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SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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Industry Classification Generation, Collection And Distribution Of Electricity
Company Type Stock Corporation

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S P C P O W E R C O R P O R A T I O N

(f o r m e r l y S A L C O N P O W E R C O R P .)

(Company's Full Name)

7 t h F l o o r C e b u H o l d i n g s C e n t e r

A r c h b i s h o p R e y e s A v e n u e ,

C e b u B u s i n e s s P a r k , C e b u C i t y

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

Mr. Jaime M. Balisacan

Contact Person

810 44 74 to 77

Company Telephone Number

1 2

Month

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Day

Calendar Year

SEC FORM

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FORM TYPE

0 5

Month

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Day

Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number / Section

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

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Yes [☒] No [☐]

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

Philippine Stock Exchange

common shares

12. Check whether the issuer:

(a) has filed all reports required to be filed by Section 17 of the SRC and SRC Rule 17 thereunder or Section 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 that the registrant was required to file such report(s):

Yes [☒] No [☐]

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

Yes [☒] No [☐]

PART I – FINANCIAL INFORMATION

ITEM 1. CONSOLIDATED FINANCIAL STATEMENTS

The consolidated interim financial statements of the Parent Company and its Subsidiaries (the “Group”) are attached herewith as follows:

- a. Consolidated Statements of Financial Position – June 30, 2019 (unaudited) and December 31, 2018 (audited).
- b. Consolidated Statements of Comprehensive Income – Three Months Ended June 30, 2019 and 2018 (unaudited).
- c. Consolidated Statements of Comprehensive Income – Six Months Ended June 30, 2019 and 2018 (unaudited).
- d. Consolidated Statements of Changes in Stockholders’ Equity – Six Months Ended June 30, 2019 and 2018 (unaudited).
- e. Consolidated Statements of Cash Flows – Six Months ended June 30, 2019 and 2018 (unaudited).
- f. Notes to the Consolidated Financial Statements.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Hereunder is management’s discussion and analysis of the significant factors affecting the financial performance, financial position and cash flows of the Parent Company and Subsidiaries (collectively referred to as the “Group”). The discussion and analysis should be read in conjunction with the accompanying interim consolidated financial statements and the notes thereto as well as the schedules and disclosures set forth elsewhere in this report.

Financial Conditions and Results of Operations

Results of Operations

Three Months Ended June 30, 2019 and 2018

The Group grew its second-quarter consolidated net income by 27.5% year-on-year to P602.6 million, reversing the net income slump in the first quarter due to stronger contributions from the power generation business segment and investee companies. The growth resulted from the combined effects of: (i) the completion of the scheduled major overhaul of a 100-MW power plant in the first quarter of 2019; (ii) higher sales volume triggered by the early start of hot summer months

and the mid-term elections in May 2019; (iii) higher utilization of PB 104 due to increased demand; and (iv) higher prices in the Wholesale Electricity Spot Market (WESM).

The power generation business segment contributed P191.6 million to the consolidated comprehensive income, reflecting a 49.3% increase from the same period last year. Likewise, equity share in the earnings of investees reached P403.6 million, 20.9% higher compared to the same period last year. However, the comprehensive income contributed from the power distribution business segment decreased by 32.7% to P6.4 million, from P9.6 million in the same period last year, due mainly to deferred recoveries of cost of purchased power.

Consolidated revenues increased by 64.0% to P898.7 million in the second quarter of 2019, from P548.0 million in the same period last year, due mainly to increase in volume of energy sold, higher pass-through fuel prices, and higher prices in the WESM.

Consolidated cost of services likewise increased by 61.3% to P643.3 million in the second quarter of 2019, from P398.7 million in the same period last year, due mainly to costs arising from higher volume of transactions.

As revenues grew faster than costs, gross margin rose by 71.0% to P255.4 million in the April – June 2019 period from last year's comparative figure of P149.4 million.

Consolidated administrative and general expenses went up by 65.1% to P70.7 million in April – June 2019, from P42.8 million in the same period last year, due mainly to higher expenses for business development, personnel, taxes and licenses, and other expenses associated with the commercial operation of PB 104 (Unit Nos. 1, 2 and 3) effective August 1, 2018.

Interest income substantially increased by 319.7% to P26.4 million from P6.3 million due to more money market placements of temporary excess cash.

Other income (others) decreased by 82.8% to P7.4 million in the second quarter of 2019, from P43.1 million the year before which still included incidental income derived from preserving the Naga Power Plant prior to its return to PSALM on July 13, 2018.

Six Months Ended June 30, 2019 and 2018

The overall strong performance of the Group in the second quarter of 2019 brought the six-month consolidated net income to P923.4 million but 4.6% lower compared to the same six-month period last year. Moving forward, full recovery of the earning slump in the first quarter of 2019 is expected with sustained improvement in plant availability and approval of new applications to provide additional ancillary services to start possibly within the second half of the year.

Net income contribution from the power generation business stood at P303.9 million in the first half of 2019, 4.4% higher compared to last year's P290.9 million. However, total equity share in the earnings of investee companies

amounting to ₱600.7 million in the first six months of 2019 was still 8.7% lower year-on-year.

Notwithstanding the 2.8% growth in sales volume, the net income contribution from the power distribution business increased only slightly by 1.2% to ₱17.9 million in the first six months of 2019 due mainly to temporary under-recovery of higher pass-through cost of purchased power.

Equity share in the earnings of investee companies accounted for 68% of the consolidated net income in the first semester of 2019. Power generation and power distribution contributed 30% and 2%, respectively.

The consolidated net income translates to ₱0.61 in earnings per share in the first half of 2019 compared to ₱0.64 in the same period last year.

The performance likewise translated to a return on equity of 9.06% in the first half of 2019 versus 10.14% in the same period last year.

Consolidated revenues increased by 32.5% to ₱1,468.8 million in the first half of 2019, from ₱1,108.2 million in the same period last year, due mainly to increase in the volume of energy sold, higher pass-through fuel prices, and higher WEM prices in the third quarter of 2019.

Consolidated cost of services likewise increased by 31.8% to ₱1,058.7 million in the first half of 2019, from ₱803.2 million in the same period last year, due mainly to costs arising from higher volume of transactions.

As revenues grew faster than costs, gross margin rose by 34.5% to ₱410.1 million in the first half of 2019 from last year's comparative figure of ₱304.9 million.

Consolidated administrative and general expenses soared by 68.0% to ₱124.5 million in the first half of 2019, from ₱74.1 million in the same period last year, due mainly to higher expenses for business development, personnel, taxes and licenses, and other expenses associated with the commercial operation of PB 104 (Unit Nos. 1, 2 and 3) effective August 1, 2018.

Interest income substantially added up to ₱55.9 million from ₱9.4 million due to money market placements of more temporary excess cash.

Other income (others) decreased by 82.2% to ₱15.5 million in the first half of 2019, from ₱87.01 million the year before which still included incidental income derived from preserving the Naga Power Plant prior to its return to PSALM on July 13, 2018.

Financial Condition

June 30, 2019 Vs. December 31, 2018

As at end-June 2019, total consolidated assets expanded further by 4.7% or by ₱514.3 million to ₱11,458.9 million, from ₱10,944.6 million as at end-December

2018, due mainly to additional cash inflows generated from operating and investing activities.

Total liabilities also increased but at a much slower pace by ₱189.5 million to ₱1,109.4 million as at end-June 2019 from ₱919.9 million as at end-December 2018. While the current ratio decreased slightly to 6.04 from 7.33 as at end-December 2018, total debt as a percentage of equity also rose only slightly to 10.7% from 9.2%.

Stockholders' equity likewise grew to ₱10,349.5 million from ₱10,024.7 million as at end-December 2018. The 3.2% net growth came from the total comprehensive income in the first half of 2019 amounting to ₱923.4 million less cash dividends declared amounting to ₱598.6 million. Book value per share increased to ₱6.92 as at end-June 2019 compared to ₱6.70 as at end-December 2018.

Further details of significant items that contributed to the changes in assets, liabilities and stockholders' equity are discussed below.

Cash and cash equivalents rose by 12.0% to ₱3,289.9 million as at end-June 2019 from ₱2,937.0 million as at end-December 2018. Details of changes in the balance of cash and cash equivalents are discussed in the section for Cash Flows below.

Trade and other receivables increased by 29.9% to ₱565.5 million as at end-June 2019 from ₱435.5 million as at end-December 2018 due to high volume of transactions billed to customers in June 2019.

Materials and supplies inventory increased by 11.7% to ₱391.1 million as at end-June 2019 from ₱350.1 million at the beginning of the year. The increase was traced mainly to the build up of inventories for fuel and maintenance spare parts for the commercial operation of PB 104.

Prepayments and other current assets increased by 18.0% to ₱111.3 million as at end-June 2019 due mainly to more input tax carried over for offsetting against future output tax.

Investment in associates increased only slightly to ₱6,050.5 million as of June 30, 2019 from ₱6,036.9 million as of December 31, 2018. The slight increase reflected the net effect of the following: (i) addition to investment due to fresh equity share in the net earnings of investee companies amounting to ₱600.7 million in the first six months of 2019 and (ii) decrease in investments due to cash dividends received from the investee companies amounting to ₱587.1million.

Property, plant and equipment decreased slightly by 2.5% to ₱761.5 million from ₱781.2 million. The decrease was net of the following: (i) depreciation amounting to ₱53.1 million in the first six months of 2019 and (ii) new additions to property plant and equipment amounting to ₱33.4 million.

Other noncurrent assets decreased by 7.8% to ₱225.6 million as at end-June 2019 from ₱244.6 million as at end-December 2018. This was due mainly to the six-month amortization of ERC-approved Deferred Accounting Adjustments (DAA) which were incurred by PSALM/NPC in supplying energy during the previous years, thus it should be recovered/refunded by PSALM/NPC to its

customers through the distribution business segment of the Group by initially charging the customers as part of the generation charge over a period of seven years from January 1, 2018.

Trade and other payables increased by 37.4% to ₱673.0 million as at end-June 2019, from ₱490.0 million as at end-December 2018, due mainly to high volume of fuel purchases and purchased power in June 2019 in response to high demand of electricity during the same month.

Customers' deposits grew by 3.6% to ₱136.9 million as at end-June 2019 from ₱132.1 million as at end-December 2018 due mainly to additional bill and material deposits received from customers in the first six months of 2019.

Other noncurrent liabilities decreased by 10.1% to ₱164.4 million as at end-June 2019 from ₱182.8 million as at end-December 2018. This refers to the noncurrent portion of ERC-approved Deferred Accounting Adjustments (DAA) which were incurred by PSALM/NPC in supplying energy during the previous years, thus it should be recovered/refunded by PSALM/NPC to its customers through the distribution business segment of the Group by regularly remitting to PSALM the amount it collected from the customers over a period of seven years from January 1, 2018.

Unappropriated retained earnings increased by 19.2% to ₱8,157.4 million from ₱6,841.4 million at the beginning of the year. The net increase is reflective of the following: (i) increase due to comprehensive income attributable to equity holders of the Parent Company in the first six months of 2019 amounting to ₱914.6 million; (ii) decrease due to cash dividends amounting to ₱598.6 million that was declared by the Parent Company's Board of Directors on April 4, 2019; and (iii) increase due to reversal of a 2018 appropriation of retained earnings amounting to ₱1.0 billion for the acquisition of a 100% ownership interest in a power generation company. In January 2019, the Parent Company lost in its bid to acquire the power generation company. Consequently, on April 4, 2019, the Parent Company's Board of Directors approved the reversal of the said 2018 appropriation.

Appropriated retained earnings declined by ₱1.0 billion to ₱500.0 million, from ₱1,500.0 million at the beginning of the year, due to reversal mentioned in the preceding paragraph.

Cash Flows

Cash and cash equivalents increased by 12.0% to ₱3,289.9 million as at end-June 2019 from the end-December 2018 level of ₱2,937.0 million. Net cash inflows generated from operating and investing activities exceeded net cash flows used for financing activities during the first semester of 2019.

Major sources of cash and cash equivalents in the first semester of 2019 were from operating activities and cash dividends received from investee companies amounting to ₱382.6 million and ₱587.1 million, respectively.

The major applications of funds in the first semester of 2019 were: (i) payment of cash dividends amounting to P599.5 million, and (ii) new additions to property, plant and equipment amounting to P33.4 million.

Key Performance Indicators

The following financial indicators are used, among others, to evaluate the performance of the Group as of June 30, 2019 and December 31, 2018 and for the six months ended June 30, 2019 and 2018:

Key Performance Indicators	2019	2018
A. For Six Months Ended June 30, 2019 and 2018:		
Earnings Per Share	0.61	0.64
Share in Net Earnings of Associates	P600,724,176	P658,261,168
Return on Equity (total comprehensive income divided by average total equity)	9.06%	10.14%
Return on Assets (total comprehensive income divided by average total assets)	8.24%	8.86%
Cash Flows:		
Net cash flows generated from operating activities	P382,624,440	P87,358,192
Net cash flows generated from investing activities	P572,775,576	P689,249,208
Net cash flows used in financing activities	(P599,470,708)	(P612,522,721)
Solvency ratio (total comprehensive income before depreciation and amortization divided by total liabilities)	0.88	0.81
B. As of June 30, 2019, and December 31, 2018:		
Balance of cash and cash equivalents at end of period	P3,289,884,491	P2,937,042,859
Current ratio (total current assets including noncurrent assets held for sale divided by current liabilities including liabilities directly associated with noncurrent assets held for sale)	6.04	7.33
Debt ratio (total liabilities divided by total assets)	0.10	0.08
Debt-to-equity ratio (total liabilities divided by total equity)	0.11	0.09

The formulas used to compute the performance indicators are shown below:

Earnings Per Share

EPS is a measure of profitability representing net income attributable to equity holders divided by the weighted average number of shares outstanding as of the end of the relevant period.

Share in Net Earnings of Associates

This indicates profitability of the investments and investees' contribution to the Group's net income. It is determined by multiplying the associate's net income by the investor's percentage of ownership, less goodwill impairment cost, if any. Goodwill is the difference between the acquisition cost of the investment and the investor's share in the value of the net identifiable assets of the investee at the date of acquisition.

Return on Equity

Return on Equity = Total comprehensive income divided by average total stockholders' equity. This ratio indicates the level of profit earned by the Group in comparison with the total amount of stockholders' equity found in the statements of financial position. The higher the return on equity, the higher the Group's ability to produce internally generated cash flows. Moreover, the higher the Group's return on equity compared to other companies in the same industry, the better.

Return on Assets

Return on Assets = Total comprehensive income divided by average total assets. This ratio measures the ability of the Group's management to realize an adequate return on the average total resources employed for the business. A high percentage rate indicates how the Group is well run and has a healthy return on assets employed.

Cash Flows

The Group uses the Statements of Cash Flows to determine the sources and application of funds for the period and to analyze and evaluate how the sources and uses of capital are being managed.

Current Ratio

Current Ratio = Total current assets divided by total current liabilities. This ratio is a rough indication of the Group's ability to service its current obligations. The higher the current ratio, the greater the Group's ability to pay its current obligations.

Debt Ratio

Debt ratio = Total liabilities divided by total assets. The ratio indicates the degree of protection provided for the Group's creditors. A high ratio generally indicates greater risk being assumed by creditors. On the other hand, a low ratio indicates greater long-term financial safety.

Debt-to-Equity Ratio

Debt-to-equity ratio = Total liabilities divided by total equity. The ratio indicates how leveraged the Group is. It compares the resources provided by creditors against the resources provided by the stockholders in running the business of the Group.

Solvency Ratio

Solvency Ratio = Total comprehensive income before depreciation and amortizations divided by total liabilities. This ratio provides another measurement of how likely the Group will be able to continue meeting its debt obligation. The higher the ratio, the greater the Company's ability to continue meeting its debt obligations.

Any Significant Elements of Income or Loss from Continuing Operations

There are no significant elements of income or loss from continuing operations.

Material Off-Balance Sheet Items

There are no material off-balance sheet transactions, arrangements, obligations, and other relationships of the Group with unconsolidated entities or other persons created during the reporting period.

Material Commitments for Capital Expenditures

As of June 30, 2019, there are no material commitments for capital expenditures other than in the ordinary course of business to improve power generation and distribution facilities. Funding comes from internally generated cash from operating activities.

Known Trends

Except as already discussed herein and in the notes to the interim consolidated financial statements, management is not aware of any other trend, event or uncertainty to have had or that are reasonably expected to have a material favorable or unfavorable impact on net sales/revenues/income from continuing operations. Management is likewise not aware of any other event that will trigger direct or contingent financial obligation that is material to the Group, including any default or acceleration of an obligation.

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.

SPC POWER CORPORATION

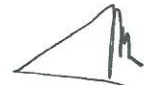
Issuer

By:



MARY ANN G. DAUGDAUG

Accountant



JAIME M. BALISACAN

SVP – Finance and Administration

Date: August 12, 2019

Date: August 12, 2019

SPC POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Philippine Pesos)

	June 30, 2019 (Unaudited)	Dec. 31, 2018 (Audited)	Incr. / (Decr.)	
			Amount	Percent
ASSETS				
Current Assets				
Cash and cash equivalents	3,289,884,491	2,937,042,859	352,841,632	12.0%
Trade and other receivables - net	565,496,163	435,464,297	130,031,866	29.9%
Due from related parties	20,037,076	16,810,651	3,226,425	19.2%
Due from NPC/PSALM	1,175,128	1,175,128	0	0.0%
Material and supplies	391,095,815	350,071,594	41,024,221	11.7%
Prepayments and other current assets	111,292,743	94,295,423	16,997,320	18.0%
Total Current Assets	4,378,981,416	3,834,859,952	544,121,464	14.2%
Noncurrent Assets Held for Sale	18,213,000	18,213,000	0	0.0%
Noncurrent Assets				
Investment in associates	6,050,518,514	6,036,937,436	13,581,078	0.2%
Property, plant and equipment - net	761,543,350	781,201,721	(19,658,371)	-2.5%
Deferred income tax assets	22,106,363	27,349,369	(5,243,006)	-19.2%
Net pension asset	1,931,199	1,407,927	523,272	37.2%
Other noncurrent assets - net	225,579,705	244,615,594	(19,035,889)	-7.8%
Total Noncurrent Assets	7,061,679,131	7,091,512,047	(29,832,916)	-0.4%
TOTAL ASSETS	11,458,873,547	10,944,584,999	514,288,548	4.7%
LIABILITIES & STOCKHOLDERS' EQUITY				
Current Liabilities				
Trade and other payables	673,041,817	489,984,581	183,057,236	37.4%
Due to related parties	108,873	586,700	(477,827)	-81.4%
Income tax payable	52,863,714	31,951,991	20,911,723	65.4%
Dividends payable	0	849,987	(849,987)	0.0%
Total current liabilities	726,014,404	523,373,259	202,641,145	38.7%
Liabilities directly associated with Noncurrent Assets Held for Sale				
	2,234,000.00	2,234,000	0	0.0%
Noncurrent Liabilities				
Customers' deposits	136,914,385	132,093,513	4,820,872	3.6%
Asset retirement obligation	60,975,535	60,975,535	0	0.0%
Net pension liabilities	18,878,146	18,472,143	406,003	2.2%
Other noncurrent liability	164,366,531	182,765,769	(18,399,238)	-10.1%
Total noncurrent liabilities	381,134,597	394,306,960	(13,172,363)	-3.3%
Total Liabilities	1,109,383,001	919,914,219	189,468,782	20.6%
(Forward)				

SPC POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Amounts in Philippine Pesos)

	June 30, 2019 (Unaudited)	Dec. 31, 2018 (Audited)	Incr. / (Decr.)	
			Amount	Percent
Stockholders' Equity				
Capital stock - P1 par value				
Authorized - 2,000,000,000 shares				
Issued - 1,569,491,900 shares	1,569,491,900	1,569,491,900	0	0.0%
Additional paid-in capital	86,810,752	86,810,752	0	0.0%
Retained earnings (Note 12):				
Unappropriated	8,157,360,486	6,841,355,868	1,316,004,618	19.2%
Appropriated	500,000,000	1,500,000,000	(1,000,000,000)	-66.7%
Other comprehensive income:				
Remeasurement of employee benefits	5,779,181	5,779,181	0	0.0%
Net unrealized valuation gains				
on financial asset at FVOCI	4,850,000	4,850,000	0	0.0%
Share in remeasurement of employee				
benefits of associates	898,119	898,119	0	0.0%
Treasury stock at cost - 72,940,097 shares	(131,008,174)	(131,008,174)	0	0.0%
Equity attributable to equity holders of Parent	10,194,182,264	9,878,177,646	316,004,618	3.2%
Equity attributable to Non-controlling interests	155,308,282	146,493,134	8,815,148	6.0%
Total Stockholders' Equity	10,349,490,546	10,024,670,780	324,819,766	3.2%
TOTAL LIABILITIES and EQUITY	11,458,873,547	10,944,584,999	514,288,548	4.7%

See accompanying Notes to Consolidated Financial Statements.


Mary Ann G. Daugdaug
Accountant


Jaime M. Balisacan
SVP - Finance & Administration

SPC POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Philippine Pesos)

	Three Months Ended June 30		Increase / (Decrease)	
	2019 (Unaudited)	2018 (Unaudited)	Amount	Percent
REVENUE	898,693,778	548,031,361	350,662,417	64.0%
COST OF SERVICES				
Plant operations	643,252,273	398,674,251	244,578,022	61.3%
GROSS MARGIN	255,441,505	149,357,110	106,084,395	71.0%
GENERAL AND ADM. EXPENSES	(70,669,798)	(42,805,072)	(27,864,726)	65.1%
OTHER INCOME (CHARGES):				
Equity in net earnings of associates	403,554,118	333,891,060	69,663,058	20.9%
Interest Income	26,437,177	6,299,029	20,138,148	319.7%
Interest Expense	(21,861)	(1,332,693)	1,310,832	-98.4%
Service Income	36,365,805	18,182,902	18,182,903	100.0%
Foreign exchange gains (losses) - net	(2,129,675)	3,529,520	(5,659,195)	-160.3%
Others - net	7,401,560	43,119,879	(35,718,319)	-82.8%
INCOME BEFORE INCOME TAX	656,378,831	510,241,735	146,137,096	28.6%
PROVISION FOR/(BENEFIT FROM) INCOME TAX				
Current	53,879,701	38,194,035	15,685,666	41.1%
Deferred	(62,265)	(383,268)	321,003	-83.8%
	53,817,436	37,810,767	16,006,669	42.3%
NET INCOME	602,561,395	472,430,968	130,130,427	27.5%
OTHER COMPREHENSIVE INCOME	0	0	0	0.0%
TOTAL COMPREHENSIVE INCOME	602,561,395	472,430,968	130,130,427	27.5%
ATTRIBUTABLE TO:				
Equity holders of the Parent	599,041,481	465,397,863	133,643,618	28.7%
Non-controlling interests	3,519,914	7,033,105	(3,513,191)	-50.0%
	602,561,395	472,430,968	130,130,427	27.5%
EARNINGS PER SHARE (Note 3):				
Basic/diluted, for income for the period attributable to equity holders of the Parent	0.40	0.31	0.09	28.7%

See accompanying Notes to Consolidated Financial Statements.


Mary Ann G. Daugdaug
Accountant


Jaime M. Balisacan
SVP - Finance & Administration

SPC POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(Amounts in Philippine Pesos)

	Six Months Ended June 30		Increase / (Decrease)	
	2019 (Unaudited)	2018 (Unaudited)	Amount	Percent
REVENUE	1,468,807,710	1,108,171,892	360,635,818	32.5%
COST OF SERVICES				
Plant operations	1,058,703,651	803,238,314	255,465,337	31.8%
GROSS MARGIN	410,104,059	304,933,578	105,170,481	34.5%
GENERAL AND ADM. EXPENSES	(124,462,194)	(74,065,860)	(50,396,334)	68.0%
OTHER INCOME (CHARGES):				
Equity in net earnings of associates	600,724,176	658,261,168	(57,536,992)	-8.7%
Interest Income	55,876,775	9,439,110	46,437,665	492.0%
Interest Expense	(43,071)	(2,662,634)	2,619,563	-98.4%
Service Income	61,821,868	54,548,707	7,273,161	13.3%
Foreign exchange gains (losses) - net	(2,742,225)	11,178,694	(13,920,919)	-124.5%
Others - net	15,465,480	87,036,663	(71,571,183)	-82.2%
INCOME BEFORE INCOME TAX	1,016,744,868	1,048,669,426	(31,924,558)	-3.0%
PROVISION FOR/(BENEFIT FROM) INCOME TAX				
Current	88,061,375	81,819,964	6,241,411	7.6%
Deferred	5,243,006	(674,760)	5,917,766	-877.0%
	93,304,381	81,145,204	12,159,177	15.0%
NET INCOME	923,440,487	967,524,222	(44,083,735)	-4.6%
OTHER COMPREHENSIVE INCOME	0	0	0	0.0%
TOTAL COMPREHENSIVE INCOME	923,440,487	967,524,222	(44,083,735)	-4.6%
ATTRIBUTABLE TO:				
Equity holders of the Parent	914,625,339	956,745,201	(42,119,862)	-4.4%
Non-controlling interests	8,815,148	10,779,021	(1,963,873)	-18.2%
	923,440,487	967,524,222	(44,083,735)	-4.6%
EARNINGS PER SHARE (Note 3):				
Basic/diluted, for income for the period attributable to equity holders of the Parent	0.61	0.64	(0.03)	-4.4%

See accompanying Notes to Consolidated Financial Statements.


Mary Ann G. Daugdaug
Accountant


Jaime M. Balisacan
SVP - Finance & Administration

POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2019 AND 2018

	Equity Attributable to Equity Holders of the Parent									
	Retained Earnings			Share of Associates in OCI	Remeasurement of Employee Benefits	Treasury Stock at Cost	Additional Paid- In Capital	Capital Stock	Valuation Losses on AFS Investment	Valuation Gains on Financial Assets at FVOCI
	Unappropriated	Appropriated	Unappropriated							
Balance at January 1, 2019	₱6,841,355,868	₱1,500,000,000	₱898,119	₱898,119	₱5,779,181	(₱131,008,174)	₱86,810,752	₱1,569,491,900	₱-	₱4,850,000
Comprehensive income	914,625,339	-	-	-	-	-	-	-	-	-
Dividends (Note 12)	(598,620,721)	-	-	-	-	-	-	-	-	-
Share of appropriations	1,000,000,000	(1,000,000,000)	-	-	-	-	-	-	-	-
Balance at June 30, 2019	₱8,157,360,486	₱500,000,000	₱898,119	₱898,119	₱5,779,181	(₱131,008,174)	₱86,810,752	₱1,569,491,900	₱-	₱4,850,000
Balance at January 1, 2018	₱6,338,490,394	₱1,350,000,000	(₱83,388)	(₱83,388)	₱1,567,084	(₱131,008,174)	₱86,810,752	₱1,569,491,900	(₱350,000)	-
Comprehensive income	956,745,201	-	-	-	-	-	-	-	-	-
Dividends	(598,620,721)	-	-	-	-	-	-	-	-	-
Share of appropriations	-	-	-	-	-	-	-	-	-	-
Balance at June 30, 2018	₱6,696,614,874	₱1,350,000,000	(₱83,388)	(₱83,388)	₱1,567,084	(₱131,008,174)	₱86,810,752	₱1,569,491,900	(₱350,000)	-

See accompanying Notes to Consolidated Financial Statements.


Mary Ann G. Daugdaug
 Accountant


Jaime M. Balisacan
 SVP - Finance & Administration

SPC POWER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months ended June 30	
	2019	2018
	(Unaudited)	(Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	1,016,744,868	1,048,669,426
Adjustments for:		
Equity in net losses (earnings) of associates	(600,724,176)	(658,261,168)
Depreciation and amortizations	53,837,906	39,897,275
Interest expense	43,071	2,662,034
Net changes in pension liability	(1,525,196)	0
Interest income	(55,876,775)	(9,439,110)
Others -net	3,697,616	(5,168,827)
Operating income before working capital changes	416,197,314	418,359,630
Decrease (increase) in:		
Trade and other receivables	(130,176,492)	23,695,383
Due from related parties	(3,226,425)	282,169
Prepayments and other current assets	(16,997,320)	8,218,416
Materials and supplies	(41,024,221)	(27,475,849)
Increase (decrease) in:		
Trade and other payables	164,736,381	(257,480,011)
Due to related parties	(477,827)	(514,998)
Customers' deposits	4,799,662	7,279,422
Net cash generated from operations	393,831,072	172,364,162
Income tax paid	(67,149,653)	(94,305,317)
Interest paid	(78,380)	(219,962)
Interest received	56,021,401	9,519,309
Net cash flows from operating activities	382,624,440	87,358,192
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash dividends received	587,143,098	733,536,395
Additions to plant, property and equipment	(33,403,411)	(45,805,044)
Proceeds from disposal of plant, property and equipment	0	1,517,857
Decrease (increase) in:		
Other noncurrent assets	19,035,889	0
Net cash provided by (used in) investing activities	572,775,576	689,249,208
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividends paid	(599,470,708)	(612,522,721)
Net cash provided by (used in) financing activities	(599,470,708)	(612,522,721)
NET EFFECT OF EXCHANGE RATE CHANGES	(3,087,676)	4,407,533
NET INCREASE IN CASH AND CASH EQUIVALENTS	352,841,632	168,492,212
CASH AND CASH EQUIVALENTS AT BEG. OF PERIOD	2,937,042,859	1,445,250,136
CASH AND CASH EQUIVALENTS AT END OF PERIOD	3,289,884,491	1,613,742,348

See accompanying Notes to Financial Statements.


Mary Ann G. Daugdaug


Jaime M. Balisacan

SPC POWER CORPORATION AND SUBSIDIARIES
SELECTED NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. General

The consolidated financial statements comprise the financial statements of the Parent Company and the following wholly owned and majority owned subsidiaries:

	Nature of Business	% of Ownership		
		Direct	Indirect	Total
SPC Island Power Corporation	Power generation	100.00%	—	100.00%
Cebu Naga Power Corporation	Power generation	100.00%	—	100.00%
SPC Malaya Power Corporation	Power generation	40.00%	38.40%	78.40%
SPC Light Company, Inc.	Holding company	40.00%	24.00%	64.00%
Bohol Light Company, Inc.	Power distribution	39.90%	13.76%	53.66%
SPC Electric Company, Inc.	Holding company	40.00%	—	40.00%

2. Accounting Policies

The Group's consolidated interim financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). Measurements are on historical cost basis, except for financial assets at FVOCI which have been measured at fair value, and are presented in Philippine Peso, the Group's functional and presentation currency.

The accounting policies adopted in the preparation of the interim financial statements are the same as those mentioned in the audited financial statements for the year 2018.

3. Earnings Per Share

The following presents information necessary to calculate earnings per share attributable to equity holders of the Parent Company:

	Six Months Ended June 30	
	2019	2018
Net income attributable to equity holders of the parent	₱914,625,339	₱956,745,201
Weighted average number of common shares issued and outstanding	1,496,551,803	1,496,551,803
Basic/Diluted earnings per share	₱0.61	₱0.64

Computation of weighted average number of common shares issued and outstanding follows:

Number of shares issued	1,569,491,900
Less weighted average number of treasury shares	72,940,097
	1,496,551,803

There are no dilutive potential common stocks issued as of June 30, 2019.

4. Seasonal Aspects

The group does not have any seasonal aspect that has a material effect on its financial condition and results of operations.

5. Nature and Amount of Items Affecting Assets, Liabilities, Equity, Net Income, or Cash Flows That Are Unusual Because of Their Nature, Size or Incidence.

Aside from what are already disclosed in the management's discussion and analysis of financial condition and results of operations, there are no other assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

6. Nature and Amount of Changes in Estimates of Amounts Reported in Prior Interim Periods of the Current Financial Year or Changes in Estimates of Amounts Reported in Prior Financial Years, if Those Changes Have a Material Effect in the Current Interim Period.

There are no changes in estimates of amounts in the first semester of 2019.

7. Issuances, Repurchases & Repayments of Debts & Equity Securities.

There are no issuances, repurchases and repayments of debt and equity securities during the six months ended June 30, 2019.

8. Segment Information

For management purposes, the Group is organized into business units based on their products and services provided as follows:

- Generation - generation and supply of power and ancillary services to NPC/PSALM, NGCP, distribution utilities, WESM and other customers.
- Distribution - distribution and sale of electricity to the end-users.
- Others - includes the operations of SECI and SLCI such as to manage, operate and invest in power generating plants and related facilities.

The operating segments are consistent with those reported to the BOD, the Group's Chief Operating Decision Maker (CODM).

The Group operates and generates revenue principally only in the Philippines (i.e., one geographical location). Thus, geographical segment information is not presented.

The CODM monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss in the consolidated financial statements.

No inter-segment revenues were earned within the Group in the six months ended June 30, 2019 and 2018.

The following tables present revenue and income information and certain asset and liability information regarding the business segments as of June 30, 2019 and 2018:

June 30, 2019						
	Before Eliminations			Total	Adjustments and Eliminations	After Eliminations/ Consolidated
	Generation	Distribution	Others			
Revenue	₱877,939,722	₱590,867,988	₱—	₱1,468,807,710	₱—	₱1,468,807,710
Income before income tax	977,318,726	24,857,265	987,799	1,003,163,790	13,581,078	1,016,744,868
Net income	890,996,630	17,874,980	987,799	909,859,409	13,581,078	923,440,487
Total assets	7,758,984,830	769,357,084	95,709,175	8,624,051,089	2,834,822,458	11,458,873,547
Property, plant and equipment	570,204,342	191,339,008	—	761,543,350	—	761,543,350
Total liabilities	576,330,929	535,731,426	99,951	1,112,162,306	(2,779,305)	1,109,383,001
Depreciation and amortization	44,535,632	9,302,274	—	53,837,906	—	53,837,906

June 30, 2018						
	Before Eliminations			Total	Adjustments and Eliminations	After Eliminations/ Consolidated
	Generation	Distribution	Others			
Revenue	₱603,548,589	₱504,623,303	₱—	₱1,108,171,892	₱—	₱1,108,171,892
Income before income tax	1,108,539,691	24,407,817	7,095,146	1,140,042,654	(91,373,228)	1,048,669,426
Net income	1,034,134,287	17,668,017	7,095,146	1,058,897,450	(91,373,228)	967,524,222
Total assets	7,463,346,576	490,457,351	121,521,665	8,075,325,592	2,890,814,239	10,966,139,831
Property, plant and equipment	621,759,392	162,198,675	—	783,958,067	—	783,958,067
Total liabilities	958,673,350	291,093,411	17,571	1,249,784,332	(2,800,316)	1,246,984,016
Depreciation and amortization	30,635,399	9,261,876	—	39,897,275	—	39,897,275

Adjustments and Eliminations

Adjustments and eliminations are part of detailed reconciliations presented below:

Reconciliation of Net Income

	Six Mos. Ended June 30	
	2019	2018
Segment net income	₱909,859,409	₱1,061,219,447
Equity in net earnings of associates	600,724,176	658,261,168
Dividend Income	(587,143,098)	(751,956,393)
Group net income	₱923,440,487	₱ 967,524,222

Reconciliation of Total Assets

	June 30, 2019	Dec. 31, 2018
Segment assets	₱8,624,051,089	₱8,473,899,155
Inter-segment receivables	(6,150,262)	(356,705,798)
Investments in associates and subsidiaries	2,808,450,704	2,794,869,626
Goodwill	32,522,016	32,522,016
Group assets	₱11,458,873,547	₱10,944,584,999

Reconciliation of Total Liabilities

	June 30, 2019	Dec. 31, 2018
Segment liabilities	₱1,112,162,306	₱ 1,273,249,057
Inter-segment payables	(2,779,305)	(353,334,838)
Group liabilities	₱1,109,383,001	₱ 919,914,219

9. Effect of Changes in the Composition of the Issuer During the Interim Period, Including Business Combinations, Acquisition or Disposal of Subsidiaries & Long-term Investments, Restructurings, and Discontinuing Operations.

There are no changes in the composition of the registrant during the interim period.

10. Changes in Contingent Liabilities or Contingent Assets Since the Last Annual Balance Sheet Date.

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

11. Financial Risk Management and Policies

The Group's principal financial instruments comprise of long-term debt and cash and cash equivalents. The Group has various other financial assets and liabilities such as trade and other receivables, trade and other payables, due from/due to NPC/PSALM, other noncurrent receivable included under "Other noncurrent assets", due from/due to related parties, dividend payable, and customers' deposits which arise directly from its operations.

The main risks arising from the Group's financial instruments are liquidity risk, foreign currency risk and credit risk.

The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk appetite.

The BOD reviews and approves policies for managing each of these risks and they are summarized below.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group's policy is to manage its interest cost using the variable-rate debts.

As of June 30, 2019 and December 31, 2018, the Group does not have a financial liability that is exposed to interest rate risk since all the outstanding short and long-term debts had been paid on October 28, 2017.

Liquidity Risk

Liquidity risk is the potential of not meeting obligations as they come due because of an inability to liquidate assets or obtain adequate funding. The Group's objective is to maintain a balance between continuity of funding and flexibility. 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 dividend declarations.

The tables below summarize the maturity profile of the Group's financial assets used to manage liquidity risk and financial liabilities at June 30, 2019 and December 31, 2018 based on contractual undiscounted payments:

June 30, 2019						
	Total	Current	1 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days
Financial Assets						
At Amortized Cost:						
Cash and cash equivalents	P3,289,884,491	P3,289,884,491	P—	P—	P—	P—
Trade and other receivables						
NPC	1,015,262	—	—	—	—	1,015,262
Receivable from customers	491,831,406	375,987,056	33,481,079	17,739,533	14,840,729	49,783,009
Others	72,649,495	38,059,742	1,703,055	4,393,345	1,254,148	27,239,205
	565,496,163	414,046,798	35,184,134	22,132,878	16,094,877	78,037,476
Due from NPC/PSALM	1,175,128	—	—	—	—	1,175,128
Due from related parties	20,037,076	728,740	2,773,829	65,192	15,765	16,453,550
PSALM deferred adjustments (included in "Other noncurrent assets")	164,366,531	—	—	—	—	164,366,531
	4,040,959,389	3,704,660,029	37,957,963	22,198,070	16,110,642	260,032,685
At FVOCI:						
Investment in proprietary club shares	6,500,000	—	—	—	—	6,500,000
	4,047,459,389	3,704,660,029	37,957,963	22,198,070	16,110,642	266,532,685
Financial Liabilities						
Trade and other payables						
Trade	462,521,755	432,607,173	11,290,984	6,216,378	406,095	12,001,125
Accrued expenses	36,280,773	23,609,045	408,869	46,998	93,995	12,121,866
Nontrade	54,228,730	21,439,414	47,996	77,660	16,387	32,647,273
	553,031,258	477,655,632	11,747,849	6,341,036	516,477	56,770,264
Dividends payable	—	—	—	—	—	—
Due to related parties	108,873	108,873	—	—	—	—
Customers' deposits	136,914,385	—	—	—	—	136,914,385
Other noncurrent liability	164,366,531	—	—	—	—	164,366,531
	854,421,047	477,764,505	11,747,849	6,341,036	516,477	358,051,180
Net Financial Assets (Liabilities)	P3,193,038,342	P3,226,895,524	P26,210,114	P15,857,034	P15,594,165	(P91,518,495)

December 31, 2018						
	Total	Current	1 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days
Financial Assets						
At Amortized Cost:						
Cash and cash equivalents	P2,937,042,859	P2,937,042,859	P—	P—	P—	P—
Trade and other receivables						
NPC	1,015,262	—	—	—	—	1,015,262
Receivable from customers	357,596,696	239,570,576	30,208,165	18,991,678	18,519,596	50,306,681
Others	76,852,359	47,747,098	2,547,077	2,503,727	632,032	23,422,405
	435,464,297	287,317,674	32,755,242	21,495,405	19,151,628	74,744,348
Due from NPC/PSALM	1,175,128	—	—	—	—	1,175,128
Due from related parties	16,810,651	15,232,502	31,180	38,840	31,877	1,476,252
PSALM deferred adjustments (included in "Other noncurrent assets")	182,765,769	—	—	—	—	182,765,769
	3,573,258,704	3,239,593,035	32,786,422	21,534,245	19,183,505	260,161,497
At FVOCI:						
Investment in proprietary club shares	6,500,000	—	—	—	—	6,500,000
	3,579,758,704	3,239,593,035	32,786,422	21,534,245	19,183,505	266,661,497
Financial Liabilities						
Trade and other payables						
Trade	298,599,019	263,197,727	11,362,210	4,609,145	2,251,126	17,178,811
Accrued expenses	33,064,242	20,372,907	380,710	334,210	381,615	11,594,800
Nontrade	55,907,137	24,308,487	1,153	627,980	788,805	30,180,712
	387,570,398	307,879,121	11,744,073	5,571,335	3,421,546	58,954,323
Dividends payable	849,987	849,987	—	—	—	—
Due to related parties	586,700	22,552	67,106	—	—	497,042
Customers' deposits	132,093,513	—	—	—	—	132,093,513
Other noncurrent liability	182,765,769	—	—	—	—	182,765,769
	703,866,367	308,751,660	11,811,179	5,571,335	3,421,546	374,310,647
Net Financial Assets (Liabilities)	P2,875,892,337	P2,930,841,375	P20,975,243	P15,962,910	P15,761,959	(P107,649,150)

Foreign Currency Risk

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

The Group follows a policy to manage its currency risk by closely monitoring its cash flow position and exposures in US dollar currency.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate, with all other variables held constant, of the Group's income before income tax (due to changes in the fair value of monetary assets and liabilities). Bankers Association of the Philippines (BAP) closing rates used are ₱51.24 and ₱52.58 on June 30, 2019 and December 31, 2018, respectively. There is no other impact on the Group's equity other than those already affecting the profit and loss.

	Increase (decrease) in US dollar rate	Effect on income before income tax
June 30, 2019	+1	(₱1,388,815)
	-1	1,388,815
December 31, 2018	+1	(₱1,631,443)
	-1	1,631,443

Foreign-Currency-denominated Monetary Assets and Liabilities

The foreign-currency-denominated monetary assets and monetary liabilities and their Philippine Peso equivalents follow:

	U.S. Dollar		Peso Equivalent	
	2019	2018	2019	2018
Cash and cash equivalents	\$2,713,413	\$3,113,782	₱139,035,260	₱163,722,675
Trade and other payables:				
Trade	(3,000)	(11,000)	(153,720)	(578,380)
Net foreign currency-denominated monetary assets	\$2,710,413	\$3,102,782	₱138,881,540	₱163,144,295

As a result of the translation of these foreign currency-denominated assets and liabilities, the Group reported a net unrealized foreign exchange loss and gain of ₱3.1 million and ₱2.4 million in 2019 and 2018, respectively.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting to a financial loss.

The Group trades only with recognized, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit procedures. In addition, receivable balances are monitored on an ongoing basis with the result that exposure to bad debts is not significant.

With respect to credit risk arising from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables, due from NPC/PSALM, due from related parties and noncurrent receivable, the Group's exposure to credit risk arises from default of the counterparty.

The Group's credit risk from cash and cash equivalents is mitigated by Philippine Deposit Insurance Corporation's (PDIC) insurance coverage on the cash in bank. While the Group does not hold collateral as security, its credit risk from trade and other receivables is mitigated by the customers' deposits which are collected to guarantee any uncollected bills from the customers upon termination of the service contract.

The Group's maximum exposure equals to the carrying amount of the aforementioned instruments, excluding cash on hand, and is offset by the PDIC insurance coverage and customers' deposits. The offset relates to balances where there is a legally enforceable right of offset in the event of counterparty default and where, as a result, there is a net exposure for credit risk management purposes. However, as there is no intention to settle these balances on a net basis under normal circumstances, they do not qualify for net presentation for accounting purposes.

June 30, 2019			
	Maximum exposure	Offset	Exposure to credit risk
At Amortized Cost:			
Cash and cash equivalents (excluding cash on hand)	₱3,287,337,922	(₱8,139,303)	₱3,279,198,619
Trade and other receivables	565,496,163	(87,000,075)	478,496,088
Due from related parties	20,037,076	—	20,037,076
Due from NPC/PSALM	1,175,128	—	1,175,128
PSALM deferred adjustments (included in "Other noncurrent assets")	164,366,531	—	164,366,531
	₱4,038,412,820	(₱95,139,378)	₱3,943,273,442

December 31, 2018			
	Maximum exposure	Offset	Exposure to credit risk
At Amortized Cost:			
Cash and cash equivalents (excluding cash on hand)	₱2,928,731,599	(₱8,067,264)	₱2,920,664,335
Trade and other receivables	435,464,297	(87,000,075)	348,464,222
Due from related parties	16,810,651	—	16,810,651
Due from NPC/PSALM	1,175,128	—	1,175,128
PSALM deferred adjustments (included in "Other noncurrent assets")	182,765,769	—	182,765,769
	₱3,564,947,444	(₱95,067,339)	₱3,469,880,105

As of June 30, 2019 and December 31, 2018, the Group's significant concentration of credit risk pertains to its trade and other receivables, due from NPC/PSALM, PSALM deferred adjustments, and noncurrent receivable amounting to ₱731.0 million and ₱619.4 million, respectively, and impaired financial assets, determined based on probability of collection, are adequately covered with allowance.

The following tables set out the aging analysis per class of financial assets, including those that were past due but not impaired, as of June 30, 2019 and December 31, 2018:

June 30, 2019							
	Total	Neither Past Due nor Impaired	Past Due but Not Impaired				Impaired
			1 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	
At Amortized Cost							
Cash and cash equivalents (excluding cash on hand)	₱3,287,337,922	₱3,287,337,922	₱—	₱—	₱—	₱—	₱—
Trade and other receivables:							
NPC/PSALM	1,015,262	—	—	—	—	1,015,262	—
Receivable from customers	528,140,531	375,987,056	33,481,079	17,739,533	14,840,729	49,783,009	36,309,125
Others	72,649,495	38,059,742	1,703,055	4,393,345	1,254,148	27,239,205	—
	601,805,288	414,046,798	35,184,134	22,132,878	16,094,877	78,037,476	36,309,125
Due from NPC/PSALM	1,175,128	—	—	—	—	1,175,128	—
Due from related parties	20,037,076	728,740	2,773,829	65,192	15,765	16,453,550	—
Noncurrent receivable (included in "Other noncurrent assets")	164,366,531	—	—	—	—	164,366,531	—
	₱4,074,721,945	₱3,702,113,460	₱37,957,963	₱22,198,070	₱16,110,642	₱260,032,685	₱36,309,125

December 31, 2018							
	Total	Neither Past Due nor Impaired	Past Due but Not Impaired				Impaired
			1 to 30 Days	31 to 60 Days	61 to 90 Days	Over 90 Days	
At Amortized Cost							
Cash and cash equivalents (excluding cash on hand)	P2,928,731,599	P2,928,731,599	P—	P—	P—	P—	P—
Trade and other receivables:							
NPC/PSALM	1,015,262	—	—	—	—	1,015,262	—
Receivable from customers	393,905,821	239,570,576	30,208,165	18,991,678	18,519,596	50,306,681	36,309,125
Others	76,852,339	47,747,098	2,547,077	2,503,727	632,032	23,422,405	—
	471,773,422	287,317,674	32,755,242	21,495,405	19,151,628	74,744,348	36,309,125
Due from NPC/PSALM	1,175,128	—	—	—	—	1,175,128	—
Due from related parties	16,810,651	15,232,502	31,180	38,840	31,877	1,476,252	—
Noncurrent receivable (included in "Other noncurrent assets")	182,765,769	182,765,769	—	—	—	—	—
	P3,601,256,569	P3,414,047,544	P32,786,422	P21,534,245	P19,183,505	P77,395,728	P36,309,125

Financial assets classified as neither past due nor impaired are assessed by the Group to be highly probable of collection, taking into consideration the parties involved and its collection experience.

The tables below summarize the credit quality of the Group's neither past due nor impaired financial assets as of June 30, 2019 and December 31, 2018:

June 30, 2019						
	Total	Neither Past Due nor Impaired			Past Due	Individually Impaired
		High Grade	Standard	Substandard		
At Amortized Cost						
Cash and cash equivalents (excluding cash on hand)	P3,287,337,922	P3,287,337,922	P—	P—	P—	P—
Trade and other receivables:						
NPC/PSALM	1,015,262	—	—	—	1,015,262	—
Receivable from customers	528,140,531	253,880,566	118,162,543	3,943,948	115,844,349	36,309,125
Others	72,649,495	36,779,064	1,280,677	—	34,589,754	—
	601,805,288	290,659,630	119,443,220	3,943,948	151,449,365	36,309,125
Due from NPC/PSALM	1,175,128	—	—	—	1,175,128	—
Due from related parties	20,037,076	138,970	589,770	—	19,308,336	—
Noncurrent receivable (included in "Other noncurrent assets")	164,366,531	—	—	—	164,366,531	—
	P4,074,721,945	P3,578,136,522	P120,032,990	P3,943,948	P336,299,360	P36,309,125

December 31, 2018						
	Total	Neither Past Due nor Impaired			Past Due	Individually Impaired
		High Grade	Standard	Substandard		
At Amortized Cost						
Cash and cash equivalents (excluding cash on hand)	P2,928,731,599	P2,928,731,599	P—	P—	P—	P—
Trade and other receivables:						
NPC/PSALM	1,015,262	—	—	—	1,015,262	—
Receivable from customers	393,905,821	174,573,682	61,232,735	3,764,159	118,026,120	36,309,125
Others	76,852,339	46,446,430	1,300,668	—	29,105,241	—
	471,773,422	221,020,112	62,533,403	3,764,159	148,146,623	36,309,125
Due from NPC/PSALM	1,175,128	—	—	—	1,175,128	—
Due from related parties	16,810,651	30,367	15,202,135	—	1,578,149	—
Noncurrent receivable (included in "Other noncurrent assets")	182,765,769	182,765,769	—	—	—	—
	P3,601,256,569	P3,332,547,847	P77,735,538	P3,764,159	P150,899,900	P36,309,125

The Group grades its financial assets as follows:

- *Cash and Cash Equivalents:* These are assessed as high grade since these are deposited in reputable banks which have good bank standing, thus credit risk is minimal.
- *Receivable/Due from NPC/PSALM, NGCP and Distribution Utilities:* These are assessed as high grade since these receivables arose from the contract provisions of the ROMM Agreement, Operation and Maintenance Service

Contracts (OMSC), Ancillary Services Procurement Agreements (ASPA), Power Supply Contracts (PSCs), and/or collectible from government institution.

- *Receivable from Customers of BLCI:* Receivables from commercial customers are classified as high grade; receivables from residential customers as standard; and receivables from the government, hospitals and radio stations as substandard. Classification is based on the collection history with these customers.
- *Due from Related Parties:* These are assessed as standard, although recoverability of these receivables is certain, as these are given secondary priority as to settlement by the related parties compared to third party obligations.
- *Other Receivables:* Grading of financial assets is determined individually based on the Group's collection experience with the counterparty.

12. Existence of Material Contingencies and any Other Events or Transactions that are Material to an Understanding of the Current Interim Period.

- a. In January 2019, the Parent Company lost in its bid to acquire a power generation company. Consequently, on April 4, 2019, the Parent Company's BOD approved the following: (i) reversal of a portion of its 2018 appropriation amounting to ₱1.0 billion and (ii) declaration of interim cash dividends equivalent to ₱0.40 per share or for a total of ₱598.6 million to all stockholders of record as of April 23, 2019 payable on April 30, 2019.
- b. Except as already discussed in the Management's Discussion and Analysis of Financial Conditions and Results of Operations as well as in the schedules and disclosures set forth in this Selected Notes to Interim Consolidated Financial Statements, there are no other material contingencies and any other events or transactions that are material to an understanding of the current interim period.