May 28, 2020

SECURITIES AND EXCHANGE COMMISSION
Secretariat Building, PICC Complex,
Roxas Boulevard, Pasay City, 1307

ATTENTION : **DIR. VICENTE GRACIANO P. FELIZMENIO JR.**
Markets and Securities Regulation Department

via PSE EDGE
PHILIPPINE STOCK EXCHANGE, INC.
PSE Tower, 28th Street, cor. 5th Avenue
Bonifacio Global City, Taguig City

ATTENTION : **MS. JANET A. ENCARNACION**
Head, Disclosure Department

via electronic mail
PHILIPPINE DEALING & EXCHANGE CORP.
Market Regulatory Services Group
29th Floor BDO Equitable Tower
8751 Paseo de Roxas, Makati City 1226

ATTENTION : **ATTY. MARIE ROSE M. MAGALLEN-LIRIO**
Head – Issuer Compliance and Disclosure Department

Gentlemen:

Please see enclosed SEC Form 17-Q (1st Quarterly Report 2020) of Aboitiz Power Corporation.

Kindly acknowledge receipt hereof.

Thank you.

Very truly yours,

ABOITIZ POWER CORPORATION
By:

MANUEL ALBERTO R. COLAYCOFCA
Corporate Secretary

COVER SHEET

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S.E.C. Registration Number

ABOITIZ POWER CORPORATION

(Company's Full Name)

32ND STREET, BONIFACIO GLOBAL CITY, TAGUIG CITY, METRO MANILA PHILIPPINES

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

MANUEL ALBERTO R. COLAYCO

Contact Person

(02) 8-886-2338

Company Telephone Number

1	2		3	1

Month *Day*

Fiscal Year

1st Quarterly Report 2020

1	7	-	Q	

FORM TYPE

4th Monday of April

0	4		2	7

Month *Day*

Annual Meeting

Secondary License Type, if Applicable

S	E	C

Dept. Requiring this Doc

Amended Articles Number/Section

Total No. of Stockholders

x

Domestic

Foreign

- -

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

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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, 2020**

2. Commission identification number **C199800134** 3.BIR Tax Identification No. **200-652-460-000**

4. Exact name of issuer as specified in its charter

   ABOITIZ POWER CORPORATION

5. Province, country or other jurisdiction of incorporation or organization

   Philippines

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer's principal office Postal Code

   32nd Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines 1634

8. Issuer's telephone number, including area code

   (02) 8 886-2800

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 RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of March 31, 2020)
Common Stock ₱1 Par Value	**7,358,604,307**
Amount of Debt Outstanding	**₱239,436,537,000.00**

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:

    Philippine Stock Exchange **Common**

12. Indicate by check mark whether the registrant:

    (a) has filed all reports required to be filed by Section 17 of the Code and SRC Rule 17 thereunder or Sections 11 of the RSA and RSA Rule 11(a)-1 thereunder, and Sections 26 and 141 of the 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 [ ]

PART I--FINANCIAL INFORMATION

Item 1. Financial Statements.

Please refer to the financial statements and schedules attached herewith.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of the Company's consolidated financial condition and results of operations should be read in conjunction with the consolidated financial statements and accompanying schedules and disclosures set forth elsewhere in this report.

Key Performance Indicators

Management uses the following indicators to evaluate the performance of the Company and its subsidiaries (the Company and its subsidiaries are hereinafter collectively referred to as the "Group"):

1. **Share in Net Earnings of Associates and Joint Ventures.** This represents the Group's share in the undistributed earnings or losses of its investees for each reporting period subsequent to the acquisition of said investment, net of goodwill impairment cost, if any. It also indicates the profitability of the investment and investees' contribution to the Group's net income.

   Goodwill is the difference between the purchase price of an investment and the investor's share in the value of the net identifiable assets of the investee at the date of acquisition.

   Manner of Computation:
   Investee's Net Income (Loss) x Investor's % ownership - Goodwill Impairment Cost

2. **Earnings before Interest, Taxes, Depreciation, and Amortization (EBITDA).** The Company computes EBITDA as earnings before extraordinary items, net finance expense, income tax provision, depreciation, and amortization. It provides management and investors with a tool for determining the ability of the Group to generate cash from operations to cover financial charges and income taxes. It is also a measure to evaluate the Group's ability to service its debts.

3. **Cash Flow Generated.** Using the Consolidated Statement of Cash Flows, management determines the sources and usage of funds for the period and analyzes how the Group manages its profit and uses its internal and external sources of capital. This aids management in identifying the impact on

cash flow when the Group's activities are in a state of growth or decline, and in evaluating management's efforts to control the impact.

4. **Current Ratio.** Current Ratio is a measurement of liquidity, calculated by dividing total current assets by total current liabilities. It is an indicator of the Group's short-term debt-paying ability. The higher the ratio, the more liquid the Group**.**

5. **Debt–to–Equity Ratio.** Debt-to-Equity Ratio indicates how leveraged the Group is. It compares assets provided by creditors to assets provided by shareholders. It is determined by dividing total liabilities by stockholders' equity.

The table below shows the comparative figures of the key performance indicators for the three (3) months of 2020 and 2019 and as of December 31, 2019:

Key Performance Indicators	MARCH 2020 (INTERIM)	MARCH 2019 (INTERIM)	DECEMBER 2019
Amounts in thousands of ₱s, except for financial ratios			
SHARE IN NET EARNINGS OF ASSOCIATES AND JOINT VENTURES	**464,473**	551,130	3,813,962
EBITDA	**9,394,497**	10,404,355	45,005,022
CASH FLOW GENERATED:			
Net cash flows from operating activities	**9,841,030**	6,341,341	39,356,962
Net cash flows used in investing activities	**(3,999,152)**	(976,223)	(34,060,584)
Net cash flows used in financing activities	**660,421**	(1,553,471)	(14,376,055)
Net (Decrease)/Increase in Cash & Cash Equivalents	**6,502,299**	3,881,647	(9,079,677)
Cash & Cash Equivalents, Beginning	**37,433,929**	46,343,041	46,343,041
Cash & Cash Equivalents, End	**44,030,335**	50,109,442	37,433,929
CURRENT RATIO	**1.20**		1.50
DEBT-TO-EQUITY RATIO	**2.32**		2.07

- Share in net earnings in associates and joint ventures for the first quarter of 2020 decreased by 16% compared to the first quarter of 2019. The decrease was mainly due to lower income contributions from SN Aboitiz Power-Benguet, Inc. (SN Aboitiz Power- Benguet), which was primarily driven by a reduction in volume sold due to reduced water levels during the first quarter of 2020 compared to the same period in 2019.

- EBITDA for the first quarter of 2020 decreased by 10%. In the first quarter of 2019, income from the Generation Rate Adjustment Mechanism (GRAM) and Incremental Currency Exchange Rate Adjustment (ICERA) were included. Other contributing factors during the first quarter of 2020 were lower plant availability and lower spot market revenues across the Power Generation Group.

- For the first quarter of 2020, cash and cash equivalents increased by ₱6.60 billion (bn). During same period in 2019, there were higher (i) cash flows used for the AA Thermal, Inc. (AA Thermal) partial acquisition, and (ii) cash flows used to invest in GNPower Dinginin Ltd. Co. (GNPD) for its on-going power plant construction and the Group's capital expenditures.

- Current Ratio as of March 31, 2020 was at 1.20x as compared to 1.50x as of December 31, 2019. This is due to an increase in current liabilities during the first quarter of 2020, mainly from higher levels of current debt maturities.

- Debt-to-Equity Ratio as of March 31, 2020 was at 2.32x, higher than the 2.07x recorded at the end of 2019.

Results of Operations

Net income for the first quarter of 2020 of ₱2.06 bn, which was 43% lower than the ₱3.63 bn reported for the same period in 2019. This translated to earnings per share of ₱0.28 for the period. The Company recognized non-recurring losses of ₱27 million (mn) during the period, lower than the ₱440 mn in non-recurring losses recorded during the same period last year. Without these one-off losses, core net income for the first quarter of 2020 was ₱2.09 bn, 49% lower year-on-year (YoY). This was mostly due to the decline in EBITDA, coupled with additional taxes from the expiration of the Income Tax Holiday incentives of Therma South, Inc. (TSI) and GN Power Mariveles Coal Plant Ltd. Co. (GMCP), and the additional interest expense from the Parent Company bond and loan that were taken up late last year.

Power Generation and Retail Electricity Supply (RES)

AboitizPower's generation and retail supply business recorded EBITDA of ₱7.40 bn during the first quarter of 2020, 13% lower than the ₱8.60 bn recorded during the corresponding period last year. The variance was primarily due to the EBITDA for the first quarter of 2019 that included one-time income from GRAM and ICERA. AboitizPower's performance during the first quarter of 2020 was also affected by outages in TSI and GMCP, and by lower selling prices. These offset the fresh contributions of Therma Visayas, Inc. (TVI) and the decreased purchased power costs.

Capacity sold for the first quarter of 2020 increased by 17% to 3,445 megawatts (MW) from 2,947 MW in the same period last year.

Power Distribution

For the first quarter of 2020, AboitizPower's distribution business recorded EBITDA of ₱2.10 bn, 12% higher than the ₱1.90 bn recorded during the same period last year. Energy sales increased by 6% to 1,429 gigawatt-hours (GWh) during the first three months of 2020, from 1,343 GWh in the first quarter of 2019. This was driven by higher energy consumption from the Residential and Commercial customer segments and growth in the number of customers from the Industrial segment.

Material Changes in Line Items of Registrant's Statements of Income and Comprehensive Income

Consolidated Statements of Income

Net income attributable to equity holders of the Parent Company decreased by ₱1.57 bn, or 43%. The various movements in line items are shown below to account for the decrease:

Net Income Attributable to Equity Holders of the Parent (January – March 2019)	**₱3,625,436**
Decrease in operating revenues	(1,944,541)
Decrease in operating expenses	1,741,269
Decrease in interest income	(198,039)
Increase in interest expense	(551,877)
Decrease in share in net earnings of associates and joint ventures	(86,657)
Decrease in other income	(842,447)
Lower provision for taxes	140,143
Decrease in income attributable to non-controlling interests	176,467
Total	(1,565,683)
Net Income Attributable to Equity Holders of the Parent (January – March 2020)	**₱2,059,753**

Operating Revenues
(7% decrease from ₱29.82 bn to ₱27.88 bn)

The decrease in operating revenues was primarily due to the extended outage of TSI Unit 2, lower indices, and lower spot prices. Forced outages for the first quarter of 2020 were primarily from TSI Unit 2, which is expected to return to service on May 22, 2020 after the plant's reliability run. These decreases were partly offset by higher electricity sales from the Company's distribution utilities.

Operating Expenses
(7% decrease from ₱23.57 bn to ₱21.83 bn)

The decrease in operating expenses was mainly due to lower cost of purchased power and cost of generated power during the first quarter of 2020. During the same period in 2019, the Company bought replacement power at higher spot market prices due to contracting in advance for incoming capacities and outages of AP Renewables Inc. (APRI) and Pagbilao Energy Corporation (PEC).

Interest Income
(46% decrease from ₱430 mn to ₱232 mn)

Interest income during the first quarter of 2019 was higher compared to the same period in 2020 primarily due to the Parent Company's higher cash investments and higher interest income from TSI, Hedcor Bukidnon, Inc., and PEC.

Interest Expense and other financing costs
(17% increase from ₱3.21 bn to ₱3.76 bn)

Interest expense increased in the first quarter of 2020 compared to the same period last year due to interest and financing costs on AboitizPower's ₱7.25 bn retail bonds issued in October 2019 and the recognition of interest expense from TVI's project loans. The proceeds from the October 2019 bond offering were used to pay for short-term borrowings.

Share in Net Earnings of Associates and Joint Ventures
(16% decrease from ₱551 mn to ₱464 mn)

Share in net earnings in associates and joint ventures for the first quarter of 2020 decreased by 16% compared to the first quarter of 2019. The decrease was mainly due to lower income contributions from SN Aboitiz Power-Benguet. SN Aboitiz Power-Benguet lower income contribution was primarily driven by a reduction in volume sold due to reduced water levels during the first half of 2020 compared to the same period in 2019

Other Income (Expenses) – net
(83% decrease from ₱1.01 bn to ₱172 mn other income)

The decrease in other income was mainly due to lower unrealized foreign exchange and derivative losses mostly from dollar-denominated assets and liabilities.

Provision for Taxes
(18% decrease from ₱781 mn to ₱641 mn)

The decrease was due to lower taxable and higher net deferred tax benefit recognized during the first quarter of 2020 compared to the same period in 2019, which offset the additional taxes from the expiration of the Income Tax Holiday incentives of TSI and GMCP.

Changes in Registrant's Resources, Liabilities and Shareholders' Equity

Assets

Total assets (as of March 31, 2020 compared to December 31, 2019) increased by ₱8.19 bn, or 2%. The major movements of the accounts leading to the increase were as follows:

a) Cash and cash equivalents increased by ₱6.60 bn, or 18% (from ₱37.43 bn to ₱44.03 bn). During the first quarter of 2019 there were higher (i) cash flows used for the AA Thermal partial acquisition, and (ii) cash flows used to invest into GNPD for its on-going power plant construction and the Group's capital expenditures. This was partially offset by proceeds from short term loans.

b) Inventories increased by ₱593 mn or 9% (from ₱6.63 bn to ₱7.23 bn) mainly driven by an increase in Coal inventory.

c) Other current assets increased by ₱977 mn, or 9% (from ₱11.08 bn to ₱12.06 bn) mainly driven by an increase in input VAT and prepaid expenses. This was partially offset by a decrease in restricted cash of TSI being held as cash reserves in compliance with its covenants on its project debt.

d) Property, plant and equipment decreased slightly (from ₱210 bn to ₱208 bn) mainly due depreciation of existing assets.

e) Financial assets at fair value through profit or loss increased by 135% (from ₱4 mn to ₱9 mn) mainly due mark to market valuations.

f) Deferred income tax assets increased by ₱414 mn, or 15% (from ₱2.79 bn to ₱3.20 bn) mainly due to the deferred tax benefits recognized by Therma Mobile, Inc. on its net operating loss and Therma Luzon, Inc. (TLI) on its unrealized forex loss.

Liabilities

Compared to December 31, 2019, total liabilities as of March 31, 2020 increased by ₱15.65 bn, or 6%. The major movements of accounts leading to the increase were as follows:

a) Short-term loans increased by ₱10.70 bn, or 103% (from ₱10.34 bn to ₱21.03 bn), mainly due to new loans availed by the Parent Company, Visayan Electric Company, Inc., and Davao Light & Power Company, Inc. for working capital purposes.

b) Trade and other payables increased by ₱8.03 bn, or 36% due to the Dividends payable declared during the first quarter of 2020. These dividends were paid on April 3, 2020.

c) Income tax payable increased by ₱855 mn, or 168%, mainly from a higher provision for taxes at the Company's Distribution Utilities, Adventenergy, Inc., and expiration of the Income Tax Holiday incentives of TSI and GMCP.

d) Long-term debt (current and non-current portions) decreased by ₱3.30 bn (from ₱177.97 bn to ₱174.67 bn) mainly due to principal payments made on existing loans of GMCP, TVI, APRI, Hedcor Bukidnon, and Hedcor, Inc.

e) Net Derivative liabilities (current and non-current portions) went up by ₱374 mn, primarily due to fair value changes on GMCP's interest rate swaps.

f) Lease liabilities (current and noncurrent portions) decreased by ₱1.05 bn (from ₱44.79 bn to ₱43.74 bn), as TLI made timely payments on its obligation to Power Sector Assets and Liabilities Management Corporation (PSALM).

Equity

Equity attributable to equity shareholders of the Parent Company decreased by 5% (from ₱125.54 bn at the end of 2019 to ₱118.78 bn as of March 31, 2020) after the declaration of dividends in March 2020, net of comprehensive income recognized during the first quarter of 2020. Cumulative translation adjustments increased by ₱214 mn, due to (i) downward effect of changes in the fair value of foreign currency forward and commodity swap contracts designated as cash flow hedges, and (ii) translation effect of GMCP and Luzon Hydro Corporation (LHC) for the period.

Material Changes in Liquidity and Cash Reserves of Registrant

The Group continues to realize a significant amount of cash generated from operations, which brought in ₱9.84 bn in the first three months of 2020, a ₱3.50 bn or 55% increase compared to the same period last year. The increase in operating cash flows was due to lower working capital requirements and lower taxes paid during the first quarter of 2020.

Net cash flows used in investing activities increased to ₱4.0 bn in the first quarter of 2020 from ₱976 mn for the same period last year. The increase in cash outflow was mainly due to funding for the GNPD construction of power plant.

The net cash flows from financing activities amounting to ₱660 mn is higher than the same period last year mainly due to higher short-term loan availments.

As of March 31, 2020, the Group's cash and cash equivalents increased by 18% to ₱44.03 bn, from ₱37.43 bn as of December 31, 2019.

Financial Ratios

Current assets increased by 10% and current liabilities increased by 38%. The current ratio as of March 31, 2020 was at 1.20x compared to 1.50x as of December 31, 2020.

Consolidated debt to equity ratio as of March 31, 2020 was at 2.32x, higher than the 2.07x recorded at the end of 2019. The change is mainly due to the 6% increase in total liabilities bolstered by the 6% decrease in equity during the first quarter of 2020.

Outlook for the Upcoming Year/ Known Trends, Events, and Uncertainties which may have Material Impact on the Registrant

AboitizPower is focused on addressing the needs of its markets, namely: (1) reliable supply, at a (2) reasonable cost, and with (3) minimal impact on the environment and communities. The Company believes that there is no single technology that completely addresses the country's energy requirements; and that to address the deficiency, a mix of power generation technologies is necessary. Thus, AboitizPower continues to pursue both renewable projects and thermal technologies where and when it makes sense.

Despite increased competition in the power generation market, the Company believes that it has built the foundation to sustain its long term growth, as seen in its pipeline of new power generation projects (Naga Power Plant Complex project and GNPower Dinginin project).

For the Naga Power Plant Complex Project in Cebu, the six diesel engine units passed the grid compliance tests of the National Grid Corporation of the Philippines and were successfully rehabilitated in January 2020. The units have demonstrated a combined net capacity of 39 MW. The issuance of a Certificate of Compliance (CoC) and a Provisional Authority to Operate (PAO) are both pending from the Energy Regulatory Commission (ERC). The plant is expected to go into commercial operations once either a PAO or a final CoC is obtained.

The GNPower Dinginin project is in the final stages of construction but continues to face numerous challenges due to the COVID-19 pandemic and the imposition of the travel ban on China. Construction has slowed down because of the preventive measures taken to ensure the safety of workers on-site. As previously disclosed, the travel ban prevented the return of a number of its EPC Contractor's workers from their Lunar New Year holiday, as well as the arrival of technicians critical to the commissioning of Unit 1. As a result, commissioning works are ongoing only in areas where the presence of technical field assistants from China is not required. Due to these circumstances, Unit 1 is now expected to synchronize and earn commissioning revenues by the fourth quarter of 2020 and to commence commercial operations by the first quarter of 2021. On the other hand, Unit 2 is expected to synchronize and earn commissioning revenues by the first quarter of 2021 and to commence commercial operations by the second quarter of 2021.

By 2020, is on track to meet its 2020 target of 4,000 MW net attributable capacity. By year end, AboitizPower will own 4,432 MW of attributable capacity, with the entry of GNPD, both units of which are under construction.

AboitizPower is committed to growing its attributable capacity to 9,300 MW by 2029, which it expects will be sourced from a portfolio of renewables and selective baseload builds. In terms of renewable energy, the Company aims to maximize opportunities from the implementation of the Renewable Portfolio Standards (RPS) by the Department of Energy (DOE) starting this year. In line with DOE's aspirational goal of a 35% share in renewable energy utilization by 2030, RPS is a market-based policy that mandates power distribution utilities, electric cooperatives, and retail electricity suppliers to source an agreed portion of their energy supplies from renewable energy facilities. The Company will continue to pursue its international aspirations with a continued focus on renewable energy projects in the ASEAN region. With all of these combined, it is expected that the Company's portfolio ratio will be close to a 50:50 Cleanergy (renewable energy) and thermal capacity mix by the end of the current decade.

AboitizPower believes that it is well-positioned to take advantage of opportunities arising from developments in the power industry. The Company expects its financial condition to give it the agility to create or acquire additional generating capacity over the next few years.

AboitizPower, together with its partners, had initially budgeted ₱41 bn in capital expenditures for 2020 but is currently reviewing its capex program for the year in order to take into consideration the impact of COVID-19.

Despite the challenges posed by the global pandemic and the unusual business situation, the Company continues to operate with its business continuity plans in force, in accordance with the protocols and guidelines of the government's community quarantine. The Company will continue to provide the country with the much-needed power supply for the hospitals, government institutions, and critical businesses, while ensuring the safety of its teams, partners, and communities.

Other known trends, events, uncertainties which may have a material impact on AboitizPower have been discussed extensively in sections of the Company's Information Statement (e.g. for an extensive discussion on regulatory issues, see Effects of Existing or Probable Government Regulations on the Business on page 80 of the Company's 2020 Definitive Information Statement.

PART II--OTHER INFORMATION

There are no significant information on the company which requires disclosure herein and/or were not included in SEC Form 17-C.

SIGNATURES

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

Issuer	**ABOITIZ POWER CORPORATION**
Principal Accounting Officer	**Charisse P. Bacurio**
Signature and Title	**Vice President for Finance**
Date	May 28, 2020
Authorized Officer of the Issuer	**Manuel Alberto R. Colayco**
Signature and Title	**Corporate Secretary**
Date	May 28, 2020

Aboitiz Power Corporation and Subsidiaries

Unaudited Interim Condensed Consolidated Financial Statements
As of March 31, 2020 (with Comparative Figures as of December 31, 2019) and
For the Three-Month Periods Ended March 31, 2020 and 2019

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET

(With Comparative Figures as of December 31, 2019)
(Amounts in Thousands)

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents (Note 5)	**₱44,030,335**	₱37,433,929
Trade and other receivables (Note 6)	**21,606,602**	21,747,422
Inventories	**7,225,466**	6,632,029
Other current assets (Note 7)	**12,073,640**	11,083,405
Total Current Assets	**84,936,043**	76,896,785
Noncurrent Assets		
Investments and advances (Note 8)	**62,646,765**	60,878,541
Property, plant and equipment	**207,925,958**	209,521,466
Intangible assets (Note 10)	**46,783,636**	46,712,501
Derivative assets - net of current portion (Note 20)	**–**	82,327
Financial assets at fair value through profit or loss (FVTPL)	**9,160**	3,906
Net pension assets	**68,209**	68,209
Deferred income tax assets	**3,205,595**	2,786,310
Other noncurrent assets	**13,105,359**	13,519,312
Total Noncurrent Assets	**333,744,682**	333,572,572
TOTAL ASSETS	**₱418,680,725**	₱410,469,357
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term loans (Note 12)	**₱21,031,434**	₱10,335,420
Current portions of:		
Long-term debts (Note 13)	**10,558,168**	10,386,311
Lease liabilities (Note 21)	**5,508,002**	5,486,745
Long-term obligation on power distribution system	**40,000**	40,000
Derivative liabilities (Note 20)	**2,085,047**	2,255,736
Trade and other payables (Note 11)	**30,408,651**	22,376,120
Income tax payable	**1,377,567**	510,137
Total Current Liabilities	**71,008,869**	51,390,469

(Forward)

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEET

(With Comparative Figures as of December 31, 2019)
(Amounts in Thousands)

	March 31, 2020 (Unaudited)	December 31, 2019 (Audited)
Noncurrent Liabilities		
Noncurrent portions of:		
Long-term debts (Note 13)	**₱164,109,323**	₱167,585,311
Lease liabilities (Note 21)	**38,229,610**	39,302,899
Long-term obligation on power distribution system	**165,372**	159,350
Derivative liabilities - net of current portion (Note 20)	**674,932**	212,588
Customers' deposits	**6,643,879**	6,521,469
Decommissioning liability	**3,613,849**	3,567,492
Deferred income tax liabilities	**847,958**	848,471
Net pension liabilities	**426,047**	426,047
Other noncurrent liabilities	**6,773,682**	6,812,250
Total Noncurrent Liabilities	**221,484,652**	225,435,877
Total Liabilities	**292,493,521**	276,826,346
Equity Attributable to Equity Holders of the Parent		
Paid-in capital (Note 22)	**19,947,498**	19,947,498
Share in net unrealized valuation gains on fair value through other comprehensive income (FVOCI) of an associate (Note 8)	**101,727**	101,727
Cumulative translation adjustments	**(1,208,365)**	(994,253)
Share in cumulative translation adjustments of associates and joint ventures (Note 8)	**(113,798)**	(153,485)
Actuarial losses on defined benefit plans	**(923,833)**	(923,833)
Share in actuarial losses on defined benefit plans of associates and joint ventures	**(13,598)**	(14,299)
Acquisition of non-controlling interests	**(6,321,325)**	(6,321,325)
Excess of cost over net assets of investments	**(421,260)**	(421,260)
Loss on dilution	**(433,157)**	(433,157)
Retained earnings (Note 22)		
Appropriated	**33,660,000**	33,660,000
Unappropriated	**74,471,977**	81,095,377
	118,745,866	125,542,990
Non-controlling Interests	**7,441,338**	8,100,021
Total Equity	**126,187,204**	133,643,011
TOTAL LIABILITIES AND EQUITY	**₱418,680,725**	₱410,469,357

See accompanying Notes to Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

(Amounts in Thousands, Except Earnings Per Share Amounts)

	Jan - Mar 2020	Jan - Mar 2019 (As restated)
OPERATING REVENUES (Note 18)	**₱27,876,150**	₱29,820,691
OPERATING EXPENSES (Note 15)	**21,826,854**	23,568,123
FINANCIAL INCOME (EXPENSES)		
Interest income (Note 5)	**232,179**	430,218
Interest expense and other financing costs (Note 19)	**(3,762,090)**	(3,210,213)
	(3,529,911)	(2,779,995)
OTHER INCOME (EXPENSES)		
Share in net earnings of associates and joint ventures (Note 8)	**464,473**	551,130
Other income - net (Note 16)	**172,330**	1,014,779
	636,803	1,565,909
INCOME BEFORE INCOME TAX	**3,156,188**	5,038,482
PROVISION FOR INCOME TAX	**640,803**	780,946
NET INCOME	**₱2,515,385**	₱4,257,536
ATTRIBUTABLE TO:		
Equity holders of the parent	**₱2,059,753**	₱3,625,436
Non-controlling interests	**455,632**	632,100
	₱2,515,385	₱4,257,536
Earnings Per Common Share (Note 17)		
Basic and diluted, income for the period attributable to ordinary equity holders of the parent	**₱0.28**	₱0.49

See accompanying Notes to Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Thousands)

	Jan - Mar 2020	Jan - Mar 2019
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	**₱2,059,753**	₱3,625,436
Non-controlling interests	**455,632**	632,100
	2,515,385	4,257,536
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) that may be reclassified to profit or loss in subsequent periods:		
Movement in cumulative translation adjustments	**(553,285)**	(476,263)
Share in movement in cumulative translation adjustment of associates and joint ventures (Note 8)	**39,687**	(371,262)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods	**(513,598)**	(847,525)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Share in actuarial gain on defined benefit plans of associates and joint ventures, net of tax (Note 8)	**701**	–
Total other comprehensive loss for the period, net of tax	**(512,897)**	(847,525)
TOTAL COMPREHENSIVE INCOME	**₱2,002,488**	₱3,410,011
ATTRIBUTABLE TO:		
Equity holders of the parent	**₱1,886,029**	₱2,743,811
Non-controlling interests	**116,459**	666,200
	₱2,002,488	₱3,410,011

See accompanying Notes to Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE PERIODS ENDED MARCH 31, 2020 AND 2019

(Amounts in Thousands, Except Dividends Per Share Amounts)

	Attributable to Equity Holders of the Parent												
										Retained Earnings (Note 22)			
	Paid-in Capital	Share in Net Unrealized Valuation Gain on FVOCI Investments of an Associate (Note 8)	Cumulative Translation Adjustments	Share in Cumulative Translation Adjustments of Associates and Joint Ventures (Note 8)	Actuarial Gains (Losses) on Defined Benefit Plans	Share in Actuarial Gains (Losses) on Defined Benefit Plans of Associates and Joint Ventures (Note 8)	Acquisition of Non-controlling Interests	Excess of cost over net assets of investment	Loss on Dilution	Appropriated	Unappropriated	Non-controlling Interests	Total
Balances at January 1, 2020	**₱19,947,498**	**₱101,727**	**(₱994,253)**	**(₱153,485)**	**(₱923,833)**	**(₱14,299)**	**(₱6,321,325)**	**(₱421,260)**	**(₱433,157)**	**₱33,660,000**	**₱81,095,377**	**₱8,100,021**	**₱133,643,011**
Net income for the period	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,059,753**	**455,632**	**2,515,385**
Other comprehensive income	**–**	**–**	**(214,112)**	**39,687**	**–**	**701**	**–**	**–**	**–**	**–**	**–**	**(339,173)**	**(512,897)**
Total comprehensive income (loss)	**–**	**–**	**(214,112)**	**39,687**	**–**	**701**	**–**	**–**	**–**	**–**	**2,059,753**	**116,459**	**2,002,488**
Cash dividends - 1.18 per share (Note 22)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,683,153)**	**–**	**(8,683,153)**
Cash dividends paid to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1,147,134)**	**(1,147,134)**
Change in non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**371,992**	**371,992**
Balances at March 31, 2020	**₱19,947,498**	**₱101,727**	**(₱1,208,365)**	**(₱113,798)**	**(₱923,833)**	**(₱13,598)**	**(₱6,321,325)**	**(₱421,260)**	**(₱433,157)**	**₱33,660,000**	**₱74,471,977**	**₱7,441,338**	**₱126,187,204**
Balances at January 1, 2019	₱19,947,498	₱101,727	₱525,916	₱321,139	(₱587,267)	₱29,729	(₱259,147)	(₱421,260)	(₱433,157)	₱34,060,000	₱74,427,738	₱8,863,751	₱136,576,667
Effect of adoption - PFRS 16	–	–	–	–	–	–	–	–	–	–	(237,890)	(40,070)	(277,960)
Balances at January 1, 2019 as restated	19,947,498	101,727	525,916	321,139	(587,267)	29,729	(259,147)	(421,260)	(433,157)	34,060,000	74,189,848	8,823,681	136,298,707
Net income for the period	–	–	–	–	–	–	–	–	–	–	3,625,436	632,100	4,257,536
Other comprehensive income	–	–	(510,363)	(371,262)	–	–	–	–	–	–	–	34,100	(847,525)
Total comprehensive income (loss)	–	–	(510,363)	(371,262)	–	–	–	–	–	–	3,625,436	666,200	3,410,011
Cash dividends - 1.47 per share (Note 22)	–	–	–	–	–	–	–	–	–	–	(10,817,148)	–	(10,817,148)
Reversal of appropriation	–	–	–	–	–	–	–	–	–	(12,300,000)	12,300,000	–	–
Appropriations during the period	–	–	–	–	–	–	–	–	–	11,900,000	(11,900,000)	–	–
Cash dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(1,523,666)	(1,523,666)
Change in non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(248,665)	(248,665)
Balances at March 31, 2019	₱19,947,498	₱101,727	₱15,553	(₱50,123)	(₱587,267)	₱29,729	(₱259,147)	(₱421,260)	(₱433,157)	₱33,660,000	₱67,398,136	₱7,717,550	₱127,119,239

See accompanying Notes to Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in Thousands)

	Jan - Mar 2020	Jan - Mar 2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**₱3,156,188**	₱5,038,482
Adjustments for:		
Interest expense and other financing costs (Note 19)	**3,762,090**	3,210,213
Depreciation and amortization	**2,610,960**	2,150,501
Loss on disposal of property, plant and equipment	**47,524**	273,029
Unrealized fair valuation loss (gain) on derivatives and financial assets at FVTPL (Note 20)	**18,767**	(2,135)
Share in net earnings of associates and joint ventures (Note 8)	**(464,473)**	(551,130)
Interest income (Note 5)	**(232,179)**	(430,218)
Net unrealized foreign exchange loss (gain)	**(64,371)**	8,315
Write-off of project costs and other assets	**–**	8,506
Operating income before working capital changes	**8,834,506**	9,705,563
Decrease (increase) in:		
Trade and other receivables	**(306,280)**	(103,093)
Inventories	**(593,437)**	136,521
Other current assets	**1,875,125**	1,133,039
Increase (decrease) in:		
Trade and other payables	**121,775**	(3,941,459)
Customers' deposits	**122,410**	147,985
Net cash generated from operations	**10,054,099**	7,078,556
Income and final taxes paid	**(213,069)**	(737,215)
Net cash flows from operating activities	**9,841,030**	6,341,341
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received (Note 8)	**474,367**	814,705
Interest received	**228,211**	384,392
Proceeds from redemption of shares	**–**	5,340
Decrease (increase) in other noncurrent assets	**(3,200,054)**	301,159
Net collection of advances	**(15,789)**	–
Disposal of financial assets at FVTPL	**(5,254)**	–
Additions to:		
Property, plant and equipment	**(181,469)**	(1,559,068)
Intangible assets - service concession rights (Note 10)	**(28,291)**	(16,702)
Additional investments (Note 8)	**(1,270,873)**	(906,049)
Net cash flows used in investing activities	**(3,999,152)**	(976,223)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net availments of short-term loans (Note 12)	**10,696,014**	6,375,740
Net payments of long-term debt (Note 13)	**(3,426,511)**	(1,488,565)
Interest paid	**(4,417,768)**	(2,658,992)
Payments of lease liabilities (Note 21)	**(1,044,180)**	(2,257,988)
Cash dividends paid to non-controlling interests	**(1,147,134)**	(1,523,666)
Net cash flows from (used in) financing activities	**660,421**	(1,553,471)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**6,502,299**	3,811,647
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND EQUIVALENTS	**94,107**	(45,246)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**37,433,929**	46,343,041
CASH AND CASH EQUIVALENTS AT END OF PERIOD (Note 5)	**₱44,030,335**	₱50,109,442

See accompanying Notes to Consolidated Financial Statements.

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

UNAUDITED INTERIM CONDENSED NOTES TO FINANCIAL STATEMENTS

(Amounts in Thousands, Except Earnings per Share and Exchange Rate Data and When Otherwise Indicated)

1. **Corporate Information**

Aboitiz Power Corporation (the Company) was incorporated in the Philippines and registered with the Securities and Exchange Commission on February 13, 1998. The Company is a publicly-listed holding company of the entities engaged in power generation and power distribution in the Aboitiz Group. As of March 31, 2020, Aboitiz Equity Ventures, Inc. (AEV, also incorporated in the Philippines) owns 76.98% of the Company. The ultimate parent of the Company is Aboitiz & Company, Inc. (ACO).

On March 6, 2020 and April 27, 2020, the Company's Board of Directors (BOD) and stockholders, respectively, approved the amendments of the Company's primary purpose to include the power to act as guarantor or surety for the loans and obligations of its affiliates and associates.

The registered office address of the Company is 32nd street, Bonifacio Global City, Taguig City, Metro Manila.

2. **Group Information**

The unaudited interim condensed consolidated financial statements comprise the financial statements of the Company, subsidiaries controlled by the Company and joint operation that are subject to joint control (collectively referred to as "the Group").

The following are the subsidiaries as of March 31, 2020 and December 31, 2019:

	Nature of Business	**March 31, 2020**		December 31, 2019	
		Direct	**Indirect**	Direct	Indirect
Aboitiz Renewables, Inc. (ARI) and Subsidiaries	Power generation	**100.00**	–	100.00	–
AP Renewables, Inc. (APRI)	Power generation	–	**100.00**	–	100.00
Aboitiz Power Distributed Energy, Inc.	Power generation	–	**100.00**	–	100.00
Aboitiz Power Distributed Renewables, Inc.	Power generation	–	**100.00**	–	100.00
Hedcor, Inc. (HI)	Power generation	–	**100.00**	–	100.00
Hedcor Sibulan, Inc. (HSI)	Power generation	–	**100.00**	–	100.00
Hedcor Tudaya, Inc. (Hedcor Tudaya)	Power generation	–	**100.00**	–	100.00
Luzon Hydro Corporation (LHC)	Power generation	–	**100.00**	–	100.00
AP Solar Tiwi, Inc.*	Power generation	–	**100.00**	–	100.00
Retensol, Inc.*	Power generation	–	**100.00**	–	100.00
AP Renewable Energy Corporation*	Power generation	–	**100.00**	–	100.00
Aseagas Corporation (Aseagas)*	Power generation	–	**100.00**	–	100.00
Bakun Power Line Corporation*	Power generation	–	**100.00**	–	100.00
Cleanergy, Inc.*	Power generation	–	**100.00**	–	100.00
Cordillera Hydro Corporation*	Power generation	–	**100.00**	–	100.00
Hedcor Benguet, Inc.*	Power generation	–	**100.00**	–	100.00
Hedcor Bukidnon, Inc. (Hedcor Bukidnon)	Power generation	–	**100.00**	–	100.00
Hedcor Kabayan, Inc. *	Power generation	–	**100.00**	–	100.00
PV Sinag Power, Inc. (former Hedcor Ifugao, Inc.)*	Power generation	–	**100.00**	–	100.00
Amihan Power, Inc. (former Hedcor Kalinga, Inc.)*	Power generation	–	**100.00**	–	100.00
Aboitiz Solar Power, Inc. (former Hedcor Itogon Inc.)*	Power generation	–	**100.00**	–	100.00
Hedcor Manolo Fortich, Inc.*	Power generation	–	**100.00**	–	100.00
Hedcor Mt. Province, Inc.*	Power generation	–	**100.00**	–	100.00
Hedcor Sabangan, Inc. (Hedcor Sabangan)	Power generation	–	**100.00**	–	100.00
Hedcor Tamugan, Inc.*	Power generation	–	**100.00**	–	100.00
Mt. Apo Geopower, Inc.*	Power generation	–	**100.00**	–	100.00
Negron Cuadrado Geopower, Inc. *	Power generation	–	**100.00**	–	100.00
Tagoloan Hydro Corporation*	Power generation	–	**100.00**	–	100.00
Luzon Hydro Company Limited*	Power generation	–	**100.00**	–	100.00
Hydro Electric Development Corporation*	Power generation	–	**99.97**	–	99.97

(Forward)

	Nature of Business	March 31, 2020		December 31, 2019	
		Direct	**Indirect**	Direct	Indirect
Therma Power, Inc. (TPI) and Subsidiaries	Power generation	**100.00**	**–**	100.00	–
Mindanao Sustainable Solutions, Inc.*	Services	**–**	**100.00**	–	100.00
Therma Luzon, Inc. (TLI)	Power generation	**–**	**100.00**	–	100.00
Therma Marine, Inc. (Therma Marine)	Power generation	**–**	**100.00**	–	100.00
Therma Mobile, Inc. (Therma Mobile)	Power generation	**–**	**100.00**	–	100.00
Therma South, Inc. (TSI)	Power generation	**–**	**100.00**	–	100.00
Therma Power-Visayas, Inc. (TPVI)*	Power generation	**–**	**100.00**	–	100.00
Therma Central Visayas, Inc.*	Power generation	**–**	**100.00**	–	100.00
Therma Subic, Inc.*	Power generation	**–**	**100.00**	–	100.00
Therma Mariveles Holdings, Inc.	Holding company	**–**	**100.00**	–	100.00
GNPower Mariveles Coal Plant Ltd. Co. (GMCP)	Power generation	**–**	**78.33**	–	78.33
Therma Dinginin Holding Cooperatief U.A.	Holding company	**–**	**100.00**	–	100.00
Therma Dinginin B.V.	Holding company	**–**	**100.00**	–	100.00
Therma Dinginin Holdings, Inc.	Holding company	**–**	**100.00**	–	100.00
Therma Visayas, Inc. (TVI)	Power generation	**–**	**80.00**	–	80.00
Abovant Holdings, Inc. (Abovant)	Holding company	**–**	**60.00**	–	60.00
AboitizPower International Pte. Ltd. (API)	Holding company	**100.00**	**–**	100.00	–
Aboitiz Energy Solutions, Inc. (AESI)	Retail electricity supplier	**100.00**	**–**	100.00	–
Adventenergy, Inc. (AI)	Retail electricity supplier	**100.00**	**–**	100.00	–
Balamban Enerzone Corporation (BEZ)	Power distribution	**100.00**	**–**	100.00	–
Lima Enerzone Corporation (LEZ)	Power distribution	**100.00**	**–**	100.00	–
Mactan Enerzone Corporation (MEZ)	Power distribution	**100.00**	**–**	100.00	–
Malvar Enerzone Corporation	Power distribution	**100.00**	**–**	100.00	–
East Asia Utilities Corporation (EAUC)	Power generation	**50.00**	**50.00**	50.00	50.00
Cotabato Light and Power Company (CLP)	Power distribution	**99.94**	**–**	99.94	–
Cotabato Ice Plant, Inc.	Manufacturing	**–**	**100.00**	–	100.00
Davao Light & Power Company, Inc. (DLP)	Power distribution	**99.93**	**–**	99.93	–
Maaraw Holdings San Carlos, Inc. (MHSCI)	Holding company	**–**	**100.00**	–	100.00
San Carlos Sun Power, Inc. (Sacasun)	Power generation	**–**	**100.00**	–	100.00
AboitizPower International B.V.	Holding company	**–**	**100.00**	–	100.00
Subic Enerzone Corporation (SEZ)	Power distribution	**65.00**	**34.98**	65.00	34.98
Cebu Private Power Corporation (CPPC)	Power generation	**60.00**	**–**	60.00	–
Prism Energy, Inc. (PEI)	Retail electricity supplier	**60.00**	**–**	60.00	–
Visayan Electric Company (VECO)	Power distribution	**55.26**	**–**	55.26	–

**No commercial operations as of March 31, 2020.*

3. Basis of Financial Statement Preparation and Changes in Accounting Policies

Basis of Financial Statement Preparation

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with Philippine Accounting Standard (PAS) 34, *Interim Financial Reporting*. Accordingly, the unaudited interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual audited consolidated financial statements, and should be read in conjunction with the Group's annual audited consolidated financial statements as of and for the year ended December 31, 2019, which have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs).

The unaudited interim condensed consolidated financial statements of the Group are presented in Philippine peso, the Company's functional currency, and rounded to the nearest thousands except for earnings per share and exchange rates and when otherwise indicated.

On April 29, 2020, the Audit Committee of the BOD approved and authorized the release of the accompanying unaudited interim condensed consolidated financial statements of the Group.

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the new and revised standards and Philippine Interpretations which were applied starting January 1, 2020. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to PFRS 3*, Definition of a Business*

  The amendments to PFRS 3 clarify the minimum requirements to be a business, remove the assessment of a market participant's ability to replace missing elements, and narrow the definition of outputs. The amendments also add guidance to assess whether an acquired process is substantive and add illustrative examples. An optional fair value concentration test is introduced which permits a simplified assessment of whether an acquired set of activities and assets is not a business.

  These amendments will apply on future business combinations of the Group.

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

  The amendments refine the definition of material in PAS 1 and align the definitions used across PFRSs and other pronouncements. They are intended to improve the understanding of the existing requirements rather than to significantly impact an entity's materiality judgements.

  These amendments did not have an impact in the unaudited interim condensed consolidated financial statements as the Group's practice is generally aligned with the amendments.

Effective beginning on or after January 1, 2021

- PFRS 17, *Insurance Contracts*

  PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, *Insurance Contracts*. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

  The adoption of the new standard is not expected to have an impact on the unaudited interim condensed consolidated financial statements of the Group as the Group is not into the business of providing 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*

  The amendments address the conflict between PFRS 10 and PAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in PFRS 3, Business Combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

On January 13, 2016, the Financial Reporting Standards Council deferred the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board (IASB) completes its broader review of the research project on equity accounting that may result in the simplification of accounting for such transactions and of other aspects of accounting for associates and joint ventures.

4. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the Group's unaudited interim condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosures of contingent liabilities. However, uncertainty about these assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments, key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period are consistent with those applied in the most recent annual audited consolidated financial statements.

5. Cash and Cash Equivalents

	March 31, 2020	December 31, 2019
Cash on hand and in banks	**₱14,775,879**	₱14,177,919
Short-term deposits	**29,254,456**	23,256,010
	₱44,030,335	₱37,433,929

Cash in banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates. Interest income earned from cash and cash equivalents amounted to ₱232.18 million and ₱430.22 million for the periods ended March 31, 2020 and 2019, respectively.

6. **Trade and Other Receivables**

	March 31, 2020	December 31, 2019
Trade receivables - net of allowance for expected credit losses	**₱13,673,565**	₱12,958,429
Others:		
Dividends receivable	**748,000**	1,199,068
Advances to contractors	**199,903**	63,339
Accrued revenue	**2,893,999**	3,462,523
Non-trade receivable	**2,943,898**	2,450,311
Interest receivable	**52,634**	48,666
Power Sector Assets and Liabilities Management (PSALM) Corporation deferred adjustment	**1,042,861**	1,042,861
Others	**51,742**	522,225
	₱21,606,602	₱21,747,422

Trade and other receivables are non-interest bearing and are generally on 10 - 30 days' term.

Advances to contractors refer to non-interest bearing advance payments made for project mobilization which are offset against progress billings to be made by the contractors.

Accrued revenue relates to accrual of power sales of the Power Generation segment.

Non-trade receivable relates mostly to advances to partners in GMCP which are subject to offset against any cash dividends declared by GMCP and due to the partners.

7. **Other Current Assets**

	March 31, 2020	December 31, 2019
Restricted cash	**₱3,394,456**	₱4,449,716
Input VAT	**3,237,362**	2,049,496
Prepaid tax	**1,758,651**	1,854,792
Advances to National Grid Corporation of the Philippines (NGCP)	**2,132,100**	1,727,028
Prepaid expenses	**1,444,545**	610,426
Others	**106,526**	391,947
	₱12,073,640	₱11,083,405

Restricted cash represents proceeds from sale of power under the control of trustees of TSI's lenders as per loan agreement. The asset will be used to pay the current portion of loans payable and interest payments in the following period.

Advances to NGCP pertain to the cost of construction and installation of substation and transmission facilities which are subject for reimbursement after completion of the project.

Prepaid expenses mainly include prepayments for insurance.

8. **Investments and Advances**

	March 31, 2020	December 31, 2019
Acquisition cost:		
Balance at beginning of the period	**₱58,144,997**	₱30,559,245
Additions during the period	**1,270,873**	27,591,092
Redemptions during the period	**–**	(5,340)
Balance at end of period	**59,415,870**	58,144,997
Accumulated equity in net earnings:		
Balance at beginning of the period	**3,345,164**	3,867,849
Share in net earnings	**464,473**	3,813,962
Transition adjustment	**–**	(18,691)
Dividends received or receivable	**(23,299)**	(4,317,956)
Balance at end of period	**3,786,338**	3,345,164
Share in net unrealized valuation gains on FVOCI investment of an associate	**101,727**	101,727
Share in actuarial losses on defined benefit plans of associates and joint ventures	**(13,598)**	(14,299)
Share in cumulative translation adjustments of associates and joint ventures	**(113,798)**	(153,485)
	63,176,539	61,424,104
Less allowance for impairment losses	**568,125**	568,125
Investments at equity	**62,608,414**	60,855,979
Advances	**38,351**	22,562
	₱62,646,765	₱60,878,541

2020

In 2020, the Group, through TPI and ATI, made capital contributions to GNPD amounting to ₱1.27 billion.

The Group's associates and joint ventures and the corresponding equity ownership as of March 31, 2020 are as follows:

	Nature of Business	Percentage of ownership
Manila-Oslo Renewable Enterprise, Inc. (MORE)[1]	Holding company	83.33
GNPower Dinginin Ltd. Co. (GNPD)[1, *]	Power generation	72.50
Hijos de F. Escaño, Inc. (Hijos)	Holding company	46.73
Mazzaraty Energy Corporation (MEC)	Retail Electricity Supplier	44.87
San Fernando Electric Light & Power Co., Inc. (SFELAPCO)	Power distribution	43.78
AA Thermal, Inc. (ATI)[2]	Holding company	60.00
Pampanga Energy Ventures, Inc. (PEVI)	Holding company	42.84
La Filipina Elektrika, Inc.*	Power generation	40.00
STEAG State Power, Inc. (STEAG)	Power generation	34.00
AEV Aviation, Inc. (AAI)	Service	26.69
Cebu Energy Development Corporation (CEDC)	Power generation	26.40
Redondo Peninsula Energy, Inc. (RPEI)*	Power generation	25.00
Southern Philippines Power Corporation (SPPC)	Power generation	20.00
Western Mindanao Power Corporation (WMPC)	Power generation	20.00

[1]*Joint ventures.*
[2]*Economic interest.*
**No commercial operations as of March 31, 2020.*

The principal place of business and country of incorporation of the Group's associates and joint venture are in the Philippines.

The carrying values of investments, which are accounted for under the equity method follow:

	March 31, 2020	December 31, 2019
ATI	**₱24,319,097**	₱24,084,947
GNPD	**18,119,789**	17,172,530
MORE	**10,445,492**	10,180,552
STEAG	**4,088,660**	4,032,405
CEDC	**3,640,760**	3,447,491
RPEI	**525,298**	525,769
PEVI	**543,454**	508,895
SFELAPCO	**379,469**	372,917
Hijos	**176,037**	176,037
WMPC	**161,747**	142,577
SPPC	**58,180**	61,497
Others	**150,431**	150,362
	₱62,608,414	₱60,855,979

9. **Joint Operation**

		Percentage of Ownership
Name of Joint Operation	Nature of Business	March 31, 2020
Pagbilao Energy Corporation (PEC)	Power generation	50.00

**PEC's principal place of business and country of incorporation is the Philippines.*

The financial and operating activities of the operation are jointly controlled by the participating shareholders and are primarily designed for the provision of output to the shareholders.

The Group's share of assets, liabilities, revenue, expenses and cash flows of joint operations are included in the unaudited interim condensed consolidated financial statements on a line-by-line basis.

10. **Intangible Assets**

March 31, 2020

	Goodwill	Service concession rights	Franchise	Project development costs	Customer contracts	Software and licenses	Total
Cost:							
Balances at beginning of period	₱40,876,082	₱5,456,916	₱3,078,431	₱622,491	₱60,068	₱468,123	₱50,562,111
Additions	–	28,291	–	72,966	–	–	101,257
Exchange differences	35,546	(4,810)	–	–	–	(17,278)	13,458
Balances at end of period	40,911,628	5,480,397	3,078,431	695,457	60,068	450,845	50,676,826
Accumulated amortization:							
Balances at beginning of period	–	3,050,596	506,659	–	60,068	232,287	3,849,610
Amortization	–	15,791	19,240	–	–	8,549	43,580
Balances at end of period	–	3,066,387	525,899	–	60,068	240,836	3,893,190
Net book values	₱40,911,628	₱2,414,010	₱2,552,532	₱695,457	₱–	₱210,009	₱46,783,636

11. **Trade and Other Payables**

	March 31, 2020	December 31, 2019
Trade payables	**₱9,509,396**	₱9,947,733
Output VAT	**4,200,266**	3,022,048
Amounts due to contractors and other third parties	**1,129,330**	1,159,984
PSALM deferred adjustment	**1,042,861**	1,042,861
Accrued expenses:		
Interest	**1,578,414**	2,350,811
Materials and supplies cost	**66,067**	470,588
Taxes and fees	**1,027,995**	1,246,863
Energy fees and fuel purchase	**988,722**	937,988
Claims conversion costs	**108,317**	102,808
Insurance	**41,101**	18,437
Dividends payable (Note 22)	**8,778,129**	94,976
Unearned revenues	**37,290**	37,425
Customers' deposit	**44,050**	19,360
Nontrade	**1,563,633**	1,270,946
Others	**293,080**	653,292
	₱30,408,651	₱22,376,120

Trade payables are non-interest bearing and generally on 30-day terms.

Accrued taxes and fees represent accrual of real property tax, transfer tax and other fees.

Amounts due to contractors and other third parties include liabilities arising from the power plant construction.

Nontrade payables include amounts due to PSALM pertaining to Generation Rate Adjustment Mechanism (GRAM), Incremental Currency Exchange Rate Adjustment (ICERA), and Universal Charges.

Others include withholding taxes and other accrued expenses and are generally payable within 12 months from the balance sheet date.

12. **Short-term Loans**

		March 31, 2020	December 31, 2019
Peso loans - financial institutions - unsecured	2.00% - 4.92% in 2020 2.68% - 4.95% in 2019	**₱20,395,400**	₱9,727,800
Temporary advances		**636,034**	607,620
		₱21,031,434	₱10,335,420

The bank loans are unsecured short-term notes payable obtained from local banks. These loans are covered by the respective borrower's existing credit lines with the banks and are not subject to any significant covenants and warranties.

13. **Long-term Debts**

	2020 Interest Rate	**March 31, 2020**	December 31, 2019
Company (see Note 14):			
Bonds due 2024	7.51%	**₱7,700,000**	₱7,700,000
Bonds due 2026	5.28%	**7,250,000**	7,250,000
Bonds due 2021	5.21%	**6,600,000**	6,600,000
Bonds due 2026	6.10%	**3,400,000**	3,400,000
Bonds due 2027	5.34%	**3,000,000**	3,000,000
Bonds due 2025	8.51%	**2,500,000**	2,500,000
Financial institutions - unsecured	5.28%	**5,000,000**	5,000,000
Financial institutions - unsecured	LIBOR + 1.20%	**15,204,000**	15,190,500
Subsidiaries:			
GMCP			
Financial institutions - unsecured	LIBOR + 1.7% - 4.00%	**36,382,086**	37,247,830
TVI			
Financial institutions - secured	5.56% to 9.00%	**30,469,333**	31,520,000
TSI			
Financial institutions - secured	5.05%-5.70%	**20,039,365**	20,039,365
APRI			
Financial institutions - secured	4.48% - 5.20%	**7,499,040**	8,124,160
Hedcor Bukidnon			
Financial institutions - secured	4.75% - 7.36%	**9,125,000**	9,416,666
TPVI			
Financial institutions - unsecured	5.06%-5.25%	**1,290,250**	1,300,000
Hedcor Sibulan			
Fixed rate corporate notes - unsecured	4.05% - 5.42%	**3,801,400**	3,801,400
HI			
Financial institution - secured	5.25% - 7.41%	**423,000**	423,000
Financial institution - secured	7.87%	**1,300,000**	1,327,000
VECO			
Financial institution - unsecured	4.59% - 4.81%	**776,000**	776,000
LHC			
Financial institutions - secured	2.94%	**565,081**	564,580
DLP			
Financial institution - unsecured	4.59% to 4.81%	**582,000**	582,000
AI			
AEV - unsecured	6.25%	**300,000**	300,000
SEZ			
Financial institution - unsecured	5.00%	**113,000**	113,000
CLP			
Financial institution - unsecured	4.59% to 4.81%	**116,400**	116,400
Joint operation (see Note 9)			
Financial institutions - secured	5.50% - 8.31%	**12,867,261**	13,380,097
		176,303,216	179,671,998
Less deferred financing costs		**1,635,725**	1,700,376
		174,667,491	177,971,622
Less current portion - net of deferred financing costs		**10,558,168**	10,386,311
		₱164,109,323	₱167,585,311

Loan covenants
The loan agreements on long-term debt of the Group provide for certain restriction with respect to, among others, mergers or consolidations or other material changes in their ownership, corporate set-up or management, investment and guaranties, incurrence of additional debt, disposition of mortgage of assets, payment of dividends, and maintenance of financial ratios at certain levels.

These restrictions and requirements were complied with by the Group as of March 31, 2020 and December 31, 2019.

14. Debt Securities

The Company registered and issued ₱10 billion worth of peso denominated fixed rate retail bonds on September 10, 2014.

On July 3, 2017, the Company issued the first tranche on the ₱30 billion bonds registered in June 2017.

In October 2018, the Company issued and registered a total of ₱10.20 billion bonds.

In October 2019, the Company issued and registered a total of ₱7.25 billion bonds.

Terms of the bonds are as follows:

Maturity	Interest Rate (p.a.)	Amount
12-year bonds to mature on September 10, 2026	6.10%	₱3,400,000
10-year bonds to mature on September 10, 2021	5.21%	6,600,000
10-year bonds to mature on July 3, 2027	5.3367%	3,000,000
5.25-year bonds to mature on January 25, 2024	7.51%	7,700,000
7-year bonds to mature on October 25, 2025	8.51%	2,500,000
7-year bonds to mature on October 14, 2026	5.28%	7,250,000

15. Operating Expenses

	For the periods ended March 31	
	2020	2019 (As restated)
Cost of purchased power	**₱9,116,234**	₱9,299,905
Cost of generated power	**6,531,641**	8,335,634
Depreciation and amortization	**2,610,960**	2,150,501
Operations and maintenance	**1,965,535**	2,399,173
General and administrative	**1,602,484**	1,382,910
	₱21,826,854	₱23,568,123

16. **Other Income (Expenses)**

	For the periods ended March 31	
	2020	2019
Surcharges	**₱113,642**	₱123,598
Non-utility operating income	**86,669**	73,374
Rental income	**7,154**	24,684
Net foreign exchange losses	**(49,913)**	(161,182)
Losses on disposal of property, plant and equipment	**(47,524)**	(273,029)
Others – net	**62,302**	1,227,334
	₱172,330	₱1,014,779

Included in "Net foreign exchange losses" are the net gains and losses relating to currency forward transactions.

"Others" include other non-recurring items like sale of scrap and sludge oil in 2020 and reversal of APRI and TLI's liability to PSALM pertaining to GRAM and ICERA in 2019.

17. **Earnings Per Common Share**

Earnings per common share amounts were computed as follows:

	For the periods ended March 31	
	2020	2019
a. Net income attributable to equity holders of the parent	**₱2,059,753**	₱3,625,436
b. Average number of outstanding shares	**7,358,604,307**	7,358,604,307
Earnings per share (a/b)	**₱0.28**	₱0.49

There are no dilutive potential common shares as of March 31, 2020 and 2019.

18. **Operating Segment Information**

Operating segments are components of the Group that engage in business activities from which they may earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker (CODM) to make decisions about how resources are to be allocated to the segment and assess their performances, and for which discrete financial information is available.

For purposes of management reporting, the Group's operating businesses are organized and managed separately according to services provided, with each segment representing a strategic business segment. The Group's identified operating segments, which are consistent with the segments reported to the BOD, which is the Group's CODM, are as follows:

- "Power Generation" segment, which is engaged in the generation and supply of power to various customers under power supply contracts, ancillary service procurement agreements and for trading in WESM;

- “Power Distribution” segment, which is engaged in the distribution and sale of electricity to the end-users; and
- “Parent Company and Others”, which includes the operations of the Company, retail electricity sales to various off takers that are considered to be eligible contestable customers and electricity related services of the Group such as installation of electrical equipment.

The power generation segment's revenue from contracts with customers is mainly from power supply contracts. Set out below is the disaggregation of the Group’s revenue from contracts with customers:

January - March 2020	**Power Generation**	**Power Distribution**	**Parent and Others**	**Total**
Revenue from power supply contracts	**₱3,713,512**	**₱–**	**₱–**	**₱3,713,512**
Revenue from distribution services	**–**	**10,905,702**	**–**	**10,905,702**
Revenue from retail electricity sales	**–**	**–**	**4,135,637**	**4,135,637**
Revenue from non-power supply contracts	**9,111,632**	**–**	**–**	**9,111,632**
Revenue from technical and management services	**–**	**–**	**9,667**	**9,667**
	₱12,825,144	**₱10,905,702**	**₱4,145,304**	**₱27,876,150**

January - March 2019 (As amended)	Power Generation	Power Distribution	Parent and Others	Total
Revenue from power supply contracts	₱12,065,957	₱–	₱–	₱12,065,957
Revenue from distribution services	–	10,612,737	–	10,612,737
Revenue from retail electricity sales	–	–	5,301,548	5,301,548
Revenue from non-power supply contracts	1,805,592	–	–	1,805,592
Revenue from technical and management services	–	–	34,857	34,857
	₱13,871,549	₱10,612,737	₱5,336,405	₱29,820,691

The revenue from contracts with customers is consistent with the revenue with external customers presented in Segment information.

The Group has only one geographical segment as all of its assets are located in the Philippines. The Group operates and derives principally all of its revenue from domestic operations. Thus, geographical business information is not required.

Management monitors the operating results of its segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment revenue and segment expenses are measured in accordance with PFRS. The presentation and classification of segment revenue and segment expenses are consistent with the interim unaudited condensed consolidated statements of income. Interest expense and other financing costs, depreciation and amortization expense and income taxes are managed on a per segment basis.

The Group has inter-segment revenues in the form of management fees as well as inter-segment sales of electricity which are eliminated in consolidation. The transfers are accounted for at competitive market prices on an arm’s-length transaction basis.

Segment assets do not include deferred income tax assets, pension asset and other noncurrent assets. Segment liabilities do not include deferred income tax liabilities, income tax payable and pension liability. Capital expenditures consist of additions of property, plant and equipment and intangible asset - service concession rights. Adjustments as shown below include items not presented as part of segment assets and liabilities.

Financial information on the operations of the various business segments are summarized as follows:

March 31, 2020

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and Adjustments	Consolidated
REVENUE					
External	**₱12,825,144**	**₱10,905,702**	**₱4,145,304**	**₱–**	**₱27,876,150**
Inter-segment	**5,584,333**	**301,839**	**541,008**	**(6,427,180)**	**–**
Total Revenue	**₱18,409,477**	**₱11,207,541**	**₱4,686,312**	**(₱6,427,180)**	**₱27,876,150**
Segment Results	**₱4,489,874**	**₱1,559,588**	**(₱167)**	**₱1**	**₱6,049,296**
Unallocated corporate income - net	**(44,161)**	**203,954**	**12,537**	**–**	**172,330**
INCOME FROM OPERATIONS	**4,445,713**	**1,763,542**	**12,370**	**1**	**6,221,626**
Interest expense	**(2,942,749)**	**(151,532)**	**(667,809)**	**–**	**(3,762,090)**
Interest income	**157,858**	**17,608**	**56,713**	**–**	**232,179**
Share in net earnings of associates and joint ventures	**399,993**	**64,409**	**2,852,454**	**(2,852,383)**	**464,473**
Provision for income tax	**(127,743)**	**(449,304)**	**(63,756)**	**–**	**(640,803)**
NET INCOME	**₱1,933,072**	**₱1,244,723**	**₱2,189,972**	**(₱2,852,382)**	**₱2,515,385**
OTHER INFORMATION					
Investments	**₱61,358,015**	**₱922,922**	**₱162,211,936**	**(₱161,884,459)**	**₱62,608,414**
Segment Assets	**₱299,648,950**	**₱34,827,027**	**₱198,801,068**	**(₱114,596,320)**	**₱418,680,725**
Segment Liabilities	**₱187,223,792**	**₱29,433,832**	**₱87,264,568**	**(₱11,428,671)**	**₱292,493,521**
Depreciation and Amortization	**₱2,297,666**	**₱267,386**	**₱9,653**	**₱36,255**	**₱2,610,960**

March 31, 2019 (As restated)

	Power Generation	Power Distribution	Parent Company/ Others	Eliminations and Adjustments	Consolidated
REVENUE					
External	₱13,871,549	₱10,612,737	₱5,336,405	₱–	₱29,820,691
Inter-segment	5,934,161	379,698	693,120	(7,006,979)	–
Total Revenue	₱19,805,710	₱10,992,435	₱6,029,525	(₱7,006,979)	₱29,820,691
Segment Results	₱4,714,927	₱1,370,584	₱167,058	(₱1)	₱6,252,568
Unallocated corporate income - net	1,022,070	219,661	(226,952)	–	1,014,779
INCOME FROM OPERATIONS	5,736,997	1,590,245	(59,894)	(1)	7,267,347
Interest expense	(2,642,528)	(124,395)	(443,290)	–	(3,210,213)
Interest income	279,852	9,833	140,533	–	430,218
Share in net earnings of associates and joint ventures	515,953	35,006	4,249,316	(4,249,145)	551,130
Provision for income tax	(286,107)	(394,512)	(100,327)	–	(780,946)
NET INCOME	₱3,604,167	₱1,116,177	₱3,786,338	(₱4,249,146)	₱4,257,536

(Forward)

	Power	Power	Parent Company/	Eliminations and

	Generation	Distribution	Others	Adjustments	Consolidated
OTHER INFORMATION					
Investments	₱33,391,438	₱864,021	₱131,144,424	(₱130,816,663)	₱34,583,220
Segment Assets	₱273,070,983	₱28,713,916	₱177,353,679	(₱87,661,119)	₱391,477,459
Segment Liabilities	₱181,516,254	₱25,339,114	₱69,094,161	(₱11,869,270)	₱264,080,259
Depreciation and Amortization	₱1,865,530	₱239,705	₱6,150	₱39,116	₱2,150,501

19. **Financial Risk Management Objectives and Policies**

The Group's principal financial instruments comprise cash and cash equivalents and long-term debts. The main purpose of these financial instruments is to raise finances for the Group's operations. The Group has various other financial instruments such as trade and other receivables, investments in equity securities, short-term loans, trade and other payables, lease liabilities, long-term obligation on power distribution system (PDS) and customers' deposits, which generally arise directly from its operations.

The Group also enters into derivative transactions, particularly foreign currency forwards, to economically hedge its foreign currency risk from foreign currency denominated liabilities and purchases.

<u>Risk Management Structure</u>
The BOD is mainly responsible for the overall risk management approach and for the approval of risk strategies and principles of the Group.

Financial risk committee
The Financial Risk Committee has the overall responsibility for the development of risk strategies, principles, frameworks, policies and limits. It establishes a forum of discussion of the Group's approach to risk issues in order to make relevant decisions.

Treasury service group
The Treasury Service Group is responsible for the comprehensive monitoring, evaluating and analyzing of the Group's risks in line with the policies and limits.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk, commodity price risk and foreign exchange risk.

<u>Liquidity risk</u>
Liquidity risk is the risk of not meeting obligations as they become due because of the inability to liquidate assets or obtain adequate funding. The Group maintains sufficient cash and cash equivalents to finance its operations. Any excess cash is invested in short-term money market placements. These placements are maintained to meet maturing obligations and pay any dividend declarations.

In managing its long-term financial requirements, the Group's policy is that not more than 25% of long-term borrowings should mature in any twelve-month period. 7.15% and 6.97% of the Group's debt will mature in less than one year as of March 31, 2020 and December 31, 2019, respectively. For its short-term funding, the Group's policy is to ensure that there are sufficient working capital inflows to match repayments of short-term debt.

The financial assets that will be principally used to settle the financial liabilities presented in the following table are from cash and cash equivalents and trade and other receivables. Cash and cash equivalents can be withdrawn anytime while trade and other receivables are expected to be collected/realized within one year.

The following table summarizes the maturity profile of the Group's financial liabilities as of March 31, 2020 based on contractual undiscounted principal payments:

	Total carrying value	Contractual undiscounted principal payments				
		Total	On demand	<1 year	1 to 5 years	> 5 years
Short-term loans	₱21,031,434	₱21,031,434	₱–	₱21,031,434	₱–	₱–
Trade and other payables*	23,233,629	23,233,629	1,919,751	5,027,927	16,285,951	–
Long-term debts	174,667,491	176,303,215	–	10,658,443	93,027,829	72,616,943
Customers' deposits	6,643,879	6,643,879	–	21,134	308,095	6,314,650
Lease liabilities	43,737,612	60,905,789	–	9,117,883	44,872,854	6,915,052
Long-term obligation on PDS	205,372	360,000	–	40,000	200,000	120,000
Derivative liabilities	2,759,979	2,759,979	–	2,085,047	674,932	–
	₱272,279,396	₱291,237,925	₱1,919,751	₱47,981,868	₱155,369,661	₱85,966,645

**Include the noncurrent portion of the PSALM deferred adjustment presented under noncurrent liabilities in the unaudited interim consolidated balance sheet.*

Market Risk

The risk of loss, immediate or over time, due to adverse fluctuations in the price or market value of instruments, products, and transactions in the Group's overall portfolio (whether on or off-balance sheet) is market risk. These are influenced by foreign and domestic interest rates, foreign exchange rates and gross domestic product growth.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. To manage this risk, the Group determines the mix of its debt portfolio as a function of the level of current interest rates, the required tenor of the loan, and the general use of the proceeds of its various fund-raising activities. As of March 31, 2020, 17% of the Group's long-term debt had annual floating interest rates ranging from 2.94% to 3.45%, and 83% have annual fixed interest rates ranging from 4.05% to 9.00%. As of December 31, 2019, 16% of the Group's long-term debt had annual floating interest rates ranging from 3.09% to 4.81%, and 84% have annual fixed interest rates ranging from 4.05% to 9.00%.

The following tables set out the carrying amounts, by maturity, of the Group's financial instruments that are exposed to cash flow interest rate risk:

As of March 31, 2020

	<1 year	1-5 years	>5 years	Total
Floating rate - long-term debt	₱2,003,629	₱23,860,900	₱3,162,789	₱29,027,318

Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until the maturity of the instrument. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk. The Group's derivative assets and liabilities are subject to fair value interest rate risk.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's income before tax (through the impact on floating rate borrowings):

	Increase (decrease) in basis points	Effect on income before tax
March 31, 2020	**200**	**(₱580,546)**
	(100)	**290,273**
March 31, 2019	200	(586,577)
	(100)	293,289

There is no other impact on the Group's equity other than those already affecting the unaudited interim condensed consolidated statements of income.

The interest expense and other financing costs recognized according to source are as follows:

	For the periods ended March 31	
	2020	2019
Short-term loans and long-term debt	**₱2,585,155**	₱1,922,563
Lease liabilities (Note 21)	**1,120,574**	1,206,938
Customers' deposits	**843**	7,847
Other long-term obligations	**55,518**	72,865
	₱3,762,090	₱3,210,213

Foreign exchange risk
The foreign exchange risk of the Group pertains significantly to its foreign currency denominated obligations. To manage its foreign exchange risk, stabilize cash flows and improve investment and cash flow planning, the Group enters into foreign currency forward contracts aimed at reducing and/or managing the adverse impact of changes in foreign exchange rates on financial performance and cash flows. Foreign currency denominated borrowings account for 33% and 32% of total consolidated borrowings as of March 31, 2020 and December 31, 2019.

Presented below are the Group's foreign currency denominated financial assets and liabilities as of March 31, 2020 and December 31, 2019, translated to Philippine Peso:

	March 31, 2020		December 31, 2019	
	US Dollar	**Philippine Peso equivalent**[1]	US Dollar	Philippine Peso Equivalent[2]
Financial assets:				
Cash and cash equivalents	**$75,104**	**₱3,806,271**	$43,352	₱2,195,129
Trade and other receivables	**49**	**2,483**	18,725	948,140
Total financial assets	**75,153**	**3,808,754**	62,077	3,143,269
Financial liabilities:				
Short-term loans	**12,550**	**636,034**	12,000	607,620
Trade and other payables	**3,150**	**159,642**	13,439	680,493
Long-term debt	**300,000**	**15,204,000**	300,000	15,190,500
Lease liabilities	**431,272**	**21,856,865**	443,002	22,431,406
Total financial liabilities	**746,972**	**37,856,541**	768,441	38,910,019
Total net financial liabilities	**($671,819)**	**(₱34,047,787)**	($706,364)	(₱35,766,750)

[1]$1= 50.680
[2]$1= 50.635

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rates, with all other variables held constant, of the Group's income before tax as of March 31, 2020:

	Increase/ (decrease) in US Dollar	Effect on income before tax
US Dollar denominated accounts	US Dollar strengthens by 5%	(₱1,702,389)
US Dollar denominated accounts	US Dollar weakens by 5%	1,702,389

The increase in US Dollar rate represents the depreciation of the Philippine Peso while the decrease in US Dollar rate represents appreciation of the Philippine Peso.

There is no other impact on the Group's equity other than those already affecting the interim consolidated statements of comprehensive income.

Credit risk

For its cash investments (including restricted portion), financial assets at FVTPL and receivables, the Group's credit risk pertains to possible default by the counterparty, with a maximum exposure equal to the carrying amount of these investments. With respect to cash investments and financial assets at FVTPL, the risk is mitigated by the short-term and/or liquid nature of its cash investments mainly in bank deposits and placements, which are placed with financial institutions and entities of high credit standing. With respect to receivables, credit risk is controlled by the application of credit approval, limit and monitoring procedures. It is the Group's policy to only enter into transactions with credit-worthy parties to mitigate any significant concentration of credit risk. The Group ensures that sales are made to customers with appropriate credit history and it has internal mechanisms to monitor the granting of credit and management of credit exposures.

Concentration Risk
Credit risk concentration of the Group's receivables according to the customer category is summarized in the following table:

	March 31, 2020	December 31, 2019
Power distribution:		
Industrial	**₱5,080,068**	₱5,554,969
Residential	**2,034,503**	1,825,217
Commercial	**821,645**	437,994
City street lighting	**163,961**	111,570
Power generation:		
Power supply contracts	**3,768,420**	1,481,760
Spot market	**4,205,459**	5,520,439
	₱16,074,056	₱14,931,949

Capital Management
Capital includes equity attributable to the equity holders of the parent. 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 and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in 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.

The Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Group's policy is to keep the gearing ratio at 70% or below. The Group determines net debt as the sum of interest-bearing short-term and long-term loans (comprising long-term debt and lease liabilities) less cash and short-term deposits (including restricted cash).

Gearing ratios of the Group as of March 31, 2020 and December 31, 2019 are as follows:

	March 31, 2020	December 31, 2019
Short-term loans	**₱21,031,434**	₱10,335,420
Long-term obligations	**218,405,103**	222,761,266
Cash and cash equivalents	**(44,030,335)**	(37,433,929)
Restricted cash	**(8,118,108)**	(9,121,747)
Net debt (a)	**187,288,094**	186,541,010
Equity	**126,187,204**	133,643,011
Equity and net debt (b)	**₱313,475,298**	₱320,184,021
Gearing ratio (a/b)	**59.75%**	58.26%

No changes were made in the objectives, policies or processes during the three-month period ended March 31, 2020.

20. **Financial Instruments**

Fair Value of Financial Instruments
Fair value is defined as the amount at which the financial instrument could be sold in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced liquidation or sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily available from an exchange, dealer, broker, pricing services or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. For a financial instrument with an active market, the quoted market price is used as its fair value. On the other hand, if transactions are no longer regularly occurring even if prices might be available and the only observed transactions are forced transactions or distressed sales, then the market is considered inactive. For a financial instrument with no active market, its fair value is determined using a valuation technique (e.g., discounted cash flow approach) that incorporates all factors that market participants would consider in setting a price.

Set out below is a comparison by category of carrying amounts and fair values of the Group's financial instruments whose fair values are different from their carrying amounts.

	March 31, 2020		December 31, 2019	
	Carrying Amounts	**Fair Values**	Carrying Amounts	Fair Values
Financial Asset:				
PSALM deferred adjustment	**₱2,922,373**	**₱2,619,564**	₱3,183,080	₱2,846,279
Financial Liabilities:				
Lease liabilities	**₱43,737,612**	**₱38,332,555**	₱44,789,644	₱38,495,450
Long-term debt - fixed rate	**145,640,173**	**152,194,443**	148,642,748	152,786,437
PSALM deferred adjustment	**2,922,373**	**2,619,564**	3,183,080	2,846,279
Long-term obligation on PDS	**205,372**	**289,023**	199,350	320,194
	₱192,505,530	**₱193,435,585**	₱196,814,822	₱194,448,360

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

Cash and cash equivalents, trade and other receivables, short-term loans and trade and other payables. The carrying amounts of cash and cash equivalents, trade and other receivables, short-term loans and trade and other payables approximate fair value due to the relatively short-term maturity of these financial instruments.

Fixed-rate borrowings. The fair value of fixed rate interest-bearing loans is based on the discounted value of future cash flows using the applicable rates for similar types of loans.

Floating-rate borrowings. Since repricing of the variable-rate interest bearing loan is done on a quarterly basis, the carrying value approximates the fair value.

Lease liabilities. The fair value of the lease liabilities was calculated by discounting future cash flows using applicable interest rates.

Long-term obligation on PDS. The fair value of the long-term obligations on PDS is calculated by discounting expected future cash flows at prevailing market rates.

Customers' deposits. The fair value of bill deposits approximates the carrying values as these deposits earn interest at the prevailing market interest rate in accordance with regulatory guidelines. The timing and related amounts of future cash flows relating to transformer and lines and poles deposits cannot be reasonably and reliably estimated for purposes of establishing their fair values using an alternative valuation technique.

Financial assets at FVTPL. These equity securities are carried at fair value.

Derivative financial instruments. The fair value of forward contracts is calculated by reference to prevailing interest rate differential and spot exchange rate as of valuation date, taking into account its remaining term to maturity. The fair value of the embedded prepayment options is determined using Binomial Option Pricing Model which allows for the specification of points in time until option expiry date. This valuation incorporates inputs such as interest rates and volatility. The fair value of the interest rate swap and interest rate cap are determined by generally accepted valuation techniques with reference to observable market data such as interest rates.

The Group enters into non-deliverable short-term forward contracts with counterparty banks to manage its foreign currency risks associated with foreign currency-denominated liabilities and purchases.

The Group also entered into an interest rate swap agreement to fully hedge its floating rate exposure on its foreign currency-denominated loan and par forward contracts to hedge the floating rate exposure on foreign-currency denominated payments.

The Group also entered into commodity swap contracts to hedge the price volatility of its forecasted coal purchases.

The movements in fair value changes of all derivative instruments for the three-month period ended March 31, 2020 and for the year ended December 31, 2019 are as follows:

	2020	2019
At beginning of year	**(₱2,385,997)**	₱132,902
Net changes in fair value of derivatives designated as cash flow hedges	**(276,858)**	(2,515,732)
Net changes in fair value of derivatives not designated as accounting hedges	**(18,767)**	(3,889)
Fair value of settled instruments	**(78,357)**	722
At end of period	**(₱2,759,979)**	(₱2,385,997)

Fair Value Hierarchy

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: other techniques for which all inputs, which have a significant effect on the recorded fair value, are observable, either directly or indirectly; and
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As of March 31, 2020, the Group held the following financial instruments that are measured and carried or disclosed at fair value:

	Total	Level 1	Level 2	Level 3
Carried at fair value:				
Derivative liability	₱2,759,979	₱–	₱2,759,979	₱–
Disclosed at fair value:				
Lease liabilities	38,332,555	–	–	38,332,555
Long-term debt - fixed rate	152,194,443	–	–	152,194,443
Long-term obligation on PDS	289,023	–	–	289,023

During the three-month period ended March 31, 2020, there were no transfers between level 1 and level 2 fair value measurements and transfers into and out of level 3 fair value measurement.

21. **Leases**

Set out below, are the carrying amounts of the Group's right-of-use assets and lease liabilities and the movements during the period:

	Land	Building	Power plant	Equipment & others	Total	Lease liabilities
As at January 1, 2020	₱2,730,076	₱230,234	₱33,575,200	₱117,602	₱36,653,112	₱44,789,644
Amortization expense	(24,748)	(4,791)	(273,628)	(19,092)	(322,259)	–
Interest expense	–	–	–	–	–	1,120,574
Payments	–	–	–	–	–	(2,164,754)
Others	–	–	–	–	–	(7,852)
March 31, 2020	₱2,705,328	₱225,443	₱33,301,572	₱98,510	₱36,330,853	₱43,737,612

Set out below are the amounts recognized in the unaudited interim condensed consolidated statement of income for the three months ended March 31, 2020:

Amortization expense of right-of-use assets	₱322,259
Interest expense on lease liabilities	1,120,574
Rent expense - short-term leases	13,207
	₱1,456,040

22. **Equity**

Paid-in Capital

a. On March 6, 2020 and April 27, 2020, the Company's BOD and stockholders, respectively, approved the amendments of the features of the preferred shares of the Company as follows: "preferred shares shall be non-voting, non-convertible, and shall have preference over common shares in case of liquidation or dissolution of the corporation. The Board of Directors or the Executive Committee is expressly authorized to issue preferred shares in one or more series, establish and designate each particular series of preferred shares, including its features, fix the number of shares to be included in the series, and to determine the dividend rate, issue price, designations, relative rights, preferences, privileges and limitations of the preferred shares and/or series of shares. Upon redemption, preferred shares shall not be considered retired, but may be reissued under such terms and conditions as may be determined by the Board of Directors or the Executive Committee".

Retained Earnings

a. On March 6, 2020, the BOD approved the declaration of regular cash dividends of ₱1.18 a share (₱8.68 billion) to all stockholders of record as of March 20, 2020. These dividends were paid on April 3, 2020.

b. The balance of retained earnings includes the accumulated equity in net earnings of subsidiaries, associates and joint arrangements. Such amounts are not available for distribution until such time that the Company receives the dividends from the respective subsidiaries, associates and joint arrangements.

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23. **Disclosures**

1. <u>COVID 19</u>

In December 2019, a novel coronavirus strain (“COVID-19”) emerged in the city of Wuhan, China. Starting in January 2020, the resulting COVID-19 outbreak became a major global concern to countries including the Philippines. On March 8, 2020, President Rodrigo R. Duterte declared a State of Public Health Emergency throughout the Philippines. Thereafter, President Duterte declared a State of Calamity for a period of six (6) months (unless earlier lifted or extended as circumstances may warrant) and imposed an “enhanced community quarantine” throughout the entire island of Luzon from March 16, 2020 until April 12, 2020, which was later extended until April 30, 2020 and then again until May 15, 2020. The “enhanced community quarantine” measures include the suspension of work in private sector, except in establishments providing basic necessities and engaged in food and medicine production; suspension of mass public transport facilities; suspension of travel to and from Metro Manila; and observance of strict home quarantine.

Since the declaration of a State of Public Health Emergency and the implementation of various community quarantine measures on business operations, public transportation, social distancing, international travel bans, and health protocols, the Group has been implementing work-from-home arrangements and facility quarantine rotational duty schemes to address any constrained mobility brought about by the quarantine measures, as well as to ensure the health and safety of the Group’s employees while continuing to serve its customers and other stakeholders. To date, all power generation facilities and power distribution utilities have normal operations. The Company’s business continuity plans have been successfully implemented to ensure the adequate and reliable supply and distribution of electricity.

The curtailed economic activity brought about by the quarantine measures has resulted in significant drops in electricity demand and consumption which, in turn, have affected the revenue targets of the Distribution Companies, Generation Companies, and RES business units. Nevertheless, the Group has been in constant discussions, and has been working together with its customers and other key stakeholders to minimize the impact of the pandemic to the respective parties’ power supply agreements.

The Group has also been compliant with the Department of Energy circulars on distribution utilities granting extensions on the payments of electricity consumers for bills falling due during the community quarantine period with the cumulative amount of such electricity bills being amortized in four (4) equal installments payable in the four (4) succeeding billing months following the end of the quarantine. This increased credit and collection risk has posed a challenge to the Group’s cash flows.

Such circulars also provide that all private and public corporations in the power sector shall be given a similar grace period for their respective obligations without interest, penalties, fees and charges, as well as the same four (4)-month amortized payment arrangement for all unpaid balances on obligations within the same period. This directive has eased the impact and helped manage the cash flows of the Group, with respect to all payments due to NGCP, PSALM, Independent Electricity Market Operator of the Philippines, independent power producers, and suppliers of oil and steam.

The Group is continuously reviewing its forecast, cash flows and schedule of its capital expenditures to manage the impact of COVID-19.

2. Seasonality of Interim Operations

Operations of hydropower plants are generally affected by climatic seasonality. Seasonality and location have a direct effect on the level of precipitation. In Luzon where rainy and summer seasons are more pronounced, higher rainfall is normally experienced in the months of June to September. As such, the hydropower plants located in Luzon operate at their maximum capacity during this period. In contrast, the hydropower plants in Mindanao experience a well-distributed rainfall throughout the year, with a slightly better precipitation during the months of December to April. This precipitation seasonality greatly affects subsidiary companies HI, HSI, Hedcor Tudaya, Hedcor Sabangan and LHC, which operate ‘run-of-river’ hydropower plants since these plants do not have any means to impound water.

Any unexpected change in the seasonal aspects will have no material effect on the Group's financial condition or results of operations.

3. Pagbilao IPP Administration Agreement

Therma Luzon, Inc. and PSALM executed the IPP Administration Agreement wherein PSALM appointed TLI to manage the 700MW contracted capacity of NPC in the coal-fired power plant in Pagbilao, Quezon.

Under the IPP Administration Agreement, TLI has the right to receive, manage and control the capacity of the power plant for its own account and at its own cost and risk; and the right to receive the transfer of the power plant at the end of the IPP Administration Agreement for no consideration.

The IPP Administration Agreement includes the following obligations TLI would have to perform until the transfer date of the power plant (or the earlier termination of the IPP Administration Agreement):

a. Supply and deliver all fuel for the power plant in accordance with the specifications of the original Energy Conservation Agreement (ECA); and
b. Pay to PSALM the monthly payments (based on the bid) and energy fees (equivalent to the amount paid by NPC to the IPP).

In view of the nature of the IPP Administration Agreement, the arrangement has been considered as a finance lease. Accordingly, TLI recognized the related liability equivalent to the present value of the minimum monthly payments using TLI’s incremental borrowing rates of 10% and 12% for dollar and peso payments, respectively.

The present value of the future minimum monthly dollar and peso payments under the IPP Administration Agreement as of March 31, 2020:

Present value of minimum monthly payments to PSALM	₱41,640,632
Less: Current portion	(5,431,971)
Noncurrent portion of lease liability	₱36,208,661

4. Property, Plant and Equipment

During the three-month period ended March 31, 2020, the Group's additions to property, plant and equipment amounted to ₱181.5 million.

5. Dividends to Non-controlling Interests

The Group's material partly-owned subsidiaries, namely GMCP and VECO, paid cash dividends amounting to ₱952.7 million and ₱1.52 billion to non-controlling interests during the three-month periods ended March 31, 2020 and 2019, respectively.

6. Material Events and Changes

Except as disclosed in some other portions of this report, no other significant event occurred that would have a material impact on the registrant and its subsidiaries, and no other known trend, event or uncertainty came about that had or were reasonably expected to have a material favorable or unfavorable impact on revenues or income from continuing operations, since the end of the most recently completed fiscal year. There were also no significant elements of income or loss that did not arise from the continuing operations of the registrant and its subsidiaries.

Other than those disclosed above, no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships with unconsolidated entities or other person entities or other persons were created during the interim period. There were also no events that would trigger substantial direct or contingent financial obligations or cause any default or acceleration of an existing obligation.

Likewise, there were no other material changes made in such items as: accounting principles and practices, estimates inherent in the preparation of unaudited interim condensed financial statements, status of long-term contracts, changes in the composition of the issuer, and reporting entity resulting from business combinations or dispositions.

Lastly, there were no changes in estimates of amounts reported in prior interim period and financial year that would have a material effect in the current interim period.

7. Restatement

The unaudited consolidated statement of income for the three-month period ended March 31, 2019 was restated due to the adjustments of eliminating entries as part of consolidation, to reflect the more appropriate presentation. Both operating revenues and operating expenses for the said period slightly increased as compared to what were previously reported, by the same amount of ₱723.0 million, which is 2% and 3% of operating revenues and operating expenses, respectively. The related notes to consolidated financial statements which contain operating revenues and operating expenses were also restated. Such sections are marked appropriately with "As restated". There is no impact to net income, retained earnings and per-share amounts previously reported.

Except for the item above, there were no material, non-recurring adjustments made during the period that would require appropriate disclosures. All other adjustments are of a normal recurring nature.

8. Contingencies

The Group is a party to certain proceedings and legal cases with other parties in the normal course of business. The ultimate outcome of these proceedings and legal cases cannot be presently determined. Management, in consultation with its legal counsels, believes that it has substantial legal and factual bases for its positions and is currently of the opinion that the likely outcome of these proceedings and legal cases will not have a material adverse effect on the Group's financial position and operating results. It is possible, however, that the future results of operations could be materially affected by changes in estimates or in the effectiveness of the strategies relating to these proceedings and legal cases.

The Company obtained Standby Letters of Credit and is acting as surety for the benefit of certain associates and a subsidiary in connection with loans and credit accommodations.

SCHEDULE A - USE OF PROCEEDS
(Amounts are in thousands)

1) Ten Billion Fixed Rate Bonds issued in 2014

As of December 31, 2016, the proceeds from the 2014 bonds were fully utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
400 MW (net) Pulverised Coal-Fired Expansion Unit 3 in Pagbilao, Quezon	₱4,100,000	₱3,917,722
68 MW Manolo Fortich Hydropower Plant	3,600,000	2,253,450
300 MW Cebu Coal	500,000	527,859
300 MW Davao Coal	500,000	1,698,469
14 MW Sabangan Hydropower Plant	1,300,000	1,602,500
TOTAL	₱10,000,000	₱10,000,000

2) Series "A" of the Thirty Billion Shelf Registration issued in 2017

As of December 31, 2019, the proceeds from the 2017 bonds were fully utilized for the following projects:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Equity infusions into GNPD in 2017	₱2,206,373	₱1,255,745
Equity infusions into GNPD in 2018	764,395	1,711,317
Bond issuance costs	29,232	32,938
TOTAL	₱3,000,000	₱3,000,000

3) Series "B" and "C" of the Thirty Billion Shelf Registration issued in 2018

As of March 31, 2020 the proceeds from the 2018 bonds were fully utilized for the following:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Refinancing of the Medium-Term Loan of Therma Power, Inc.	₱8,700,000	₱8,700,000
Bond issuance costs	118,868	121,924
General corporate purposes	1,381,132	1,378,076
TOTAL	₱10,200,000	₱10,200,000

4) Series “D” of the Thirty Billion Shelf Registration issued in 2019

As of December 31, 2019, the proceeds from the 2019 bonds were fully utilized for the following:

Name of Project	Projected Usage (Per Prospectus)	Actual Usage
Repayment of short-term loan.	₱7,161,972	₱7,250,000
Bond issuance costs	88,028	–
TOTAL	₱7,250,000	₱7,250,0000

SCHEDULE B – RELEVANT FINANCIAL RATIOS

	Formula	Mar 31, 2020	Dec 31, 2019
LIQUIDITY RATIOS			
Current ratio	Current assets / Current liabilities	**1.20**	1.50
Acid test ratio	Cash + Marketable securities + Accounts receivable + Other liquid assets / Current liabilities	**0.92**	1.15
SOLVENCY RATIOS			
Debt to equity ratio	Total liabilities / Total equity	**2.32**	2.07
Asset to equity ratio	Total assets / Total equity	**3.32**	3.07
Net debt to equity ratio	Debt - Cash & cash equivalents / Total equity	**1.48**	1.42
Gearing ratio	Debt - Cash & cash equivalents / Total equity + (Debt - Cash & cash equivalents)	**59.75%**	58.60%
Interest coverage ratio	EBIT / Interest expense	**n.a**	2.83
PROFITABILITY RATIOS			
Operating margin	Operating profit / Total revenues	**n.a**	23%
Return on equity	Net income after tax / Total equity	**n.a**	14%

*Ratio marked * is deemed not applicable (n.a.) for the interim reporting period since this would not be comparable to the ratio reported in the previous period.*

ABOITIZ POWER CORPORATION AND SUBSIDIARIES

1.) AGING OF RECEIVABLES

As of March 31, 2020

	30 Days	60 Days	90 Days	Over 90 Days	Total
Trade receivables					
Power Distribution Customers	3,530,101	1,353,778	201,449	299,486	5,384,814
Power Generation Customers	1,543,543	1,229,614	1,684,302	3,516,420	7,973,879
Management & Other Services Customers	2,710,800	-	-	4,563	2,715,363
	7,784,444	2,583,392	1,885,751	3,820,469	16,074,056
Less : Allowance for estimated credit losses					2,400,492
Net trade receivables					13,673,564
Non-trade receivables	7,933,038	-	-	-	7,933,038
Grand Total	15,717,482	2,583,392	1,885,751	3,820,469	21,606,602

2.) ACCOUNTS RECEIVABLE DESCRIPTION

Type of Receivable	Nature / Description	Collection Period
Trade	uncollected billings to customers for sale of power, goods and services	30 - 60 days
Non-Trade	claims, operating cash advances and advances to suppliers & employees	30 - 120 days

3.) NORMAL OPERATING CYCLE

Power Subsidiaries

Distribution - 60 days

Generation - 65 days