COVER SHEET

1674

S.E.C. Registration Number

M A N I L A B R O A D C A S T I N G C O M P A N Y

(Company's Full Name)

M B C B L D G . , V I C E N T E S O T T O S T .

C C P C O M P L E X , P A S A Y C I T Y

1 3 0 7 P H I L I P P I N E S

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

Mr. Eduardo G. Cordova	8832-6149
Contact Person	**Company Telephone Number**

12 31	17-Q	
Month *Day*	*FORM TYPE*	*Month* *Day*
Fiscal Year	QUARTERLY REPORT	**Annual Meeting**

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

-

LCU

CASHIER

MANILA BROADCASTING COMPANY

November 13, 2020

PHILIPPINE STOCK EXCHANGE
6th floor, PSE Tower
28th Street corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: Ms. Janet A. Encarnacion
Head – Disclosure Department

Gentlemen:

We are submitting herewith the Quarterly Report (SEC Form 17-Q) of Manila Broadcasting Company for the quarter ended September 30, 2020.

We trust you will find everything in order.

Very truly yours,

EDUARDO G. CORDOVA
SVP – CFO

MANILA BROADCASTING COMPANY

November 13, 2020

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City

Attention: Mr. Vicente Graciano P. Felizmenio, Jr.
Director – Markets and Securities Regulation Department

Gentlemen:

We are submitting herewith the Quarterly Report (SEC Form 17-Q) of Manila Broadcasting Company for the quarter ended September 30, 2020.

We trust you will find everything in order.

Very truly yours,

EDUARDO G. CORDOVA
SVP - CFO

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 fiscal year ended: **September 30, 2020**

2. SEC Identification Number: **1674**

3. BIR Tax Identification Number: **000-479-027-000**

4. Exact name of issuer as specified in its charter: **MANILA BROADCASTING COMPANY**

5. Province, country or other jurisdiction of incorporation or organization:
METRO MANILA

6. ________________ (SEC use only) Industry classification code:

7. Address of principal office / postal code:
MBC Bldg., Vicente Sotto St., CCP Complex, Pasay City, 1307, Philippines

8. Issuer's telephone number, including area code: **(02) 8832-6150**

9. Former address:
No change in address since last report

10. Securities registered pursuant to Section 8 and 12 of the SRC, or Section 4 and 8 of the RSA:

COMMON SHARES	402,682,990
TOTAL LIABILITIES	978,785,981

11. Are any or all of these securities listed on a Stock Exchange:

Yes [✔] No [ ]

If yes, state the name of such stock exchange and the classes of securities listed therein:
PHILIPPINE STOCK EXCHANGE - Common Shares

12. Check whether the issuer:

   a. Has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17.1 thereunder or Section 11 of the RSA and RSA rule 11(a)-1 thereunder, and Section 177 of the Revised Corporation Code of the Philippines during the preceding twelve (12) months (or for such shorter period that the registrant was required to file such reports.)

      Yes [✔]   No [ ]

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

      Yes [ ]   No [✔]

MANILA BROADCASTING COMPANY

STATEMENTS OF FINANCIAL POSITION

As of September 30, 2020 and December 31, 2019

	2020 Unaudited (9 Months)	2019 Audited (1 Year)
ASSETS		
Current Assets		
Cash and cash equivalents	**155,263,678**	244,647,621
Receivables - net	**481,880,465**	437,705,414
Due from affiliates	**157,406,637**	11,334,121
Materials and supplies - net	**4,638,339**	4,600,342
Prepaid expenses and other current assets	**4,085,932**	7,137,854
Total Current Assets	**803,275,051**	705,425,352
Noncurrent Assets		
Financial assets at FVOCI	**166,274,441**	166,274,441
Investment in an Subsidiary	**800,000,000**	800,000,000
Property and Equipment - net		
At cost	**121,783,067**	111,359,871
At revalued amount	**301,798,400**	299,114,400
Pension asset - net	**7,686,266**	7,686,266
Investment Properties - net	**43,162,500**	43,162,500
Intangible assets - net	**11,814,977**	20,676,224
Goodwill	**38,016,206**	38,016,206
Other Noncurrent Assets	**29,185,694**	32,154,973
Total Noncurrent Assets	**1,519,721,551**	1,518,444,881
TOTAL ASSETS	**2,322,996,603**	2,223,870,233
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term loans	**124,500,000**	117,000,000
Accounts payable & accrued expenses	**403,045,329**	316,564,460
Contract liabilities	**29,586,688**	29,586,688
Dividends payable	**7,957,092**	8,254,044
Income tax payable	**5,168,969**	18,722,720
Current portion of long-term debt	**66,234,505**	66,234,505
Current portion of lease liabilities	**5,177,786**	5,177,786
Total Current Liabilities	**641,670,370**	561,540,203
Noncurrent Liabilities		
Long-term debt	**199,340,547**	249,320,547
Lease liabilities	**13,001,758**	13,001,758
Accrued separation costs	**29,336,305**	29,336,305
Deferred income tax liabilities - net	**95,437,001**	95,437,002
Total Noncurrent Liabilities	**337,115,611**	387,095,612
Total Liabilities	**978,785,981**	948,635,815

Equity		
Capital stock	**402,803,777**	402,803,777
Additional paid-in capital	**79,354**	79,354
Revaluation increment on land	**200,212,744**	200,212,744
Reserve for fluctuation in fair value of financial assets at FVOCI	**126,241,756**	126,241,755
Remeasurement gain on accrued retirement benefits	**43,398,974**	43,398,974
Retained earnings		
Unappropriated	**471,594,804**	402,618,601
Appropriated	**100,000,000**	100,000,000
Treasury stock (at cost)	**- 120,787**	- 120,787
Total Equity	**1,344,210,622**	1,275,234,418
TOTAL LIABILITIES & EQUITY	**2,322,996,602**	2,223,870,233

MANILA BROADCASTING COMPANY

STATEMENTS OF COMPREHENSIVE INCOME

For the Nine Months ended September 30, 2020 and 2019

Tentative and Unaudited

	2020 (9 Months)	2019 (9 Months)	**2020 (July - September)**	2019 (July - September)
REVENUE	**517,209,136**	798,937,954	**184,079,768**	256,453,288
COST OF SERVICES	**- 244,442,031**	- 448,968,062	**- 66,510,289**	- 125,073,269
GROSS PROFIT	**272,767,105**	349,969,891	**117,569,479**	131,380,019
OPERATING EXPENSES	**- 165,884,234**	- 158,243,513	**- 88,479,976**	- 38,131,464
OTHER INCOME (EXPENSES)				
Interest expense on loans	**- 15,013,623**	- 19,066,507	**- 8,435,904**	- 5,558,655
Rental income	**5,828,087**	6,208,374	**2,066,251**	2,089,230
Interest income	**917,549**	44,044	**148,500**	9,061
Other income	**- 77,451**	2,121,241	**25,074**	673,543
	- 8,345,439	- 10,692,848	**- 6,196,079**	- 2,786,821
INCOME BEFORE INCOME TAX	**98,537,432**	181,033,530	**22,893,424**	90,461,733
PROVISION FOR INCOME TAX	**- 29,561,230**	- 54,310,059	- 6,868,027	- 27,138,520
NET INCOME	**68,976,203**	126,723,471	**16,025,397**	63,323,213
Basic/Diluted Earnings Per Share	**0.17**	0.31	**0.04**	0.16

MANILA BROADCASTING COMPANY

STATEMENTS OF CASH FLOWS

For the Nine Months ended September 30, 2020 and 2019

Tentative and Unaudited

	2020 (9 Months)	2019 (9 Months)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	**68,976,203**	126,723,471
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	**21,414,296**	23,835,333
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	**- 44,175,051**	- 13,942,527
Due from affiliates	**- 146,072,516**	- 165,590,806
Materials and supplies	**- 37,997**	416,087
Prepaid expenses and other current assets	**3,051,923**	2,013,723
Increase (decrease) in:		
Accounts payable and accrued expenses	**86,480,867**	- 21,012,467
Income tax payable	**- 13,553,751**	11,526,277
Net cash provided by operating activities	**- 23,916,026**	- 36,030,909
CASH FLOWS FROM INVESTING ACTIVITIES		
Net addition to property, equipment & investment properties	**- 25,660,246**	- 10,057,869
Other non-current assets	**2,969,279**	- 1,585,700
Cash used in investing activities	**- 22,690,967**	- 11,643,569
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends Paid	**- 296,952**	- 14,319,782
Notes & Mortgage Payable	**- 42,480,000**	25,340,000
Net cash provided by (used in) financing activities	**- 42,776,952**	11,020,218
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**- 89,383,945**	- 36,654,261
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**244,647,621**	60,436,480
CASH AND CASH EQUIVALENTS AT END OF YEAR	**155,263,678**	23,782,219

MANILA BROADCASTING COMPANY

STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For Nine Months ended September 30, 2020 and 2019

Tentative and Unaudited

	Capital Stock	Additional Paid-in Capital	Revaluation Increment in Land	Reserve for Fluctuation in Fair Value of Financial Assets at FVOCI	Remeasurement Gain on Accrued Retirement Benefits	Retained Earnings	Treasury Stock	Total
Bal. At December 31, 2019	402,803,777	79,354	200,212,744	126,241,755	43,398,974	502,618,601	(120,787)	1,275,234,418
Net Income Jan - September 2020						68,976,203		68,976,203
Balances at September 30, 2020	**402,803,777**	**79,354**	**200,212,744**	**126,241,755**	**43,398,974**	**571,594,804**	**(120,787)**	**1,344,210,622**
Bal. At December 31, 2018	402,803,777	79,354	194,584,814	124,761,158	38,489,660	357,855,923	(120,787)	1,118,453,899
Net Income Jan - September 2019						126,723,471		126,723,471
Balances at September 30, 2019	**402,803,777**	**79,354**	**194,584,814**	**124,761,158**	**38,489,660**	**484,579,395**	**(120,787)**	**1,245,177,370**

MANILA BROADCASTING COMPANY

AGING OF ACCOUNTS RECEIVABLE

For Nine Months ended September 30, 2020 and 2019

In Thousands of Pesos

September 30, 2020

	Neither Past Due nor Impaired	Age Analysis of Past Due but not Impaired				Past Due and Impaired	Allowance	TOTAL
		<30 days	31 - 60 days	61 - 90 days	91 - 120 days			
Trade	154,370	88,056	64,246	42,830	42,722	44,123	- 23,032	413,315
Advances to Station	36,386	14,394	6,703	3,133	1,890	2,251	- 363	64,394
Others	3,303	5,741	574	919	115	688	- 7,168	4,172
TOTAL	**194,059**	**108,191**	**71,523**	**46,882**	**44,727**	**47,062**	**- 30,563**	**481,881**

September 30, 2019

	Neither Past Due nor Impaired	Age Analysis of Past Due but not Impaired				Past Due and Impaired	Allowance	TOTAL
		<30 days	31 - 60 days	61 - 90 days	91 - 120 days			
Trade	115,730	66,040	48,483	32,322	32,258	33,705	- 22,432	306,106
Advances to Station	23,618	11,358	5,470	2,156	1,287	1,839	- 363	45,365
Others	4,905	8,189	819	1,310	343	801	- 7,168	9,199
TOTAL	**144,253**	**85,587**	**54,772**	**35,788**	**33,888**	**36,345**	**- 29,963**	**360,670**

PART I – FINANCIAL INFORMATION

1. Organization and Business

a. Corporate Information

Manila Broadcasting Company (the Parent Company) was incorporated in the Philippines on September 30, 1947. The Company is primarily engaged in the business of radio broadcasting. The registered office address of the Company is MBC Building, V. Sotto Street, CCP Complex, Pasay City. On May 23, 2017, the Philippine Securities and Exchange Commission (SEC) approved the amendment of the Company's Articles of Incorporation to extend its corporate term for another period of 50 years from and after June 11, 2021.

The Company is 72%-owned by Elizalde Holdings Corporation (EHC), a Philippine entity, the immediate and ultimate parent company.

2. Summary of Significant Accounting Policies and Disclosures

Basis of Preparation

The consolidated financial statements of the Company have been prepared using the historical cost convention, except for available-for-sale (AFS) financial assets, which have been measured at fair value, and land under property and equipment, which is carried at revalued amount.

The consolidated financial statements are presented in Philippine peso (Peso), which is the Company's functional and presentation currency. Amounts are rounded to the nearest Peso unless otherwise indicated.

Statement of Compliance

The consolidated financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRS) which includes statements named PFRSs, Philippine Accounting Standards (PAS) and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) issued by the Financial Reporting Standards Council.

Changes in Accounting Policies and Disclosures

The Company applied for the first-time certain pronouncements, which are effective for annual periods beginning on or after January 1, 2019. Adoption of these pronouncements did not have a significant impact on the Company's financial position or performance unless otherwise indicated.

- PFRS 16, *Leases*

  PFRS 16 supersedes PAS 17, *Leases,* Philippine Interpretation IFRIC 4, *Determining whether an Arrangement contains a Lease,* Philippine Interpretation SIC-15, *Operating Leases-Incentives* and Philippine Interpretation SIC-27, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease.* The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet.

  Lessor accounting under PFRS 16 is substantially unchanged from today's accounting under PAS 17. Lessors will continue to classify all leases using the same classification principle as in PAS 17 and distinguish between two types of leases: operating and finance leases. Therefore, PFRS 16 did not have an impact for leases where the Company is the lessor.

  The Company adopted PFRS 16 using the modified retrospective approach upon adoption of PFRS 16 in 2019 and elects to apply the standard to contracts that were previously identified as leases applying PAS 17 and Philippine Interpretation IFRIC 4. The Company will therefore not apply the standard to contracts that were not previously identified as containing a lease applying PAS 17 and Philippine Interpretation IFRIC 4.

  Leases previously accounted for as operating leases
  The Company recognized right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short term leases and leases of low-value assets. The right-of-use assets for most leases were recognized based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognized based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognized. Lease liabilities were recognized based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

- Philippine Interpretation IFRIC-23, *Uncertainty over Income Tax Treatments*

  The interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of PAS 12, *Income Taxes,* and does not apply to taxes or levies outside the scope of PAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

  The interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates

- How an entity considers changes in facts and circumstances

  An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed.

Annual Improvements to PFRSs 2015-2017 Cycle

❖ Amendments to PFRS 3, *Business Combinations,* and PFRS 11, *Joint Arrangements*, *Previously Held Interest in a Joint Operation*

The amendments clarify that, when an entity obtains control of a business that is a joint operation, it applies the requirements for a business combination achieved in stages, including remeasuring previously held interests in the assets and liabilities of the joint operation at fair value. In doing so, the acquirer remeasures its entire previously held interest in the joint operation.

A party that participates in, but does not have joint control of, a joint operation might obtain joint control of the joint operation in which the activity of the joint operation constitutes a business as defined in PFRS 3. The amendments clarify that the previously held interests in that joint operation are not remeasured.

An entity applies those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2019 and to transactions in which it obtains joint control on or after the beginning of the first annual reporting period beginning on or after January 1, 2019, with early application permitted. These amendments are currently not applicable to the Company but may apply to future transactions.

❖ Amendments to PAS 12, *Income Tax Consequences of Payments on Financial Instruments Classified as Equity*

The amendments clarify that the income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity recognizes the income tax consequences of dividends in profit or loss, OCI or equity according to where the entity originally recognized those past transactions or events.

An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application is permitted.

❖ Amendments to PAS 23, *Borrowing Costs, Borrowing Costs Eligible for Capitalization*

The amendments clarify that an entity treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

An entity applies those amendments to borrowing costs incurred on or after the beginning of the annual reporting period in which the entity first applies those amendments. An entity applies those amendments for annual reporting periods beginning on or after January 1, 2019, with early application permitted.

Standards Issued but not yet Effective

Effective beginning on or after January 1, 2020

- Amendments to PFRS 3, *Definition of a Business*
- Amendments to PAS 1, *Presentation of Financial Statements,* and PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of Material*

Effective beginning on or after January 1, 2023

- PFRS 17, *Insurance Contracts*

Deferred effectivity

- Amendments to PFRS 10, *Consolidated Financial Statements,* and PAS 28, *Sale or Contribution of Assets between Investor and its Associate or Joint Venture*

Significant Accounting Policies

Current versus Noncurrent Classification

The Company presents assets and liabilities in the consolidated statement of financial position based on current/noncurrent classification. An asset is current when:

- It is expected to be realized or intended to be sold or consumed in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is expected to be realized within twelve months after the reporting period; or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as noncurrent assets and liabilities, respectively.

3. **Financial instruments, classification and measurements**:

Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of up to six months or less and that are subject to an insignificant risk of change in value.

Financial Assets and Financial Liabilities

Financial assets and financial liabilities are recognized initially at fair value. Directly attributable transaction costs, if any, are included in the initial measurement of financial assets and financial liabilities, except for any financial instrument measured at fair value through profit or loss (FVPL). The Company recognizes a financial asset or liability in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within a period generally established by regulation or convention in the marketplace.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends, gains and losses relating to a financial instrument or a component that is a financial liability, are reported as expense or income, distributions to holders of financial instruments classified as equity are charged directly to equity, net of any related income tax benefits.

Financial instruments are classified as financial assets or financial liabilities at FVPL, loans and receivables, held-to-maturity (HTM) investments, AFS financial assets, or other financial liabilities, as appropriate.

The Company determines the classification of its financial assets and financial liabilities at initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost in the balance sheet. Amortization is determined using the effective interest rate method. Loans and receivables are classified as current assets if maturity is within twelve months of the balance sheet date. Otherwise, these are classified as noncurrent assets.

Included under this category are the Company's cash in banks, short-term investments, receivables and due from affiliates.

AFS financial assets

AFS financial assets are those non-derivative financial assets that are designated as such or are not classified in any of the other categories. Financial assets may be designated at initial recognition as AFS if they are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. Included under this category are the Company's quoted and unquoted equity investments.

After initial recognition, quoted AFS financial assets are measured at fair value with gains or losses recognized as a separate component of equity and as OCI until the investment is derecognized or until the investment is determined to be impaired. Unquoted FS financial assets, on the other hand, are carried at cost, net of impairment, until the investment is derecognized. These financial assets are classified as noncurrent assets unless the intention is to dispose such assets within 12 months from balance sheet date.

Other financial liabilities
This category pertains to financial liabilities that are neither held for trading nor designated as at FVPL upon the inception of the liability. These include liabilities arising from operations or borrowings.

The financial liabilities are recognized initially at fair value and are subsequently carried at amortized cost, taking into account the impact of applying the effective interest rate method of amortization (or accretion) for any related premium, discount and any directly attributable transaction costs.

Included under this category are the Company's accounts payable and accrued expenses, notes and mortgage payable, due to affiliates, dividends payable, and talent fees and commissions payable.

Classification of Financial Instruments
The Company classifies a financial instrument, or its component parts, on initial recognition, as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the balance sheets.

Valuation of financial assets and financial liabilities
The Company carries certain financial assets and financial liabilities at fair value, which requires extensive use of accounting estimates and judgement. The significant components of fair value measurement were determined using verifiable objective evidence.

4. Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist of cash. The main purpose of these financial instruments is to fund the Company's operations. The other financial assets and financial liabilities arising directly from its operations are receivables, due to from affiliates, AFS financial assets, accounts payable and accrued expenses, notes and mortgage payable, talent fees, commissions payable and dividends payable.

The Main risk arising from the Company's financial instruments are credit risk, liquidity risk and interest rate risk. The BOD reviews and approves policies for managing each of these risks.

- **Credit risk**

Credit risk, or the risk of counterparties defaulting, is controlled by the application of control and monitoring procedures. It is the Company's policy that all clients who wish to trade on credit terms are subject to credit verification procedures. Receivables and due from affiliate's balances are monitored on an ongoing basis to ensure that the Company's exposure to bad debts is not significant. The Company evaluates the concentration of risk with respect to its receivables as low, as its customers are located in several industries and operate in largely independent markets.

Gross maximum exposure to credit risk
The maximum exposure to credit risk as of September 30, 2020 and Dec. 31, 2019 is as follows:

	2020 Unaudited (9 months)	2019 Audited (1 year)
Loans and receivables		
Cash in bank and cash equivalents	155,263,678	244,647,621
Receivables (net):		
Trade	413,314,035	384,280,214
Advances to Station	64,393,538	49,299,222
Others	4,172,892	4,125,978
	629,644,143	682,353,035
Due from affiliates	157,406,637	11,334,121
	794,550,780	**693,687,156**

Credit quality of financial assets
The table below summarized the credit quality of the Company's financial assets as of September 30, 2020:

	Neither past due nor impaired		Past due but not impaired	Past due and impaired	TOTAL
	High Grade	Standard Grade			
Loans and receivables:					
Cash in banks	155,263,678	-	-	-	155,263,678
Receivables (net)					
Trade	21,741,789	132,397,685	235,550,102	23,624,459	413,314,035
Advances to Station	6,056,598	30,325,283	26,083,825	1,927,832	64,393,538
Others	1,148,250	721,215	1,731,268	572,159	4,172,892
Due from affiliates	-	157,406,637	-	-	157,406,637
TOTAL	**184,210,315**	**320,850,820**	**263,365,195**	**26,124,450**	**794,550,780**

- **Liquidity risk**
  Liquidity risk arises when obligations are not met when they fall due. It is the Company's objective to finance capital expenditures, services, and maturing obligations as scheduled. To cover the Company's financing requirements, the Company uses internally generated funds and proceeds from debt. Projected and actual cash flow information is regularly evaluated and funding sources are continuously assessed.

- **Interest rate risk**
  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 Company's exposure to changes in interest rates relates primarily to its long-term debt obligations.

5. The Company has no investment on foreign securities.

6. There are no seasonal aspects that have a material effect on the financial condition or results of operations.

7. There are no unusual items affecting assets, liabilities, equity, net income or cash flows.

8. There are no changes in estimates of amounts reported in prior interim periods of the current financial year or in estimates of amounts reported in prior financial years.

9. Bank loans availed as of September 30, 2020 amounted to P476.5 million.

10. The Company is organized into only one operating division – radio and television broadcasting, which is its primary activity. The Company has eight programming formats, namely: DZRH, Aksyon Radyo, Love Radio, Yes-FM, Easy Rock, Radyo Natin, RHTV and New Media which represent about 13%, 6%, 52%, 14%, 8%, 5%, 1% and 1% of the total broadcasting fee for the first nine months of 2020.

11. The Company plans to earmark P50.0 Million capital expenditure for its various projects, namely: purchase of new transmitters for provincial stations, RHTV broadcast expansion over various cable and TV channels, leasehold improvement of Head Office, audio and video streaming over the internet, and improvement of existing stations' equipment and facilities nationwide. This will be funded by cash flows from operating activities.

12. There are no material events subsequent to the end of the interim period that have not been reflected in the consolidated financial statements for the interim period.

13. There are no changes in the composition of the issuer during the interim period, including business combinations, acquisition or disposal of subsidiaries and long-term investments, restructurings, and discontinuing operations.

14. On April 26, 2020 and May 5, 2020, the Company received a sum of P35.0 million in advance from insurance companies.

15. There are no material contingencies and any events or transactions that are material to an understanding of the current interim period.

16. There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity;

17. The COVID-19 pandemic had a material impact on the net sales of the Company.

18. There are no significant elements of income or loss that did not arise from the company's continuing operations.

19. There are no known events that will trigger direct or contingent financial obligation that is material to the company, including any default or acceleration of an obligation.

20. There are no 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.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Company's interim consolidated financial statements for the nine months ended September 30, 2020.

SEPTEMBER 30, 2020 VS. SEPTEMBER 30, 2019

Results of Operations

The Company achieved aggregate revenue of P517.2 million during the first nine months of 2020, a decrease of 35.26% over the P798.9 million registered for the same period in 2019. Total costs and expenses for the nine months amounted to P425.3 million, which decreased by 32.08% from P626.3 million last year. The net income amounted to P69.0 million for the nine months ended September 30, 2020.

Liquidity and Capital Resources

The total assets increased to P2.3 billion from 2019 year-end balance of P2.2 billion. Of the total consolidated resources of P2.3 billion, P1.3 billion was accounted for by stockholders' equity with the balance of P978.8 million in liabilities. No cash or stock dividends were declared in the period under review. The Company instead used its current income to finance expansion and operation and paid its maturing obligations.

Key Financial Indicators

	January – September	
	2020	**2019**
1. Return on Sales (ROS)		
Net income	68,976,203	126,723,471
Divide by: Sales	517,209,136	798,937,954
ROS	**13.34%**	**15.86%**

2. Earnings per Share (EPS)

Net income	68,976,203	126,723,471
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
EPS	**0.171**	**0.315**

3. Current Ratio

Current assets	803,275,051	634,162,991
Divide by: Current liabilities	641,670,370	351,918,884
CURRENT RATIO	**1.252**	**1.802**

4. Debt-Equity Ratio

Total Liabilities	978,785,981	869,032,731
Divide by: Total Stockholders' Equity	1,344,210,622	1,245,177,371
DEBT-EQUITY RATIO	**0.728**	**0.698**

5. Asset to Equity Ratio

Total Stockholders' Equity	1,344,210,622	1,245,177,371
Divide by: Total Assets	2,322,996,603	2,114,210,101
ASSET TO EQUITY RATIO	**0.579**	**0.589**

Discussion on Key Performance Indicators

1. Return on sales decreased from 15.86% to 13.34%. It is mainly due to the decrease in net income as a result of significant drop in revenues brought by the COVID-19 pandemic.

2. EPS decreased from P0.315 to P0.171 per share. It is mainly due to the decrease in reported net income during the period, with the number of shares outstanding remaining constant.

3. The current ratio decreased to 1.252:1 from 1.802:1. At this current level, the Company is still capable of meeting its maturing obligation on time.

4. The debt-equity ratio increased from 0.698 to 0.728. At this level, the company is not highly leveraged and has capacity for increasing its credit lines.

5. The asset to equity ratio is a financial ratio indicating the relative proportion of equity used to finance the company's assets. The relatively high equity ratio of 0.579 indicates the conservative approach of the company with respect to its financial leveraging.

Causes for Material Change from Period to Period (5%)

1. Cash and Cash Equivalents decreased by P89.4 million or 36.54% from P244.7 million in 2019 to P155.3 million in 2020.

2. Receivables – net increased by P44.2 million. The Company normally extends a 60-day credit term to advertising agency and/or advertisers.

3. Due from affiliates represents the interest-free advances made by the Company to its affiliated companies such as Elizalde Holdings Corporation, Cebu Broadcasting Company, Philippine Broadcasting Company and Pacific Broadcasting System, Inc. The balance as of end of September 30, 2020 amounted to P157.4 million.

4. Prepaid expenses and other current assets decreased from P7.1 million in 2019 to P4.1 million in 2020. It is mainly due to collected Certificate of Withholding Tax of the clients during the period.

5. Property and Equipment - net at cost increased by P10.4 million mainly due to the increase in purchase of office furniture and equipment.

6. Intangible Asset arose from the Company's acquisition of DWRK. The decrease of P8.9 million represents amortization costs during the period.

7. Other Noncurrent Assets decreased by P3.0 million from P32.2 million in 2019 to P29.2 million in 2020.

8. Accounts payable and accrued expenses increased by P86.5 million or 27.32% mainly due to amount due to various suppliers.

9. Retained Earnings increased by P69.0 million mainly due to net income earned during the period.

Other Matters

- **Rule on Minimum Public Ownership as a Continuing Listing Requirement**

  The Company is a compliant with the 10-percent minimum public ownership requirement for listed companies under Section 3, Article XVIII on the Continuing Listing requirements of the Listing and Disclosure Rules of the Exchange. The public float of the Company is currently at 10.23 percent.

PART II – OTHER INFORMATION

There is no other information not previously reported in SEC Form 17-C that need to be reported in this section.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ISSUER: **MANILA BROADCASTING COMPANY**

By: **EDUARDO G. CORDOVA**
SVP – CFO

Date: November 13, 2020