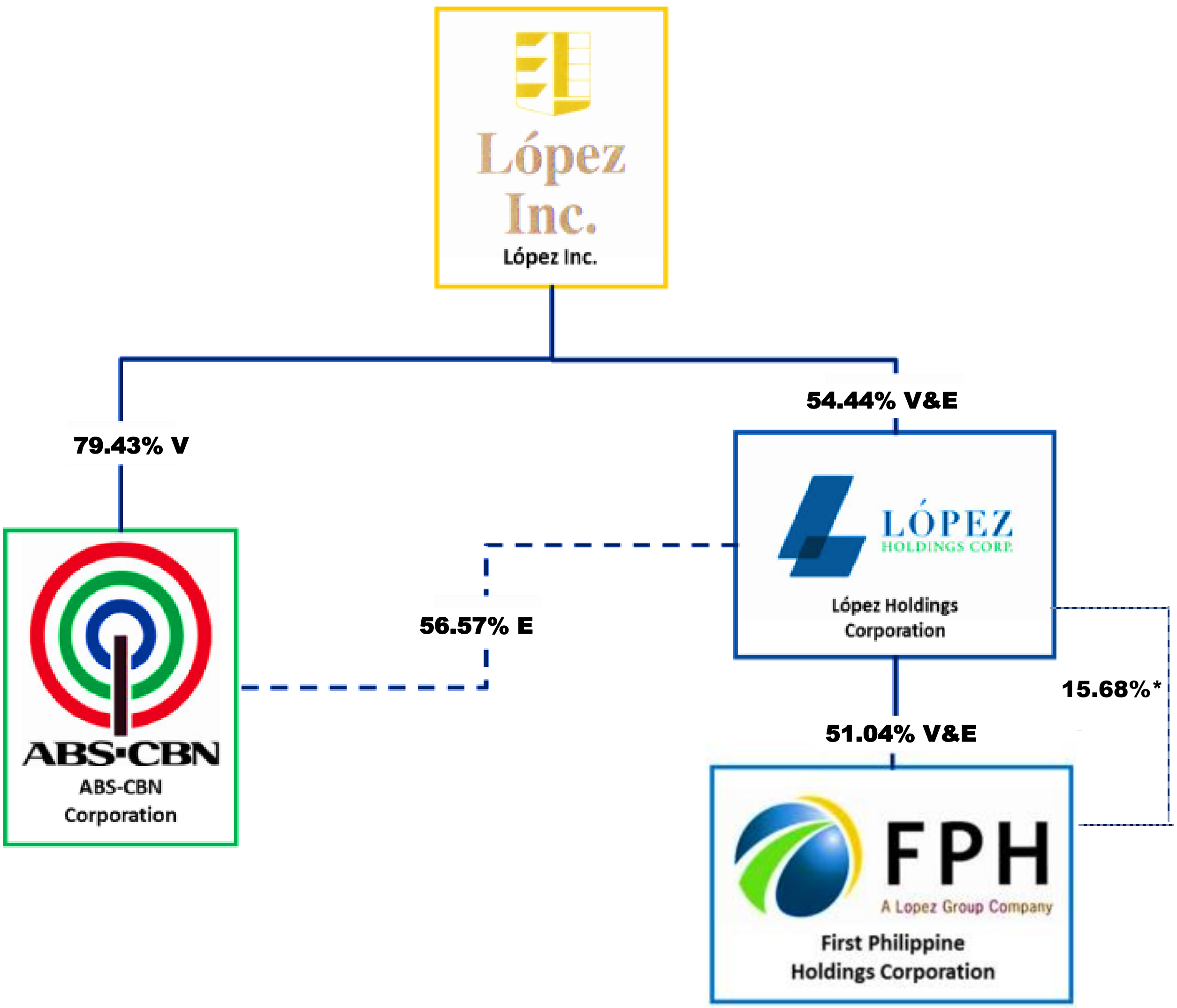
(viii) Any seasonal aspects that had a material effect on the financial condition or results of operations.

The sale of electricity of the Group, particularly revenues from hydro and wind projects are affected by seasonality or cyclicality of interim operations. The material impact, if any, of the seasonal aspect in the financial results of the Group for the period ended March 31, 2021 are discussed in *Item 2. Management's Discussion and Analysis or Plan of Operation*.

PART II--OTHER INFORMATION

The Company has no other information that needs to be disclosed other than disclosures made under SEC Form 17-C or as discussed herein.

LOPEZ HOLDINGS CORPORATION AND SUBSIDIARIES
MAP OF RELATIONSHIP OF THE COMPANIES WITHIN THE GROUP
MARCH 31, 2021



FPH's stake in LPZ is 15.68% as a result of the tender offer

FIRST PHILIPPINE HOLDINGS CORP. AND SUBSIDIARIES
CORPORATE STRUCTURE
March 31, 2021

LÓPEZ HOLDINGS CORP.

*15.68%

51.04% First Philippine Holdings

FPH A Lopez Group Company POWERED BY GOOD

Power Generation

- 67.82% First Gen Corporation

Property

- 86.58% ROCKWELL LAND
  - 100% Rockwell Integrated Property Services, Inc.
  - 100% Rockwell Primaries Development Corporation
    - 100% Rockwell Primaries South Development Corp.
  - 100% Stonewell Property Development Corporation
  - 100% Primaries Properties Sales Specialists Inc.
  - 76.23% Rockwell Leisure Club, Inc.
  - 100% Rockwell Hotels and Leisure Management Corp.
  - 100% Retailscapes Inc.
  - 80% Rockwell-MFA Corp.
  - 57.6% Rockwell Carmelray Development Corp.
  - 40% Rockwell Nepo Development Corporation
- 70.00% FIRST PHILIPPINE INDUSTRIAL PARK
  - 100% FPIP Property Developers and Management Corporation
  - 100% FPIP Utilities Incorporated
  - 85.00% Grand Batangas Resort Development Incorporated
  - 100% First Industrial Township, Inc.
  - 100% First Industrial Township Water, Inc.
  - 57.7% First Batangas Hotel Corp.

Manufacturing

- First Philec
  - 100% First Philippine Electric Corporation
- 99.15% Philippine Electric Corporation
- 100% First Philec Inc. (formerly First Electro Dynamics Corp.)
- 100% First Philippine Power Systems
- 51.04%
- 100% First Philec Manufacturing Technologies Corporation
- 89.04% First Philec Solar Corporation
- 100% Cleantech Energy Holdings PTE, Ltd.
- 100% First PV Ventures Corporation
  - 70.00% First Philec Nexolon Corporation
  - 100% First Philec Solar Solutions
- 100.00% First Philec Energy Solutions, Inc.

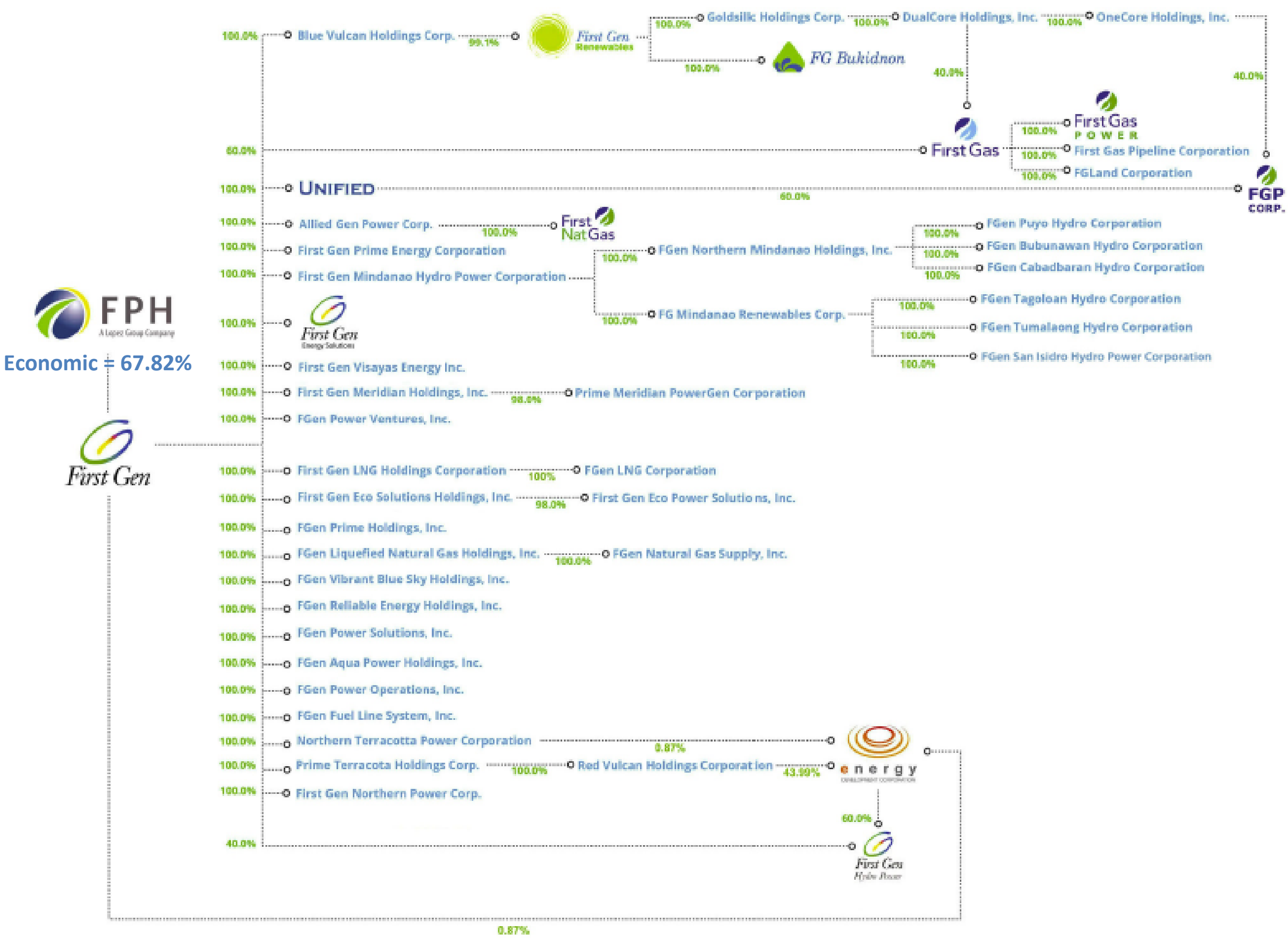
Power Distribution

- 30.00% Panay Electric Company
- 3.94% Manila Electric Company

Other Businesses

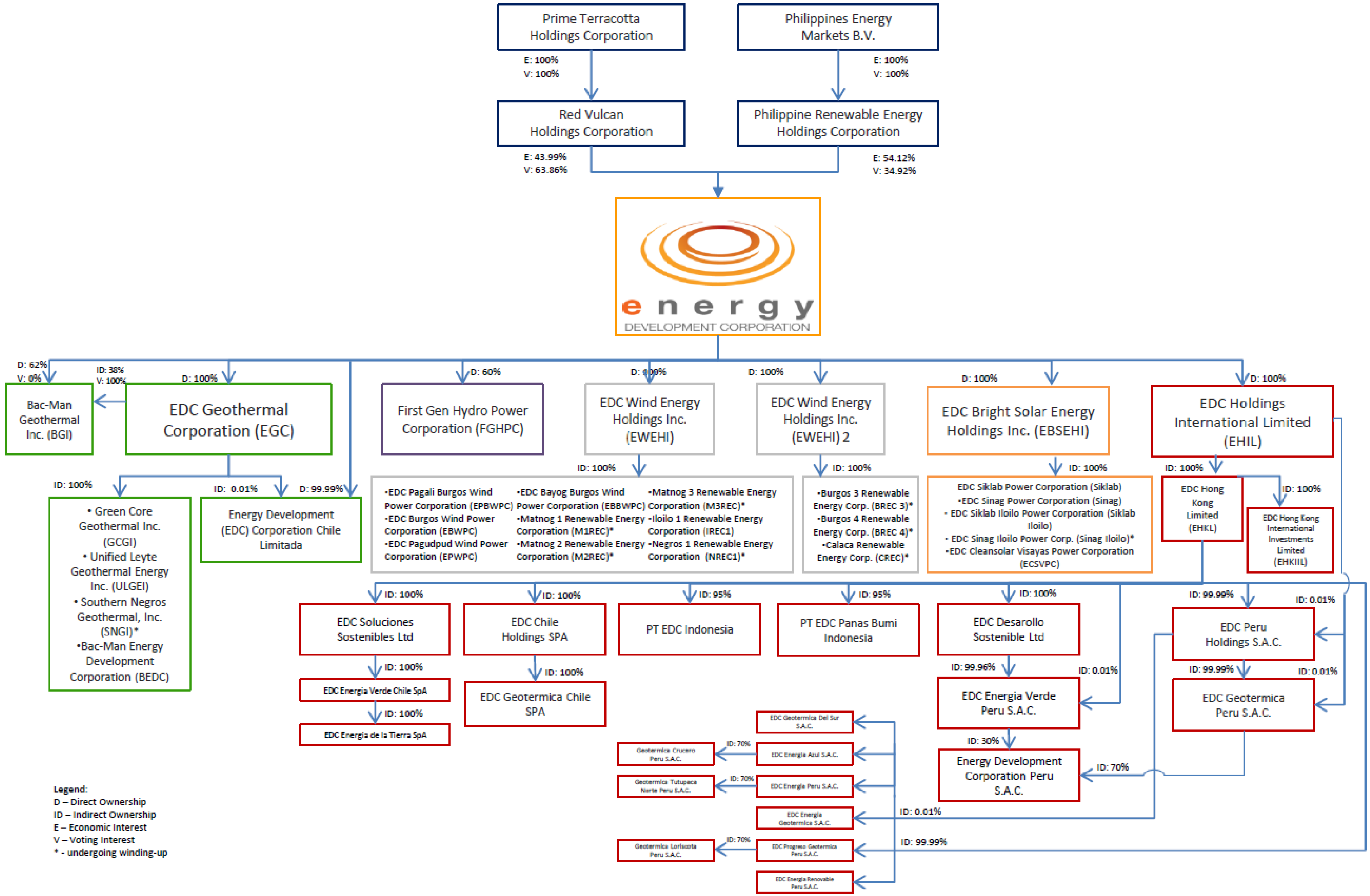
- 100% First Balfour, Inc.
  - 100% ThermaPrime Drilling Corporation
  - 100% Therma One Transport Corporation
  - 100% Torreverde Corp.
- 100% First Philippine Realty Corporation
- 100% First Industrial Science & Technology School, Inc.
- 66.92% InfoPro Business Solutions Inc.
- 98.00% FPHC Realty and Development Corporation
- 100% First Philippine Utilities Corporation
- 100% FP Island Energy Corp.
- 69.34% Asian Eye Institute, Inc.
- 100% PI Health Inc.
- 100% PI Energy Inc.
- 100.00% First Philippine Industrial Corporation
- 100% Securities Transfer Services, Inc.
- 100% FPH Capital Resources Inc.
- 100% FPH Fund
  - 100% FPH Ventures
- 100% FGHC International
- 100% FPH Pi Ventures
- 100% First Philippine Properties Corp.
  - 100% FPH Land Ventures Inc.
    - 67% TerraPrime, Inc.
  - 100% First Industrial Township Utilities, Inc.
  - 100% First Philippine Dev't Corp.
  - 100% FWV Biofields Corp.
  - 60% First Sumiden Realty, Inc.
  - 100% Legacy Homes Inc.

FGEN's Corporate Structure
as of March 31, 2021



Corporate Structure
is as of March 31, 2021

EDC's Corporate Structure
as of March 31, 2021



PART II – OTHER INFORMATION

SIGNATURE

Pursuant to the requirements of Section 17 of the Code and Section 177 of the Revised Corporation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Issuer...... **FIRST PHILIPPINE HOLDINGS CORPORATION**

EMMANUEL ANTONIO P. SINGSON
Senior Vice President, Chief Finance Officer and Treasurer

Maria Carmina Z. Ubaña
MARIA CARMINA Z. UBAÑA
Vice President and Comptroller

Date: **May 12, 2021**

COVER SHEET
for
UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

SEC Registration Number

1 9 0 7 3

Company Name

FIRST PHILIPPINE HOLDINGS CORPORATION

Principal Office (No./Street/Barangay/City/Town/Province)

6th Floor, Rockwell Business Center Tower 3, Ortigas Avenue Pasig City

Form Type	Department requiring the report	Secondary License Type, If Applicable
CFS-UNAUDITED		

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
InvRel@fphc.com	**(02) 8631-8024**	**N/A**

No. of Stockholders	Annual Meeting Month/Day	Fiscal Year Month/Day
11,984 ***As of March 31, 2021***	**Last Monday of May** (per By-laws) ***ASM will be held on May 21,2021***	**December 31**

CONTACT PERSON INFORMATION

The designated contact person *MUST* be an Officer of the Corporation

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Maria Carmina Z. Ubaña	**CZUbana@fphc.com**	**3449-6253**	**09173279054**

Contact Person's Address

6th Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City, 1604 Philippines

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

EXHIBIT "A"

First Philippine Holdings Corporation and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
March 31, 2021 and 2020
(With Comparative Audited Figures as at December 31, 2020)

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Amounts in Millions)

	(Unaudited) March 31	(Audited) December 31	Increase (Decrease)	
	2021	2020	Amount	%
ASSETS				
Current Assets				
Cash and cash equivalents (Notes 5, 11 and 12)	**₱50,049**	₱51,695	(₱1,646)	-3%
Short-term investments (Notes 5, 11 and 12)	**1,262**	9,707	(8,445)	-87%
Trade and other receivables - net (Notes 6, 11 and 12)	**23,876**	28,581	(4,705)	-16%
Current portion of contract assets	**15,225**	13,577	1,648	12%
Inventories	**25,193**	24,503	690	3%
Other current financial assets (Notes 11 and 12)	**3,955**	2,713	1,242	46%
Prepayments and other current assets	**10,119**	9,353	766	8%
Total Current Assets	**129,679**	140,129	(10,450)	-7%
Noncurrent Assets				
Property, plant and equipment - net	**133,776**	131,707	2,069	2%
Goodwill and intangible assets	**49,923**	50,016	(93)	0%
Investment properties - net	**22,875**	22,852	23	0%
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 7, 11 and 12)	**15,131**	13,699	1,432	10%
Investments in associates and joint ventures	**4,968**	3,916	1,052	27%
Contract assets - net of current portion	**1,330**	1,810	(480)	-27%
Deferred tax assets - net	**2,142**	2,113	29	1%
Other noncurrent financial assets (Notes 11 and 12)	**1,377**	1,414	(37)	-3%
Other noncurrent assets - net	**16,683**	17,979	(1,296)	-7%
Total Noncurrent Assets	**248,205**	245,506	2,699	1%
TOTAL ASSETS	**₱377,884**	₱385,635	(₱7,751)	-2%

LIABILITIES AND EQUITY				
Current Liabilities				
Trade payables and other current liabilities (Notes 8, 11 and 12)	**₱37,098**	₱43,711	(₱6,613)	-15%
Current portion of long-term debts (Notes 9, 11 and 12)	**20,352**	31,266	(10,914)	-35%
Loans payable (Notes 11 and 12)	**2,216**	1,845	371	20%
Income tax payable	**1,170**	1,103	67	6%
Total Current Liabilities	**60,836**	77,925	(17,089)	-22%

(Forward)

	(Unaudited) March 31	(Audited) December 31	Increase (Decrease)	
	2021	2020	Amount	%
Noncurrent Liabilities				
Long-term debts - net of current portion (Notes 9, 11 and 12)	**₱107,544**	₱101,370	₱6,174	6%
Retirement and other long-term employee benefits liability	**4,954**	5,134	(180)	-4%
Deferred tax liabilities - net	**3,574**	3,789	(215)	-6%
Asset retirement and preservation obligations	**3,236**	3,409	(173)	-5%
Other noncurrent liabilities	**6,142**	5,017	1,125	22%
Total Noncurrent Liabilities	**125,450**	118,719	6,731	6%
Total Liabilities	**186,286**	196,644	(10,358)	-5%
Equity				
Common stock	**6,096**	6,096	-	0%
Preferred stock	**360**	360	-	0%
Capital in excess of par value	**5,506**	5,506	-	0%
Accumulated unrealized fair value gains on financial assets at FVOCI	**3,726**	4,962	(1,236)	-25%
Cumulative translation adjustments	**(11,752)**	(11,915)	163	-1%
Equity reserve	**(8,459)**	(8,459)	-	0%
Retained earnings				
Unappropriated	**93,793**	90,369	3,424	4%
Appropriated	**28,700**	28,700	-	0%
Treasury stock	**(7,204)**	(7,204)	-	0%
Equity Attributable to Equity Holders of the Parent	**110,766**	108,415	2,351	2%
Non-controlling Interests	**80,832**	80,576	256	0%
Total Equity	**191,598**	188,991	2,607	1%
TOTAL LIABILITIES AND EQUITY	**₱377,884**	₱385,635	(₱7,751)	-2%

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Millions Except Per Share Data)

	Three Months Ended March 31		Increase (Decrease)	
	2021	2020	Amount	(%)
REVENUES				
Sale of electricity	**₱23,263**	₱24,480	(₱1,217)	-5%
Sale of real estate	**2,305**	2,061	244	12%
Contracts and services	**1,851**	2,195	(344)	-16%
Sale of merchandise	**454**	556	(102)	-18%
	27,873	29,292	(1,419)	-5%
COSTS AND EXPENSES				
Costs of sale of electricity	**13,413**	14,967	(1,554)	-10%
Real estate sold	**1,455**	1,186	269	23%
Contracts and services	**1,215**	1,239	(24)	-2%
Merchandise sold	**300**	352	(52)	-15%
General and administrative expenses	**3,564**	3,919	(355)	-9%
	19,947	21,663	(1,716)	-8%
OTHER INCOME (CHARGES)				
Finance costs	**(1,493)**	(1,803)	310	-17%
Finance income	**445**	689	(244)	-35%
Foreign exchange gains (losses) - net	**50**	(1)	51	5100%
Equity in net earnings of associates and joint venture	**160**	103	57	55%
Dividend income (Note 7)	**351**	462	(111)	-24%
Others - net	**125**	228	(103)	-45%
	(362)	(322)	(40)	-12%
INCOME BEFORE INCOME TAX	**7,564**	7,307	257	4%
PROVISION FOR INCOME TAX				
Current	**893**	1,307	(414)	-32%
Deferred	**69**	27	42	156%
	962	1,334	(372)	-28%
NET INCOME	**₱6,602**	₱5,973	₱629	11%
Attributable To				
Equity holders of the Parent	**₱3,424**	₱3,199	₱225	7%
Non-controlling Interests	**3,178**	2,774	404	15%
	₱6,602	₱5,973	₱629	11%
Earnings Per Share for Net Income Attributable to the Equity Holders of the Parent (Note 10)				
Basic	**₱6.785**	₱6.288	₱0.497	8%
Diluted	**6.785**	6.288	0.497	8%

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Amounts in Millions)

	(Unaudited) Three Months Ended March 31		Increase/(Decrease)	
	2021	2020	Amount	%
NET INCOME	**₱6,602**	₱5,973	₱629	11%
OTHER COMPREHENSIVE INCOME (LOSS)				
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods:				
Net gains on cash flow hedge deferred in equity - net of tax	**56**	475	(419)	88%
Unrealized losses on financial assets at FVOCI	**(1,236)**	(4,092)	2,856	70%
Exchange losses on foreign currency translation	**(331)**	(1,793)	1,462	82%
	(1,511)	(5,410)	3,899	-72%
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**₱5,091**	₱563	₱4,528	804%
Attributable To				
Equity holders of the Parent	**₱2,351**	(₱823)	3,174	386%
Non-controlling Interests	**2,740**	1,386	1,354	98%
	₱5,091	₱563	₱4,528	804%

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Amounts in Millions)

As of the period ended March 31, 2021 (Unaudited)

	Attributable to Equity Holders of the Parent											
	Common Stock	Preferred Stock	Capital in Excess of Par Value	Treasury Stock	Accumulated Unrealized Fair Value Gain (Loss) on Financial Assets at FVOCI	Cumulative Translation Adjustments	Equity Reserve	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non- controlling Interests	Total Equity
Balance at December 31, 2020	₱6,096	₱360	₱5,506	(₱7,204)	₱4,962	(₱11,915)	(₱8,459)	₱90,369	₱28,700	₱108,415	₱80,576	₱188,991
Net income	-	-	-	-	-	-	-	3,424	-	3,424	3,178	6,602
Other comprehensive income (loss)	-	-	-	-	(1,236)	163	-	-	-	(1,073)	(438)	(1,511)
Total comprehensive income (loss)	-	-	-	-	(1,236)	163	-	3,424	-	2,351	2,740	5,091
Buyback of preferred stocks by a subsidiary	-	-	-	-	-	-	-	-	-	-	(2,484)	(2,484)
Balance at March 31, 2021	₱6,096	₱360	₱5,506	(₱7,204)	₱3,726	(₱11,752)	(₱8,459)	₱93,793	₱28,700	₱110,766	₱80,832	₱191,598
	-	-	-	-	-	-	-	-	-	-	-	-

As of the year ended December 31, 2020 (Audited)

	Attributable to Equity Holders of the Parent											
	Common Stock	Preferred Stock	Capital in Excess of Par Value	Treasury Stock	Accumulated Unrealized Fair Value Gain (Loss) on Financial Assets at FVOCI	Cumulative Translation Adjustments	Equity Reserve	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non- controlling Interests	Total Equity
Balance at January 1, 2020	₱6,096	₱360	₱5,506	(₱6,939)	₱6,176	(₱8,722)	(₱8,459)	₱81,882	₱28,700	₱104,600	₱74,498	₱179,098
Net income	-	-	-	-	-	-	-	9,860	-	9,860	10,944	20,804
Other comprehensive income (loss)	-	-	-	-	(1,214)	(3,193)	-	(262)	-	(4,669)	156	(4,513)
Total comprehensive income (loss)	-	-	-	-	(1,214)	(3,193)	-	9,598	-	5,191	11,100	16,291
Purchase of treasury stocks	-	-	-	(265)	-	-	-	-	-	(265)	(108)	(373)
Cash dividends	-	-	-	-	-	-	-	(1,111)	-	(1,111)	(4,974)	(6,085)
Non-controlling interests from incorporation of a subsidiary	-	-	-	-	-	-	-	-	-	-	60	60
Balance at December 31, 2020	₱6,096	₱360	₱5,506	(₱7,204)	₱4,962	(₱11,915)	(₱8,459)	₱90,369	₱28,700	₱108,415	₱80,576	₱188,991

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Amounts in Millions)

	As of the period ended March 31, 2021 (Unaudited)											
	Attributable to Equity Holders of the Parent											
	Common Stock	Preferred Stock	Capital in Excess of Par Value	Treasury Stock	Accumulated Unrealized Fair Value Gain (Loss) on Financial Assets at FVOCI	Cumulative Translation Adjustments	Equity Reserve	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non- controlling Interests	Total Equity
Balance at December 31, 2020	₱6,096	₱360	₱5,506	(₱7,204)	₱4,962	(₱11,915)	(₱8,459)	₱90,369	₱28,700	₱108,415	₱80,576	₱188,991
Net income	-	-	-	-	-	-	-	3,424	-	3,424	3,178	6,602
Other comprehensive income (loss)	-	-	-	-	(1,236)	163	-	-	-	(1,073)	(438)	(1,511)
Total comprehensive income (loss)	-	-	-	-	(1,236)	163	-	3,424	-	2,351	2,740	5,091
Buyback of preferred stocks by a subsidiary	-	-	-	-	-	-	-	-	-	-	(2,484)	(2,484)
Balance at March 31, 2021	₱6,096	₱360	₱5,506	(₱7,204)	₱3,726	(₱11,752)	(₱8,459)	₱93,793	₱28,700	₱110,766	₱80,832	₱191,598

	As of the period ended March 31, 2020 (Unaudited)											
	Attributable to Equity Holders of the Parent											
	Common Stock	Preferred Stock	Capital in Excess of Par Value	Treasury Stock	Accumulated Unrealized Fair Value Gain (Loss) on Financial Assets at FVOCI	Cumulative Translation Adjustments	Equity Reserve	Unappropriated Retained Earnings	Appropriated Retained Earnings	Total	Non- controlling Interests	Total Equity
Balance at December 31, 2019	₱6,096	₱360	₱5,506	(₱6,939)	₱6,176	(₱8,722)	(₱8,459)	₱81,882	₱28,700	₱104,600	₱74,498	₱179,098
Net income	-	-	-	-	-	-	-	3,199	-	3,199	2,774	5,973
Other comprehensive income (loss)	-	-	-	-	(4,092)	70	-	-	-	(4,022)	(1,388)	(5,410)
Total comprehensive income (loss)	-	-	-	-	(4,092)	70	-	3,199	-	(823)	1,386	563
Purchase of treasury stocks	-	-	-	(21)	-	-	-	-	-	(21)	(83)	(104)
Balance at March 31, 2020	₱6,096	₱360	₱5,506	(₱6,960)	₱2,084	(₱8,652)	(₱8,459)	₱85,081	₱28,700	₱103,756	₱75,801	₱179,557

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Millions)

	(Unaudited) Three Months Ended March 31	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱7,564**	₱7,307
Adjustments for:		
Finance costs	**1,493**	1,803
Depreciation and amortization	**2,981**	3,343
Finance income	**(445)**	(689)
Dividend income	**(351)**	(462)
Retirement benefit expense	**55**	47
Equity in net earnings of associates and joint venture	**(160)**	(103)
Provision for impairment losses	**1**	6
Mark-to-market gains (losses) on financial assets at FVPL and derivatives	**2**	(18)
Gain on sale of property	**(1)**	-
Unrealized foreign exchange losses (gains) - net	**(48)**	1
Operating income before working capital changes	**11,091**	11,235
Decrease (increase) in:		
Trade and other receivables and current portion of contract assets	**3,840**	1,750
Inventories	**(691)**	(610)
Other current assets	**(766)**	2,017
Increase (decrease) in trade payables and other current liabilities	**(4,085)**	765
Cash generated from operations	**9,389**	15,157
Interest received	**445**	144
Income tax paid	**(554)**	(90)
Net cash from operating activities	**9,280**	15,211
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to:		
Property, plant and equipment and investment properties	**(3,029)**	(3,365)
Financial assets at FVPL	**(3,875)**	(951)
Investment in joint venture	**(565)**	-
Intangibles	**(25)**	(3)

(Forward)

	(Unaudited) Three Months Ended March 31	
	2021	2020
Decrease (increase) in:		
Short-term investments	**₱5,416**	₱2,764
Investments in associate and joint venture	**(892)**	519
Other noncurrent assets	**1,297**	(3,515)
Exploration and evaluation assets	**(1)**	4
Debt service reserve account	**-**	280
Proceeds from redemption of financial assets at FVPL	**1,596**	1,693
Dividends received	**351**	8
Proceeds from sale of property and equipment	**1**	1
Net cash from (used in) investing activities	**274**	(2,565)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from:		
Borrowings from banks and other financial institutions	**8,293**	6,031
Payments of:		
Borrowings from banks and other financial institutions	**(13,956)**	(3,339)
Interest	**(656)**	(1,396)
Lease liabilities	**(65)**	(70)
Dividends to non-controlling interests	**(2,721)**	(2,591)
Buyback of preferred stock	**(2,538)**	(21)
Purchase of treasury common stock	**(1)**	-
Increase in other noncurrent liabilities	**890**	828
Net cash used in financing activities	**(10,754)**	(558)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**(446)**	**(1,302)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(1,646)**	10,786
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**51,695**	38,148
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**₱50,049**	₱48,934

See accompanying Notes to Unaudited Interim Condensed Consolidated Financial Statements.

FIRST PHILIPPINE HOLDINGS CORPORATION AND SUBSIDIARIES
SELECTED NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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1. Corporate Information

First Philippine Holdings Corporation (FPH or the Parent Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on June 30, 1961. On June 29, 2007, the Philippine SEC approved the extension of the Parent Company's corporate life for another 50 years from June 30, 2011. FPH and its subsidiaries (collectively referred to as the Group) is engaged primarily in, but not limited to, power generation, real estate development, manufacturing, construction, healthcare and other service industries.

FPH is 51.04% owned by Lopez Holdings Corporation (Lopez Holdings), a publicly-listed Philippine-based entity, as at March 31, 2021 and December 31, 2020, respectively. Majority of Lopez Holdings is owned by Lopez, Inc., a Philippine entity and the ultimate Parent Company.

In 2021, FPH conducted a tender offer ("Tender Offer") to acquire a minimum of 908,459,782 issued and outstanding common stocks of Lopez Holdings, the immediate parent company, representing approximately 20% of its total issued and outstanding common stocks and up to a maximum of 1,430,824,156 issued and outstanding common stocks representing approximately 31.5% of its total issued and outstanding common stocks, from all the shareholders of Lopez Holdings. The Tender Offer Period started on January 22, 2021 and ended on March 8, 2021. Following the close of the Tender Offer Period, a total of 712,206,016 common stocks of Lopez Holdings representing 15.68% of its total issued and outstanding common stocks were tendered, accepted and thereafter purchased by the Parent Company for a total transaction value of ₱2,742 million.

The registered office address of FPH is at 6th Floor, Rockwell Business Center Tower 3, Ortigas Avenue, Pasig City.

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2. Summary of Significant Accounting Policies

<u>Basis of Preparation</u>
The unaudited interim condensed consolidated financial statements of the Group as of March 31, 2021, and for the three-month periods ended March 31, 2021 and 2020 have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value. The unaudited interim condensed consolidated financial statements are presented in Philippine peso, the Parent Company's functional and presentation currency. All values are rounded to the nearest million peso, except when otherwise indicated.

<u>Statement of Compliance</u>
The unaudited interim condensed consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) Philippine

Accounting Standards (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed consolidated financial statements do not include all of the information and footnotes required in the annual consolidated financial statements, and should be read in conjunction with FPH's annual consolidated financial statements as at and for the year ended December 31, 2020.

Significant Changes in Accounting Policies and Disclosures

The accounting policies adopted in the preparation of the unaudited interim condensed consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements as at and for the year ended December 31, 2020, except for the adoption of the following amended accounting standards that became effective beginning January 1, 2021.

The nature and the effect of these changes are disclosed below. Unless otherwise indicated, adoption of these new standards do not have a material impact on the unaudited interim condensed consolidated financial statements.

- Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*

  The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR):

  - Practical expedient for changes in the basis for determining the contractual cash flows as a result of IBOR reform
  - Relief from discontinuing hedging relationships
  - Relief from the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

  The Group shall also disclose information about:
  - The about the nature and extent of risks to which the entity is exposed arising from financial instruments subject to IBOR reform, and how the entity manages those risks; and
  - Their progress in completing the transition to alternative benchmark rates, and how the entity is managing that transition.

Basis of Consolidation

The unaudited interim condensed consolidated financial statements comprise the financial statements of FPH and its subsidiaries.

The Group controls an investee if and only if the Group has:
- Power over an investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over the investee, including:

- the contractual arrangements with the other vote holders of the investee
- rights arising from other contractual arrangements
- the Group's voting rights and potential voting rights

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the unaudited interim consolidated statements of income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of FPH and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets, liabilities, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Any excess or deficit of consideration paid over the carrying amount of the non-controlling interest is recognized as part of the "Equity reserve" account in the equity attributable to the equity holders of the Parent.

If the Group loses control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resulting gain or loss is recognized in profit or loss. Any movement retained is recognized at fair value.

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3. Operating Segment Information

Operating segments are components of the Group (a) that engage in business activities from which they may earn revenues and incur expenses; (b) with operating results which are regularly reviewed by the Group's chief operating decision-maker (the BOD) to make decisions about how resources are to be allocated to the segment and assess their performances; and (c) for which discrete financial information is available.

The Group's operating businesses are organized and managed separately according to the nature of the products and services, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group conducts majority of its business activities in the following areas:

- Power generation – power generation subsidiaries under First Gen Corporation (First Gen)
- Real estate development – residential and commercial real estate development and leasing of Rockwell Land Corporation (Rockwell) and First Philippine Realty Corporation (FPRC), and sale of industrial lots and lease of ready-built factories by First Philippine Industrial Park (FPIP) group

- Manufacturing – electrical transformers and other manufacturing subsidiaries under First Philippine Electric Corporation (First Philec), particularly First Philec, Inc. (FPI)
- Construction and other services – investment holdings, oil transporting, construction, geothermal well drilling, healthcare, education and other services. The significant subsidiaries under this segment are First Balfour, Inc. (First Balfour), ThermaPrime Drilling Corporation (TDC) and Asian Eye Institute, Inc. (AEI).

Segment revenue, segment expenses and segment performance include transfers between business segments. The transfers are accounted for at competitive market prices charged to unrelated customers for similar products. Such transfers are eliminated in consolidation.

The operations of these business segments are substantially in the Philippines. First Gen's revenues are substantially generated from sale of electricity to Meralco, the sole customer of First Gas Power Corporation (FGPC), FGP Corp. (FGP), and First NatGas Power Corp. (FNPC); while a significant portion of Energy Development Corporation's (EDC) total revenues are derived from existing long-term Power Purchase Agreement (PPAs) with National Power Corporation (NPC).

Financial information about the business segments follows:

	March 31, 2021					
(Php in Millions)	**Power Generation**	**Real Estate Development**	**Manufacturing**	**Construction and Other Services**	**Eliminations**	**Consolidated**
Revenues:						
External sales	₱23,239	₱2,828	₱451	₱1,355	₱-	**₱27,873**
Inter-segment sales				1,033	(1,033)	**-**
Total revenues	23,239	2,828	451	2,388	(1,033)	**27,873**
Costs and expenses	(15,856)	(2,233)	(353)	(2,470)	965	**(19,947)**
Finance income	41	400	1	3	-	**445**
Finance costs	(1,070)	(287)	(2)	(134)	-	**(1,493)**
Foreign exchange gain (loss)	33	-	7	10	-	**50**
Equity in net earnings of associates and joint venture	-	89	-	2,992	(2,921)	**160**
Other income (loss)	12	78	3	475	(92)	**476**
Income (loss) before income tax	6,399	875	107	3,264	(3,081)	**7,564**
Provision for income tax	(682)	(213)	(34)	(37)	4	**(962)**
Net income	₱5,717	₱662	₱73	₱3,227	(₱3,077)	**₱6,602**

(Php in Millions)	Power Generation	Real Estate Development	Manufacturing	Construction and Other Services	Eliminations	Consolidated
			March 31, 2020			
Revenues:						
External sales	₱24,453	₱2,755	₱556	₱1,528	₱-	**₱29,292**
Inter-segment sales				497	(497)	**-**
Total revenues	24,453	2,755	556	2,025	(497)	**29,292**
Costs and expenses	(17,350)	(2,139)	(420)	(2,195)	441	**(21,663)**
Finance income	157	522	4	6	-	**689**
Finance costs	(1,357)	(339)	(3)	(104)	-	**(1,803)**
Foreign exchange gain (loss)	(5)	(2)	3	3	-	**(1)**
Equity in net earnings of associates and a joint venture	-	83	-	2,990	(2,970)	**103**
Other income (loss)	12	166	12	533	(33)	**690**
Income (loss) before income tax	5,910	1,046	152	3,258	(3,059)	**7,307**
Provision for income tax	(994)	(290)	(46)	(6)	2	**(1,334)**
Net income	₱4,916	₱756	₱106	₱3,252	(₱3,057)	**₱5,973**

Following table shows the computation of Recurring Net Income (RNI):

(In millions)	**March 31, 2021**	**March 31, 2020**
Net income attributable to equity holders of the Parent	**₱3,424**	₱3,199
Add (deduct) share of equity holders of the Parent in non-recurring items:		
Impact of CREATE Law in FY 2020 current income tax booked in 2020	**(177)**	–
Expenses related to COVID-19 pandemic	**59**	–
Movements in deferred income tax	**(25)**	(7)
Unrealized foreign exchange gain	**(26)**	(8)
Proceeds from insurance claims	**(19)**	–
Other non-recurring losses	**4**	4
RNI attributable to equity holders of the Parent	**₱3,240**	₱3,188

4. Subsidiaries and Significant Acquisitions

The unaudited interim condensed consolidated financial statements comprise the financial statements of FPH and the following subsidiaries.

		March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
		Percentage of Ownership Held by the Group			
Subsidiaries	**Place of Incorporation**	**Direct**	**Indirect**	Direct	Indirect
Power Generation					
First Gen Corporation (First Gen)	Philippines	**67.82**	**–**	67.82	–
First Gen Renewables, Inc.	Philippines	**–**	**100.00**	–	100.00
FG Bukidnon Power Corp. (FG Bukidnon)	Philippines	**–**	**100.00**	–	100.00
Unified Holdings Corporation (Unified)	Philippines	**–**	**100.00**	–	100.00
FGP Corp. (FGP)	Philippines	**–**	**100.00**	–	100.00
AlliedGen Power Corporation	Philippines	**–**	**100.00**	–	100.00
First NatGas Power Corp. (FNPC)	Philippines	**–**	**100.00**	–	100.00
First Gen Mindanao Hydro Power Corporation (FG Mindanao)	Philippines	**–**	**100.00**	–	100.00
FGen Northern Mindanao Holdings, Inc. (FNMHI)	Philippines	**–**	**100.00**	–	100.00
FGen Bubunawan Hydro Corporation (FG Bubunawan)	Philippines	**–**	**100.00**	–	100.00
FGen Cabadbaran Hydro Corporation (FG Cabadbaran)	Philippines	**–**	**100.00**	–	100.00
FGen Puyo Hydro Corporation (FG Puyo)	Philippines	**–**	**100.00**	–	100.00
FG Mindanao Renewables Corp. (FMRC)	Philippines	**–**	**100.00**	–	100.00
FGen Tagoloan Hydro Corporation (FG Tagoloan)	Philippines	**–**	**100.00**	–	100.00
FGen Tumalaong Hydro Corporation (FG Tumalaong)	Philippines	**–**	**100.00**	–	100.00
First Gen Ecopower Solutions, Inc.	Philippines	**–**	**100.00**	–	100.00
First Gen Energy Solutions, Inc. (FGES)	Philippines	**–**	**100.00**	–	100.00
First Gen Prime Energy Corporation	Philippines	**–**	**100.00**	–	100.00
First Gen Visayas Energy Corporation	Philippines	**–**	**100.00**	–	100.00
Northern Terracotta Power Corporation (Northern Terracotta)	Philippines	**–**	**100.00**	–	100.00
Blue Vulcan Holdings Corporation	Philippines	**–**	**100.00**	–	100.00
Prime Meridian Powergen Corporation (PMPC)	Philippines	**–**	**100.00**	–	100.00
Goldsilk Holdings Corporation (Goldsilk)	Philippines	**–**	**100.00**	–	100.00
Dualcore Holdings, Inc. (Dualcore)	Philippines	**–**	**100.00**	–	100.00
Onecore Holdings, Inc. (Onecore)	Philippines	**–**	**100.00**	–	100.00
First Gas Holdings Corporation (FGHC)	Philippines	**–**	**100.00**	–	100.00
First Gas Power Corporation (FGPC)	Philippines	**–**	**100.00**	–	100.00
First Gas Pipeline Corporation	Philippines	**–**	**100.00**	–	100.00
FG Land Corporation	Philippines	**–**	**100.00**	–	100.00
FGEN LNG Corporation (FGEN LNG)	Philippines	**–**	**100.00**	–	100.00

Subsidiaries	Place of Incorporation and Operation	**March 31, 2021 (Unaudited)** Direct	**Percentage of Ownership Held by the Group** Indirect	December 31, 2020 (Audited) Direct	Indirect
First Gen LNG Holdings Corporation (LNG Holdings)	Philippines	–	**100.00**	–	100.00
First Gen Meridian Holdings, Inc. (FGEN Meridian)	Philippines	–	**100.00**	–	100.00
FGen Northern Power Corp. (FGEN Northern Power)	Philippines	–	**100.00**	–	100.00
FGen Power Ventures, Inc. (FGEN Power Ventures)	Philippines	–	**100.00**	–	100.00
FGen San Isidro Hydro Power Corporation (FGEN San Isidro), formerly FGen Power Holdings, Inc.	Philippines	–	**100.00**	–	100.00
First Green Vehicles, Inc. (FG Vehicles), formerly FGen Prime Holdings, Inc.	Philippines	–	**100.00**	–	100.00
FGen Eco Solutions Holdings, Inc. (FGESHI)	Philippines	–	**100.00**	–	100.00
FGen Liquefied Natural Gas Holdings, Inc. (Liquefied Holdings)	Philippines	–	**100.00**	–	100.00
FGen Reliable Energy Holdings, Inc. (FG Reliable Energy)	Philippines	–	**100.00**	–	100.00
FGen Power Solutions, Inc. (FG Power Solutions)	Philippines	–	**100.00**	–	100.00
FGen Vibrant Blue Sky Holdings, Inc. (FGVBSHI)	Philippines	–	**100.00**	–	100.00
FGen Aqua Power Holdings, Inc. (Aqua Power)	Philippines	–	**100.00**	–	100.00
First Gen Hydro Power Corporation (FG Hydro)	Philippines	–	**100.00**	–	100.00
FGen Natural Gas Supply, Inc. (FGen NatGas Supply)	Philippines	–	**100.00**	–	100.00
FGen Power Operations, Inc. (FPOI)	Philippines	–	**100.00**	–	100.00
FGen Fuel Line Systems, Inc. (FGen Fuel Line)	Philippines	–	**100.00**	–	100.00
Prime Terracota Holdings Corporation (Prime Terracota)	Philippines	–	**100.00**	–	100.00
Red Vulcan Holdings Corporation (Red Vulcan)	Philippines	–	**100.00**	–	100.00
Energy Development Corporation (EDC)[1]	Philippines	–	**64.00**	–	64.00
EDC Drillco Corporation	Philippines	–	**100.00**	–	100.00
EDC Geothermal Corp. (EGC)	Philippines	–	**100.00**	–	100.00
Green Core Geothermal Inc. (GCGI)	Philippines	–	**100.00**	–	100.00
Bac-Man Geothermal Inc. (BGI)	Philippines	–	**100.00**	–	100.00
Unified Leyte Geothermal Energy Inc. (ULGEI)	Philippines	–	**100.00**	–	100.00
Southern Negros Geothermal, Inc. (SNGI)	Philippines	–	**100.00**	–	100.00
Bac-Man Energy Development Corporation (BEDC)	Philippines	–	**100.00**	–	100.00
EDC Wind Energy Holdings, Inc. (EWEHI)	Philippines	–	**100.00**	–	100.00
EDC Calaca Renewable Energy Corporation (CREC)	Philippines	–	**100.00**	–	100.00
EDC Burgos 3 Renewable Energy Corporation (BREC3)	Philippines	–	**100.00**	–	100.00
EDC Burgos 4 Renewable Energy Corporation (BREC4)	Philippines	–	**100.00**	–	100.00
EDC Burgos Wind Power Corporation (EBWPC)	Philippines	–	**100.00**	–	100.00
EDC Pagudpud Wind Power Corporation (EPWPC)	Philippines	–	**100.00**	–	100.00
EDC Bayog Burgos Power Corporation (EBBPC)	Philippines	–	**100.00**	–	100.00

[1]*First Gen's economic interest in EDC is 45.7% as of March 31, 2021 and December 31, 2020.*

Subsidiaries	Place of Incorporation and Operation	**March 31, 2021 (Unaudited)**		December 31, 2020 (Audited)	
		Percentage of Ownership Held by the Group			
		Direct	**Indirect**	Direct	Indirect
EDC Pagali Burgos Wind Power Corporation (EPBWPC)	Philippines	–	**100.00**	–	100.00
Matnog 1 Renewable Energy Corporation	Philippines	–	**100.00**	–	100.00
Matnog 2 Renewable Energy Corporation	Philippines	–	**100.00**	–	100.00
Matnog 3 Renewable Energy Corporation	Philippines	–	**100.00**	–	100.00
Iloilo 1 Renewable Energy Corporation	Philippines	–	**100.00**	–	100.00
Negros 1 Renewable Energy Corporation	Philippines	–	**100.00**	–	100.00
EDC Corporation Chile Limitada	Santiago, Chile	–	**100.00**	–	100.00
EDC Holdings International Limited (EHIL)	British Virgin Islands	–	**100.00**	–	100.00
EDC Hong Kong Limited (EDC HKL)	British Virgin Islands	–	**100.00**	–	100.00
EDC Chile Holdings SpA	Santiago, Chile	–	**100.00**	–	100.00
EDC Geotermica Chile SpA	Santiago, Chile	–	**100.00**	–	100.00
EDC Peru Holdings S.A.C	Lima, Peru	–	**100.00**	–	100.00
EDC Geotermica Peru S.A.C	Lima, Peru	–	**100.00**	–	100.00
EDC Peru S. A. C.	Lima, Peru	–	**100.00**	–	100.00
EDC Geotermica Del Sur S.A.C.	Lima, Peru	–	**100.00**	–	100.00
EDC Energia Azul S.A.C.	Lima, Peru	–	**100.00**	–	100.00
Geothermica Crucero Peru S.A.C.	Lima, Peru	–	**70.00**	–	70.00
EDC Energía Perú S.A.C.	Lima, Peru	–	**100.00**	–	100.00
Geothermica Tutupaca Norte Peru S.A.C.	Lima, Peru	–	**70.00**	–	70.00
EDC Energía Geotérmica S.A.C.	Lima, Peru	–	**100.00**	–	100.00
EDC Progreso Geotérmico Perú S.A.C.	Lima, Peru	–	**100.00**	–	100.00
Geothermica Loriscota Peru S.A.C.	Lima, Peru	–	**70.00**	–	70.00
EDC Energía Renovable Perú S.A.C.	Lima, Peru	–	**100.00**	–	100.00
EDC Soluciones Sostenibles Ltd	Philippines	–	**100.00**	–	100.00
EDC Energia Verde Chile SpA	Philippines	–	**100.00**	–	100.00
EDC Energia de la Tierra SpA	Philippines	–	**100.00**	–	100.00
EDC Desarollo Sostenible Ltd	Philippines	–	**100.00**	–	100.00
EDC Energia Verde Peru SAC	Philippines	–	**100.00**	–	100.00
PT EDC Indonesia	Jakarta Pusat, Indonesia	–	**95.00**	–	95.00
PT EDC Panas Bumi Indonesia	Jakarta Pusat, Indonesia	–	**95.00**	–	95.00
EDC Bright Solar Energy Holdings, Inc. (EBSEHI)	Philippines	–	**100.00**	–	100.00
EDC Siklab Power Corporation (EDC Siklab)	Philippines	–	**100.00**	–	100.00
EDC Sinag Power Corporation (Sinag)	Philippines	–	**100.00**	–	100.00
EDC Sinag Iloilo Power Corporation (EDC Sinag Iloilo)	Philippines	–	**100.00**	–	100.00
EDC Siklab Iloilo Power Corporation (Siklab Iloilo)	Philippines	–	**100.00**	–	100.00
EDC Clean Solar Visayas Power Corporation (ECSVPC)	Philippines	–	**100.00**	–	100.00

Subsidiaries	Place of Incorporation and Operation	**March 31, 2021 (Unaudited)**		December 31, 2020 (Audited)	
		Percentage of Ownership Held by the Group			
		Direct	**Indirect**	Direct	Indirect
Batangas Cogeneration Corporation (Batangas Cogen)	Philippines	**60.00**	**–**	60.00	–
Manufacturing					
First Philec	Philippines	**100.00**	**–**	100.00	–
First Philec Inc. (FPI)	Philippines	**–**	**100.00**	–	100.00
First Philippine Power Systems, Inc. (FPPSI)	Philippines	**–**	**100.00**	–	100.00
First Philec Manufacturing Technologies Corporation (FPMTC)	Philippines	**–**	**100.00**	–	100.00
First PV Ventures Corporation (First PV)	Philippines	**–**	**100.00**	–	100.00
First Philec Nexolon Corporation (FPNC)	Philippines	**–**	**70.00**	–	70.00
First Philec Solar Solutions Corporation	Philippines	**–**	**100.00**	–	100.00
Philippine Electric Corporation (PHILEC)	Philippines	**–**	**99.15**	–	99.15
First Philec Solar Corporation	Philippines	**–**	**89.04**	–	89.04
Cleantech Energy Holdings PTE, Ltd.	Philippines	**–**	**100.00**	–	100.00
First Philec Energy Solutions, Inc.	Philippines	**–**	**100.00**	–	100.00
Real Estate Development					
First Philippine Realty Development Corporation (FPRDC)	Philippines	**100.00**	**–**	100.00	–
First Philippine Realty Corporation (FPRC)	Philippines	**100.00**	**–**	100.00	–
First Philippine Properties Corporation (FPPC)	Philippines	**100.00**	**–**	100.00	–
FPH Land Venture, Inc. (FLVI)	Philippines	**–**	**100.00**	–	100.00
Terraprime, Inc. (Terraprime)	Philippines	**–**	**66.67**	–	66.67
First Industrial Township Utilities, Inc. (FITUI)	Philippines	**–**	**100.00**	–	100.00
First Philippine Development Corp. (FPDC)	Philippines	**–**	**100.00**	–	100.00
FWV Biofields Corp. (FWVB)	Philippines	**–**	**100.00**	–	100.00
First Sumiden Realty, Inc. (FSRI)	Philippines	**–**	**60.00**	–	60.00
Legacy Homes Inc.	Philippines	**–**	**100.00**	–	100.00
FPHC Realty and Development Corporation (FPHC Realty)	Philippines	**98.00**	**–**	98.00	–
Rockwell Land Corporation (Rockwell Land) (see Note 10)	Philippines	**86.58**	**–**	86.58	–
Rockwell Integrated Property Services, Inc.	Philippines	**–**	**100.00**	–	100.00
Rockwell Primaries Development Corporation	Philippines	**–**	**100.00**	–	100.00
Rockwell Hotels & Leisure Management Corporation	Philippines	**–**	**100.00**	–	100.00
Stonewell Property Development Corporation	Philippines	**–**	**100.00**	–	100.00
Primaries Properties Sales Specialist Inc.	Philippines	**–**	**100.00**	–	100.00
Rockwell Leisure Club, Inc. (Rockwell Club) (see Note 2)	Philippines	**–**	**76.40**	–	76.40
Rockwell Primaries South Development Corporation (Rockwell Primaries South)	Philippines	**–**	**100.00**	–	100.00
Rockwell MFA Corp. (Rock MFA)	Philippines	**–**	**80.00**	–	80.00
Retailscapes, Inc.	Philippines	**–**	**100.00**	–	100.00

Subsidiaries	Place of Incorporation and Operation	March 31, 2021 (Unaudited) Percentage of Ownership Held by the Group Direct	Indirect	December 31, 2021(Audited) Direct	Indirect
Rockwell Carmelray Development Corporation (RCDC)	Philippines	**–**	**57.60**	–	54.90
Nepo Development Corporation	Philippines	**–**	**40.00**	–	40.00
First Philippine Industrial Park, Inc. (FPIP)	Philippines	**70.00**	–	70.00	–
FPIP Property Developers and Management Corporation	Philippines	**–**	**100.00**	–	100.00
FPIP Utilities, Inc.	Philippines	**–**	**100.00**	–	100.00
Grand Batangas Resort Development, Inc.	Philippines	**–**	**85.00**	–	85.00
First Industrial Township, Inc. (FITI)	Philippines	**–**	**100.00**	–	100.00
First Industrial Township Water, Inc. (FITWI)	Philippines	**–**	**100.00**	–	100.00
First Batangas Hotel Corporation	Philippines	**57.67**	**–**	57.67	–
Construction					
First Balfour, Inc. (First Balfour)	Philippines	**100.00**	**–**	100.00	–
ThermaPrime Drilling Corporation (ThermaPrime)	Philippines	**–**	**100.00**	–	100.00
Therma One Transport Corp.	Philippines	**–**	**100.00**	–	100.00
Torreverde Corp.	Philippines	**–**	**100.00**	–	100.00
First Balfour Management Technical Services, Inc.	Philippines	**–**	**100.00**	–	100.00
Others					
First Philippine Utilities Corporation (FPUC, formerly First Philippine Union Fenosa, Inc.)	Philippines	**100.00**	**–**	100.00	–
Securities Transfer Services, Inc.	Philippines	**100.00**	**–**	100.00	–
FPH Capital Resources, Inc. (FCRI, formerly First Philippine Lending Corporation)	Philippines	**100.00**	**–**	100.00	–
FGHC International	Cayman Islands	**100.00**	**–**	100.00	–
FPH Fund	Cayman Islands	**100.00**	**–**	100.00	–
FPH Ventures	Cayman Islands	**100.00**	**–**	100.00	–
FP Island Energy Corporation (FP Island)	Philippines	**100.00**	**–**	100.00	–
First Industrial Science and Technology School Inc. (First School)	Philippines	**100.00**	**–**	100.00	–
First Philippine Industrial Corporation (FPIC)	Philippines	**100.00**	**–**	100.00	–
Asian Eye Institute	Philippines	**69.34**	**–**	69.34	–
Pi Health Inc.	Philippines	**100.00**	**–**	100.00	–
Pi Energy Inc.	Philippines	**100.00**	**–**	100.00	–
Pi Ventures Inc.	Colorado, USA	**100.00**	**–**	100.00	–
InfoPro Business Solutions, Inc.	Philippines	**66.92**	**–**	66.92	–

5. Cash and cash equivalents and short-term investments

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
	(In Millions)	
Cash and cash equivalents	**₱50,049**	₱51,695
Short-term investments	**1,262**	9,707
	₱51,311	₱61,402

Cash in banks earns interest at the prevailing bank deposit rates. Cash equivalents consist of short-term placements, which are made for varying periods of up to three months depending on the immediate cash requirements of the Group and earn interest at the prevailing short-term placement rates. Short-term investments are cash deposits with maturities of more than three months but less than one year.

Interest earned on cash and cash equivalents and short-term investments is recorded under "Finance income" account in the unaudited interim consolidated statements of income.

6. Trade and other receivables

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
	(In Millions)	
Trade receivables from:		
Sale of electricity	**₱17,250**	₱20,763
Real estate	**4,578**	5,507
Contracts and services	**1,713**	1,071
Sale of merchandise	**475**	542
Others	**237**	233
Due from related parties and advances to officers and employees	**153**	127
Others	**925**	1,978
	25,331	30,221
Less allowance for expected credit losses (ECL)	**1,455**	1,640
	₱23,876	₱28,581

Aging of Trade and other receivables:

	March 31, 2021 (Unaudited)						
		Days Past Due					
	Current	1-30 Days	31–60 Days	61–90 Days	More than 90 days	ECL	Total
		(In Millions)					
Trade and other receivables	₱21,798	₱30	₱13	₱11	₱2,024	₱1,455	₱25,331

	December 31, 2020 (Audited)						
		Days Past Due					
	Current	1-30 Days	31–60 Days	61–90 Days	More than 90 days	ECL	Total
		(In Millions)					
Trade and other receivables	₱26,093	₱36	₱15	₱13	₱2,424	₱1,640	₱30,221

7. Financial Assets at FVOCI

The Group’s interest in Meralco shares is 3.95% as at March 31, 2021 and December 31, 2020.

In 2021, the Parent Company conducted a Tender Offer to acquire a minimum of 908,459,782 issued and outstanding common stocks of Lopez Holdings, the immediate parent company, representing approximately 20% of its total issued and outstanding common stocks and up to a maximum of 1,430,824,156 issued and outstanding common stocks representing approximately 31.5% of its total issued and outstanding common stocks, from all the shareholders of Lopez Holdings. The Tender Offer Period started on January 22, 2021 and ended on March 8, 2021. Following the close of the Tender Offer Period, a total of 712,206,016 common stocks of Lopez Holdings representing 15.68% of its total issued and outstanding common stocks were tendered, accepted and thereafter purchased by the Parent Company. The Group’s interest in Lopez Holdings common stocks is 15.68% and nil as at March 31, 2021 and December 31, 2020, respectively.

The investments in Lopez Holdings and Meralco shares are classified as financial assets at fair value through other comprehensive income (FVOCI) in accordance to PFRS 9, *Financial Instruments*. Accordingly, the investments in Lopez Holdings and Meralco are measured at fair value in the unaudited interim consolidated statements of financial position, and any fair value changes were recognized directly in equity.

As at March 31, 2021 and December 31, 2020, the carrying amounts of the Group’s investment in Meralco amounted to ₱12,097 million (valued at ₱272 per share) and ₱12,987 million (valued at ₱292 per share), respectively. As at March 31, 2021 and December 31, 2020, the carrying amounts of the Group's investment in Lopez Holdings amounted to ₱2,372 million (valued at ₱3.33 per share) and nil, respectively.

Dividend income from Meralco amounted to ₱348 million and ₱461 million for the three-month periods ended March 31, 2021 and 2020, respectively.

8. Trade Payables and Other Current Liabilities

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
	(In Millions)	
Trade payables	**₱16,293**	₱20,995
Accruals	**6,618**	6,937
Output VAT	**5,259**	5,322
Shortfall generation liability	**2,348**	1,332
Advanced payment from customers and members	**1,319**	965
Contract liabilities	**869**	1,647
Current portion of retention payable	**795**	233
Current portion of customer's deposit	**681**	683
Due to related parties	**411**	377
Dividends payable	**286**	3,340
Lease liabilities	**255**	270
Derivative liabilities	**86**	77
Retirement liability	**45**	47
Others	**1,833**	1,486
	₱37,098	₱43,711

9. Long-term Debts

	March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Current	**Long-term**	Current	Long-term
		(In Millions)		
Power Generation	**₱16,429**	**₱72,711**	₱21,335	₱71,075
Real Estate Development	**2,087**	**23,058**	6,338	18,616
FPH Parent	**1,649**	**10,000**	3,298	10,000
Construction and Other Services	**159**	**1,775**	254	1,679
Manufacturing	**28**	**–**	41	–
	₱ 20,352	**₱107,544**	₱31,266	₱101,370

10. Earnings Per Share Computation

The following table presents information necessary to compute earnings per share for the periods ended March 31, 2021 and 2020 :

	2021 (Unaudited)	2020 (Unaudited)
(In Millions, Except Number of Shares and Per Share Data)		
Net income attributable to equity holders of the Parent	**₱3,424**	₱3,199
Less dividends on preferred shares	–	–
(a) Net income available to common shares	**₱3,424**	₱3,199
Number of shares:		
Common shares outstanding at beginning of period	**504,545,994**	508,962,804
Effect of common share buyback during the period	**–**	(252,923)
(b) Adjusted weighted average number of common shares outstanding - basic	**504,545,994**	508,709,881
Basic/Diluted Earnings Per Share (a/b)	**₱6.785**	₱6.288

11. Financial Risk Management Objectives and Policies

The Group has various financial instruments such as cash and cash equivalents, short-term investments, trade and other receivables, investments in equity securities, trade payables and other current liabilities which arise directly from its operations. The Group's principal financial liabilities consist of loans payable and long-term debts. The main purpose of these financial liabilities is to raise financing for the Group's growth and operations. The Group also enters into derivative and hedging transactions, primarily interest rate swaps, cross-currency swap and foreign currency forwards, as needed, for the sole purpose of managing the relevant financial risks that are associated with the Group's borrowing activities and as required by the lenders in certain cases.

The Group has an Enterprise-wide Risk Management Program which aims to identify risks based on the likelihood of occurrence and impact to the business, formulate risk management strategies, assess risk management capabilities and continuously monitor the risk management efforts. The main financial risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk, liquidity risk, credit concentration risk, merchant risk, and equity price risk.

<u>Interest Rate Risk</u>
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debts with floating interest rates, derivative assets and derivative liabilities.

The Group believes that prudent management of its interest cost will entail a balanced mix of fixed and variable rate debt. On a regular basis, the Finance team of the Group monitors the interest rate exposure and presents it to management by way of a compliance report. To manage the exposure to floating interest rates in a cost-efficient manner, the Group may consider prepayment, refinancing, or entering into derivative instruments as deemed necessary and feasible.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign Currency Risk with Respect to U.S. Dollar. The Group, except First Gen group (excluding EDC and subsidiaries), FSRI, FPSC, First PV, FPNC, FGHC International, FPH Fund, FPH Ventures and Pi Ventures Inc. is exposed to foreign currency risk through cash and cash equivalents and short-term investments denominated in U.S. dollar. Any depreciation of the Philippine peso against the U.S. dollar posts foreign exchange gains relating to cash and cash equivalents and short-term investments.

To better manage the foreign exchange risk, stabilize cash flows, and further improve the investment and cash flow planning, the Group may consider derivative contracts and other hedging products as necessary. The U.S.dollar denominated monetary assets are translated to Philippine peso using the exchange rate of ₱48.53 to US$1.00 and ₱48.02 to US$1.00 as at March 31, 2021 and December 31, 2020, respectively.

Foreign Currency Risk with Respect to U.S. Dollar and Euro. Certain financial assets and liabilities as well as some costs and expenses are denominated in U.S. Dollar or in European Union Euro. To manage the foreign currency risk, the Group may consider entering into derivative transactions, as necessary.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions, and other financial instruments. Since the Group trades only with recognized third parties, there is no requirement for collateral.

As a policy, the Group trades only with recognized, creditworthy third parties and/or transacts only with institutions and/or banks which have demonstrated financial soundness. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the level of the allowance account is reviewed on an ongoing basis to ensure that the Group's exposure to credit risk is not significant. With respect to credit risk arising from the other financial assets of the Group, which comprise mostly of cash and cash equivalents, short-term investments and trade and other receivables, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Credit Risk Exposure. The table below shows the gross maximum exposure to credit risk of the Group as at

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
	(In Millions)	
Accounted for as cash flow hedge		
Derivative assets	**₱–**	₱9
Financial assets at FVPL		
Designated as at FVPL	**3,835**	2,571
At amortized cost		
Cash and cash equivalents*	**50,038**	51,686
Short-term investments	**1,262**	9,707
Trade and other receivables:		
Trade	**22,798**	26,476
Others	**1,078**	2,105
Long-term receivables	**1,173**	1,181
Special deposits and funds	**205**	233
Refundable deposits	**104**	118
Restricted cash	**15**	15
Financial assets at FVOCI		
Quoted equity securities	**14,476**	13,053
Unquoted equity securities	**350**	327
Proprietary club membership shares	**147**	149
Quoted government debt securities	**158**	170
Total credit exposure	**₱95,639**	₱107,800

** Excluding the Group's cash on hand amounting to ₱11 million and ₱9 million as at March 31, 2021 and December 31, 2020, respectively. The Group's deposit accounts in certain banks are covered by the Philippine Deposit Insurance Corporation insurance coverage.*

The Group holds no significant collateral as security and there are no significant credit enhancements in respect of the above assets.

Aging Analysis of Financial Assets. The following tables show the Group's aging analysis of financial assets as at March 31, 2021 and December 31, 2020:

	March 31, 2021 (Unaudited)						
		Days Past Due					
	Current	1-30 Days	31–60 Days	61–90 Days	More than 90 days	ECL	Total
				(In Millions)			
Financial assets at amortized cost:							
Cash and cash equivalents	₱50,049	₱–	₱–	₱–	₱–	₱–	₱50,049
Short-term investments	1,262	–	–	–	–	–	1,262
Trade and other receivables	21,798	30	13	11	2,024	1,455	25,331
Special deposits and funds	205	–	–	–	–	–	205
Long-term receivables	1,173	–	–	–	–	–	1,173
Refundable deposits	104	–	–	–	–	–	104
Restricted cash	15						15
Financial Assets at FVOCI							
Quoted equity securities	14,476	–	–	–	–	–	14,476

Unquoted equity securities	350	–	–	–	–	–	350
Quoted government debt securities	158	–	–	–	–	–	158
Proprietary club membership shares	147	–	–	–	–	–	147
Financial assets at FVPL -							
FVPL investments	3,835	–	–	–	–	–	3,835
Financial assets accounted for as cash flow hedge -							
Derivative assets	–	–	–	–	–	–	–
	₱93,572	₱ 30	₱13	₱11	₱2,024	₱1,455	₱97,105

	December 31, 2020 (Audited)						
		Days Past Due					
	Current	1-30 Days	31–60 Days	61–90 Days	More than 90 days	ECL	Total
				(In Millions)			
Financial assets at amortized cost:							
Cash and cash equivalents	₱51,695	₱–	₱–	₱–	₱–	₱–	₱51,695
Short-term investments	9,707	–	–	–	–	–	9,707
Trade and other receivables	26,093	36	15	13	2,424	1,640	30,221
Special deposits and funds	233	–	–	–	–	–	233
Long-term receivables	1,181	–	–	–	–	–	1,181
Refundable deposits	118	–	–	–	–	–	118
Restricted cash	15						15
Financial Assets at FVOCI							
Quoted equity securities	13,053	–	–	–	–	–	13,053
Unquoted equity securities	327	–	–	–	–	–	327
Quoted government debt securities	170	–	–	–	–	–	170
Proprietary club membership shares	149	–	–	–	–	–	149
Financial assets at FVPL -							
FVPL investments	2,571	–	–	–	–	–	2,571
Financial assets accounted for as cash flow hedge -							
Derivative assets	9	–	–	–	–	–	9
	₱105,321	₱36	₱15	₱13	₱2,424	₱1,640	₱109,449

Credit Quality of Neither Past Due Nor Impaired Financial Assets. The payment history of the counterparties and their ability to settle their obligations are considered in evaluating credit quality.

Concentration of Credit Risk

The Group, through First Gen's operating subsidiaries namely, FGP, FGPC, and FNPC, earns a substantial portion of its revenues from Meralco. Meralco is committed to pay for the capacity and energy generated by the natural gas power plants under the existing PPAs and PSA. While the PPAs and PSA provide for the mechanisms by which certain costs and obligations including fuel costs, among others, are pass-through to Meralco or are otherwise recoverable from Meralco, it is the intention of First Gen, FGP, FGPC, and FNPC to ensure that the pass-through mechanisms, as provided for in their respective PPAs and PSA, are followed.

EDC's geothermal and power generation businesses trade with two major customers, namely NPC and National Transmission Corporation (TransCo). Any failure on the part of NPC and TransCo to pay its obligations to EDC would significantly affect EDC's business operations.

The Group's exposure to credit risk arises from default of the counterparties, with a maximum exposure equal to the carrying amounts of the receivables from Meralco, in the case of FGP, FGPC and FNPC, and the receivables from NPC and TransCo, in the case of EDC.

The table below shows the risk exposure in respect to credit concentration of the Group as at March 31, 2021 and December 31, 2020 (amounts in millions):

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
	(In Millions)	
Trade receivables from Meralco	**₱6,863**	₱10,404
Trade receivables from NPC	**1,650**	1,641
Total credit concentration risk	**8,513**	12,045
Total trade and other receivables	**₱23,876**	₱28,581
Credit concentration percentage	**35.66%**	42.14%

Liquidity Risk

The Group's exposure to liquidity risk refers to lack of funding needed to finance its growth and capital expenditures, service its maturing loan obligations in a timely fashion, and meet its working capital requirements. To manage this exposure, the Group maintains internally generated funds and prudently manages the proceeds obtained from fundraising in the debt and equity markets. On a regular basis, the Group's Treasury Department monitors the available cash balances. The Group maintains a level of cash and cash equivalents deemed sufficient to finance the operations.

In addition, the Group has short-term investments and has available credit lines with certain banking institutions. In 2020, GCGI, BGI, and EBWPC each executed a surety agreement with EDC guaranteeing the funding of the DSRA in accordance with their respective loan agreements for the benefit of the lenders in lieu of the DSRA. Meanwhile, FGPC and FGP each secured an SBLC from investment grade SBLC providers in 2018, which were subsequently renewed, to fully fund their obligations under their respective financing agreements.

As at March 31, 2021 and December 31, 2020, 16% and 24% of the Group's debts, respectively, will mature in less than one year, based on the carrying value of borrowings reflected in the unaudited interim condensed consolidated financial statements.

The tables summarize the maturity profile of the Group's financial assets used for liquidity management and liabilities as at March 31, 2021 and December 31, 2020 based on contractual undiscounted receipts and payments.

	March 31, 2021 (Unaudited)					
	On Demand	**Less than 3 Months**	**3 to 12 Months**	**> 1 to 5 Years**	**More than 5 Years**	**Total**
			(In Millions)			
Financial Assets at Amortized Cost						
Cash and cash equivalents	**₱50,049**	**₱–**	**₱–**	**₱–**	**₱–**	**₱50,049**
Short-term investments	**–**	**–**	**1,262**	**–**	**–**	**1,262**
Trade receivables	**7,352**	**15,091**	**18**	**–**	**1,415**	**23,876**
Other current financial assets	**3,955**	**–**	**–**	**–**	**–**	**3,955**
Other noncurrent financial assets	**–**	**–**	**–**	**1,377**	**–**	**1,377**
	61,356	**15,091**	**1,280**	**1,377**	**1,415**	**80,519**
Financial assets at FVOCI						
Quoted equity securities	**14,476**	**–**	**–**	**–**	**–**	**14,476**
Unquoted equity securities	**350**	**–**	**–**	**–**	**–**	**350**
Proprietary club membership shares	**147**	**–**	**–**	**–**	**–**	**147**
Quoted government debt securities	**158**	**–**	**–**	**–**	**–**	**158**
Financial assets at FVPL						
FVPL investments	**3,835**	**–**	**–**	**–**	**–**	**3,835**
	18,966	**–**	**–**	**–**	**–**	**18,966**
Total	**₱80,322**	**₱15,091**	**₱1,280**	**₱1,377**	**₱1,415**	**₱99,485**
Financial Liabilities Carried at Amortized Cost						
Loans payable	**₱–**	**₱–**	**₱2,216**	**₱–**	**₱–**	**₱2,216**
Trade payables and other current liabilities	**9,545**	**27,235**	**318**	**–**	**–**	**37,098**
Lease liabilities (current and non-current portion)	**–**	**–**	**263**	**1,198**	**–**	**1,461**
Long-term debts, including current portion	**–**	**7,439**	**12,913**	**63,172**	**44,372**	**127,896**
	₱9,545	**₱34,674**	**₱15,710**	**₱64,370**	**₱44,372**	**₱168,671**

	December 31, 2020 (Audited)					
	On Demand	Less than 3 Months	3 to 12 Months	> 1 to 5 Years	More than 5 Years	Total
			(In Millions)			
Financial Assets at Amortized Cost						
Cash and cash equivalents	₱51,695	₱–	₱–	₱–	₱–	₱51,695
Short-term investments	–	–	9,707	–	–	9,707
Trade receivables	8,801	18,065	22	–	1,693	28,581
Other current financial assets	2,714	–	–	–	–	2,714
Other noncurrent financial assets	–	–	–	1,414	–	1,414
	63,210	18,065	9,729	1,414	1,693	94,111
Financial assets at FVOCI						
Quoted equity securities	13,053	–	–	–	–	13,053
Unquoted equity securities	327	–	–	–	–	327
Quoted government debt securities	170	–	–	–	–	170
Proprietary club membership shares	149	–	–	–	–	149
Financial assets at FVPL						
FVPL investments	2,571	–	–	–	–	2,571
	16,270	–	–	–	–	16,270
Total	₱79,480	₱18,065	₱9,729	₱1,414	₱1,693	₱110,381
Financial Liabilities Carried at Amortized Cost						
Loans payable	₱–	₱–	₱1,845	₱–	₱–	₱1,845
Trade payables and other current liabilities	11,246	32,090	375	–	–	43,711
Lease liabilities (current and non-current portion)	–	–	270	1,229	–	1,499
Long-term debts, including current portion	–	11,429	19,837	59,545	41,825	132,636
	₱11,246	₱43,519	₱22,327	₱60,774	₱41,825	₱179,691

Merchant Risk

The Group, through First Gen, has a fully-merchant natural gas power plant, Avion, which is exposed to the volatility of spot prices because of supply and demand changes, which are mostly driven by factors that are outside of the First Gen group's control. These factors include (but are not limited to) unexpected outages, weather conditions, transmission constraints, and changes in fuel prices. These have caused and are expected to cause instability in the operating results of the Avion plant.

The Group plans to mitigate these risks by having a balanced portfolio of contracted and spot capacities. As of March 31, 2021 and December 31, 2020, the First Gen group is 95% contracted in terms of installed capacity. The remaining 5.0% spot market exposure comes from the uncontracted portion of EDC, FG Hydro, and PMPC.

Equity Price Risk

The Group's quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment in equity securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. The Group's BOD reviews and approves material equity investment decisions.

The following table demonstrates the sensitivity to a reasonably possible change in share price, with all other variables held constant:

	Change in Equity Price*	Effect on Equity
Investment in equity securities		
March 31, 2021	**31%**	**₱4,488**
	(31%)	**(4,488)**
December 31, 2020	31%	₱4,371
	(31%)	(4,371)

** The sensitivity analysis includes the Group's quoted equity securities with amounts adjusted by the specific beta for these investments as of reporting date.*

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business, comply with its financial loan covenants and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in business and economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the period ended March 31, 2021 and the year ended December 31, 2020.

The Group monitors capital using a debt-to-equity ratio, which is total debt divided by total equity. The Group's practice is to keep the debt-to-equity ratio not more than 2.50:1.

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
	(In Php Millions)	
Long-term debts (current and noncurrent portions)	**₱127,896**	₱132,636
Equity attributable to equity holders of the Parent	**112,858**	108,415
Non-controlling interests	**78,740**	80,576
Total equity	**₱191,598**	₱188,991
Debt-to-equity ratio	**0.67:1**	0.70:1

The Parent and certain subsidiaries are obligated to perform certain covenants with respect to maintaining specified debt-to-equity and minimum debt-service-coverage ratios, as set forth in their respective agreements with the creditors. As of March 31, 2021 and December 31, 2020, the Group is in compliance with those covenants.

12. Financial Instruments

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments in the unaudited interim condensed consolidated financial statements as at March 31, 2021 and December 31, 2020.

	March 31, 2021 (Unaudited)		December 31, 2020 (Audited)	
	Carrying Value	Fair Value	Carrying Value	Fair Value
		(In Millions)		
Financial Assets				
Derivative assets accounted for as cash flow hedges	**₱–**	**₱–**	₱9	₱9
Designated at FVPL	**3,835**	**3,835**	2,571	2,571
	3,835	**3,835**	2,580	2,580
Financial assets at amortized cost:				
Cash and cash equivalents	**50,049**	**50,049**	51,695	51,695
Short-term investments	**1,262**	**1,262**	9,707	9,707
Trade and other receivables	**23,876**	**23,876**	28,581	28,581
Special deposits and funds	**205**	**205**	233	233
Long-term receivables	**1,173**	**1,119**	1,181	1,143
Refundable deposits	**104**	**104**	118	118
Restricted cash	**15**	**15**	15	15
Total financial assets at amortized cost	**76,684**	**76,630**	91,530	91,492
Financial assets at FVOCI:				
Equity securities	**14,826**	**14,826**	13,380	13,380
Proprietary club membership shares	**147**	**147**	149	149
Debt instruments	**158**	**158**	170	170
	15,131	**15,131**	13,699	13,699
Total Financial Assets	**₱95,650**	**₱95,596**	₱107,809	₱107,771
Financial Liabilities				
Financial liabilities carried at amortized cost:				
Loans payable	**₱2,216**	**₱2,216**	₱1,845	₱1,845
Long-term debts, including current portion	**127,896**	**127,896**	132,636	132,636
Lease liabilities	**1,461**	**1,405**	1,499	1,514
Retention payable	**1,043**	**1,043**	1,101	1,101
Derivative liabilities accounted for as cash flow hedges	**452**	**452**	659	659
Total Financial Liabilities	**₱133,068**	**₱133,012**	₱137,740	₱137,755

Fair Value and Categories of Financial Instruments

The fair values of cash and cash equivalents, short-term investments, trade and other receivables, restricted cash deposits, loans payable, trade payables, and other current liabilities approximate the carrying amounts at financial reporting date due to the short-term nature of the accounts.

Long-term Receivables

The fair value of long-term receivables was computed by discounting the expected cash flow using the applicable rates of 2.40% and 1.81% as of March 31, 2021 and December 31, 2020, respectively.

Financial assets at FVOCI and FVPL

Fair values of investment in equity securities and FVPL financial assets are based on quoted market prices and other observable data as at financial reporting date. For equity instruments that are not quoted, the investments are carried at cost less allowance for impairment losses, if any, due to the unpredictable nature of future cash flows and the lack of suitable methods of arriving at a reliable fair value.

Long Term Debts

The fair values of long-term debts were computed by discounting the instruments expected future cash flows using the following prevailing rates as at March 31, 2021 and December 31, 2020:

Long term Debt	Basis	**March 31, 2021 (Unaudited)**	December 31, 2020 (Audited)
FGP and FGPC	Credit adjusted U.S. dollar interest rates	**0.19% to 0.79%**	0.19% to 0.33%
First Gen and FNPC	Credit adjusted U.S. dollar interest rates	**0.16% to 1.56%**	0.16% to 0.74%
EDC	Applicable rates	**1.75% to 2.90%**	1.75% to 2.88%
First Gen	BVAL interest rates	**1.26% to 4.49%**	–
Interest bearing loans of Rockwell Land	BVAL interest rates	**1.11% to 4.93%**	0.99% to 3.95%
Installment payable of Rockwell Land	BVAL interest rates	**1.11% to 4.93%**	0.99% to 3.95%

Fair Value Hierarchy of Categories of Financial Assets and Liabilities

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3: valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	March 31, 2021 (Unaudited)			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
Financial assets at amortized cost:				
Long-term receivables	**₱–**	**₱–**	**₱1,119**	**₱1,119**
Financial assets at FVOCI:				
Debt instruments	**158**	**–**	**–**	**158**
Equity instruments	**–**	**14,826**	**–**	**14,826**
Financial assets designated at FVPL	**1,454**	**2,381**	**–**	**3,835**
Total Financial Assets	**₱1,612**	**₱17,207**	**₱1,119**	**₱19,938**

Long-term debts	**₱–**	**₱–**	**₱127,896**	**₱127,896**
Lease liabilities	**–**	**–**	**1,461**	**1,461**
Financial liabilities accounted for as cash flow hedges -				
Derivative liabilities	**–**	**452**	**–**	**452**
Total Financial Liabilities	**₱–**	**₱452**	**₱129,357**	**₱129,809**

	December 31, 2020 (Audited)			
	Level 1	**Level 2**	**Level 3**	**Fair Value**
Financial assets at amortized cost:				
Long-term receivables	₱–	₱–	₱1,143	₱1,143
Financial assets at FVOCI:				
Debt instruments	170	–	–	170
Equity instruments	–	13,380	–	13,380
Financial assets accounted for as cash flow				
hedges - Derivative assets	–	9	–	9
Financial assets designated at FVPL	923	1,648	–	2,571
Total Financial Assets	₱1,093	₱15,037	₱1,143	₱17,273
Long-term debts	₱–	₱–	₱132,636	₱132,636
Lease liabilities	–	–	1,499	1,499
Financial liabilities accounted for as cash flow hedges -				
Derivative liabilities	–	659	–	659
Total Financial Liabilities	₱–	₱659	₱134,135	₱134,794

As at March 31, 2021 and December 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements, and there were no transfers into and out of Level 3 fair value measurements.

Derivative Financial Instruments

The Group, through First Gen group, enters into derivative transactions such as interest rate swaps to hedge its interest rate risks arising from its floating rate borrowings, cross currency swap and foreign currency forwards to hedge the foreign exchange risk arising from its loans and payables. These derivatives (including embedded derivatives) are accounted for either as Derivatives not designated as accounting hedges or Derivatives designated as accounting hedges.

The table below shows the fair value of the Group's outstanding derivative financial instruments, reported as assets or liabilities, together with their notional amounts as at March 31, 2021 and December 31, 2020 (amounts in millions). The notional amount is the basis upon which changes in the value of derivatives are measured.

	March 31, 2021 (Unaudited)			December 31, 2020 (Audited)		
	Derivative Assets	**Derivative Liabilities**	**Notional Amount**	Derivative Assets	Derivative Liabilities	Notional Amount
Derivatives Designated as Accounting Hedges						
Freestanding derivatives:						
Interest rate swaps	**₱–**	**₱404**	**$131**	₱–	₱582	$131
Call spread swaps	**–**	**48**	**50**	–	77	115
Foreign currency forwards	**–**	**–**	**–**	9	–	€4
	–	**452**		₱9	₱659	
Presented as:						
Current	**₱–**	**₱86**		₱9	₱77	
Noncurrent	**–**	**366**		–	582	
Total derivatives	**₱–**	**₱452**		₱9	₱659	

Derivatives Designated as Accounting Hedges

The Group, through First Gen group, has interest rate swaps (IRS) accounted for as cash flow hedges for its floating rate loans and cross-currency swaps accounted for as cash flow hedges of its Philippine peso and U.S. dollar denominated borrowings and Euro denominated payables, respectively. Under a cash flow hedge, the effective portion of changes in fair value of the hedging instrument is recognized as cumulative translation adjustments in other comprehensive income (loss) until the hedged item affects earnings.

Interest Rate Swaps (IRS) – FGP

In April 2013, FGP entered into two IRS agreements with ING Bank and Standard Chartered Bank to hedge its floating rate exposure on $80.0 million of its $420.0 million term loan facility. Under the IRS agreements, FGP pays a fixed rate of 1.425% and receives a floating rate of U.S. LIBOR, on a semi-annual basis, simultaneous with the interest payments every June and December on the hedged loan.

In May 2013, FGP entered into another interest rate swap agreement with RCBC to hedge its floating rate exposure on another $20.0 million of the $420.0 million term loan facility. Under the interest rate swap agreement, FGP pays a fixed rate of 1.28% and receives a floating rate of U.S. LIBOR, on a semi-annual basis, simultaneous with the interest payment every June and December on the hedged loan. The notional amounts of interest rate swap is amortizing based on the repayment schedule of the hedged loan.

On June 10, 2013, FGP designated the IRS as hedging instruments to hedge the variability in the cash flows from the Term Loan Facility, attributable to the movements of six-month U.S. LIBOR. The hedges are accounted for as cash flow hedges. The IRS were designated as cash flow hedges and matured on June 10, 2020.

For the three-month periods ended March 31, 2021 and 2020, the fair value changes taken to the unaudited interim consolidated statements of income amounted to nil and ₱36 million, respectively.

Foreign Currency Forwards - FGPC, FGP and FNPC

On August 10, 2020, FGPC, FGP and FNPC entered into several currency forwards with ING Bank N.V. Manila Branch (ING) to purchase European Euro at fixed Euro to U.S. dollar exchange rates. FGPC, FGP and FNPC designated these derivatives as effective hedging instruments that will address the risk on variability of cash flows due to foreign exchange fluctuations in Euro to U.S. dollar exchange rates related to its Euro denominated liabilities arising from the monthly operations and maintenance fees to Siemens Energy, Inc. (SEI).

Under the agreements, FGPC, FGP, FNPC were obligated to buy Euro from ING amounting to €7.4 million, €3.8 million and €2.1 million, respectively, based on the agreed strike exchange rates. The settlement of each of the forward contracts was from September 2, 2020 up to February 2, 2021 which coincided with the settlement of the outstanding and forecasted monthly payables to SEI.

As of March 31, 2021 and December 31, 2020, the outstanding notional amounts of the foreign currency forward contracts designated as cash flow hedges amounted to nil and €4.2 million. As of March 31, 2021 and December 31, 2020, the aggregate fair values of the foreign currency forward contracts that were deferred to "Cumulative translation adjustments" account in the unaudited interim consolidated statements of financial position amounted to nil and ₱10.0 million, respectively.

Interest Rate Swap Contracts – EBWPC

In the last quarter of 2014, EBWPC entered into four (4) IRS with an aggregate notional amount of $150.0 million. This is to partially hedge the interest rate risks on its ECA and Commercial Debt Facility (Foreign Facility) that is benchmarked against U.S. LIBOR and with a flexible interest reset feature that allows EBWPC to select what interest reset frequency to apply. Under the IRS agreement, EBWPC will receive semi-annual interest of 6-month U.S. LIBOR and will pay fixed interest. EBWPC designated the IRS as hedging instruments in cash flow hedge against the interest rate risks arising from the Foreign Facility. In the first quarter of 2016, EBWPC entered into three (3) additional IRS with aggregate notional amount of $30.0 million.

As of March 31, 2021 and December 31, 2020, the outstanding aggregate notional amount of EBWPC's IRS amounted to $130.5 million. The aggregate fair value changes on these IRS amounted to ₱600.0 million gain and ₱758.0 million loss, which were recognized under "Cumulative translation adjustments" account in the unaudited interim consolidated statements of financial position as of March 31, 2021 and December 31, 2020, respectively,

Call Spread Swap (CSS) - EDC

In July 2017, EDC entered into four (4) call spread swaps (CSS) with an aggregate notional amount of $20.0 million. These derivative contracts are designed to hedge the possible foreign exchange loss of its $300.0 million Notes.

In January 2018, EDC entered into two (2) additional CSS with an aggregate notional amount of $10.0 million and another two (2) CSS in August 2018 with an aggregate notional amount of $20.0 million. An additional two (2) CSS were entered by EDC in November 2018 with an aggregate amount of $10.0 million. These derivative contracts were designated to hedge the possible foreign exchange loss of its $181.0 million Notes.

In April 2020, EDC entered into five (5) derivative contracts with Barclays and ING with an aggregate notional amount of $50.0 million. These derivative contracts are designed to fully hedge the possible foreign exchange loss of its $50.0 million loan with Mizuho Bank.

The aggregate fair value changes on these CSS contracts amounted to ₱29.0 million and ₱100.0 million as of March 31, 2021 and December 31, 2020, respectively.

13. Events After the Financial Reporting Period

FPH

Buyback Transaction

On April 26, 2021, the Parent Company purchased 270,000 common stocks from the open market at ₱67.3963 per share. As of April 26, 2021, a total of 105,373,645 common stocks have been bought under the program for a total cost of ₱7.03 billion.

Series C Preferred Shares

On April 28, 2021, the Parent Company's BOD approved the following:

a. The redemption of the 3,600,000 Series C Preferred Shares which were issued under the Deed Poll dated May 26, 2014 on June 2, 2021 with the total amount of ₱1.8 billion, and
b. ₱13.75 per share cash dividend to all Series C Preferred shareholders of record as of May 18, 2021, payable on or before June 2, 2021.

FPH
A Lopez Group Company
POWERED BY GOOD

First Philippine Holdings Corporation

QUARTERLY INTERIM REPORT MARCH 31, 2021

To Our Shareholders:

For the period ended March 31 2021, First Philippine Holdings Corporation (FPH) posted an attributable Recurring Net Income (RNI) of ₱3.3 billion, a modest increase of ₱52 million or 2% from last year's ₱3.2 billion reflecting the improved operating income of the Energy and Construction groups, offset by the lower earnings contribution of the Real Estate and Manufacturing sectors. Net Income attributable to FPH registered a stronger growth of ₱225 million or 7%, from ₱3.2 billion to ₱3.4 billion, on account of the slight improvement in RNI coupled with higher net non-recurring gains that largely pertain to the to the retroactive reduction of income tax rates following the effectivity of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law and the favorable foreign exchange movements, partly reduced by the COVID-19 expenses incurred by the Group during this period.

Financial Highlights

	March 31 (Unaudited)		
Results of Operations	**2021**	2020	Change
(Php in Millions, except per share data)			
Revenues	**27,873**	29,292	-5%
Consolidated Net Income	**6,602**	5,973	11%
Net Income Attributable to Equity Holders of the Parent	**3,424**	3,199	7%
RNI Attributable to Equity Holders of the Parent	**3,240**	3,188	2%
Earnings Per Share for Net Income Attributable to the Equity Holders of the Parent			
Basic and Diluted	**6.785**	6.288	8%

Financial Position	**2021 Mar. 31 (Unaudited)**	2020 Dec. 31 (Audited)	Change
(Php in Millions)			
Current Assets	**129,679**	140,129	-7%
Noncurrent Assets	**248,205**	245,506	1%
Total Assets	**377,884**	385,635	-2%
Current Liabilities	**60,836**	77,925	-22%
Noncurrent Liabilities	**125,450**	118,719	6%
Equity Attributable to Equity Holders of the Parent	**110,766**	108,415	2%
Non-Controlling Interests	**80,832**	80,576	0%

Performance of significant subsidiaries:

First Gen's attributable RNI improved by ₱476 million (US$13 million) or 21% from last year's ₱3.3 billion (US$65 million) to this year's ₱3.8 billion (US$78 million) mainly driven by the higher recurring earnings contributions from the (1) Avion plant due to higher electricity sales due to its Ancillary Services Procurement Agreement that commenced in June 2020, (2) Sta. Rita and San Lorenzo plants due to lower provision for income tax under the CREATE Law supplemented by the lower interest expenses, and (3) EDC's higher revenue contribution from its Burgos Wind and Solar on account of the Feed-in Tariff rate escalation effective November 2020. These were partially offset by the decline in income contribution from the San Gabriel gas plant due to the replacement power costs incurred for the duration of its plant outage. The corresponding net income attributable to First Gen went up by ₱733 million (US$19 million) or 29% from last year's ₱3.3 billion (US$65 million) to this year's ₱4.0 billion (US$84 million) mainly resulting from the stronger RNI supplemented by higher non-recurring gains from retroactive reduction of income tax rates from the CREATE Law and the favorable foreign exchange movements, partially reduced by one-off COVID-19 related expenses incurred this period.

Rockwell Land posted an attributable RNI of ₱521 million, down by ₱133 million or 20% from last year's ₱654 million. This mainly reflects the decline in sales bookings of condominium units, partial operations of the hotel and mall businesses, rental concessions given to tenants of commercial establishments, and the decline in finance revenue due to sell out and completion of the Proscenium and The Vantage projects.

First Philippine Industrial Park registered an RNI of ₱23 million, lower by ₱13 million or 36%, from last year's ₱36 million, mainly reflecting the higher operating costs and finance charges incurred from its recent loans.

First Balfour and Thermaprime reported a combined recurring net income of ₱110 million, an upswing by ₱66 million or 150% from last year's ₱44 million due to improved revenues and margins from construction and geothermal well drilling works.

First Philec, Inc.'s recurring earnings for the period was down by ₱31 million or 28%, from ₱112 million last year to ₱81 million this year, mainly resulting from the decline in sales volume of electrical distribution transformers.

Declaration of Cash Dividends

On April 28, 2021, the Board of Directors approved the declaration of cash dividends of ₱13.75 per preferred share in favor of Series "C" preferred stockholders of record as of May 18, 2021 payable on or before June 2, 2021.

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FEDERICO R. LOPEZ
Chairman and Chief Executive Officer