COVER SHEET

1674

S.E.C. Registration Number

MANILA BROADCASTING COMPANY AND SUBSIDIARIES

(Company's Full Name)

MBC BLDG., VICENTE SOTTO ST.
CCP COMPLEX, PASAY CITY
1307 PHILIPPINES

(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			**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

May 20, 2022

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 March 31, 2022.

We trust you will find everything in order.

Very truly yours,

EDUARDO G. CORDOVA
SVP – CFO

MANILA BROADCASTING COMPANY

May 20, 2022

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 March 31, 2022.

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: **March 31, 2022**

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 AND SUBSIDIARIES

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	1,393,525,949

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 AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of March 31, 2022 and December 31, 2021

Tentative and Unaudited

	2022 Unaudited (3 months)	2021 Audited (1 Year)
ASSETS		
Current Assets		
Cash and cash equivalents	325,188,205	202,658,474
Receivables - net	403,857,969	433,794,260
Due from related parties	312,210,752	334,145,731
Inventories	3,943,749	3,813,131
Materials and supplies - net	1,877,226	1,877,226
Prepaid expenses and other current assets	104,249,603	97,625,906
Total Current Assets	1,151,327,504	1,073,914,728
Noncurrent Assets		
Financial assets at FVOCI	289,627,071	289,627,071
Property and Equipment - net		
At cost	1,103,964,855	977,666,434
At revalued amount	412,663,500	412,663,500
Investment Properties - net	43,162,500	43,162,500
Goodwill	38,016,206	38,016,206
Advances to Suppliers	17,557,522	17,429,197
Retirement benefit assets - net	2,907,511	2,907,511
Deferred Tax Assets	20,063,106	17,084,103
Other Noncurrent Assets	33,491,530	33,529,816
Total Noncurrent Assets	1,961,453,802	1,832,086,338
TOTAL ASSETS	**3,112,781,306**	**2,906,001,066**
LIABILITIES & STOCKHOLDERS' EQUITY		
Current Liabilities		
Short-term loans	161,000,000	161,000,000
Accounts payable & accrued expenses	472,683,444	443,166,710
Contract liabilities	191,920,597	65,440,336
Current portion of long-term debt	66,319,605	71,157,641
Current portion of lease liabilities	22,266,868	21,373,333
Income tax payable	32,265,036	11,945,935
Due to related parties	26,234,198	26,234,198
Dividends payable	7,957,092	22,276,875
Total Current Liabilities	980,646,841	822,595,028
Noncurrent Liabilities		
Long-term debt - net of current portion	229,393,772	211,215,737
Lease liabilities - net of current portion	23,887,161	27,642,995
Accrued separation cost	24,257,595	24,257,595
Deferred income tax liabilities - net	135,340,580	146,877,813
Total Noncurrent Liabilities	412,879,109	409,994,140
Total Liabilities	1,393,525,949	1,232,589,168
Equity		
Capital stock	402,803,777	402,803,777
Additional paid-in capital	79,354	79,354
Revaluation increment on land	297,654,980	297,654,980
Reserve for fluctuation in fair value of financial assets at FVOCI	231,101,989	231,101,989
Remeasurement gain on accrued retirement benefits	50,257,685	50,257,685
Retained earnings		
Unappropriated	383,506,515	334,768,554
Appropriated	200,000,000	200,000,000
Treasury stock (at cost)	(120,787)	(120,787)
	1,565,283,512	1,516,545,551
Non-controlling interest	153,971,842	156,866,346
Total Equity	1,719,255,354	1,673,411,898
TOTAL LIABILITIES & EQUITY	**3,112,781,306**	**2,906,001,066**

MANILA BROADCASTING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT/(LOSS)

For the three months ended March 31, 2022 and 2021

Tentative and Unaudited

	2022 (3 months)	**2021 (3 months)**	2022 (January-March)	2021 (January-March)
REVENUE	**287,684,561**	**258,935,764**	287,684,561	258,935,764
COST OF SERVICES	**(134,366,002)**	**(109,822,101)**	(134,366,002)	(109,822,101)
GROSS PROFIT	**153,318,559**	**149,113,662**	153,318,559	149,113,662
OPERATING EXPENSES	**(84,393,960)**	**(61,975,430)**	(84,393,960)	(61,975,430)
OTHER INCOME (EXPENSES)				
Interest expense on loans	**(5,367,253)**	**(5,462,381)**	(5,367,253)	(5,462,381)
Rental income	**2,295,504**	**2,330,505**	2,295,504	2,330,505
Interest income	**10,137**	**113,198**	10,137	113,198
Other income (expenses)	**85,795**	**12,363**	85,795	12,363
	(2,975,817)	**(3,006,315)**	(2,975,817)	(3,006,315)
INCOME BEFORE INCOME TAX	**65,948,781**	**84,131,917**	65,948,781	84,131,917
PROVISION FOR INCOME TAX	**(20,105,326)**	**(25,288,972)**	(20,105,326)	(25,288,972)
NET INCOME	**45,843,455**	**58,842,945**	45,843,455	58,842,945
Basic/Diluted Earnings Per Share	**0.11**	**0.15**	0.11	0.15

MANILA BROADCASTING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY

For the three months ended March 31, 2022 and 2021
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	Non-controlling Interest	Total
Bal. At December 31, 2021	402,803,777	79,354	297,654,980	231,101,989	50,257,685	534,768,554	(120,787)	1,516,545,552	156,866,346	1,673,411,898
Net Income January to March 2022						48,737,961		48,737,961	(2,894,504)	45,843,456
Balances at March 31, 2022	**402,803,777**	**79,354**	**297,654,980**	**231,101,989**	**50,257,685**	**583,506,515**	**(120,787)**	**1,565,283,514**	**153,971,843**	**1,719,255,353**
Bal. At December 31, 2020	402,803,777	79,354	268,348,784	193,716,406	44,411,253	559,642,392	(120,787)	1,468,881,178	170,460,900	1,639,342,079
Net Income January to March 2021						62,247,739		62,247,739	(3,404,794)	58,842,945
Balances at March 31, 2021	**402,803,777**	**79,354**	**268,348,784**	**193,716,406**	**44,411,253**	**621,890,131**	**(120,787)**	**1,531,128,919**	**167,056,107**	**1,698,185,026**

MANILA BROADCASTING COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the three months ended March 31, 2022 and 2021

Tentative and Unaudited

	2022 (3 months)	2021 (3 months)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	45,843,456	58,842,945
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	15,067,249	7,387,130
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Receivables	30,736,481	(24,580,106)
Due from affiliates	24,634,980	(88,871,167)
Inventories	(130,618)	59,467
Prepaid expenses and other current assets	(6,625,328)	(6,208,389)
Advances to suppliers	(902,315)	(76,729,600)
Increase (decrease) in:		
Accounts payable and accrued expenses	17,959,415	(82,350,224)
Contract liabilities	130,612,780	67,035,316
Income tax payable	20,103,659	25,281,741
Net cash provided by operating activities	**277,299,759**	**(120,132,885)**
CASH FLOWS FROM INVESTING ACTIVITIES		
Net addition to property, equipment & investment properties	(155,880,281)	64,997,523
Other non-current assets	38,287	(1,347,055)
Cash used in investing activities	**(155,841,994)**	**63,650,469**
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans paid	18,178,036	(34,160,000)
Dividends paid	(14,319,782)	-
Payment of lease liabilities	(2,786,286)	(3,226,049)
Net cash provided by (used in) financing activities	**1,071,968**	**(37,386,049)**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**122,529,732**	**(93,868,465)**
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**202,658,474**	**330,414,692**
CASH AND CASH EQUIVALENTS AS OF MARCH 31	**325,188,205**	**236,546,226**

MANILA BROADCASTING COMPANY AND SUBSIDIARIES

CONSOLIDATED AGING OF ACCOUNTS RECEIVABLE

For three months ended March 31, 2022 and 2021

In Thousands of Pesos

March 31, 2022

	Not yet due	<30 days	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days	Allowance	TOTAL
Trade	184,063	49,321	45,029	25,874	20,445	19,977	(21,764)	322,947
Others	613	5,517	1,218	5,597	384	75,115	(7,531)	80,911
TOTAL	184,676	54,838	46,247	31,471	20,829	95,092	(29,295)	403,858

March 31, 2021

	Not yet due	<30 days	31 - 60 days	61 - 90 days	91 - 120 days	Over 120 days	Allowance	TOTAL
Trade	133,908	78,614	46,789	63,292	33,091	41,493	(32,216)	364,971
Others	7,564	22,405	15,129	7,564	3,782	19,910	(7,531)	68,823
TOTAL	141,472	101,019	61,918	70,856	36,873	61,403	(39,747)	433,794

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.

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

   b. Subsidiaries of the Parent Company

   Elizalde Hotels and Resorts Inc. (EHRI) and Feliz Hotel Boracay, Inc. (FHBI).
   EHRI was incorporated in the Philippines and registered with the SEC on March 18, 2015. FHBI was incorporated in the Philippines and registered with the SEC on April 23, 2015. EHRI and FHBI are engaged in hotel business. EHRI and FHBI started its commercial operations on January 3, 2019 and July 26, 2019, respectively.

   The registered office address of the subsidiaries is MBC Bldg., V. Sotto St., CCP Complex, Pasay City.

2. **Summary of Significant Accounting Policies and Disclosures**

   Basis of Preparation
   The Company's consolidated financial statements have been prepared using the historical cost basis, except for unquoted equity investments, 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 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 (PFRSs).

   Changes in Accounting Policies and Disclosures
   The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective as at January 1, 2021. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Unless otherwise indicated, adoption of these new standards did not have an impact on the consolidated financial statements of the Company.

- Amendments to PFRS 9, PAS 39, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2*
- Amendments to PFRS 16, *COVID-19-Related Rent Concessions*

Standards Issued but not yet Effective
Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Company does not expect that the future adoption of the said pronouncements will have a significant impact on its consolidated financial statements. The Company intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2022
- Amendments to PFRS 3, *Reference to the Conceptual Framework*
- Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*
- Amendments to PAS 37, *Onerous Contracts – Costs of Fulfilling a Contract*
- *Annual Improvements to PFRSs* 2018-2020 Cycle
    - Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a First-time Adopter*
    - Amendments to PFRS 9, *Financial Instruments*, *Fees in the '10 per cent' Test for Derecognition of Financial Liabilities*
    - Amendments to PAS 41, *Agriculture, Taxation in Fair Value Measurements*

Effective beginning on or after January 1, 2023
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities Arising from a Single Transaction*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*

Effective beginning on or after January 1, 2024
- Amendments to PAS 1*, Classification of Liabilities as Current or Non-current*

Effective beginning on or after January 1, 2025
- PFRS 17, *Insurance Contracts*

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

Significant Accounting Policies

Basis of Consolidation
The consolidated financial statements include the financial statements of the Parent Company and its subsidiaries.

Control is achieved when the Parent Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Parent Company controls an investee if and only if the Parent Company 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 Parent Company has less than a majority of the voting rights of an investee, the Parent Company 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; and
- the Parent Company's voting rights and potential voting rights.

The Parent Company 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 listed above. Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company, using consistent accounting policies. All significant intra-group balances, transactions, income and expenses and profits and losses resulting from intra-group transactions that are recognized in assets and liabilities, are eliminated in full on consolidation. Unrealized gains and losses are eliminated.

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 noncontrolling interest is recognized directly in equity.

If the Parent Company loses control over a subsidiary, it:
- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognized in other comprehensive income (OCI) to profit or loss or retained earnings, as appropriate.

Non-controlling Interests
Non-controlling interests is the equity in the subsidiaries not attributable, directly and indirectly, to the Parent Company. These are measured at their proportionate share of the value of net identifiable assets of the subsidiaries. These are presented in the

consolidated financial statements within equity, separately from the equity of the owners of the Parent Company. Profit or loss and each component of OCI are attributed to the owners of the Parent Company and to the non-controlling interests. Attribution of total comprehensive income to the non-controlling interests continues even if it results in a deficit balance.

Business Combination Involving Entities under Common Control
Business combinations in which all the combining entities within the Company are ultimately controlled by the same party before and after the business combination and that the control is not transitory ("business combinations under common control") are accounted under pooling of interests method.

The general requirements of pooling of interests method are as follows:
- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect the fair values, or recognize any new assets or liabilities at the date of the combination. The only adjustments would be to harmonize accounting policies between the combining entities.
- No 'new' goodwill is recognized as a result of the combination.
- Any difference between the consideration transferred and the net asset acquired is reflected within equity.

The Company applied this method prospectively and thus, the financial information for comparative periods and any financial information prior to the business combination are not restated.

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 in several industries and operate in largely independent markets.

Gross maximum exposure to credit risk
The maximum exposure to credit risk as of March 31, 2022 and December 31, 2021 is as follows:

	2022 Unaudited (3 months)	2021 Audited (1 year)
Loans and receivables		
Cash in bank and cash equivalents	325,188,205	202,658,474
Receivables (net):		
Trade	322,946,591	359,401,375
Others	80,911,378	74,392,885
	403,857,969	433,794,260
Due from affiliates	312,210,752	334,145,731
	1,041,256,926	**970,598,465**

Credit quality of financial assets
The table below summarized the credit quality of the Company's financial assets as of March 31, 2022:

	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	325,188,205	-	-	-	325,188,205
Receivables (net)					
Trade	110,438,053	73,625,369	140,669,555	(1,786,386)	322,946,591
Others	367,776	245,184	12,714,935	67,583,483	80,911,378
Due from affiliates	-	312,210,752	-	-	312,210,752
TOTAL	**435,994,034**	**386,081,305**	**153,384,490**	**65,797,097**	**1,041,256,926**

- **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. Bank loans as of March 31, 2022 amounted to P456.7 million.

9. The Company is organized into only one operating division – radio and television broadcasting, which is its primary activity. The Company has eight (8) programming formats, namely: DZRH, Aksyon Radyo, Love Radio, Yes-FM, Easy Rock, Radyo Natin, RHTV and New Media which represent about 13%, 7%, 49%, 15%, 8%, 5%, 2% and 1% of the total broadcasting fee for the first three months of 2022.

10. The Company plans to earmark P150.0 million capital expenditure this year. This will be funded by cash flows from operating activities and the proceeds on insurance claims.

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

12. 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.

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

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

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

16. There are no known trends, events or uncertainties that have had of that are reasonably expected to have a material impact on the net sales or revenues or income from continuing operations.
17. There are no significant elements of income or loss that did not arise from the company's continuing operations.

18. 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.

19. 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.

20. On March 24, 2022, the company has authorized to purchase a property located at Lot 175-A, No. 2519 Taft Avenue, Barangay 89, Zone 9, District 1, San Rafael, Pasay City containing an area of eight hundred square meters (800 sq.m.) for one hundred thirty-three million five hundred twenty thousand pesos (P133,520,000.00) owned by the Union Bank of the Philippines. The property will be the company's future headquarters.

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 financial statements for the three months ended March 31, 2022.

MARCH 31, 2022 VS. MARCH 31, 2021

Results of Operations

The Company achieved aggregate revenue of P287.7 million during the first three months of 2022, an increase of 11.1% due to the overall improvement of the economy as compared to the P258.9 million registered for the same period in 2021. Total costs and expenses for the first three months amounted to P218.8 million, which increased by 27.3% from P172.0 million last year. The net income amounted to P45.8 million for the first three months ended March 31, 2022.

Liquidity and Capital Resources

The total assets increased to P3.1 billion from 2021 year-end balance of P2.9 billion. Of the total consolidated resources of P3.1 billion, P1.7 billion was accounted for by stockholders' equity with the balance of P1.4 billion 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 – March	
	2022	**2021**
1. Return on Sales (ROS)		
Net income	45,843,455	58,842,945
Divide by: Sales	287,684,561	258,935,764
ROS	**15.94%**	**22.72%**

2. Earnings per Share (EPS)

Net income	45,843,455	58,842,945
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
EPS	**0.11**	**0.15**

3. Current Ratio

Current assets	1,151,327,504	1,215,376,365
Divide by: Current liabilities	980,646,841	790,890,724
CURRENT RATIO	**1.17**	**1.54**

4. Debt-Equity Ratio

Total Liabilities	1,393,525,949	1,253,823,611
Divide by: Total Stockholders' Equity	1,719,255,354	1,697,381,527
DEBT-EQUITY RATIO	**0.81**	**0.74**

5. Book Value Per Share

Total Stockholders' Equity	1,719,255,354	1,697,381,527
Divide by: No. of Shares Outstanding	402,682,990	402,682,990
BOOK VALUE PER SHARE	**4.27**	**4.22**

Discussion on Key Performance Indicators

1. Return on sales decreased from 22.72% to 15.94% primarily due to higher operating expenses during the period.

2. EPS decreased from P0.15 to P0.11 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 1.17:1 from 1.54:1 due to the increase in current liabilities relating to the advanced payments from the advertisers. At this current level, the Company is still capable of meeting its maturing obligations on time.

4. The debt-equity ratio increased from 0.74 to 0.81 mainly due to the increase in the company's contract liabilities during the period.

5. The book value per share increased to 4.27 from 4.22 mainly due to the increase in equity during the quarter with the number of outstanding shares remaining constant. This increase in book value per share is a positive indication since this amount exceeds by 3.27 the par value per share of P1.00.

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

1. Cash and cash equivalents increased by P122.5 million mainly due to increase collection of receivables and advanced payment from the advertisers.

2. Accounts Receivable decreased by P29.9 million due to opening of the economy from the lockdown period which resulted to a better collection and payment patterns during the year.

3. Due from related parties 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 March 31, 2022 amounted to P312.2 million.

4. Prepaid expenses and other current assets increased by P6.6 million due to increase in tax credits.

5. Property and Equipment - net at cost amount increased by P126.3 million due to purchase of property from Union Bank of the Philippines which will be the company's future headquarters.

6. Accounts payable and accrued expenses increased by 6.7% mainly due to the increased purchases on credit for the reconstruction of MBC building that was heavily damaged by fire in October 2019.

7. Contract liabilities increased by P126.5 million which represents increased advanced payments from the advertisers.

8. Dividends payable decreased by P14.3 million as a result of payments made to stockholders.

9. Income tax payable increased by P20.3 million mainly due to the provision for income tax for the 1st quarter of 2022. The year-end balances of P11.9 million were subsequently paid in April 2022.

10. Loan balance increased by 3.0% due to new loans availed as of March 31, 2022.

11. Retained Earnings increased by P48.7 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.

MANILA BROADCASTING COMPANY

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: May 20, 2022