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**SECURITIES AND EXCHANGE COMMISSION**

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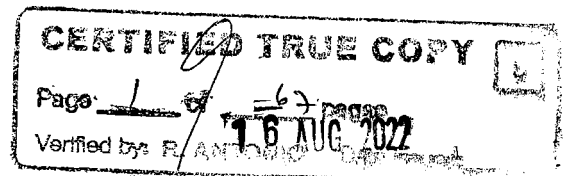
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Company Type Stock Corporation

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# COVER SHEET

for  
**AUDITED FINANCIAL STATEMENTS**

SEC Registration Number

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**COMPANY NAME**

F	I	R	S	T	M	E	T	R	O	S	E	C	U	R	I	T	I	E	S	B	R	O	K	E	R	A
G	E	C	O	R	P	O	R	A	T	I	O	N	(	A	W	H	O	L	L	Y	O	W	N	E	D	
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I	A	R	Y																							

**PRINCIPAL OFFICE** ( No. / Street / Barangay / City / Town / Province )

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P	a	s	e	o	d	e	R	o	x	a	s	,	c	o	r	n	e	r	S	e	d	e	ñ	o	
S	t	r	e	e	t	,	M	a	k	a	t	i	C	i	t	y									

Form Type	Department requiring the report	Secondary License Type, If Applicable
5 2 - A R	M S R D	Broker Dealer

**COMPANY INFORMATION**

Company's Email Address	Company's Telephone Number	Mobile Number
fmsec.com.ph	8-859-0600	N/A
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	5/6	12/31

**CONTACT PERSON INFORMATION**

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Gonzalo G. Ordoñez	gordonez@firstmetrosec.com.ph	859-0600	N/A

**CONTACT PERSON'S ADDRESS**

18th Floor, PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City
---

**NOTE 1:** In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

**2:** All Boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt of Notice of Deficiencies shall not excuse the corporation from liability for its deficiencies.



**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**ANNUAL AUDITED FINANCIAL REPORT**  
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**DECEMBER 31, 2021**

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**REPUBLIC OF THE PHILIPPINES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Metro Manila, Philippines**

**COVER PAGE**

Report for the Year Beginning January 1, 2021 and Ending December 31, 2021.

**IDENTIFICATION OF BROKER OR DEALER**

Name of Broker/Dealer:	First Metro Securities Brokerage Corporation
Address of Principal Place of Business:	18th Floor, PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City.
Name and Phone Number of Person to Contact in Regard to this Report	
Name: Mr. Gonzalo G. Ordoñez	Tel. No.: 8-859-0600 Fax No.: 8-859-0600

**IDENTIFICATION OF ACCOUNTANT**

Name of Independent Auditors whose opinion is contained in this report:

Name: SyCip, Gorres, Velayo & Co.	Tel. No.: 891-0307 Fax No.: 818-1377
-----------------------------------	---

Address: 6760 Ayala Avenue, Makati City

Veronica Mae A. Arce  
Partner  
CPA Certificate No. 0117208  
Tax Identification No. 234-282-413  
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024  
SEC Partner Accreditation No. 117208-SEC (Group A)  
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions  
SEC Firm Accreditation No. 0001-SEC (Group A)  
Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions  
BIR Accreditation No. 08-001998-135-2021  
November 10, 2021, valid until November 9, 2024  
PTR No. 8853465, January 03, 2022, Makati City





STATEMENT OF MANAGEMENT’S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS

The management of First Metro Securities Brokerage Corporation (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2021 and 2020, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.


The Board of Directors is responsible for overseeing the Company’s financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the stockholders.

SyCipGorresVelayo& Co., the independent auditor appointed by the stockholders has audited the consolidated and separate financial statements of the Company in accordance with Philippine Standards on Auditing, and in its report to the stockholders, has expressed its opinion on the fairness of presentation upon completion of such audit.

DocuSigned by:  
  
Jose Patricio A. Dumlao  
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Mr. Jose Patricio A. Dumlao  
Chairman of the Board

DocuSigned by:  
  
757A2B45C02040B...

Mr. Gonzalo G. Ordoñez  
President

  
Ms. Maricel L. Madrid  
Treasurer

Signed this 24<sup>th</sup> day of March 2022

- 3 -

## **INDEPENDENT AUDITOR'S REPORT**

The Board of Directors and Stockholders  
First Metro Securities Brokerage Corporation  
18<sup>th</sup> Floor, PSBank Center Building  
777 Paseo de Roxas cor. Sedeño Street  
Makati City

### **Report on the Consolidated and Parent Company Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of First Metro Securities Brokerage Corporation and its subsidiary (the Group) and the parent company financial statements of First Metro Securities Brokerage Corporation (the Parent Company), which comprise the consolidated and parent company statements of financial position as at December 31, 2021 and 2020 and the consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for the years then ended, and notes to the consolidated and parent company financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2021 and 2020, and their financial performance and their cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

#### **Basis for Opinion**

We conducted our audits in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Parent Company Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated and Parent Company Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and parent company financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and parent company financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated and parent company financial statements, management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Parent Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated and the Parent Company Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and parent company financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.





- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and parent company financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 26 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of First Metro Securities Brokerage Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Veronica Mae A. Arce

Partner

CPA Certificate No. 0117208

Tax Identification No. 234-282-413

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

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BIR Accreditation No. 08-001998-135-2021, November 10, 2021, valid until November 9, 2024

PTR No. 8853465, January 3, 2022, Makati City

March 24, 2022



**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**(A Wholly Owned Subsidiary of First Metro Investment Corporation)**  
**AND SUBSIDIARY**

**STATEMENTS OF FINANCIAL POSITION**

	Consolidated		Parent Company				
	December 31		December 31				
	2021	2020	2021		2020		
		Money	Security Valuation		Money	Security Valuation	
		Balance	Long	Short	Balance	Long	Short
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents (Notes 6 and 20)	<b>₱1,988,112,383</b>	₱4,221,080,993	<b>₱1,987,654,156</b>			₱4,220,521,343	
Financial assets at							
Fair value through profit or loss (FVTPL) (Notes 7 and 20)	<b>59,132,688</b>	57,691,639	<b>59,132,688</b>	<b>₱5,805,424</b>		57,691,639	₱4,873,500
Amortized cost (Note 7)	<b>3,179,004,400</b>	–	<b>3,179,004,400</b>			–	
Receivable from:							
Clearing house and other brokers (Note 8)	<b>410,853,442</b>	41,653,929	<b>410,853,442</b>			41,653,929	
Customers (Notes 9 and 20)	<b>875,195,600</b>	1,521,059,626	<b>875,195,600</b>	<b>13,046,686,249</b>		1,521,059,626	20,200,597,575
Others (Note 10)	<b>28,200,779</b>	4,993,416	<b>28,374,330</b>			5,166,967	
Other current assets (Note 14)	<b>19,581,435</b>	28,076,867	<b>19,557,195</b>			28,052,627	
	<b>6,560,080,727</b>	5,874,556,470	<b>6,559,771,811</b>			5,874,146,131	
<b>Noncurrent Assets</b>							
Financial assets at fair value through other comprehensive income (FVOCI) (Notes 7, 13 and 20)	<b>5,630,085</b>	15,065,736	<b>5,630,085</b>	<b>5,630,085</b>		15,065,736	15,065,736
Receivable from others (Note 10)	<b>748,125</b>	1,100,356	<b>748,125</b>			1,100,356	
Investment in a subsidiary (Note 11)	–	–	<b>50,000,000</b>			50,000,000	
Property and equipment (Note 12)	<b>21,016,288</b>	26,104,387	<b>21,016,288</b>			26,104,387	
Deferred tax assets (Note 18)	<b>13,098,510</b>	28,982,277	<b>13,098,510</b>			28,982,277	
Exchange trading right (Note 13)	<b>4,750,000</b>	4,750,000	<b>4,750,000</b>			4,750,000	
Other noncurrent assets (Note 14)	<b>27,168,123</b>	18,995,925	<b>27,168,123</b>			18,995,925	
	<b>72,411,131</b>	94,998,681	<b>122,411,131</b>			144,998,681	
<b>TOTAL ASSETS</b>	<b>₱6,632,491,858</b>	₱5,969,555,151	<b>₱6,682,182,942</b>			<b>₱6,019,144,812</b>	

(Forward)



	Consolidated			Parent Company					
	December 31			December 31					
	2021	2020		2021		2020			
			Money	Security Valuation		Money	Security Valuation		
			Balance	Long	Short	Balance	Long	Short	
<b>Securities in Box, Transfer Offices and Philippine Depository and Trust Corp.</b>									
<b>LIABILITIES AND EQUITY</b>									
<b>LIABILITIES</b>									
<b>Current Liabilities</b>									
Payable to:									
Clearing house and other brokers (Note 15)	<b>₱11,255,163</b>	₱104,335,161	<b>₱11,255,163</b>			₱104,335,161			
Customers (Notes 16 and 20)	<b>5,901,531,482</b>	5,269,619,842	<b>5,968,527,307</b>	<b>₱67,833,066,952</b>	<b>425,346,138</b>	5,336,514,245	₱49,568,035,272	17,664,543	
Accrued expenses and other current liabilities (Notes 17 and 20)	<b>80,494,451</b>	72,779,498	<b>80,456,553</b>			72,741,599			
	<b>5,993,281,096</b>	5,446,734,501	<b>6,060,239,023</b>			<b>5,513,591,005</b>			
<b>Noncurrent Liabilities</b>									
Retirement liability (Note 19)	<b>18,357,458</b>	28,211,703	<b>18,357,458</b>			28,211,703			
Accrued expenses and other noncurrent liabilities (Notes 17 and 20)	<b>709,745</b>	5,271,559	<b>709,745</b>			5,271,559			
	<b>19,067,203</b>	33,483,262	<b>19,067,203</b>			<b>33,483,262</b>			
<b>TOTAL LIABILITIES</b>	<b>6,012,348,299</b>	5,480,217,763	<b>6,079,306,226</b>			<b>5,547,074,267</b>			
<b>EQUITY</b>									
Share capital (Note 21)	<b>169,000,000</b>	169,000,000	<b>169,000,000</b>			169,000,000			
Retained earnings									
Unappropriated	<b>372,188,630</b>	261,068,149	<b>354,921,787</b>			243,801,306			
Appropriated	<b>85,487,583</b>	72,463,813	<b>85,487,583</b>			72,463,813			
Net unrealized losses on financial assets at FVOCI	<b>(256,733)</b>	(2,560,829)	<b>(256,733)</b>			(2,560,829)			
Remeasurement losses on retirement plan (Note 19)	<b>(6,275,921)</b>	(10,633,745)	<b>(6,275,921)</b>			(10,633,745)			
<b>TOTAL EQUITY</b>	<b>620,143,559</b>	489,337,388	<b>602,876,716</b>			<b>472,070,545</b>			
	<b>₱6,632,491,858</b>	₱5,969,555,151	<b>₱6,682,182,942</b>	<b>₱80,891,188,710</b>	<b>₱80,891,188,710</b>	₱6,019,144,812	₱69,788,572,083	₱69,788,572,083	

See accompanying Notes to Financial Statements.



**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**(A Wholly Owned Subsidiary of First Metro Investment Corporation)**  
**AND SUBSIDIARY**  
**STATEMENTS OF COMPREHENSIVE INCOME**

	Consolidated		Parent Company	
	Years Ended December 31			
	2021	2020	2021	2020
<b>REVENUE</b>				
Commissions (Note 20)	₱426,273,340	₱256,974,714	₱426,273,340	₱256,974,714
Interest (Notes 6, 7, 9, 11 and 20)	43,404,696	50,227,501	43,404,696	50,227,501
Trading gains (Note 7)	22,346,915	5,344,079	22,346,915	5,317,634
Dividend	473,550	504,558	473,550	504,558
Miscellaneous (Note 20)	14,341,546	5,054,249	14,341,546	5,054,249
	<b>506,840,047</b>	<b>318,105,101</b>	<b>506,840,047</b>	<b>318,078,656</b>
<b>COST OF SERVICE</b>				
Salaries and benefits - operations (Notes 19 and 20)	97,382,351	83,928,647	97,382,351	83,928,647
Research and other technical costs (Note 19)	90,749,641	65,051,790	90,749,641	65,051,790
Transfer and exchange fees	20,839,250	12,832,092	20,839,250	12,832,092
Communications	5,791,278	5,240,735	5,791,278	5,240,735
Messengerial and clerical services	2,906,266	3,247,067	2,906,266	3,247,067
	<b>217,668,786</b>	<b>170,300,331</b>	<b>217,668,786</b>	<b>170,300,331</b>
<b>GROSS PROFIT</b>	<b>289,171,261</b>	<b>147,804,770</b>	<b>289,171,261</b>	<b>147,778,325</b>
<b>OPERATING EXPENSES</b>				
Provision for losses	29,728,343	10,035,473	29,728,343	10,035,473
Advertising	21,556,668	13,359,458	21,556,668	13,359,458
Depreciation (Note 12)	13,730,443	13,938,778	13,730,443	13,938,778
Management and professional fees (Note 20)	6,164,680	6,071,140	6,164,680	5,974,836
Insurance	4,913,518	4,863,840	4,913,518	4,863,840
Bank charges	3,517,405	2,166,803	3,517,405	2,166,803
Repairs and maintenance	2,862,116	2,317,070	2,862,116	2,317,070
Salaries and benefits - administration (Notes 19 and 20)	2,596,000	2,819,000	2,596,000	2,819,000
Rent, power and light (Notes 20 and 22)	2,285,025	3,175,561	2,285,025	3,175,561
Entertainment, amusement and recreation (Note 18)	2,097,070	2,328,662	2,097,070	2,328,662
Membership fees, subscriptions and licenses	1,949,284	23,357	1,949,284	23,357
Transportation and travel	1,707,535	2,182,797	1,707,535	2,182,797
Interest expense	1,474,670	28,125	1,474,670	28,125
Taxes and licenses	857,704	5,472,064	857,704	5,472,064
Interest expense on lease liabilities	734,222	1,458,935	734,222	1,458,935
Office supplies	576,153	989,613	576,153	989,613
Association dues	250,873	296,872	250,873	250,873
Miscellaneous (Notes 9, 20 and 23)	16,266,715	7,735,583	16,266,715	7,788,844
	<b>113,268,424</b>	<b>79,263,131</b>	<b>113,268,424</b>	<b>79,174,089</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>175,902,837</b>	<b>68,541,639</b>	<b>175,902,837</b>	<b>68,604,236</b>
<b>PROVISION FOR INCOME TAX</b> (Note 18)	<b>45,665,136</b>	<b>17,647,617</b>	<b>45,665,136</b>	<b>17,701,564</b>
<b>NET INCOME</b>	<b>130,237,701</b>	<b>50,894,022</b>	<b>130,237,701</b>	<b>50,902,672</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<i>Item that do not recycle to profit or loss in subsequent periods:</i>				
Changes in fair value of financial assets at FVOCI	(5,052,472)	1,939,261	(5,052,472)	1,939,261
Remeasurement losses on retirement plan (Note 19)	5,810,432	(1,070,125)	5,810,432	(1,070,125)
Income tax effect (Notes 18 and 19)	(189,490)	(260,741)	(189,490)	(260,741)
	<b>568,470</b>	<b>608,395</b>	<b>568,470</b>	<b>608,395</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱130,806,171</b>	<b>₱51,502,417</b>	<b>₱130,806,171</b>	<b>₱51,511,067</b>

See accompanying Notes to Financial Statements.



**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**(A Wholly Owned Subsidiary of First Metro Investment Corporation)**  
**AND SUBSIDIARY**  
**STATEMENTS OF CHANGES IN EQUITY**

	Consolidated						Parent Company					
	Share Capital	Retained Earnings (Note 21)		Net Unrealized	Remeasurement	Total	Share Capital	Retained Earnings (Note 21)		Net Unrealized	Remeasurement	Total
	(Note 21)	Unappropriated	Appropriated	Gains (Losses) on Financial Assets at FVOCI (Note 7)	Gains (Losses) on Retirement Plan (Note 19)		(Note 21)	Unappropriated	Appropriated	Gains (Losses) on Financial Assets at FVOCI (Note 7)	Gains (Losses) on Retirement Plan (Note 19)	
Balance at January 1, 2021	₱169,000,000	₱261,068,149	₱72,463,813	(₱2,560,829)	(₱10,633,745)	₱489,337,388	₱169,000,000	₱243,801,306	₱72,463,813	(₱2,560,829)	(₱10,633,745)	₱472,070,545
Total comprehensive income (loss) for the year	–	130,237,701	–	(3,789,354)	4,357,824	130,806,171	–	130,237,701	–	(3,789,354)	4,357,824	130,806,171
Transfer to retained earnings (Note 7)	–	(6,093,450)	–	6,093,450	–	–	–	(6,093,450)	–	6,093,450	–	–
Net appropriations (Note 21)	–	(13,023,770)	13,023,770	–	–	–	–	(13,023,770)	13,023,770	–	–	–
<b>Balance at December 31, 2021</b>	<b>₱169,000,000</b>	<b>₱372,188,630</b>	<b>₱85,487,583</b>	<b>(₱256,733)</b>	<b>(₱6,275,921)</b>	<b>₱620,143,559</b>	<b>₱169,000,000</b>	<b>₱354,921,787</b>	<b>₱85,487,583</b>	<b>(₱256,733)</b>	<b>(₱6,275,921)</b>	<b>₱602,876,716</b>
Balance at January 1, 2020	₱169,000,000	₱218,714,472	₱63,923,468	(₱3,918,312)	(₱9,884,657)	₱437,834,971	₱169,000,000	₱201,438,979	₱63,923,468	(₱3,918,312)	(₱9,884,657)	₱420,559,478
Total comprehensive income (loss) for the year	–	50,894,022	–	1,357,483	(749,088)	51,502,417	–	50,902,672	–	1,357,483	(749,088)	51,511,067
Net appropriations (Note 21)	–	(8,540,345)	8,540,345	–	–	–	–	(8,540,345)	8,540,345	–	–	–
Balance at December 31, 2020	₱169,000,000	₱261,068,149	₱72,463,813	(₱2,560,829)	(₱10,633,745)	₱489,337,388	₱169,000,000	₱243,801,306	₱72,463,813	(₱2,560,829)	(₱10,633,745)	₱472,070,545

See accompanying Notes to Financial Statements.



**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**(A Wholly Owned Subsidiary of First Metro Investment Corporation)**  
**AND SUBSIDIARY**  
**STATEMENTS OF CASH FLOWS**

	Consolidated		Parent Company	
	Years Ended December 31			
	2021	2020	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax	₱175,902,837	₱68,541,639	₱175,902,837	₱68,604,236
Adjustments for:				
Depreciation and amortization (Note 12)	13,730,443	13,938,778	13,730,443	13,938,778
Retirement expense (Note 19)	8,051,471	7,510,097	8,051,471	7,510,097
Interest expense on lease liabilities (Note 22)	734,222	1,458,935	734,222	1,458,935
Provision for (recovery from) credit losses (Note 9)	(499,181)	842,376	(499,181)	842,376
Unrealized loss (gain) on financial assets at FVTPL (Note 7)	(441,336)	–	(441,336)	–
Changes in operating assets and liabilities:				
Decrease (increase) in the amounts of:				
Receivable from customers	646,363,207	(1,124,292,591)	646,363,207	(1,124,292,591)
Other assets	9,785,774	(9,028,487)	9,785,774	(9,028,486)
Financial assets at FVOCI	6,093,450	–	6,093,450	–
Financial assets at FVTPL	(999,712)	166,530,916	(999,712)	99,662,958
Other receivables	(22,855,132)	26,233,325	(22,855,132)	26,059,774
Receivables from clearing house and other brokers	(369,199,512)	(41,615,873)	(369,199,512)	(41,615,873)
Financial assets at amortized cost	(3,179,004,400)	–	(3,179,004,400)	–
Increase (decrease) in the amounts of:				
Payable to customers	631,911,640	3,356,017,127	632,013,062	3,422,911,530
Accrued expenses and other liabilities	11,893,601	(44,379,779)	11,893,601	(44,334,780)
Retirement liability	(5,810,432)	(5,652,357)	(5,810,432)	(5,652,357)
Payables to clearing house and other brokers	(93,079,998)	49,835,813	(93,079,998)	49,835,813
Net cash generated from operations	(2,167,423,058)	2,465,939,919	(2,167,321,636)	2,465,900,410
Contribution paid to pension fund (Note 19)	(12,095,284)	–	(12,095,284)	–
Interest paid on lease liability (Note 23)	(759,926)	–	(759,926)	–
Income taxes paid	(38,517,872)	(9,354,202)	(38,517,871)	(9,182,773)
Net cash provided by operating activities	(2,218,796,140)	2,456,585,717	(2,218,694,717)	2,456,717,637
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of:				
Financial assets at FVOCI	3,342,201	–	3,342,201	–
Property and equipment (Note 12)	–	218,849	–	218,849
Acquisitions of:				
Property and equipment (Note 12)	(8,799,914)	(1,222,979)	(8,799,914)	(1,222,979)
Net cash used in investing activities	(5,457,713)	(1,004,130)	(5,457,713)	(1,004,130)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment of principal portion of lease liabilities (Note 22)	(8,714,757)	(8,379,683)	(8,714,757)	(8,379,683)
Net cash used in financing activities	(8,714,757)	(8,379,683)	(8,714,757)	(8,379,683)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(2,232,968,610)</b>	<b>2,447,201,904</b>	<b>(2,232,867,187)</b>	<b>2,447,333,824</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>4,221,080,993</b>	<b>1,773,879,089</b>	<b>4,220,521,343</b>	<b>1,773,187,519</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)</b>	<b>₱1,988,112,383</b>	<b>₱4,221,080,993</b>	<b>₱1,987,654,156</b>	<b>₱4,220,521,343</b>
<b>OPERATING CASH FLOWS FROM INTERESTS AND DIVIDENDS</b>				
Interest received	₱16,766,339	₱43,524,770	₱16,766,339	₱43,524,770
Interest paid	–	(28,125)	–	(28,125)
Dividends received	473,550	504,558	473,550	504,558

See accompanying Notes to Financial Statements.



**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**(A Wholly Owned Subsidiary of First Metro Investment Corporation)**  
**AND SUBSIDIARY**

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**NOTES TO FINANCIAL STATEMENTS**

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**1. Corporate Information**

First Metro Securities Brokerage Corporation (the Parent Company) was incorporated in the Philippines on October 16, 1987 and is a wholly owned subsidiary of First Metro Investment Corporation (FMIC). FMIC, on the other hand, is majority owned by Metropolitan Bank & Trust Company (the Ultimate Parent Company). The Parent Company engages directly in the trading of or otherwise dealing in stocks, bonds, debentures and other securities or commercial papers. It also engages in rendering financial advisory services.

Multi-Currency FX Corporation (MCFC), a wholly owned subsidiary of the Parent Company which is also incorporated in the Philippines, is engaged in the business of foreign exchange by dealing and brokering currencies, options and other derivative instruments. In 2018, the Board of Directors (BOD) of MCFC approved to shorten the term of its existence from the date of incorporation until December 31, 2019, the effective date of dissolution.

As of December 31, 2021, MCFC is in the process of obtaining its liquidation clearance from the Bureau of Internal Revenue (BIR).

The Parent Company's registered principal place of business is at 18th Floor, PSBank Center, 777 Paseo de Roxas corner Sedeño Street, Makati City.

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**2. Summary of Significant Accounting Policies**

Basis of Financial Statement Preparation

The accompanying financial statements have been prepared on a historical cost basis except for financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The financial statements are presented in Philippine peso, the functional currency of both the Parent Company and MCFC (the Group), and all values are rounded to the nearest peso, except when otherwise indicated.

Statement of Compliance

The financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

Basis of Consolidation

The consolidated financial statements, which include the financial statements of the Parent Company and MCFC, are prepared for the same reporting year as the Parent Company, using consistent accounting policies. All significant intra-group balances and income and expenses resulting from intra-group transactions are eliminated in full in the consolidation.

As a result of MCFC BOD's decision to shorten the term of the life of MCFC, the basis of accounting is changed from the going concern basis to the liquidation basis in 2019. Under this basis of accounting, assets are presented at their estimated net realizable values and liabilities, including cost of liquidation, are stated at their estimated settlement amounts. The application of the liquidation basis of accounting did not significantly affect the amounts in the consolidated financial statements.



The subsidiary is fully consolidated from the date on which control is transferred to the Group. Control is achieved when the Group is exposed, or has rights, to variable return from its involvement with an entity and has the ability to affect those returns through its power over the entity. The Group has power over the entity when it has existing rights that give the Group the current ability to direct the relevant activities (i.e., activities that significantly affect the entity's returns of the entity). The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when control is transferred out of the Group or Parent Company. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income from the date of acquisition or up to the date of disposal, as appropriate.

#### Presentation of Financial Statements

The Group present assets and liabilities in the statements of financial position based on current/noncurrent classification. An asset is current when it is:

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

All other assets are classified as noncurrent.

A liability is current when:

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

The Group classify all other liabilities as noncurrent.

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

#### Changes in Accounting Policies and Disclosures

Except for these new and amended standards which were adopted as of January 1, 2021, the accounting policies adopted are consistent with those of previous financial year.

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

#### *Amendment to PFRS 16, COVID-19-related Rent Concessions beyond 30 June 2021*

The amendment provides relief to lessees from applying the PFRS 16 requirement on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. A lessee may elect not to assess whether a rent concession from a lessor is a lease modification if it meets all of the following criteria:

- The rent concession is a direct consequence of COVID-19;
- The change in lease payments results in a revised lease consideration that is substantially the same as, or less than, the lease consideration immediately preceding the change;





- Any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- There is no substantive change to other terms and conditions of the lease.

A lessee that applies this practical expedient will account for any change in lease payments resulting from the COVID-19 related rent concession in the same way it would account for a change that is not a lease modification, i.e., as a variable lease payment.

Amendments to PFRS 9, PFRS 7, PFRS 4 and PFRS 16, *Interest Rate Benchmark Reform – Phase 2* The amendments provide the following temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free rate (RFR):

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

The Group shall also disclose information about:

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

As of December 31, 2021, the amended standard does not have an impact on the financial statements of the Group.

## **Significant Accounting Policies**

### Cash and cash equivalents

Cash and cash equivalents include cash and highly liquid, short-term investments with original maturities of three months or less from dates of placement that are subject to insignificant risk of changes in value. This account also includes amounts due to customers that are not paid on their due dates since the corresponding customers opted to retain such balances in the Parent Company's possession to fund their subsequent trading transactions.

### Fair value measurement

The Group measure financial instruments at fair value at each statement of financial position date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



The Group use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the statement of financial position on a recurring basis, the Group determine whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The fair value of equity financial instruments that are actively traded in organized financial market is determined by reference to quoted market close prices at the close of business of the reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### Financial Instruments - Initial Recognition and Subsequent Measurement

##### *Date of recognition*

Financial instruments are recognized in the statement of financial position when the Group become a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date, which is the date that the Group commit to purchase or sell the asset.

##### *Initial recognition of financial assets and financial liabilities*

Financial assets and financial liabilities are initially recognized at fair value. Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

##### *'Day 1' difference*

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Group recognize the difference between the transaction price and fair value (a 'Day 1' difference) in profit or loss unless it qualifies for recognition as some other type of asset. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognized in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Group determine the appropriate method of recognizing the 'Day 1' difference amount.

##### *Classification and subsequent measurement of financial instruments*

Under PFRS 9, the classification and measurement of financial assets are driven by the entity's business model for managing the financial assets and whether the instruments' contractual cash flows represent



‘solely payments of principal and interest’ on the principal amount outstanding (the ‘SPPI criterion’). The classification and measurement of financial assets are as follows: financial assets at amortized cost, and financial assets at FVTPL and financial assets at FVOCI.

As of December 31, 2021 and 2020, the Group classify their financial assets into the following categories: financial assets at FVTPL, FVOCI and financial assets measured at amortized cost.

Subsequent to initial recognition, the Company may reclassify its financial assets only when there is a change in its business model for managing these financial assets, except for equity securities irrevocably designated at FVOCI at initial recognition. Reclassification of financial liabilities is not allowed.

#### *Financial assets at FVTPL*

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at FVTPL, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortized cost or at FVOCI, as described above, debt instruments may be designated at FVTPL on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at FVTPL are recorded in the statement of financial position at fair value, with changes in the fair value included under the ‘Trading gains (losses) - net’ account in the profit or loss. Interest earned is reported in the profit or loss under ‘Interest income’.

As of December 31, 2021 and 2020, the Group’s financial assets at FVTPL consist of investment in mutual funds and quoted equity securities.

#### *Financial assets at FVOCI*

Equity securities designated as at FVOCI are those that the Group made an irrevocable election to present in other comprehensive income the subsequent changes in fair value. The designation is made on instrument-by-instrument basis. Equity securities at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for sale or disposal costs.

The unrealized gains and losses arising from the fair valuation of FVOCI investments are excluded, net of tax, from the reported earnings and are included in the statement of comprehensive income as ‘Changes in net unrealized gain/(loss) on FVOCI investments’. Gains and losses on disposal of these equity securities are never recycled to profit or loss, but the cumulative gain or loss previously recognized in other of comprehensive income is reclassified to retained earnings. Equity securities at FVOCI are not subject to impairment assessment.

Dividends earned on holding these equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent recovery of a part of the cost of the investment.

As of December 31, 2021 and 2020, the Group’s financial assets at FVOCI consist of quoted and unquoted equity securities.



*Financial assets at amortized cost*

A debt financial asset is measured at amortized cost if (i) it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and (ii) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognized at fair value plus directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate (EIR) method, less any impairment in value. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are integral part of the EIR. The amortization is included in 'Interest income' in the profit or loss and is calculated by applying the EIR to the gross carrying amount of the financial asset.

As of December 31, 2021 and 2020, the Group's financial assets measured at amortized cost consist of 'Cash and cash equivalents', 'Investment securities at amortized cost', 'Receivable from customers', 'Receivable from clearing house and other brokers' and 'Receivable from others'.

*Financial liabilities at amortized cost*

Issued financial instruments or their components, are classified as liabilities under appropriate financial liability accounts, where the substance of the contractual arrangement results in the Group having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

Financial liabilities at amortized cost include 'Payable to clearing house and other brokers', 'Payable to customers', and 'Accrued expenses and other liabilities' accounts in the statement of financial position.

Derecognition of financial assets and liabilities

*Financial assets*

A financial asset is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Group retain the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group have transferred their rights to receive cash flows from the asset and either (a) have transferred substantially all the risks and rewards of the asset, or (b) have neither transferred nor retained the risk and rewards of the asset but have transferred the control over the asset.

Where the Group have transferred its rights to receive cash flows from an asset or has entered into a "pass-through" arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control over the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of original carrying amount of the asset and the maximum amount of consideration that the Group would be required to repay.

*Financial liability*

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.



### Impairment of Financial Assets

#### *Expected credit loss*

PFRS 9 requires the Group to record expected credit loss (ECL) for all loans and other debt financial assets not classified as at FVTPL, together with loan commitments and financial guarantee contracts. ECL represent credit losses that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, the time value of money and reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. ECL allowances will be measured at amounts equal to either (i) 12-month ECL or (ii) lifetime ECL for those financial instruments which have experienced a significant increase in credit risk since initial recognition. The 12-month ECL is the portion of lifetime ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date. Lifetime ECL are credit losses that results from all possible default events over the expected life of the financial asset.

#### *Staging assessment*

For non-credit-impaired financial instruments:

- Stage 1 is comprised of all non-impaired debt financial assets which have not experienced a SICR since initial recognition.
- Stage 2 is comprised of all non-impaired debt financial assets which have experienced a SICR since initial recognition.

For credit-impaired financial instruments:

- Financial instruments are classified as Stage 3 when there is objective evidence of impairment.

#### *ECL parameters and methodologies*

For 'Cash and cash equivalents' and 'Other receivables', the Group's calculation of ECL is a function of the probability of default (PD), loss given default (LGD) and exposure at default (EAD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgment. For the years ended December 31, 2021 and 2020, ECL from these financial assets did not have any significant impact to the financial statements.

For trade receivables, the Group apply a simplified approach in calculating ECLs. Therefore, the Group do not track changes in credit risk, but instead recognize a loss allowance based on lifetime ECLs at each reporting date. The Group have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

#### *Write-offs*

Financial assets are written off either partially or in their entirety only when the Group have stopped pursuing the recovery. Any subsequent recoveries are credited to 'Provision for credit losses' under 'Miscellaneous expenses' in the statement of comprehensive income.

As of December 31, 2021 and 2020, the Group have no provision for expected credit losses except for Parent Company's provision for certain specifically impaired receivables.

#### *Definition of "default"*

The Parent Company defines a financial instrument as in default in all cases when the counterparty becomes over 90 days past due on its contractual payments. As a part of the qualitative assessment of whether a counterparty is in default, the Parent Company also considers a variety of instances that may indicate objective evidence of impairment, such as significant problems in the operations of the customers and bankruptcy of the counterparties.



#### Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to set off the recognized amounts and there is intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. The Group assess that it has a currently enforceable right of offset if the right is not contingent on a future event, and is legally enforceable in the normal course of business, event of default, and event of insolvency or bankruptcy of the Company and all of the counterparties.

#### Investment in a Subsidiary

Investment in a subsidiary pertains to investment in MCFC.

In the Parent Company's financial statements, the investment in MCFC is accounted for using the cost method of accounting. Under the cost method, the Parent Company recognizes income from the investment only to the extent that it receives distributions from accumulated profits of MCFC arising after the date of acquisition. Distributions received in excess of such accumulated profits are regarded as a recovery of investment and are recognized as a reduction of cost of the investment.

#### Property and Equipment

Property and equipment is carried at cost less accumulated depreciation and amortization and any impairment in value.

The initial cost of the Group's property and equipment comprises its purchase price, including taxes and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment has been put into operation, such as repairs and maintenance, are normally charged against operations in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of the asset. When property and equipment is retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization, and any impairment in value is removed from the accounts and any resulting gain or loss is charged against or credited to current operations.

Depreciation and amortization are computed using the straight-line method over the estimated useful life of the respective assets. The estimated useful lives of property and equipment follow:

Office space	25 years
Transportation equipment	5 years
Office furniture and equipment	3-5 years
Computer equipment	3-5 years

Leasehold improvements have estimated useful life of the shorter between five years and the term of the lease.

The useful life and the depreciation method are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

#### Exchange Trading Right

Exchange trading right was acquired, together with Philippine Stock Exchange (PSE) shares, in exchange for the Exchange membership seat under the conversion program of PSE (Note 13). The exchange trading right is carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less



allowance for impairment losses, if any. The Parent Company does not intend to sell the exchange trading right in the near future. The exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Parent Company. It is tested annually for any impairment in value. Any impairment loss is charged directly under profit or loss in the statement of comprehensive income.

#### Impairment of Nonfinancial Assets

This accounting policy applies to property and equipment, exchange trading right, other nonfinancial assets and investment in a subsidiary carried in the Parent Company's financial statements.

At each statement of financial position date, the Group assess whether there is any indication that its property and equipment, and in the case of the Parent Company, its investment in a subsidiary may be impaired. Exchange trading right is tested for impairment annually, irrespective of whether there is any indication of impairment.

When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Group make a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the cash generating unit to which it belongs. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged against operations in the year in which it arises.

Impairment assessment is made at each statement of financial position date to determine as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization as applicable, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. For property and equipment, after such reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

#### Equity

Capital stock is measured at par value for all shares issued.

Retained earnings represent accumulated earnings of the Group less dividends declared.

#### Revenue Recognition

Revenue from contracts with customers is recognized upon transfer of services to the customer at an amount that reflects the consideration to which the Group expect to be entitled in exchange for those services.

The Group assess its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Group and the Parent Company concluded that it is acting as a principal in all of its revenue arrangements. The following specific recognition criteria must also be met before revenue is recognized within the scope of PFRS 15:



### *Commissions*

The Parent Company is in the business of rendering brokerage services, which include trade execution and clearing services, to various customers. Management assessed that these services are considered single performance obligation as they are both inputs to the combined output of security trading.

Revenue from commissions is recognized at a point in time at which the Parent Company transfers control of the service to the customer. The Parent Company performs the service of providing the customer with the ability to acquire or dispose of rights to obtain the economic benefits of a financial instrument (e.g., stocks). Therefore, management assessed that the transfer of control of the performance obligation generally occurs on the trade date because that is when the underlying financial instrument (for a purchase) or purchaser (for a sale) is identified and the pricing is agreed upon (i.e., the Parent Company has identified the counterparty and enters into the contract on behalf of the customer). On the trade date, the customer has obtained control of the service because it can direct the use of, and obtain substantially all of the remaining benefits from, the asset that comes from the trade service.

### Revenue outside the scope of PFRS 15

The following specific recognition criteria must be met before revenue is recognized:

#### *Interest*

Interest income on cash in bank and interest-bearing placements is recorded on a time proportion basis taking into account the effective yield of the asset.

#### *Interest on margin facility*

Interest income on margin facility is computed based on the agreed upon margin preferential rate and is recorded on a monthly basis under 'Interest' in the statement of comprehensive income.

#### *Trading gains (losses)- net*

Trading gains(losses) - net represent results arising from trading activities including all gains and losses from changes in fair value of financial assets at FVTPL.

#### *Dividend*

Dividend income is recognized when the Group's right to receive payment is established.

### Expense Recognition

Expenses encompass losses as well as those expenses that arise in the course of the ordinary activities of the Group. Expenses are recognized when incurred.

### Foreign Currency Translations

For financial reporting purposes, foreign currency-denominated monetary assets and liabilities are translated into their equivalents in Philippine peso based on the closing rate prevailing at the reporting date and foreign currency-denominated income and expense at the exchange rate at the date of transaction. Foreign exchange differentials arising from foreign currency transactions and restatements of foreign currency-denominated assets and liabilities are credited to or charged against current operations in the year in which the rates change.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.





### Retirement Benefits

The Parent Company is covered by a non-contributory defined benefit retirement plan. The Parent Company determines retirement cost under the projected unit credit method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current period.

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets and adjusted for any effect of limiting a net defined benefit asset to the asset ceiling, if any. The asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- a. service cost;
- b. net interest on the net defined benefit liability or asset; and
- c. remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in profit or loss.

Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund. Plan assets are not available to the creditors of the Parent Company, nor can they be paid directly to the Parent Company. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations).

The Parent Company's right to be reimbursed of some or all of the expenditure required to settle a defined benefit obligation is recognized as a separate asset at fair value when and only when reimbursement is virtually certain.

### Leases

The Parent Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.



*Parent Company as a lessee*

The Parent Company applies a single recognition and measurement approach for all leases, except for short-term leases. The Parent Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

*Right-of-use assets*

The Parent Company's policy is to recognize right-of-use assets in "Property and equipment" in the statement of financial position.

The Parent Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received and estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, an impairment loss is recognized in the statement of comprehensive income (accounting policy on Impairment of Non-financial Assets).

*Lease liabilities*

At the commencement date of the lease, the Parent Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Parent Company and payments of penalties for terminating a lease, if the lease term reflects the Parent Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Parent Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

*Short-term leases*

The Parent Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases is recognized as expense on a straight-line basis over the lease term.



### Provisions

Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and it is probable that an outflow of assets embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of assets embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

### Income Taxes

#### *Current income tax*

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

#### *Deferred income tax*

Deferred tax is provided, using the balance sheet liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT), and unused net operating loss carryover (NOLCO), to the extent that it is probable that sufficient taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized.

Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting income nor taxable income or loss.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Movements in deferred tax assets and liabilities arising from changes in tax rate are charged or credited to income for the year.

Current tax and deferred tax relating to items recognized directly in other comprehensive income are also recognized in other comprehensive income and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes related to the same taxable entity and the same taxation authority.



## Standards Issued but not yet Effective

The list below consists of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards when they become effective. Except as otherwise indicated, the Group does not expect the adoption of these new and amended standards and interpretations to have significant impact on its financial statements.

### Effective beginning on or after January 1, 2022

#### Amendments to PFRS 3, *Reference to the Conceptual Framework*

The amendments added an exception to the recognition principle of PFRS 3, *Business Combinations* to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* or Philippine-IFRIC 21, *Levies*, if incurred separately. It also clarified that contingent assets do not qualify for recognition at the acquisition date. The Group applies these amendments prospectively for annual reporting periods beginning on or after January 1, 2022.

#### Amendments to PAS 16, *Plant and Equipment: Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

#### Amendments to PAS 37, *Onerous Contract – Costs of Fulfilling a Contract*

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after January 1, 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

#### *Annual Improvements to PFRSs 2018-2020 Cycle*

##### Amendments to PFRS 1, *First-time Adoption of Philippines Financial Reporting Standards, Subsidiary as a first-time adopter*

The amendments permit a subsidiary, joint venture or associate that elects to apply paragraph D16(a) of PFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to PFRS. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted

##### Amendments to PFRS 9, *Financial Instruments, Fees in the ‘10 percent’ test for derecognition financial liabilities*

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to



financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after January 1, 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

*Amendments to PAS 41, Agriculture, Taxation in fair value measurements*

The amendment removes the requirement in paragraph 22 of PAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of PAS 41. An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after January 1, 2022 with earlier adoption permitted.

*Effective beginning on or after January 1, 2023*

*Amendments to PAS 12, Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

An entity applies the amendments to transactions that occur on or after the beginning of the earliest comparative period presented for annual reporting periods on or after January 1, 2023.

*Amendments to PAS 8, Definition of Accounting Estimates*

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

An entity applies the amendments to changes in accounting policies and changes in accounting estimates that occur on or after January 1, 2023 with earlier adoption permitted. The amendments are not expected to have a material impact on the Group.

*Amendments to PAS 1 and Practice Statement 2, Disclosure of Accounting Policies*

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies, and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures



The amendments to the Practice Statement provide non-mandatory guidance. Meanwhile, the amendments to PAS 1 are effective for annual periods beginning on or after January 1, 2023. Early application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group.

Effective beginning on or after January 1, 2024

Amendments to PAS 1, *Classification of Liabilities as Current and Non-Current*

The amendments clarify the following to specify the requirements for classifying liabilities as current or non-current:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. However, in November 2021, the International Accounting Standards Board (IASB) tentatively decided to defer the effective date to no earlier than January 1, 2024.

Effective beginning on or after January 1, 2025

PFRS 17, *Insurance Contracts*

PFRS 17 provides updated information about the obligation, risks and performance of insurance contracts, increases transparency in financial information reported by insurance companies, and introduces consistent accounting for all insurance contracts based on a current measurement model. The standard is effective for annual periods beginning on or after January 1, 2023. Early application is permitted but only if the entity also applies PFRS 9 and PFRS 15.

Amendments to PAS 1, *Classification of Liabilities as Current and Non-Current*

The amendments clarify the following to specify the requirements for classifying liabilities as current or non-current:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

Deferred effectivity

Amendments to PFRS 10, *Consolidated Financial Statements* and PAS 28, *Investments in Associates and Joint Ventures - 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. 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 investor's interests in the associate or joint venture. On January 13, 2016, the Financial Reporting Standards Council postponed the original effective date of January 1, 2016 of the said amendments until the International Accounting Standards Board has completed 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.

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### 3. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in compliance with PFRS requires the Group to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingent assets and contingent liabilities at statement of financial position date. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

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.

#### Estimates and Assumptions

##### *a. Impairment of exchange trading right*

The Parent Company conducts an annual review for any impairment in value of exchange trading right. Exchange trading right is written down for impairment where the carrying amount of the exchange trading right exceeds its recoverable value. The factors that the Parent Company considers important which could trigger an impairment review on its exchange trading right include the following:

- significant or prolonged decline in fair value of the asset;
- market interest rates or other market rates of return on investments have increased during the period, and those increases are likely to affect the discount rate used in calculating the asset's value in use and decrease the asset's recoverable amount materially;
- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

As of December 31, 2021 and 2020, exchange trading right is carried at ₱4.8 million. The recoverable value of exchange trading right was determined based on its latest transacted price less cost to sell which amounted to ₱8.1 million ₱7.6 million as of December 31, 2021 and 2020, respectively (see Note 13).

##### *b. Estimation of retirement liability*

The cost of defined benefit retirement plan and other post-employment benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases and mortality rates. The defined benefit obligation is highly sensitive to changes in underlying assumptions due to the complexity of the valuation and its long-term nature.

In determining the appropriate discount rate, management considers the market yields on Philippine government bonds with terms consistent with the expected employee benefit payouts as of the statement of financial position date.



Mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes.

Future salary increases are based on expected future inflation rates in the Philippines.

All assumptions are reviewed at each statement of financial position date. The details of assumptions used in the actuarial valuation and the carrying amounts of retirement liability as of December 31, 2021 and 2020 are disclosed in Note 20.

As of December 31, 2021 and 2020, there were no significant accounting judgments made that have significant impact on the amounts to be recognized in the financial statements.

*c. Recognition of deferred tax assets*

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, future tax planning strategies, and type of deductions to be availed in the future i.e. either itemized deductions or optional standard deduction (OSD).

The carrying amount of deferred tax assets and liabilities, for both the Group and the Parent Company, are disclosed in more detail in Note 18.

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#### 4. Fair Value Measurement

As of December 31, 2021 and 2020, the carrying values of the Group's financial assets and liabilities as reflected in the statements of financial position and related notes approximate their respective fair values as of the statement of financial position date.

The methods and assumptions used by the Group in estimating the fair value of its financial instruments follow:

*Cash and cash equivalents* - The carrying amount approximates its fair value due to the relatively short-term nature of these assets.

*Financial assets and liabilities measured at amortized cost* - Carrying values approximate fair values since these instruments are liquid and have short-term maturities (less than three months). These financial instruments comprise receivables from customers, clearing house, other brokers and payable to customers, clearing house and other brokers.

*Financial assets at FVTPL and FVOCI*- Fair values are generally based on quoted market prices. Fair values are determined based on closing prices as published in the PSE.

*Mutual funds* -Fair values are determined by reference to the net asset value per shares (NAVPS). NAVPS is computed by dividing net assets (total assets less total liabilities) by the total number of redeemable shares issued and outstanding as of reporting date.

*Accrued expenses and other liabilities* - The carrying amount approximates its fair value due to either the demand nature or the relatively short-term maturities of these liabilities.





The fair value of nonfinancial assets is determined as follows:

*Exchange trading right* -Fair value is based on the last transacted price as provided by the PSE.

The following tables summarize the carrying amount and fair values of the financial assets and liabilities, analyzed based on the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique as discussed in Note 2.

<b>Consolidated and Parent Company</b>					
<b>2021</b>					
	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets measured at fair value:</b>					
<b>Financial assets</b>					
Financial assets at FVTPL					
Quoted equity securities	₱5,805,424	₱5,805,424	₱-	₱-	₱5,805,424
Mutual funds	53,327,264	-	53,327,264	-	53,327,264
Financial assets at FVOCI					
Quoted equity securities	5,630,085	5,630,085	-	-	5,630,085
	<b>₱64,762,773</b>	<b>₱11,435,509</b>	<b>₱53,327,264</b>	<b>₱-</b>	<b>₱64,762,773</b>
<b>Assets for which fair values are disclosed:</b>					
<b>Financial assets</b>					
Financial assets at amortized cost	₱3,179,004,400	₱3,182,751,145	₱-	₱-	₱3,182,751,145
<b>Nonfinancial assets</b>					
Exchange trading right	4,750,000	-	-	8,500,000	8,500,000
	<b>₱3,183,754,400</b>	<b>₱3,182,751,145</b>	<b>₱-</b>	<b>₱8,500,000</b>	<b>₱3,191,251,145</b>

<b>Consolidated and Parent Company</b>					
<b>2020</b>					
	<b>Carrying Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets measured at fair value:</b>					
<b>Financial assets</b>					
Financial assets at FVTPL					
Quoted equity securities	₱4,873,500	₱4,873,500	₱-	₱-	₱4,873,500
Mutual funds	52,818,139	-	52,818,139	-	52,818,139
Financial assets at FVOCI					
Quoted equity securities	15,065,736	15,065,736	-	-	15,065,736
	<b>₱72,757,375</b>	<b>₱19,939,236</b>	<b>₱52,818,139</b>	<b>₱-</b>	<b>₱72,757,375</b>
<b>Assets for which fair values are disclosed:</b>					
<b>Nonfinancial assets</b>					
Exchange trading right	₱4,750,000	₱-	₱-	₱8,500,000	₱8,500,000
	<b>₱4,750,000</b>	<b>₱-</b>	<b>₱-</b>	<b>₱8,500,000</b>	<b>₱8,500,000</b>

There have been no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurement in 2021 and 2020.



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## 5. Financial Risk Management Objectives and Policies

The Group and the Parent Company have exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

### Risk Management Framework

The BOD has overall responsibility for the oversight of the Parent Company's risk management process. The board committees, which are responsible for developing, managing and monitoring risk management policies in their specified areas, include the following:

1. Risk Management Committee (RMC)
2. Executive Committee (EXCOM)
3. Audit Committee (AC)

The RMC's functions are supported by the EXCOM, which provides essential inputs and advice, particularly on credit and investment policy matters. Internal Audit Department (IAD), which is under the AC, together with the Compliance Officer (CO) collaborates with the RMC. IAD monitors the Parent Company's internal management control processes and provides an independent assessment of the Parent Company's system to ensure system integrity is maintained while CO monitors and assesses the compliance of the Parent Company's various units with the Parent Company's rules and regulations. The Risk Management Officer (RMO) manages and oversees the day-to-day activities of the Parent Company. The RMO likewise evaluates all risk policy proposals and reports to be presented to the RMC.

### *Credit risk*

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The nature of the business exposes the Parent Company to potential risk of loss due to a counterparty defaulting on a contract. To a stockbroker, credit risk, such as counterparty risk, settlement risk, large exposure risk and margin financing risk, normally arises from unsettled customer purchases, undelivered securities, unsettled loans and advances, margin lending, default by bond issuer, undelivered services, among others.

The Parent Company mitigates its credit risk by transacting with recognized and creditworthy customers. The Parent Company further limits its trading credit risk by maintaining custody of the defaulting parties' shares of stock as collateral to the latter's purchases. The Parent Company likewise requires service contractors to put up a performance bond covering significant service agreements.

In accordance with the Risk-Based Capital Adequacy (RBCA) requirements, limit is imposed to avoid large exposure on single client/counterparty, single debt issue and single equity relative to a particular issuer company and its group of companies.



*Maximum exposure to credit risk after collateral held or other credit enhancements*

Except for receivable from customers, the carrying values of the Group's financial assets as reflected in the statements of financial position and related notes already represent the financial asset's maximum exposure to credit risk before and after taking into account collateral held or other credit enhancements.

2021				
	Gross Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial effect of collateral and other credit enhancements
Receivable from customers				
Unsecured	P153,322,489	P-	P153,322,489	P-
Partially secured	48,751,956	29,916,546	18,835,410	29,916,546
Fully secured	674,056,238	13,016,769,703	-	674,056,238
	<b>P876,130,683</b>	<b>P13,046,686,249</b>	<b>P172,157,899</b>	<b>P703,972,784</b>
2020				
	Gross Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial effect of collateral and other credit enhancements
Receivable from customers				
Unsecured	P71,721,200	P-	P71,721,200	P-
Partially secured	322,915,340	225,484,792	97,430,547	225,484,792
Fully secured	1,127,857,349	19,975,112,783	-	1,127,857,349
	<b>P1,522,493,889</b>	<b>P20,200,597,575</b>	<b>P169,151,747</b>	<b>P1,353,342,141</b>

The gross maximum exposures to credit risk and aggregate fair value of collateral on receivable from customers are disclosed in Note 9.

The Group and the Parent Company do not have financial guarantees and other-credit related liabilities. The table below shows the maximum credit exposure (comprising cash in banks and receivables) for the component of the Group statements of financial position:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Cash and cash equivalents (Note 6)	<b>P1,988,101,359</b>	P4,221,066,183	<b>P1,987,643,132</b>	P4,220,506,533
Receivables from Customers (Note 9)	<b>227,544,149</b>	169,151,747	<b>227,544,149</b>	169,151,747
Other receivables (Note 10)	<b>28,948,904</b>	6,093,772	<b>29,122,455</b>	6,267,323
Clearing and Trade Guaranty Fund refundable deposits (Note 14)	<b>17,352,477</b>	14,441,759	<b>17,352,477</b>	14,441,759
Other refundable deposits (Note 14)	<b>2,895,621</b>	2,222,382	<b>2,895,621</b>	2,222,382
	<b>2,264,842,510</b>	4,412,975,843	<b>2,264,557,834</b>	4,412,589,744
Unutilized margin trading Facility	<b>242,960,309</b>	240,205,460	<b>242,960,309</b>	240,205,460
	<b>P2,507,802,819</b>	P4,653,181,303	<b>P2,507,518,143</b>	P4,652,795,204

*Credit quality of financial assets*

The Group's funds are deposited only in banks that are directly, or comparably with the peer institutions, rated as investment grade by the global external rating agency. Accordingly, placements in these banks are considered to be low credit risk investments. As of December 31, 2021 and 2020, the Group determined that the impact of 12-month ECL ("Stage 1") is not material.

For trade receivables, the Group applied simplified approach in calculating ECLs and does not track changes in credit risk but instead recognizes an allowance based on lifetime ECL at each reporting



period. The ECL calculation is based on historical loss experience adjusted for current conditions and forecasts of future economic conditions using reasonable and supportable information available as of the reporting date. The ECL calculation considers the SEC requirements for a stock broker in calculating allowance for credit losses. The receivables are secured by collateral comprising of quoted equity securities. Unsecured or partially secured receivables which are already past due (i.e. more than T+3) are provided with allowance (see Note 9).

Set out below is the information about the credit risk exposure on the Group's receivable from customers using a provision matrix as of December 31, 2021 and 2020:

	2021				Total
	Days after trade date				
	T+0 to T+2	T+3 to T+13	T+14 to T+30	T+31 to T+365	
Expected loss rate					
Gross amounts of receivables	₱758,764,633	₱4,360,516	₱843,579	₱112,161,955	₱876,130,683
Expected credit loss	–	87,211	155	847,717	935,083

	2020				Total
	Days after trade date				
	T+0 to T+2	T+3 to T+13	T+14 to T+30	T+31 to T+365	
Expected loss rate	0.00%	2.61%	0.39%	1.48%	0.09%
Gross amounts of receivables	₱1,431,671,802	₱28,921,064	₱21,757,224	₱40,143,799	₱1,522,493,889
Expected credit loss	–	754,916	84,058	595,290	1,434,264

As of December 31, 2021, the Group assessed that receivables from clearing house are considered as high grade and ECL is negligible as there is no default experience and historically, these are collected within 3 trading days.

The basis of the Group in grading its financial assets are as follows:

*Receivables*

High grade - These are receivables which have a high probability of collection (the counterparty has the apparent ability to satisfy its obligation and the security on the receivables are readily enforceable).

Standard - These are receivables from counterparties with no history of default and are not past due as of the statement of financial position date.

Substandard - These are receivables from counterparties with history of default and partially or unsecured accounts and are not past due as of the statement of financial position date.

Unrated - These are accounts that have no available risk grade.

*Impaired receivables*

Impaired receivables are receivables for which the Parent Company determines that it is probable that it will not be able to collect all principal and interest due based on the contractual terms and securities agreements. Receivable classification in terms of provisioning is aligned with regulatory guidelines.

As of December 31, 2021 and 2020, allowance for credit losses of receivables from customers amounted to ₱0.9 million and ₱1.43 million, respectively (Note 9).

The calculated expected loss rate based on provision matrix for trade receivables is not significant.



*Liquidity risk*

Liquidity risk is generally defined as the current and prospective risk to earnings or capital arising from the Group's inability to meet its obligations when they come due without incurring unacceptable losses or costs.

The Group's liquidity risk is managed by holding sufficient liquid assets to ensure short-term funding requirements are met. Deposits with banks are made on a short-term basis with almost all being available on demand or within three months. Liquidity is monitored by the Group on a regular basis.

The tables below summarize the maturity profile of the financial assets (held for managing liquidity risk) and financial liabilities of the Group based on contractual undiscounted cashflows as of December 31, 2021 and 2020:

	Consolidated					
	2021			2020		
	Up to 1 month	1 to 3 months	Total	Up to 1 month	1 to 3 months	Total
Cash and cash equivalents	₱1,435,555,775	₱552,545,585	₱1,988,101,360	₱3,754,423,778	₱466,642,405	₱4,221,066,183
Loans and receivables:						
Receivables from:						
Clearing house and other brokers	410,853,442	-	410,853,442	41,653,929	-	41,653,929
Customers	763,854,362	111,341,238	875,195,600	1,482,350,090	38,168,735	1,520,518,825
Others	592,565	2,589,834	3,182,399	548,403	2,886,175	3,434,578
Financial Asset at Amortized Cost	1,499,572	3,177,504,828	3,179,004,400			
	2,612,355,716	3,843,981,485	6,456,337,201	5,278,976,200	507,697,315	4,403,049,929
Payable to:						
Clearing house and other brokers	11,255,163	-	11,255,163	104,335,161	-	104,335,161
Customers	5,901,531,482	-	5,901,531,482	5,269,619,842	-	5,269,619,842
Accrued expenses and other liabilities (Note 17)	2,223,295	13,253,084	15,476,379	11,102,532	5,658,787	16,761,319
	5,915,009,940	13,253,084	5,928,263,024	5,385,057,535	5,658,787	5,390,716,322
Net undiscounted financial assets	(₱3,302,654,224)	₱3,830,728,401	₱528,074,177	(₱106,081,335)	₱502,038,528	₱395,957,193

	Parent Company					
	2021			2020		
	Up to 1 month	1 to 3 months	Total	Up to 1 month	1 to 3 months	Total
Cash and cash equivalents	₱1,435,097,547	₱552,545,585	₱1,987,643,132	₱3,753,864,128	₱466,642,405	₱4,220,506,533
Loans and receivables:						
Receivables from:						
Clearing house and other brokers	410,853,442	-	410,853,442	41,653,929	-	-
Customers	763,854,362	111,341,238	875,195,600	1,482,350,090	38,168,735	1,520,518,825
Others	592,565	2,763,385	3,355,950	548,403	2,886,175	3,434,578
Financial Asset at Amortized Cost	1,499,572	3,177,504,828	3,179,004,400			
	2,611,897,488	3,844,155,036	6,456,052,524	5,278,416,550	507,697,315	5,786,673,515
Payable to:						
Clearing house and other brokers	11,255,163	-	11,255,163	104,335,161	-	104,335,161
Customers	5,968,527,307	-	5,968,527,307	5,336,514,245	-	5,336,514,245
Accrued expenses and other liabilities (Note 17)	2,223,295	13,253,084	15,476,379	11,064,634	5,658,787	16,723,421
	5,982,005,765	13,253,084	5,995,258,849	5,451,914,040	5,658,787	5,457,572,827
Net undiscounted financial assets	(₱3,370,108,277)	₱3,830,901,952	₱460,793,675	(₱173,497,490)	₱502,038,528	₱328,541,038

*Market risk*

Market risk is the risk that the value of an investment will decrease due to movements in market factors such as, but not limited to, interest rate risk or the risk that interest rates will change; currency risk or the risk that foreign exchange rates will change; commodity risk or the risk that commodity prices will change; equity price risk or the risk that stock and other index prices will change.

MCFC's exposure to market risk is minimal.

The Parent Company's market risk emanates from its securities in proprietary account which are held for trading purposes and financial instruments classified as FVOCI investments. In accordance with RBCA requirements, limit is imposed for all equity, debt and foreign exchange positions of the Parent Company.



*Equity price risk*

Equity price risk is the risk that the fair value of equity securities will fluctuate as the result of changes in the levels of equity indices and the value of individual stocks. The equity price risk exposure arises from the Parent Company's FVTPL and FVOCI investments.

The Parent Company measures the sensitivity of its FVTPL and FVOCI investments by using the fluctuations in the Philippine Stock Exchange index (PSEi) and in NAVPS of its investments in mutual fund.

The following table sets forth, for the year indicated, the impact of changes in PSEi in the Parent Company's trading gain or loss on equity trading securities classified as financial assets at FVTPL.

Changes in PSEi	2021		2020	
	13.62%	(13.62%)	11.35%	(11.35%)
Change on trading income at equity portfolio under:				
Financial intermediaries	₱734,336	(₱734,336)	₱522,676	(₱522,676)
Property	-	-	-	-
Holding firms	-	-	-	-
Services	-	-	-	-
Industrial companies	-	-	-	-
	<b>₱734,336</b>	<b>(₱734,336)</b>	<b>₱522,676</b>	<b>(₱522,676)</b>
As a percentage of the Parent Company's trading gain or loss for the year	<b>3.29%</b>	<b>(3.29%)</b>	<b>9.83%</b>	<b>(9.83%)</b>

The following tables set forth, for the periods indicated, the impact of changes in NAVPU on the Parent Company's unrealized gain or loss on investments in mutual funds:

Change in income	Changes in price quotation (in basis points)			
	+ 100	- 100	+ 50	- 50
<b>2021</b>	<b>₱533,273</b>	<b>(₱533,273)</b>	<b>₱266,636</b>	<b>(₱266,636)</b>
2020	528,057	(528,057)	264,028	(264,028)

Impact of the 13.62% changes in PSEi on the Parent Company's unrealized gain on FVOCI investments amounted to ₱0.6 million and ₱1.3 million for the years ended December 31, 2021 and 2020, respectively. This impact on the Parent Company's equity already excludes the impact on transactions affecting profit and loss.

The Group's exposures to interest rate risk and foreign exchange rate risk are minimal. Management believes that disclosure of sensitivity analyses for these risks for 2021 and 2020 is not significant.

## 6. Cash and Cash Equivalents

This account consists of:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Petty cash fund	₱11,024	₱14,810	₱11,024	₱14,810
Cash in banks (Note 20)	570,961,041	685,245,054	570,502,814	684,685,404
Cash equivalents (Note 20)	1,417,140,318	3,535,821,129	1,417,140,318	3,535,821,129
	<b>₱1,988,112,383</b>	<b>₱4,221,080,993</b>	<b>₱1,987,654,156</b>	<b>₱4,220,521,343</b>



In compliance with Securities Regulation Code (SRC) Rule 49.2-1, *Physical Possession or Control of Securities*, which covers customer protection and custody of securities, the Parent Company maintains a special reserve bank accounts for the exclusive benefits of its customers amounting to ₱4.7 billion and ₱3.7 billion as of December 31, 2021 and 2020, respectively. The special reserve accounts consist of cash in banks and short-term cash investments which are recorded as ‘Cash and cash equivalents,’ amounting to ₱1.6 billion and ₱3.8 billion for December 31, 2021 and 2020, respectively and short-term government debt securities recorded as ‘Investment securities at amortized cost’ (Note 7). The Parent Company’s reserve requirement is determined based on the SEC’s prescribed computations. As at December 31, 2021 and 2020, the Parent Company’s reserve accounts are adequate to cover its reserve requirements for the exclusive benefits of its customers.

Cash in banks bear annual interest rates ranging from 0.05% to 0.13% in 2021 1.3% both and 0.1% to 1.3% in 2020.

Short-term investments under cash equivalents bear annual interest rates ranging from 0.52% to 0.62% in 2021 and 0.25% to 3.25% in 2020.

Interest income earned on cash and cash equivalents follows:

	<b>Consolidated and Parent Company</b>	
	2021	2020
Cash in banks	₱498,006	₱936,959
Cash equivalents	16,106,033	44,983,785
	<b>₱16,604,039</b>	<b>₱45,920,744</b>

## 7. Trading and Investment Securities

### Financial Assets at FVTPL

As of December 31, 2021 and 2020, financial assets at FVTPL consist of investments in:

	<b>Consolidated and Parent Company</b>	
	2021	2020
Mutual funds (Note 20)	₱53,327,264	₱52,818,139
Quoted equity securities	5,805,424	4,873,500
	<b>₱59,132,688</b>	<b>₱57,691,639</b>

Net realized and unrealized gain (loss) on financial assets at FVTPL recognized in the statements of comprehensive income under ‘Trading gains (losses) - net’ amounted to:

	<b>Consolidated and Parent Company</b>	
	2021	2020
Net realized gain	₱21,905,579	₱4,439,779
Net unrealized gain	441,336	904,300
	<b>₱22,346,915</b>	<b>₱5,344,079</b>

Dividend income earned from these investments amounted to ₱0.2 million in 2021 and 2020.



Financial Assets at FVOCI

Financial assets at FVOCI of the Parent Company consist of the following investments in quoted equity securities:

	2021	2020
Meralco	₱5,608,800	₱5,548,000
PSE	21,285	15,236
Axelum	–	9,502,500
	<b>₱5,630,085</b>	<b>₱15,065,736</b>

The unrealized gains (losses) taken to other comprehensive income amounted to ₱5.1 million and ₱1.9 million in 2021 and 2020, respectively. In 2021, the Parent Company disposed equity securities at FVOCI with total carrying value of ₱13.6 million and realized fair value losses were transferred to retained earnings amounting to ₱6.1 million.

Dividend income earned from these investments amounted to ₱0.2 million and 0.3 million in 2021 and 2020, respectively.

Financial Assets at Amortized cost

Financial assets at amortized cost of the Parent Company consist of peso-denominated government debt securities amounting to ₱3.2 billion.

These investments in short-term government treasury bills are included in the Parent Company's special reserve accounts in compliance with SRC Rule 49.2 (Note 6). As of December 31, 2021, the unamortized discount related to investment securities at amortized cost amounted to ₱15.2 million.

In 2021, the peso-denominated government debt securities bear nominal annual interest rate of 0.6% to 1.6% per annum.

Interest income earned from the investments amounted to ₱16.1 million in 2021.

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**8. Receivables from Clearing House and Other Brokers**

The Parent Company's receivable from clearing house and other brokers amounting to ₱410.8 million ₱41.65 million as of December 31, 2021 and 2020, respectively, were collected in January 2022 and 2021, respectively.

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**9. Receivable from Customers**

This account consists of receivable from customers, details as follow:

	2021		2020	
	Money Balance	Security Valuation – Long*	Money Balance	Security Valuation – Long*
Cash accounts:				
Fully secured accounts:				
More than 250%	₱375,872,560	₱5,481,362,855	₱671,244,252	₱6,117,549,718
Between 100% and 250%	171,683,238	55,595,609	318,884,671	115,956,148
Partially secured accounts	47,383,848	84,445	322,527,202	51,518,969
Unsecured accounts	143,297,067	–	71,213,028	–
	<b>738,236,713</b>	<b>5,537,042,909</b>	1,383,869,153	6,285,024,835

(Forward)





	2021		2020	
	Money Balance	Security Valuation – Long*	Money Balance	Security Valuation – Long*
Margin accounts:				
Fully secured accounts:				
More than 250%	₱76,029,974	₱433,469,820	₱61,314,512	₱51,656,774
Between 100% and 250%	50,470,466	101,887,379	76,413,914	65,400,414
Partially secured accounts	1,368,108	1,196,666	388,138	47,500
Unsecured accounts	10,025,422	–	508,172	–
	<b>137,893,970</b>	<b>536,553,865</b>	138,624,736	117,104,688
	<b>876,130,683</b>	<b>6,073,596,774</b>	1,522,493,889	6,402,129,523
Less: Allowance for credit losses	935,083	–	1,434,263	–
	<b>₱875,195,600</b>	<b>₱6,073,596,774</b>	₱1,521,059,626	₱6,402,129,523

\*Fair value of collateral

Movements in allowance for credit losses follow:

	2021	2020
Balance at January 1	₱1,434,264	₱591,888
Provisions for (recovery from) credit losses	(499,181)	842,376
Balance at December 31	<b>₱935,083</b>	₱1,434,264

Provision for credit losses in 2021 and 2020 is included under ‘Miscellaneous expense’ in the statements of comprehensive income.

As at December 31, 2021 and 2020, the Parent Company offered a credit line facility amounting to ₱243.0 million and ₱240.4 million, respectively, to its customers who qualified for margin account. The outstanding balance of utilized margin is being charged an interest rate of 0.9% per month in 2021 and 2020.

Interest income from margin trading amounted to ₱10.7 million and ₱4.31 million in 2021 and 2020, respectively.

## 10. Other Receivables

This account consists of:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Accounts receivable	₱28,600,135	₱5,034,871	₱28,773,686	₱5,208,422
Accrued interest receivable	348,769	1,058,901	348,769	1,058,901
	<b>₱28,948,904</b>	₱6,093,772	<b>₱29,122,455</b>	₱6,267,323

Other receivables as shown in the statements of financial position follow:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Current portion	₱ 28,200,779	₱4,993,416	₱28,374,330	₱5,166,967
Noncurrent portion	748,125	1,100,356	748,125	1,100,356
	<b>₱28,948,904</b>	₱6,093,772	<b>₱29,122,455</b>	₱6,267,323



The Group distinguishes current assets from noncurrent assets based on the Group's expectation on whether assets can be recovered within twelve months (current) or beyond twelve months (noncurrent) after the reporting period.

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## 11. Investment in a Subsidiary

Investment in a subsidiary represents the Parent Company's 100% ownership in MCFC which is carried at cost in its financial statements. As discussed in Note 1, in 2018, the BOD of MCFC approved to shorten the term of its existence from the date of incorporation until December 31, 2019, the effective date of dissolution. The remaining assets of MCFC, which are currently held for distribution, will be transferred to the Parent Company upon liquidation.

The financial information of the subsidiary as of December 31, 2021 and 2020 is shown below:

### *Financial position*

Total Assets	₱67,478,292
Total Liabilities	211,449
<u>Equity</u>	<u>₱67,266,843</u>

As of December 31, 2021 and 2020, the total assets of the subsidiary primarily comprised of receivable from the Parent Company pertaining to the proceeds on the sale of MCFC's investment in mutual funds (see Note 20).

### *Financial performance*

	2020
<u>Revenue</u>	<u>₱26,446</u>
Net Income	8,650

In the consolidated financial statements, a portion of the Group's retained earnings corresponding to the net accumulated earnings of MCFC amounting to ₱17.27 million as of December 31, 2021 and 2020, is not available for dividend declaration. This becomes available for dividends upon receipt by the Parent Company of cash dividends from MCFC.



## 12. Property and Equipment

The composition of and movements in this account follows:

	Consolidated and Parent Company											
	2021						2020					
	Office Space	Leasehold Improvements	Computer Equipment	Office Furniture and Transportation Equipment	Right-of-Use Assets	Total	Office Space	Leasehold Improvements	Computer Equipment	Office Furniture and Transportation Equipment	Right-of-Use Assets	Total
<b>Cost</b>												
Balance at January 1	₱6,891,031	₱23,340,344	₱25,929,107	₱19,132,569	₱26,450,994	₱101,744,045	₱4,711,631	₱25,256,232	₱25,262,372	₱19,725,712	₱26,978,547	₱101,934,494
Additions	-	-	4,074,714	4,725,200	-	8,799,914	-	263,512	666,735	292,732	-	1,222,979
Disposals	-	-	-	(2,447,930)	-	(2,447,930)	-	-	-	(885,875)	(527,553)	(1,413,428)
Reclassification	-	-	-	-	-	-	2,179,400	(2,179,400)	-	-	-	-
Balance at December 31	6,891,031	23,340,344	30,003,821	21,409,839	26,450,994	108,096,029	6,891,031	23,340,344	25,929,107	19,132,569	26,450,994	101,744,045
<b>Accumulated Depreciation and Amortization</b>												
Balance at January 1	6,006,543	18,787,592	22,207,856	14,222,025	14,415,642	75,639,658	4,428,940	18,188,927	20,272,439	12,361,417	7,643,736	62,895,459
Depreciation and amortization	531,714	1,538,687	1,952,903	2,400,832	7,306,307	13,730,443	625,944	1,548,724	1,939,026	2,525,762	7,299,321	13,938,777
Disposal	-	-	-	(2,290,360)	-	(2,290,360)	-	-	-	(665,154)	(527,415)	(1,192,569)
Reclassification and other adjustments	-	-	-	-	-	-	951,659	(950,059)	(3,609)	-	-	(2,009)
Balance at December 31	6,538,257	20,326,279	24,160,759	14,332,497	21,721,949	87,079,741	6,006,543	18,787,592	22,207,856	14,222,025	14,415,642	75,639,658
<b>Net Book Value</b>	₱352,774	₱3,014,065	₱5,843,062	₱7,077,341	₱4,729,046	₱21,016,288	₱884,488	₱4,552,752	₱3,721,251	₱4,910,544	₱12,035,352	₱26,104,387

As of December 31, 2021 and 2020, the cost of fully depreciated property and equipment still in use amounted to ₱45.6 million and ₱38.0 million, respectively for both the Group and the Parent Company.



### 13. Exchange Trading Right

Under the PSE rules, all exchange membership seats are pledged at its full value to the PSE to secure the payment of all debts to other members of the exchange arising out of or in connection with the present or future members' contracts.

The carrying values of PSE shares and exchange trading right follows:

	2021	2020
Exchange trading right	<b>₱4,750,000</b>	₱4,750,000
Investment in PSE shares (Note 7)	<b>21,285</b>	15,236
	<b>₱4,771,285</b>	₱4,765,236

As of December 31, 2021 and 2020, the Parent Company owns 99 PSE shares included under financial assets at FVOCI. As of the same dates, the market value of a PSE share is quoted at ₱215.00 and ₱153.90, respectively.

The latest transacted price of the exchange trading right (as provided by the PSE) amounted to ₱9.0 million and ₱8.5 million as of December 31, 2021 and 2020.

### 14. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Clearing and Trade Guaranty Fund				
refundable deposits	<b>₱17,352,477</b>	₱14,441,759	<b>₱17,352,477</b>	₱14,441,759
Creditable withholding tax	<b>8,081,398</b>	21,102,941	<b>8,081,398</b>	21,102,941
Prepaid expenses	<b>7,822,305</b>	5,908,694	<b>7,822,305</b>	5,908,694
Prepaid tax	<b>3,746,767</b>	-	<b>3,746,767</b>	-
Input VAT	<b>1,824,761</b>	2,153,737	<b>1,819,361</b>	2,148,337
Miscellaneous (Note 20)	<b>7,921,850</b>	3,465,661	<b>7,903,010</b>	3,446,821
	<b>₱46,749,558</b>	₱47,072,792	<b>₱46,725,318</b>	₱47,048,552

Total other assets as shown in the statements of financial position follow:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Current portion	<b>₱19,581,435</b>	₱28,076,867	<b>₱19,557,195</b>	₱28,052,627
Noncurrent portion	<b>27,168,123</b>	18,995,925	<b>27,168,123</b>	18,995,925
	<b>₱46,749,558</b>	₱47,072,792	<b>₱46,725,318</b>	₱47,048,552



## 15. Payables to Clearing House and Other Brokers

The Parent Company's payable to clearing house and other brokers amounting to ₱11.3 million and ₱104.33 million as of December 31, 2021 and 2020 were settled in January 2022 and 2021, respectively.

## 16. Payable to Customers

This account consists of payable to customers which are all due within one year from the respective statement of financial position dates. Details of payable to customers follow:

	Consolidated		
	2021		
	Money Balance	Security Valuation	
		Long	Short
With money balance (Note 6)	₱5,901,531,482	₱31,261,525,485	₱445,677,735
Without money balance	–	36,571,541,467	–
	₱5,901,531,482	₱67,833,066,952	₱445,677,735

	Parent		
	2021		
	Money Balance	Security Valuation	
		Long	Short
With money balance (Note 6)	₱5,968,527,307	₱31,261,525,485	₱425,346,138
Without money balance	–	36,571,541,467	–
	₱5,968,527,307	₱67,833,066,952	₱425,346,138

	Consolidated		
	2020		
	Money Balance	Security Valuation	
		Long	Short
With money balance (Note 6)	₱5,269,619,842	₱19,840,273,230	₱17,664,543
Without money balance	–	29,727,762,042	–
	₱5,269,619,842	₱49,568,035,272	₱17,664,543

	Parent		
	2020		
	Money Balance	Security Valuation	
		Long	Short
With money balance (Note 6)	₱5,336,514,245	₱19,840,273,230	₱17,664,543
Without money balance	–	29,727,762,042	–
	₱5,336,514,245	₱49,568,035,272	₱17,664,543



## 17. Accrued Expenses and Other Liabilities

This account consists of:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Financial:				
Current liabilities				
Accounts payable	<b>₱7,779,103</b>	₱19,752,520	<b>₱7,779,103</b>	₱19,752,520
Accrued expenses payable	<b>15,575,457</b>	16,023,305	<b>15,575,457</b>	15,985,406
Lease liabilities (Note 22)	<b>4,561,814</b>	7,980,535	<b>4,561,814</b>	7,980,535
Other liabilities	<b>16,368,687</b>	8,433,295	<b>16,330,789</b>	8,433,295
	<b>44,285,061</b>	52,189,655	<b>44,247,163</b>	52,151,756
Noncurrent liabilities				
Lease liabilities (Note 22)	<b>709,745</b>	5,271,559	<b>709,745</b>	5,271,559
	<b>44,994,805</b>	57,461,214	<b>44,956,908</b>	57,423,315
Nonfinancial:				
Current liabilities				
Value-added tax	<b>7,460,621</b>	5,733,469	<b>7,460,621</b>	5,733,469
Withholding taxes payable	<b>1,851,727</b>	1,437,194	<b>1,851,727</b>	1,437,194
Other accrued and taxes payable	<b>26,897,042</b>	13,419,180	<b>26,897,042</b>	13,419,180
	<b>36,209,390</b>	20,589,843	<b>36,209,390</b>	20,589,843
	<b>₱81,204,196</b>	₱78,051,057	<b>₱81,166,298</b>	₱78,013,158

Other liabilities pertain to provision for losses and other government-related payables.

Total accrued expenses and other liabilities as shown in the statements of financial position follow:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Current portion	<b>₱80,494,451</b>	₱72,779,498	<b>₱80,456,553</b>	₱72,741,599
Noncurrent portion	<b>709,745</b>	5,271,559	<b>709,745</b>	5,271,559
	<b>₱81,204,196</b>	₱78,051,057	<b>₱81,166,298</b>	₱78,013,158

## 18. Income Taxes

Provision for income tax consists of:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Current:				
Final tax	<b>₱6,531,229</b>	₱9,182,773	<b>₱6,531,229</b>	₱9,182,773
MCIT	–	2,644,609	–	2,644,609
RCIT	<b>30,155,436</b>	–	<b>30,155,436</b>	–
	<b>36,686,665</b>	11,827,382	<b>36,686,665</b>	11,827,382
Deferred	<b>8,978,472</b>	5,820,235	<b>8,978,472</b>	5,874,182
	<b>₱45,665,137</b>	₱17,647,617	<b>₱45,665,137</b>	₱17,701,564

Income taxes include regular corporate income tax (RCIT), as discussed below, as well as final withholding taxes paid at the rates of 20% of gross interest income from peso-denominated debt instruments and other deposit substitutes, 15% of gross interest income from foreign currency deposits in a depository bank under the expanded foreign currency deposit system.



On March 26, 2021, RA No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the RCIT rate from 30.00% to 25.00% depending on the criteria set by the law effective July 1, 2020. With the implementation of this Act, interest expense allowed as a deductible expense shall be reduced by 20.00% of the interest income subjected to final tax, compared to the 33.00% reduction prior to the Act.

The regulations also provide for MCIT of 2.00% (prior to CREATE) and 1.00% from (July 1, 2020 to June 30, 2023 before reverting to 2.00%) on modified gross income and allow a NOLCO. The MCIT and NOLCO may be applied against the Company's income tax liability and taxable income, respectively, over a three-year period from the year of inception. For the taxable years 2020 and 2021, the NOLCO incurred can be carried over as a deduction for the next five (5) consecutive taxable years, pursuant to Revenue Regulation (RR) No. 25-2020.

Current tax regulations also provide for the ceiling on the amount of entertainment, amusement and recreation (EAR) expenses that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense is limited to the actual EAR paid or incurred but not to exceed 1% of net revenue. EAR expenses reported in the statements of comprehensive income amounted to ₱2.1 million and ₱2.3 million in 2021 and 2020, respectively.

Components of net deferred tax assets for the Parent Company follow:

	2021	2020
Deferred tax asset on:		
Accrued expense and allowance for credit losses	<b>₱6,010,843</b>	₱3,440,921
Retirement liability	<b>4,589,364</b>	8,463,511
Unamortized pension cost contribution	<b>2,601,808</b>	2,155,165
Unrealized loss on financial assets at FVTPL	<b>16,750</b>	435
Net unrealized loss on financial assets at FVOCI	-	1,097,497
NOLCO	-	8,178,942
MCIT	-	5,645,646
Unrealized foreign exchange loss	-	160
	<b>13,218,765</b>	28,982,277
Deferred tax liability on:		
Unrealized gain on financial assets at FVOCI	<b>120,255</b>	-
	<b>120,255</b>	-
Net deferred tax assets	<b>₱13,098,510</b>	₱28,982,277

Provision for deferred income tax that were charged directly against other comprehensive income amounted to ₱0.2 million and ₱0.3 million in 2021 and 2020, respectively.

The Parent Company did not recognize deferred tax assets on certain accrued expenses amounting to ₱6.3 million as of December 31, 2020.

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4 (bbb) of "Bayanihan to Recover As One Act" which states that the NOLCO incurred for taxable years 2020 and 2021 can be carried over and claimed as a deduction from gross income for the next five (5) consecutive taxable years immediately following the year of such loss.



Details of excess of MCIT over RCIT follow:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2020	₱2,096,299	₱2,096,299	₱-	₱-	2023
2019	824,511	824,511	-	-	2022
2018	2,176,526	2,176,526	-	-	2021
	<b>₱5,097,336</b>	<b>₱5,097,336</b>	<b>₱-</b>	<b>₱-</b>	

Details of NOLCO follow:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2019	₱52,971,992	₱52,971,992	₱-	₱-	2022
2018	10,684,050	10,684,050	-	-	2021
	<b>₱63,656,042</b>	<b>₱63,656,042</b>	<b>₱-</b>	<b>₱-</b>	

The reconciliation between the statutory income tax and the effective income tax follows:

	Consolidated		Parent Company	
	2021	2020	2021	2020
Statutory income tax	<b>₱43,975,709</b>	₱20,562,492	<b>₱43,975,709</b>	₱20,581,271
Tax effect of:				
Non-taxable income and others	<b>(283,029)</b>	(5,016,541)	<b>(283,029)</b>	(5,016,541)
Change in unrecognized deferred tax	<b>1,420,222</b>	1,889,855	<b>1,420,222</b>	1,889,855
Non-deductible expenses	<b>552,235</b>	211,811	<b>552,235</b>	246,979
Effective income tax	<b>₱45,665,137</b>	₱17,647,617	<b>₱45,665,137</b>	₱17,701,564

## 19. Retirement Liability

The Parent Company has a funded noncontributory defined retirement plan covering all regular employees of the Parent Company. The retirement cost of the Parent Company is determined using projected unit credit method. The latest actuarial valuation of the retirement plan was made on December 31, 2021.

The principal actuarial assumptions used in determining the retirement liability for the Parent Company's retirement plan as of December 31, 2021 and 2020 are shown below:

	2021	2020
Discount rate	<b>5.13%</b>	3.68%
Future salary rate increases	<b>5.00%</b>	5.00%
Average years of service	<b>6.23</b>	5.33 years
Turnover rate	<b>18% at age 18 to 0.0% at age 55</b>	18% at age 18 to 0.0% at age 55





The movement in the retirement liability, present value of defined benefit obligation, and fair value of plan assets follow:

	2021											
	Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2020	Current service cost	Net interest	Past service cost	Subtotal* [b+c+d]	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Subtotal [f+g+h]	Contribution by employer	Benefits paid	December 31, 2020 [a+e+i+j+k]
	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]	[l]
Present value of defined benefit obligation	₱52,335,408	₱7,126,661	₱1,894,617	₱-	9,021,278	₱-	₱2,187,434	(₱9,436,915)	(₱7,249,481)	₱-	₱-	₱54,107,205
Fair value of plan assets	(24,123,705)	-	(969,807)	-	(969,807)	1,439,049	-	-	1,439,049	(12,095,284)	-	(35,749,747)
Net defined benefit liability	₱28,211,703	₱7,126,661	₱924,810	₱-	8,051,471	₱1,439,049	₱2,187,434	(₱9,436,915)	(₱5,810,432)	(₱12,095,284)	₱-	₱18,357,458

\*Presented under 'Salaries and benefits' in the Statement of Comprehensive Income.

	2020											
	Net benefit cost					Remeasurements in other comprehensive income						
	January 1, 2020	Current service cost	Net interest	Past service cost	Subtotal* [b+c+d]	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Subtotal [f+g+h]	Contribution by employer	Benefits paid	December 31, 2020 [a+e+i+j+k]
	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]	[l]
Present value of defined benefit obligation	₱45,278,364	₱6,439,920	₱2,153,356	₱-	₱8,593,276	₱-	₱773,947	(₱176,697)	₱597,250	₱-	(₱2,133,482)	₱52,335,408
Fair value of plan assets	(19,994,526)	-	(1,083,179)	-	(1,083,179)	472,875	-	-	472,875	(5,652,357)	2,133,482	(24,123,705)
Net defined benefit liability	₱25,283,838	₱6,439,920	₱1,070,177	₱-	₱7,510,097	₱472,875	₱773,947	(₱176,697)	₱1,070,125	(₱5,652,357)	₱-	₱28,211,703

\*Presented under 'Salaries and benefits' in the Statement of Comprehensive Income.

The Parent Company expects to contribute ₱10.3 million to its defined benefit pension plan in 2022.



The major categories of plan assets and their corresponding percentage to the fair value of total plan assets follow:

	2021		2020	
	Amount	%	Amount	%
Deposits in bank	<b>₱8,255,056</b>	<b>23.1</b>	₱377,588	1.6
Quoted equity securities	<b>11,819,156</b>	<b>33.1</b>	8,730,180	36.2
Government debt securities	<b>14,286,025</b>	<b>40.0</b>	13,799,980	57.2
Mutual funds	<b>1,626,588</b>	<b>4.5</b>	1,114,186	4.6
Interest and other receivables	<b>133,889</b>	<b>0.4</b>	177,646	0.7
Other liabilities	<b>(370,967)</b>	<b>(1.1)</b>	(75,875)	(0.3)
	<b>₱35,749,747</b>	<b>100.0</b>	₱24,123,705	100.0

Accumulated balance of remeasurement losses (gains) recognized in statement of changes in equity follows:

	2021	2020
Balance at January 1	<b>₱10,633,745</b>	₱9,884,657
Remeasurement losses (gains)		
Defined benefit obligation	<b>(4,371,383)</b>	597,250
Fair value of plan assets	<b>(1,439,049)</b>	472,875
	<b>(5,810,432)</b>	1,070,125
Tax effect	<b>1,452,608</b>	(321,037)
	<b>(4,357,824)</b>	749,088
Balance at December 31	<b>₱6,275,921</b>	₱10,633,745

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming all other assumptions were held constant:

Possible fluctuations	Increase (Decrease)	
	2021	2020
Discount rate		
1.0%	<b>(₱5,305,827)</b>	(₱4,139,368)
(1.0%)	<b>6,257,845</b>	4,740,895
Future salary increase rate		
1.0%	<b>6,427,820</b>	4,899,291
(1.0%)	<b>(5,543,500)</b>	(4,356,465)

Shown below is the maturity analysis of undiscounted benefit payments:

	2021	2020
Less than one year	<b>₱2,101,838</b>	₱1,702,525
More than one to five years	<b>17,627,469</b>	22,901,426
More than five year to 10 years	<b>40,289,703</b>	35,328,046
More than 10 to 15 years	<b>27,126,142</b>	41,219,263
More than 15 to 20 years	<b>54,200,203</b>	57,528,878
More than 20 years	<b>180,945,438</b>	54,398,305



The average duration of the defined benefit obligation and the average expected future service years as of December 31, 2021 is 10 years.

As of December 31, 2021 and 2020, the retirement fund of the Parent Company's employees is being managed by the Ultimate Parent Company's Trust Banking Group, which has a Trust Committee that is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the retirement plan.

## 20. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions and the parties are subject to common control or common significant influence, such as affiliates. Related parties may be individuals or corporate entities. These related parties include subsidiaries, associates, key management personnel, stockholders, post-employment benefit plans for the benefit of the Parent Company's employees and other related parties which include affiliates.

In the normal course of business, the Group and the Parent Company has transactions with other companies considered as related parties. These transactions are based on terms similar to those offered to non-related parties. These transactions include money market placements, securities trading, bank deposits, management and technical assistance agreements.

The following table presents the balances of material intercompany transactions of the Group and Parent Company as of and for the years ended December 31, 2021 and 2020:

Category	December 31, 2021		Nature, Terms and Conditions
	Amount/ Volume	Outstanding Balance	
<b>Ultimate Parent Company</b>			
Cash in bank	₱-	₱231,083,967	Cash deposits with annual interest rate ranging from 0.1% to 0.3%
Receivable from customers	-	445	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Miscellaneous asset	-	126,191	Rental deposit, prepaid rent
Payable to customers	-	15,191,635	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Lease liability	-	1,121,427	5-year lease of office space
Accrued expenses and other liabilities			Audit fees, shared internet, pouch services and utilities
Commission income	9,963,112	-	Income from trading transactions on behalf of customers
Management and professional fees	1,575,000	-	Internal audit fee
Interest income	209,276	-	Interest on cash in bank
Amortization expense (Right-Of-Use Asset)	393,939	-	Amortization of ROU asset under PFRS 16
Interest expense (Lease liability)	81,335	-	Accretion of interest expense on lease liabilities under PFRS 16
Utilities and other expenses	351,814	-	Internet, utilities and pouch services
/Repairs and maintenance	70,510	-	System backup and maintenance

(Forward)



<b>December 31, 2021</b>			
<b>Category</b>	<b>Amount/ Volume</b>	<b>Outstanding Balance</b>	<b>Nature, Terms and Conditions</b>
<b>Parent Company</b>			
Receivable from customers	P-	P68,183	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Payable to customers	-	2,110,981	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Miscellaneous expenses	1,200,000	-	Fees for payroll processing and other services
Miscellaneous income	7,148,857	-	Research Fees
<i>Affiliates and Other Related Parties</i>			
<b>Philippine Savings Bank (PSBank)</b>			
Cash in bank	-	2,203,878	Cash deposits with annual interest rate of 1.3%
Short-term investments	-	697,098,597	Special savings account with annual interest rates ranging from of 3% to 6.5% and term of one to thirty-five (35) days
Other assets	-	1,658,278	Advance lease deposit for three (3) months; the lease agreement will end on July 15, 2022 with annual escalation of 5%
Accrued interest income	-	137,914	Accrued interest income from investment
Accrued expenses and other liability	-	-	Utilities and miscellaneous expenses
Payable to customers	-	481	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Lease liability	-	4,150,132	5-year lease of office space
Commission income	9,691	-	Income from trading transactions on behalf of customers
Contractual and other services	3,748,535	-	Co-location charges
Interest income	9,618,726	-	Interest on cash in bank and short-term investments
Amortization expense (Right-Of-Use Asset)	6,912,367	-	Amortization of ROU asset under PFRS 16
Interest expense (Lease liability)	652,887	-	Accretion of interest expense on lease liabilities under PFRS 16
Utilities and other expenses	551,929	-	Utilities and association dues
<b>First Metro Save &amp; Learn Equity Fund, Inc.</b>			
Payable to customers	-	99,427,414	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	7,325,368	-	Income from trading transactions on behalf of customers
<b>First Metro Save &amp; Learn Balance Fund, Inc.</b>			
Payable to customers	-	14,292,956	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	1,915,610	-	Income from trading transactions on behalf of customers

(Forward)



<b>December 31, 2021</b>			
<b>Category</b>	<b>Amount/ Volume</b>	<b>Outstanding Balance</b>	<b>Nature, Terms and Conditions</b>
<b>First Metro Save and Learn F.O.C.C.U.S Dynamic Fund, Inc.</b>			
Payable to customers	P-	P124,099	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	148,034	-	Income from trading transactions on behalf of customers
<b>First Metro Philippine Equity Exchange Traded Fund, Inc.</b>			
Receivable from customers	-	507,685	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Payable to customers	-	1,508	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	971,380	-	Income from trading transactions on behalf of customers
<b>First Metro Asset Management Inc.</b>			
Receivable from customers	-	300	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Investment in mutual funds at FVTPL	-	53,011,428	Save & Learn Money Market Fund
Commission income	388	-	Income from trading transactions on behalf of customers
Rent, power and light	21,635	-	Share in rent and utilities expenses for investor center
Mutual funds commission	157,768	-	Trail commissions on mutual funds
Unrealized gains (losses)	496,043	-	Unrealized gains (losses) on investment in mutual funds
<b>Philippine Axa Life Insurance Corp.</b>			
Commission income	3,518,629	-	Income from trading transactions on behalf of customers
Insurance expense	351,470	-	Life insurance premium
<b>Charter Ping-an Corporation</b>			
Payable to customers	-	14,786	Payables arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Insurance expense	179,146	-	Car insurance premium and General Comprehensive Liability
Commission income	474,813	-	Income from trading transactions on behalf of customers
<b>Toyota Manila Bay Corporation</b>			
Repairs and maintenance	6,641	-	Repairs and maintenance of company cars

(Forward)



December 31, 2021			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
<b>Multi-Currency FX Corporation</b>			
Payable to Customers	P-	P66,995,825	Payables arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
<b>GT Capital Holdings Inc.</b>			
Commission income	1,373,873	-	Income from trading transactions on behalf of customers
<b>Tytana Corporation</b>			
Payable to customers	142,447	-	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
<b>Skyland Plaza Condominium Corporation</b>			
Payable to customers	-	436,915	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	3,743	-	Income from trading transactions on behalf of customers
December 31, 2020			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
<b>Ultimate Parent Company</b>			
Cash in bank	P-	P494,107,423	Cash deposits with annual interest rate ranging from 0.1% to 0.3%
Receivable from customers	-	445	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Miscellaneous asset	-	252,383	Rental deposit, prepaid rent
Payable to customers	-	2,640,623	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Lease liability	-	1,487,028	5-year lease of office space
Accrued expenses and other liabilities	-	1,651,982	Audit fees, shared internet, pouch services and utilities
Commission income	5,803,978	-	Income from trading transactions on behalf of customers
Management and professional fees	1,612,903	-	Internal audit fee
Interest income	560,169	-	Interest on cash in bank
Amortization expense (Right-Of-Use Asset)	393,939	-	Amortization of ROU asset under PFRS 16
Interest expense (Lease liability)	102,364	-	Accretion of interest expense on lease liabilities under PFRS 16
Utilities and other expenses	380,773	-	Internet, utilities and pouch services
Repairs and maintenance	76,920	-	System backup and maintenance

(Forward)



December 31, 2020			
Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
<b>Parent Company</b>			
Receivable from customers	P-	P68,183	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Payable to customers	-	1,812,131	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Accrued expenses and other liability	-	524,556	Miscellaneous expenses
Commission income	102,000	-	Income from trading transactions on behalf of customers
Miscellaneous expenses	1,200,000	-	Fees for payroll processing and other services
Interest expense	28,125	-	Interest on loan
 <i>Affiliates and Other Related Parties</i>			
<b>Philippine Savings Bank (PSBank)</b>			
Cash in bank	-	5,430,062	Cash deposits with annual interest rate of 1.3%
Short-term investments	-	2,580,477,392	Special savings account with annual interest rates ranging from of 3% to 6.5% and term of one to thirty-five (35) days
Other assets	-	1,658,278	Advance lease deposit for three (3) months; the lease agreement will end on July 15, 2022 with annual escalation of 5%
Accrued interest income	-	624,417	Accrued interest income from investment
Accrued expenses and other liability	-	28,586	Utilities and miscellaneous expenses
Payable to customers	-	481	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Lease liability	-	11,765,067	5-year lease of office space
Commission income	73,912	-	Income from trading transactions on behalf of customers
Contractual and other services	4,589,316	-	Co-location charges
Interest income	31,183,061	-	Interest on cash in bank and short-term investments
Amortization expense (Right-Of-Use Asset)	6,830,038	-	Amortization of ROU asset under PFRS 16
Interest expense (Lease liability)	1,355,766	-	Accretion of interest expense on lease liabilities under PFRS 16
Utilities and other expenses	564,082	-	Utilities and association dues
 <b>First Metro Save &amp; Learn Equity Fund, Inc.</b>			
Payable to customers	-	74,336	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	2,122,152	-	Income from trading transactions on behalf of customers

(Forward)



Category	December 31, 2020		
	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
First Metro Save & Learn Balance Fund, Inc. Payable to customers	₱-	₱5,380	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	1,117,754	-	Income from trading transactions on behalf of customers
First Metro Consumer Fund on MSCI Philippines IMI, Inc Receivable from customers	-	10,275	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	783,886	-	Income from trading transactions on behalf of customers
First Metro Save and Learn F.O.C.C.U.S Dynamic Fund, Inc. Receivable from customers	-	36,120	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	77,399	-	Income from trading transactions on behalf of customers
First Metro Philippine Equity Exchange Traded Fund, Inc. Receivable from customers	-	15,802	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	1,573,854	-	Income from trading transactions on behalf of customers
First Metro Asset Management Inc. Receivable from customers	-	225	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Investment in mutual funds at FVTPL	-	52,515,385	Save & Learn Money Market Fund
Commission income	1,306	-	Income from trading transactions on behalf of customers
Rent, power and light	776,830	-	Share in rent and utilities expenses for investor center
Mutual funds commission	193,229	-	Trail commissions on mutual funds
Unrealized gains (losses)	906,906	-	Unrealized gains (losses) on investment in mutual funds
Philippine Axa Life Insurance Corp. Commission income	165,366	-	Income from trading transactions on behalf of customers
Insurance expense	486,351	-	Life insurance premium

(Forward)





Category	December 31, 2020		
	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
Charter Ping-an Corporation Payable to customers	₱-	₱14,786	Payables arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Insurance expense	201,217	-	Car insurance premium and General Comprehensive Liability
Toyota Manila Bay Corporation Repairs and maintenance	38,434	-	Repairs and maintenance of company cars
Multi-Currency FX Corporation Payable to Customers	-	66,894,689	Payables arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
GT Capital Holdings Inc. Commission income	3,109,606	-	Income from trading transactions on behalf of customers
Tytana Corporation Payable to customers	-	142,447	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Metro Pacific Investment Corporation Commission income	1,797,301	-	Income from trading transactions on behalf of customers
Skyland Plaza Condominium Corporation Payable to customers		1,937,770	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Commission income	17,361	-	Income from trading transactions on behalf of customers
PBC Capital Investment Corp. Commission income	18,000	-	Income from trading transactions on behalf of customers

*Terms and conditions of transactions with related parties*

Except for receivables and payables arising from trading transactions that are settled by offsetting the balances and are secured by underlying shares of stocks, the outstanding balances are unsecured and are generally settled in cash. There have been no guarantees provided or received for any related party receivables or payables. An impairment assessment is undertaken each financial year through a review of the financial condition of the related party and the market in which the related party operates.

As of December 31, 2021 and 2020, allowance for credit losses on receivables from related parties amounted to ₱576,511 and ₱97,255, respectively, as required under Rule 52.1.11.3 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code.

*Transactions with retirement plan*

On December 20, 2012, the Philippine SEC issued Memorandum Circular No. 12 providing for guidelines on the disclosure of transactions with retirement benefit funds. Under said circular, a reporting entity shall disclose information about any transaction with a related party (retirement fund,



in this case) and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

Under PFRS, certain post-employment benefit plans are considered as related parties. The Parent Company's retirement plan is being administered by the Ultimate Parent Company's Trust Banking Group under the supervision of the Retirement Committee, whom is senior members of FMIC and the Parent Company.

The Parent Company's retirement plan is in the form of a trust administered by the Ultimate Parent Company's Trust Division. The values of the assets of the fund that are invested with related parties are as follows:

	2021	2020
Cash in bank	<b>₱2,321,770</b>	₱377,588
Quoted equity securities	<b>11,819,156</b>	8,730,180
Mutual funds	<b>1,099,240</b>	1,114,186
Unit Investment Trust Fund	<b>527,348</b>	-
	<b>₱15,767,514</b>	₱10,221,954

The following are the amounts recognized by the retirement plan arising from its transactions with the Ultimate Parent Company for the year ended December 31, 2021 and 2020:

	2021	2020
Trust fee	<b>₱128,053</b>	₱121,453
Interest income	<b>692</b>	37,257

Included in the Parent Company's retirement plan assets are investments in shares of FAMI Save and Learn Fixed Income Fund, Inc. (FMSLFIF) amounting to ₱1.1 million as of December 31, 2021 and 2020, and investments in unit investment trust fund managed by the Ultimate Parent Company amounting to ₱0.5 and nil, respectively, as of December 31, 2021 and 2020.

The total fair value of retirement plan assets as of December 31, 2021 and 2020 are disclosed in Note 19.

*Remunerations of directors and other key management personnel*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Parent Company, directly or indirectly.

The Group and the Parent company consider the members of the Executive Committee to constitute key management personnel for purposes of PAS 24, *Related Party Disclosures*.

The remuneration of the Group and the Parent Company's key management personnel follows:

	2021	2020
Salaries and short-term benefits	<b>₱39,352,020</b>	₱41,619,598
Post-employment benefits	<b>3,451,412</b>	3,421,121
	<b>₱42,803,432</b>	₱45,040,719



*Other related party transactions*

As of December 31, 2021 and 2020, brokered transactions on behalf of affiliates and other related parties of the Parent Company follow:

	Purchase of securities		Sale of securities	
	2021	2020	2021	2020
Ultimate Parent Company	<b>₱1,876,362,187</b>	₱1,468,123,532	<b>₱2,253,241,874</b>	₱925,565,921
Parent Company	–	–	–	40,452,180
Other Related Parties	<b>3,730,057,958</b>	3,616,646,789	<b>4,732,804,970</b>	1,245,988,287

## 21. Equity

### Share Capital

The Parent Company has authorized capital stock of 2,000,000 shares, of which 1,690,000 shares were issued, fully paid and outstanding at ₱100.0 par value per share.

### Capital Management

The primary objectives of the Group and the Parent Company's capital management is to ensure that it complies with externally imposed capital requirements and it maintains strong credit ratings and healthy capital ratios in order to support its business and to maximize shareholders' value.

The Group and the Parent Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group and the Parent Company may adjust the amount of dividend payment to shareholders, or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

### Regulatory Qualifying Capital

The Amended Implementing Rules and Regulations of the SRC effective February 28, 2004 include, among others, revisions in the terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker dealers as follows:

- a. to allow a net capital of ₱2.5 million or 2.5% of aggregate indebtedness (AI), whichever is higher, for broker dealers dealing only in proprietary shares and not holding securities;
- b. to allow the SEC to set a different net capital requirement for those authorized to use the RBCA model; and
- c. to require unimpaired paid-up capital of ₱100.0 million for broker dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; ₱10.0 million plus a surety bond for existing broker dealers not engaged in market making transactions; and ₱2.5 million for broker dealers dealing only in proprietary shares and not holding securities.

RBCA ratio of a broker dealer, computed by dividing the Net Liquid Capital (NLC) by the Total Risk Capital Requirement (TRCR), should not be less than 110.0%. NLC and TRCR are computed based on the existing SRC. NLC consists of total equity adjusted for allowance for market decline, subordinated liabilities, deferred tax assets, revaluation reserves, deposits for future stock subscription, minority interest, if any, contingencies and guarantees, and the total ineligible assets. Also, the AI of every stockbroker should not exceed 2,000.0% of its NLC and at all times shall have and maintain NLC of at least ₱5.0 million or 5.0% of the AI, whichever is higher.



As of December 31, 2021 and 2020, the Parent Company is in compliance with the RBCA ratio. The RBCA ratio of the Parent Company as reported to the PSE as of December 31, 2021 and 2020 are shown in the table below:

	2021	2020
Equity eligible for NLC	₱589,778,207	₱443,088,269
Ineligible assets	(139,975,295)	(166,937,142)
<b>NLC</b>	<b>₱449,802,912</b>	<b>₱276,151,127</b>
Operational risk	₱70,057,748	₱56,368,864
Position risk	58,105,962	56,201,023
Counterparty risk	155	90,578
Large Exposure Risk to a single issuer and group of companies (LERR-3)	-	-
<b>TRCR</b>	<b>₱128,163,865</b>	<b>₱112,660,465</b>
<b>AI</b>	<b>₱5,402,509,501</b>	<b>₱4,183,630,314</b>
5.0% of AI	₱270,125,475	₱209,181,516
Required NLC	270,125,475	209,181,516
Net risk-based capital excess	179,677,437	66,969,611
Ratio of AI to NLC	1201%	1515%
RBCA ratio	351%	245%

Further, SEC Memorandum Circular No. 16 dated November 11, 2004 provides the guidelines on the adoption in the Philippines of the RBCA Framework for all registered brokers dealers in accordance with SRC. These guidelines cover the following risks:

- (a) position or market risk,
- (b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and
- (c) operational risk.

The following are the definition of terms used in the above computation:

*Ineligible assets*

These pertain to fixed assets and assets which cannot be readily converted into cash.

*Operational risk requirement*

This is the amount required to cover a level of operational risk. Operational risk is the exposure associated with commencing and remaining in business arising separately from exposures covered by other risk requirements. It is the risk of loss resulting from inadequate or failed internal processes, people and systems which include, among others, risks of fraud, operational or settlement failure and shortage of liquid resources, or from external events.

*Position risk requirement*

This is the amount necessary to accommodate a given level of position risk. Position risk is the risk to which a broker dealer is exposed to and arising from securities held by it as a principal or as proprietary or dealer account.

*Counterparty risk requirements*

This is the amount necessary to accommodate a given level of counterparty risk. Counterparty risk is the risk of a counterparty defaulting on its financial obligation to a broker dealer.



*Aggregate indebtedness*

This is the total money liabilities of a broker dealer arising in connection with any transaction whatsoever, and includes, among other things, money borrowed, money payable against securities loaned and securities failed to receive, the market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' account having short positions in securities, but subject to certain exclusions. This amount differs from total liabilities presented in the statements of financial position as it excludes impact of netting due from/to accounts and grossing up of receivables and payables to customers that did not meet offsetting criteria (see Note 2).

Reserves

CMIC Rule Article VIII-A, Section 2(2.1)(B) and Rule 49.1 (B), *Reserve Fund*, of the SEC Memorandum Circular No. 16, requires that every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to appropriated retained earnings. Minimum appropriation shall be 30.0%, 20.0% and 10.0% of profit after tax for broker dealers with unimpaired paid up capital between ₱10.0 million to ₱30.0 million, between ₱30.0 million to ₱50.0 million and more than ₱50.0 million, respectively.

The BOD approved the appropriation of ₱13.0 million in 2021 in compliance with the regulatory requirements on March 24, 2022.

Minimum Capital Requirements

For registration and subsequent renewal of license of brokers and dealers, SRC Rule 28.1, *Registration of Brokers and Dealers*, requires brokers and dealers to maintain a minimum capital requirement amounting to ₱100.0 million. Paid-up capital of the Parent Company amounted to ₱169.0 million in 2021 and 2020.

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## 22. Lease Contracts

*Company as a lessee*

The Company has lease contracts for its office premises and branch offices for a period ranging from 1 year to 5 years, renewable by mutual agreement of the parties at the end of term of the lease.

In 2021 and 2020, the following are the amounts recognized in the statement of comprehensive income related to the lease:

	2021	2020
Amortization expense of right-of-use assets (Note 12)	<b>₱7,306,306</b>	₱7,299,321
Rent expenses relating to short-term leases (included in operating expenses)	<b>1,311,539</b>	2,172,091
Interest expense on lease liabilities	<b>734,222</b>	1,458,935
Total amount recognized in statement of income	<b>₱9,352,067</b>	₱10,930,347



The rollforward analysis of the lease liability as of December 31, 2021 and 2020 follows:

	2021	2020
At January 1	₱13,252,094	₱20,172,842
Additions	–	–
Interest expense	734,222	1,458,935
Lease payments	(8,714,757)	(8,379,683)
As at December 31	<b>₱5,271,559</b>	<b>₱13,252,094</b>

Shown below is the maturity analysis of the undiscounted lease payments related to the lease:

	2021	2020
Within one year	₱4,704,021	₱8,714,757
More than one year but less than two years	492,747	4,704,021
More than two year but less than three years	252,383	492,747
More than three year but less than four years	–	252,383
More than five years	–	–
	<b>₱5,449,151</b>	<b>₱14,163,908</b>

### 23. Miscellaneous Expenses

Miscellaneous expenses consist of allowances for employees, expenses for company sponsorships, corporate giveaways, maintenance and administrative costs amounting to ₱16.3 million and ₱7.7 million, respectively, for the Group and ₱16.3 million and ₱6.9 million, respectively, for the Parent Company as at December 31, 2021 and 2020.

### 24. Offsetting of Financial Assets and Financial Liabilities

The amendments to PFRS 7 require the Company to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreements or similar arrangements. The effects of these arrangements are disclosed in the succeeding tables.

#### *Financial assets*

2021						
Financial assets recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial condition [a-b]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments	Financial collateral	Net exposure
	[a]	[b]	[c]	[d]	[e]	[f]
Receivable from clearing house and other brokers	₱410,853,442	₱–	₱410,853,442	₱–	₱–	₱410,853,442
Receivable from customers	876,130,683	–	876,130,683	–	703,972,784	172,157,899



2020						
Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria						
Financial assets recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial condition [a-b]	Financial instruments	Financial collateral	Net exposure [c-d-e]
	[a]	[b]	[c]	[d]	[e]	[f]
Receivable from clearing house and other brokers	₱41,653,929	₱-	₱41,653,929	₱-	₱-	₱41,653,929
Receivable from customers	1,522,493,889	-	1,522,493,889	-	1,353,342,141	169,151,747

### Financial Liabilities

2021						
Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria						
Financial liabilities recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial condition [a-b]	Financial instruments	Financial collateral	Net exposure [c-d-e]
	[a]	[b]	[c]	[d]	[e]	[f]
Payable to clearing house and other brokers	₱11,225,163	₱-	₱11,225,163	₱-	₱-	₱11,225,163
Payable to customers	5,968,527,307	-	5,968,527,307	-	-	5,968,527,307

2020						
Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria						
Financial liabilities recognized at end of reporting period by type	Gross carrying amounts (before offsetting)	Gross amounts offset in accordance with the offsetting criteria	Net amount presented in statements of financial condition [a-b]	Financial instruments	Financial collateral	Net exposure [c-d-e]
	[a]	[b]	[c]	[d]	[e]	[f]
Payable to clearing house and other brokers	₱104,335,161	₱-	₱104,335,161	₱-	₱-	₱104,335,161
Payable to customers	5,336,514,245	-	5,336,514,245	-	-	5,336,514,245

## 25. Approval of Release of Financial Statements

The accompanying comparative financial statements of the Group and of the Parent Company were authorized and approved for issue by the BOD on March 24, 2022.

## 26. Supplementary Information Required Under Revenue Regulations No. 15-2010

The Parent Company reported and/or paid the following types of taxes for the year:

### VAT

The NIRC of 1997 also provides for the imposition of 12.0% VAT on sales of goods and services. Accordingly, the Parent Company's sales are subject to output VAT while its importations and purchases from other VAT-registered individuals or corporations are subject to input VAT.



Details of the Parent Company's net sales/receipts, output VAT and input VAT accounts are as follows:

Net sales/receipts and output VAT declared in the Parent Company's VAT returns filed for 2021 follow:

	Net Receipts	Output VAT Payable
Balance as at January 1, 2021	₱-	₱-
Vatable sales:		
Vatable sales/receipts	470,475,878	56,457,748
Sale to government	1,540,230	184,828
	472,016,108	56,642,576
Zero rated sales/receipts	-	-
Exempt sales	967,697	-
	472,983,805	56,642,576
Less: VAT remittances	-	42,540,115
VAT withheld on sale to government	1,540,230	77,012
Creditable VAT withheld	998,736	49,937
Input VAT claimed as deduction	116,700,975	13,975,512
Balance as at December 31, 2021	₱353,743,864	₱-

The Parent Company's net sales of services are based on actual collections received, hence may not be the same as amounts presented in the statements of comprehensive income.

#### Purchases of Goods/Services and Input VAT

	Input VAT
Balance at January 1	₱-
Current year's purchases/payments for:	
Domestic purchases of goods	1,339,744
Domestic purchases of services	12,664,373
Total	14,004,117
Less: Deductions from input tax	
Input tax allocable to exempt sales	28,605
Input tax on sale to government closed to expense	-
Total deductions from input tax	28,605
Balance available to be applied to Output VAT	13,975,512
Less: Input VAT claimed as deduction	13,975,512
Balance at December 31	₱-

#### Other Taxes and Licenses

This includes all other taxes, documentary stamp tax, local tax, fringe benefit tax including licenses and permit fees for the year ended December 31, 2021:

Local taxes	₱584,668
Others	273,036
	₱857,704





Withholding Taxes

Details of total remittances in 2021 and outstanding balance as of December 31, 2021 are as follows:

	Total Remittances	Balance as of December 31
Withholding taxes on compensation and benefits	₱16,373,773	₱1,322,372
Expanded withholding taxes	4,412,599	529,355
	₱20,786,372	₱1,851,727

Total remittances pertain to tax payments made for the reporting period covering January 2021 to November 2021. The outstanding withholding tax payable as of December 31, 2021 represents the withholding taxes for the month of December 2021 which were remitted in January 2022.

Tax Assessments

The Company has no pending tax cases and/or assessment as of December 31, 2021.



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## INDEPENDENT AUDITOR'S REPORT

The Stockholders and the Board of Directors  
First Metro Securities Brokerage Corporation  
18th Floor, PSBank Center  
777 Paseo de Roxas corner Sedeño Street  
Makati City

We have audited the financial statements of First Metro Securities Brokerage Corporation (the Company) as at December 31, 2021 and for the year then ended, on which we have rendered the attached report dated March 24, 2022.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the above Company has only one (1) stockholder owning one hundred (100) or more shares each.

SYCIP GORRES VELAYO & CO.



Veronica Mae A. Arce

Partner

CPA Certificate No. 0117208

Tax Identification No. 234-282-413

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0117208-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-135-2021, November 10, 2021, valid until November 9, 2024

PTR No. 8853465, January 3, 2022, Makati City

March 24, 2022



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**INDEPENDENT AUDITOR'S REPORT  
ON THE SCHEDULE OF RECONCILIATION  
OF RETAINED EARNINGS AVAILABLE  
FOR DIVIDEND DECLARATION**

The Stockholders and the Board of Directors  
First Metro Securities Brokerage Corporation  
18th Floor, PSBank Center  
777 Paseo de Roxas corner Sedeño Street  
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of First Metro Securities Brokerage Corporation (the Company) as at December 31, 2021, and have issued our report thereon dated March 24, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic financial statements. This has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Veronica Mae A. Arce

Partner

CPA Certificate No. 0117208

Tax Identification No. 234-282-413

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0117208-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-135-2021, November 10, 2021, valid until November 9, 2024

PTR No. 8853465, January 3, 2022, Makati City

March 24, 2022




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**INDEPENDENT AUDITOR'S REPORT  
ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
First Metro Securities Brokerage Corporation  
18th Floor, PSBank Center  
777 Paseo de Roxas corner Sedeño Street  
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of First Metro Securities Brokerage Corporation (the Company) as at December 31, 2021 and 2020, and have issued our report thereon dated March 24, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules listed in the Index to the Financial Statements and Supplementary Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Securities Regulation Code Rule 52.1, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

  
Veronica Mae A. Arce  
Partner

CPA Certificate No. 0117208

Tax Identification No. 234-282-413

BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024

SEC Partner Accreditation No. 0117208-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

SEC Firm Accreditation No. 0001-SEC (Group A)

Valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions

BIR Accreditation No. 08-001998-135-2021, November 10, 2021, valid until November 9, 2024

PTR No. 8853465, January 3, 2022, Makati City

March 24, 2022



**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**INDEX TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY SCHEDULES**  
**DECEMBER 31, 2021**

- Schedule I - Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration
- Schedule II - Statement of changes in liabilities subordinated to claims of general creditors
- Schedule III - Computation of risk-based capital adequacy requirement pursuant to SEC Memorandum Circular No. 16
- Schedule IV - Information relating to the possession or control requirements under SRC Rule 49.2 - Annex 49.2-A
- Schedule V - Computation for determination of reserve requirements under SRC Rule 49.2 - Annex 49.2-B
- Schedule VI - A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit
- Schedule VII - Results of monthly securities count conducted pursuant to SRC Rule 52.1.10, as Amended, as of balance sheet date
- Schedule VIII - Schedule of Financial Soundness Indicators in Two Comparative Periods under SRC Rule 68, as Amended

**SCHEDULE I**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS  
AVAILABLE FOR DIVIDEND DECLARATION  
AS OF DECEMBER 31, 2021**

<b>Unappropriated Retained Earnings</b>	₱201,438,979
Less:	
Deferred tax assets	(8,978,472)
Unrealized gain on financial assets at FVTPL	904,301
<b>Unappropriated Retained Earnings, as adjusted to available for distribution, beginning of the year</b>	<b>251,875,477</b>
Add:	
Net income during the period closed to Retained Earnings	130,237,701
Realized gain on financial assets at FVTPL	904,301
Deferred tax assets	20,398,259
Less:	
Unrealized gain on financial assets at FVTPL	(441,337)
<b>Net income actually earned during the period</b>	<b>402,974,401</b>
Less: Appropriation of Retained Earnings during the period	(13,023,770)
<b>Total Retained Earnings, End</b>	
<b>Available for Dividend</b>	<b>₱389,950,631</b>

**SCHEDULE II**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS  
DECEMBER 31, 2021**

There are no liabilities subordinated to claims of general creditors.

**SCHEDULE III**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
RISK-BASED CAPITAL ADEQUACY WORKSHEET  
PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16  
DECEMBER 31, 2021**

<b>Assets</b>	<b>₱6,005,386,218</b>
<b>Liabilities</b>	<b>5,402,509,501</b>
<b>Equity as per books</b>	<b>602,876,716</b>
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	-
Subordinated Liabilities	-
Unrealized Gain / (Loss) in proprietary accounts	-
Deferred Income Tax	(13,098,510)
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	-
Minority Interest	-
Total Adjustments to Equity per books	(13,098,510)
<b>Equity Eligible For Net Liquid Capital</b>	<b>589,778,207</b>
Contingencies and Guarantees	
Deduct: Contingent Liability	-
Guarantees or indemnities	-
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	4,750,000
b. Intercompany Receivables	-
c. Fixed Assets, net of accumulated and excluding those used as collateral	21,016,288
d. All Other Current Assets	23,387,731
e. Securities Not Readily Marketable	50,000,000
f. Negative Exposure (SCCP)	34,945
g. Notes Receivable (non-trade related)	-
h. Interest and Dividends Receivables outstanding for more than 30 days	-
i. Ineligible Insurance claims	-
j. Ineligible Deposits	-
k. Short Security Differences	-
l. Long Security Differences not resolved prior to sale	-
m. Other Assets including Equity Investment in PSE	40,786,331
Total ineligible assets	139,975,295
<b>Net Liquid Capital (NLC)</b>	<b>449,802,912</b>
Less:	
Operational Risk Requirement	70,057,748
Position Risk Requirement	58,105,962
Counterparty Risk	155
Large Exposure Risk	-
LERR to a single client	-
LERR to a single debt	-
LERR to a single issuer and group of companies	-
<b>Total Risk Capital Requirement ( TRCR )</b>	<b>128,163,866</b>
<b>Net RBCA Margin (NLC-TRCR)</b>	<b>321,639,046</b>
<b>Liabilities</b>	<b>5,402,509,501</b>
Add: Deposit for Future Stock Subscription (No application with SEC)	-
Less: Exclusions from Aggregate Indebtedness	-
Subordinated Liabilities	-
Loans secured by securities	-
Loans secured by fixed assets	-
Others	-
<b>Total adjustments to AI</b>	<b>-</b>
<b>Aggregate Indebtedness</b>	<b>5,402,509,501</b>
<b>5% of Aggregate Indebtedness</b>	<b>270,125,475</b>
<b>Required Net Liquid Capital (&gt; of 5% of AI or P5M)</b>	<b>270,125,475</b>
<b>Net Risk-based Capital Excess / ( Deficiency )</b>	<b>179,677,437</b>
<b>Ratio of AI to Net Liquid Capital</b>	<b>1201%</b>
<b>RBCA Ratio (NLC / TRCR)</b>	<b>351%</b>



**SCHEDULE IV**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
INFORMATION RELATING TO THE POSSESSION OR  
CONTROL REQUIREMENTS UNDER SRC RULE 49.2  
DECEMBER 31, 2021**

Customers' fully paid securities and excess margin securities not in the broker's or dealer's possession or control as of the report date (for which instructions to reduce to possession or control had been issued as of the report date but for which the required action was not taken by respondent within the time frame specified under SRC Rule 49.2):

Market Valuation:	<u>NIL</u>
Number of Items:	<u>NIL</u>

Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under SRC Rule 49.2:

Market Valuation:	<u>NIL</u>
Number of Items:	<u>NIL</u>

**SCHEDULE V**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER SRC RULE 49.2  
DECEMBER 31, 2021**

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱5,118,340,288	
2. Monies borrowed collateralized by securities carried for the account of customers.		
3. Monies payable against customers' securities loaned.		
4. Customers' securities failed to receive.		
5. Credit balances in firm accounts, which are attributable to principal sales to customers.		
6. Market value of stock dividends stock splits and similar distribution receivable outstanding over 30 calendar days old.		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities, which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱208,445,875
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make deliver on customers' securities failed to delivery.		
12. Failed to delivery customers' securities not older than 30 calendar days.		210,339,391
13. Others - sales/purchases of marketable securities.		
Total	₱5,118,340,288	₱418,785,266
Net Credit (Debit)	₱4,699,555,022	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱4,699,555,022	

**SCHEDULE VI**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES  
FOUND TO EXIST OR FOUND TO HAVE EXISTED  
SINCE THE DATE OF THE PREVIOUS AUDIT  
DECEMBER 31, 2021**

There were no matters involving the Parent Company's internal control structure and its operations that were considered to be material weaknesses.

**SCHEDULE VII**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
RESULTS OF MONTHLY SECURITIES COUNT  
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED  
DECEMBER 31, 2021**

There is no discrepancy in the results of the securities count conducted.

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	VALUE	NO. OF SHARES	VALUE	NO. OF SHARES	VALUE
2GO	2,540,160	19,330,618	2,532,360	19,271,260	-	-	100	761	(7,800)	(59,358)
8990B	3,152,220	313,961,112	3,152,220	313,961,112	-	-	-	-	-	-
8990P	884,410	89,325,410	882,400	89,122,400	-	-	-	-	(2,010)	(203,010)
AAA	128,900	207,529	128,900	207,529	-	-	-	-	-	-
AB	7,339,085	44,401,464	7,344,885	44,436,554	-	-	-	-	5,800	35,090
ABA	55,589,258	51,142,117	55,331,258	50,904,757	-	-	-	-	(258,000)	(237,360)
ABG	352,011	2,076,865	352,111	2,077,455	-	-	8	47	100	590
ABS	4,916,277	61,945,090	4,949,877	62,368,450	-	-	-	-	33,600	423,360
ABSP	333,970	3,980,922	333,970	3,980,922	-	-	-	-	-	-
AC	723,784	601,464,504	721,904	599,902,224	12	9,972	-	-	(1,880)	(1,562,280)
ACE	468,004	776,887	468,004	776,887	-	-	-	-	-	-
ACEN	219,004,784	2,409,052,624	220,729,729	2,428,027,019	-	-	-	-	1,724,945	18,974,395
ACEX	4,827,056	193,082,240	4,738,588	189,543,520	-	-	-	-	(88,468)	(3,538,720)
ACPBI	1,244,231	637,046,272	1,244,231	637,046,272	-	-	-	-	-	-
ACPVR	-	-	-	-	6,301	-	-	-	-	-
ACR	25,717,274	30,860,729	25,490,274	30,588,329	-	-	-	-	(227,000)	(272,400)

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	VALUE	NO. OF SHARES	VALUE	NO. OF SHARES	VALUE
ACRMC	128,737	-		-	133,237	-		-	-	-
AEV	1,817,454	98,960,370	1,781,284	96,990,914	-	-	-	-	(36,170)	(1,969,457)
AGI	28,420,488	335,361,758	30,260,742	357,076,756	1,240	14,632	-	-	1,840,254	21,714,997
ALCO	25,029,995	16,019,197	25,005,995	16,003,837	-	-	-	-	(24,000)	(15,360)
ALCPC	14,110	1,536,579	14,110	1,536,579	-	-	-	-	-	-
ALCPD	119,810	61,462,530	119,810	61,462,530	-	-	-	-	-	-
ALHI	197,050	1,085,746	194,950	1,074,175	-	-	-	-	(2,100)	(11,571)
ALI	22,366,097	820,835,760	22,708,274	833,393,656	1,200	44,040	-	-	342,177	12,557,896
ALIP	5,103,853	-	-	-	5,103,853	-	-	-	-	-
ALLDY	416,223,937	253,896,602	417,842,392	254,883,859	-	-	-	-	1,618,455	987,258
ALLHC	26,123,116	175,808,571	26,370,016	177,470,208	-	-	-	-	246,900	1,661,637
ALPHA	1,100	-	1,100	-	-	-	-	-	-	-
ANI	4,930,140	24,552,097	4,961,140	24,706,477	-	-	-	-	31,000	154,380
ANS	3,227,237	25,656,534	3,227,237	25,656,534	-	-	-	-	-	-
AP	17,615,023	523,166,183	17,634,223	523,736,423	-	-	-	-	19,200	570,240
APB2R	3,387,510	1,741,180,140	3,387,510	1,741,180,140	-	-	-	-	-	-
APC	143,045,005	31,469,901	142,655,005	31,384,101	-	-	-	-	(390,000)	(85,800)
APL	3,764,204,146	301,136,332	3,760,904,146	300,872,332	-	-	-	-	(3,300,000)	(264,000)
APO	12,891,263	11,602,137	12,891,263	11,602,137	-	-	-	-	-	-
APVI	965,485	18,672,480	972,785	18,813,662	-	-	6,143,423	118,813,801	7,300	141,182
APX	49,539,305	79,758,281	45,670,305	73,529,191	-	-	-	-	(3,869,000)	(6,229,090)
AR	20,734,767,572	95,379,931	20,734,767,572	95,379,931	-	-	-	-	-	-
ARA	3,051,517	2,959,971	3,050,517	2,959,001	-	-	-	-	(1,000)	(970)

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
AREIT	12,916,760	627,754,536	13,122,360	637,746,696	-	-	-	-	205,600	9,992,160
AT	55,078,005	339,831,291	55,327,505	341,370,706	-	-	-	-	249,500	1,539,415
ATI	986,485	13,810,790	985,585	13,798,190	-	-	-	-	(900)	(12,600)
ATN	31,929,000	12,452,310	31,919,000	12,448,410	-	-	-	-	(10,000)	(3,900)
ATNB	464,000	187,920	464,000	187,920	-	-	-	-	-	-
AUB	1,029,827	44,540,018	1,028,027	44,462,168	-	-	-	-	(1,800)	(77,850)
AXLM	323,599,703	970,799,109	323,863,703	971,591,109	-	-	-	-	264,000	792,000
BC	468,704	2,390,390	484,504	2,470,970	-	-	-	-	15,800	80,580
BCB	511,900	2,477,596	511,900	2,477,596	-	-	-	-	-	-
BCOR	170,173	1,191,211	924,473	6,471,311	-	-	-	-	754,300	5,280,100
BCP	11,860	374,183	11,860	374,183	-	-	-	-	-	-
BDO	8,892,605	1,073,337,424	9,161,175	1,105,753,823	13,769	1,661,918	-	-	268,570	32,416,399
BEL	23,953,323	32,336,986	23,945,323	32,326,186	-	-	-	-	(8,000)	(10,800)
BHI	453,049,091	28,542,093	453,049,091	28,542,093	-	-	-	-	-	-
BKR	3,657,008	6,143,773	3,657,008	6,143,773	-	-	-	-	-	-
BLFI	10,505,783	33,198,274	10,505,783	33,198,274	44,000	139,040	-	-	-	-
BLOOM	27,460,978	173,004,161	26,999,178	170,094,821	-	-	-	-	(461,800)	(2,909,340)
BMM	3,090	188,490	3,090	188,490	1,108	67,588	-	-	-	-
BPI	6,988,109	643,954,244	6,983,109	643,493,494	22,586	2,081,300	-	-	(5,000)	(460,750)
BRN	29,476,065	23,286,091	29,390,065	23,218,151	-	-	-	-	(86,000)	(67,940)
BRNP	218,020	22,892,100	218,720	22,965,600	-	-	-	-	700	73,500
BSC	270,273,945	170,272,585	270,319,945	170,301,565	-	-	-	-	46,000	28,980
C	33,404,923	55,452,172	33,522,073	55,646,641	-	-	-	-	117,150	194,469

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	VALUE	NO. OF SHARES	VALUE	NO. OF SHARES	VALUE
CA	39,114	1,633,010	39,014	1,628,835	-	-	-	-	(100)	(4,175)
CAB	14,676	807,180	14,636	804,980	-	-	-	-	(40)	(2,200)
CAL	4,649,258	-	4,649,258	-	-	-	893,040	-	-	-
CAT	968,108	12,585,404	967,408	12,576,304	-	-	-	-	(700)	(9,100)
CDC	7,201,089	5,256,795	7,215,089	5,267,015	-	-	-	-	14,000	10,220
CEB	4,077,746	171,876,994	4,055,636	170,945,057	-	-	-	-	(22,110)	(931,937)
CEBCP	656,113	29,393,862	625,113	28,005,062	-	-	-	-	(31,000)	(1,388,800)
CEI	54,075,660	5,677,944	53,995,660	5,669,544	-	-	-	-	(80,000)	(8,400)
CEU	135,560	883,851	137,760	898,195	-	-	-	-	2,200	14,344
CHI	4,913,832	30,072,652	4,913,832	30,072,652	-	-	-	-	-	-
CHIB	16,194,339	421,052,814	16,188,439	420,899,414	-	-	8	208	(5,900)	(153,400)
CHP	165,164,220	173,422,431	164,904,220	173,149,431	-	-	-	-	(260,000)	(273,000)
CIC	123,341	2,522,323	123,341	2,522,323	-	-	-	-	-	-
CIP	540	70,524	540	70,524	-	-	-	-	-	-
CLI	31,065,043	93,195,129	31,395,700	94,187,100	-	-	-	-	330,657	991,971
CNPF	204,940,540	5,994,510,795	205,267,010	6,004,060,043	-	-	-	-	326,470	9,549,248
CNVRG	13,660,047	435,755,499	14,476,467	461,799,297	-	-	-	-	816,420	26,043,798
COAL	42,661,312	11,305,248	42,661,312	11,305,248	-	-	-	-	-	-
COL	884,933	3,672,472	884,933	3,672,472	-	-	-	-	-	-
COSCO	32,948,203	171,330,656	32,976,303	171,476,776	-	-	-	-	28,100	146,120
CPG	202,638,051	81,055,220	201,498,051	80,599,220	-	-	-	-	(1,140,000)	(456,000)
CPGP	558,870	57,004,740	558,840	57,001,680	-	-	-	-	(30)	(3,060)
CPM	7,872,230	23,144,356	7,873,230	23,147,296	-	-	-	-	1,000	2,940

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
CROWN	2,596,565	4,388,195	2,599,565	4,393,265	-	-	-	-	3,000	5,070
CSB	121,700	890,844	121,700	890,844	-	-	-	-	-	-
CYBR	58,010,008	19,143,303	58,010,008	19,143,303	-	-	-	-	-	-
DD	29,672,982	215,425,849	29,758,182	216,044,401	-	-	-	-	85,200	618,552
DDMPR	311,302,159	557,230,865	310,655,159	556,072,735	-	-	-	-	(647,000)	(1,158,130)
DDPR	1,988,239	200,215,667	1,984,069	199,795,748	-	-	-	-	(4,170)	(419,919)
DELM	4,036,580	62,647,722	4,038,780	62,681,866	-	-	-	-	2,200	34,144
DFNN	17,312,335	42,415,221	17,312,335	42,415,221	-	-	-	-	-	-
DGTL	113,196	-	-	-	113,196	-	-	-	-	-
DITO	262,484,801	1,325,548,245	264,452,801	1,335,486,645	-	-	-	-	1,968,000	9,938,400
DIZ	328,087	1,604,345	328,087	1,604,345	-	-	-	-	-	-
DMC	77,043,071	594,002,077	77,465,871	597,261,865	-	-	-	-	422,800	3,259,788
DMPA1	130,750	1,229,050	127,180	1,195,492	-	-	-	-	(3,570)	(33,558)
DMPA2	170,230	1,729,537	170,230	1,729,537	-	-	-	-	-	-
DMW	2,847,109	19,303,399	2,847,909	19,308,823	-	-	1	7	800	5,424
DNA	2,483,513	7,102,847	2,483,513	7,102,847	-	-	-	-	-	-
DNL	14,874,050	140,559,773	15,342,050	144,982,373	-	-	-	-	468,000	4,422,600
DWC	2,661,000	4,789,800	2,638,000	4,748,400	-	-	-	-	(23,000)	(41,400)
EAGLE	2,532,520	36,974,792	2,528,120	36,910,552	-	-	-	-	(4,400)	(64,240)
ECP	831,987	3,494,345	831,987	3,494,345	-	-	-	-	-	-
EEI	11,151,957	72,487,721	11,266,757	73,233,921	-	-	-	-	114,800	746,200
EEIPA	604,200	61,024,200	603,400	60,943,400	-	-	-	-	(800)	(80,800)
EEIPB	300,350	32,287,625	301,500	32,411,250	-	-	-	-	1,150	123,625



STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	VA L U E	NO. OF SHARES	VA L U E	NO. OF SHARES	VA L U E
EG	1,444,802,989	13,581,148	1,444,802,989	13,581,148	-	-	-	-	-	-
EIBA	19,670,000	5,114,200	19,670,000	5,114,200	-	-	-	-	-	-
EIBB	2,600,000	676,000	2,600,000	676,000	-	-	-	-	-	-
ELI	41,346,844	10,543,445	41,036,844	10,464,395	363,612	92,721	-	-	(310,000)	(79,050)
EMP	1,232,822	25,642,698	1,518,452	31,583,802	-	-	-	-	285,630	5,941,104
ETON	21,000	-	21,000	-	-	-	-	-	-	-
EURO	4,069,689	5,697,565	4,018,689	5,626,165	-	-	-	-	(51,000)	(71,400)
EVER	68,139,054	22,485,888	71,119,054	23,469,288	-	-	-	-	2,980,000	983,400
EW	11,314,493	108,619,133	11,322,753	108,698,429	-	-	-	-	8,260	79,296
FAF	1,086,008	781,926	2,279,008	1,640,886	-	-	-	-	1,193,000	858,960
FB	1,424,384	101,701,018	1,423,824	101,661,034	-	-	-	-	(560)	(39,984)
FDC	2,432,329	18,728,933	2,432,329	18,728,933	-	-	-	-	-	-
FERRO	1,280,108	4,249,959	1,280,108	4,249,959	-	-	-	-	-	-
FEU	12,908	6,970,320	12,908	6,970,320	-	-	-	-	-	-
FFI	28,795	187,743	28,780	187,646	311,608	2,031,684	-	-	(15)	(98)
FGEN	3,865,699	107,659,717	3,912,699	108,968,667	-	-	-	-	47,000	1,308,950
FGENG	173,890	17,910,670	172,790	17,797,370	-	-	-	-	(1,100)	(113,300)
FILRT	28,300,755	209,425,587	28,321,855	209,581,727	-	-	-	-	21,100	156,140
FJP	182,400	474,240	188,400	489,840	-	-	-	-	6,000	15,600
FJPB	52,600	137,286	52,600	137,286	-	-	-	-	-	-
FLI	237,076,181	260,783,799	236,913,181	260,604,499	-	-	182,000,000	200,200,000	(163,000)	(179,300)
FMETF	9,852,478	1,067,023,367	9,856,858	1,067,497,721	-	-	-	-	4,380	474,354
FNI	97,836,432	210,348,329	97,564,432	209,763,529	-	-	-	-	(272,000)	(584,800)

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
FOOD	7,338,711	4,329,839	7,339,711	4,330,429	-	-	-	-	1,000	590
FPH	2,626,285	183,971,264	2,626,075	183,956,554	291	20,385	-	-	(210)	(14,711)
FPI	4,183,088	1,108,518	4,183,088	1,108,518	-	-	-	-	-	-
FRUIT	1,316,207,333	1,605,772,946	1,316,116,333	1,605,661,926	-	-	-	-	(91,000)	(111,020)
GEO	45,841,168	8,343,093	45,741,168	8,324,893	-	-	-	-	(100,000)	(18,200)
GERI	18,138,839	18,320,227	18,474,839	18,659,587	11,700	11,817	-	-	336,000	339,360
GLO	145,783	484,291,126	144,847	481,181,734	30	99,660	-	-	(936)	(3,109,392)
GMA7	24,283,565	336,084,540	24,789,665	343,088,964	-	-	-	-	506,100	7,004,424
GMAP	5,685,300	74,704,842	5,684,800	74,698,272	-	-	-	-	(500)	(6,570)
GO	1,090,000	-	1,090,000	-	-	-	-	-	-	-
GPH	3,507	50,431	3,507	50,431	-	-	-	-	-	-
GREEN	19,336,117	44,086,347	19,296,117	43,995,147	-	-	-	-	(40,000)	(91,200)
GSMI	1,441,461	164,038,262	1,442,471	164,153,200	-	-	-	-	1,010	114,938
GTCAP	1,851,787	999,964,980	1,737,032	937,997,280	-	-	-	-	(114,755)	(61,967,700)
GTCUL	947,997	-	-	-	947,997	-	-	-	-	-
GTPPA	814,280	810,208,600	814,280	810,208,600	-	-	-	-	-	-
GTPPB	1,372,220	1,372,220,000	1,372,220	1,372,220,000	-	-	-	-	-	-
HI	700,700	2,438,436	709,700	2,469,756	-	-	-	-	9,000	31,320
HLCM	13,905,278	76,757,135	14,103,778	77,852,855	-	-	-	-	198,500	1,095,720
HOME	5,871,791	49,264,326	5,873,291	49,276,911	-	-	-	-	1,500	12,585
HOUSE	2,947,517	33,247,992	2,920,417	32,942,304	-	-	-	-	(27,100)	(305,688)
HVN	16,041	8,662,140	16,041	8,662,140	-	-	-	-	-	-
I	1,405,531	1,166,591	1,405,531	1,166,591	-	-	-	-	-	-

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
ICT	483,047	96,609,400	665,807	133,161,400	-	-	-	-	182,760	36,552,000
IDC	16,570,695	20,050,541	16,569,395	20,048,968	-	-	-	-	(1,300)	(1,573)
IMI	19,031,843	159,867,481	19,013,543	159,713,761	3,008	25,267	-	-	(18,300)	(153,720)
IMP	1,020,007	1,438,210	1,020,007	1,438,210	-	-	-	-	-	-
ION	11,099,708	7,991,790	11,083,708	7,980,270	-	-	-	-	(16,000)	(11,520)
IPM	2,367,208	16,688,816	2,368,708	16,699,391	-	-	-	-	1,500	10,575
IPO	288,107	2,013,868	288,107	2,013,868	-	-	-	-	-	-
IRC	30,547,678	34,213,399	30,555,678	34,222,359	-	-	-	-	8,000	8,960
IS	98,325,500	14,158,872	98,325,500	14,158,872	-	-	-	-	-	-
JAS	676,300	1,176,762	649,300	1,129,782	-	-	-	-	(27,000)	(46,980)
JFC	10,362,310	2,242,403,884	10,391,487	2,248,717,787	-	-	11,345,110	2,455,081,804	29,177	6,313,903
JFCPA	39,855	39,855,000	39,855	39,855,000	-	-	-	-	-	-
JFCPB	138,275	138,689,825	138,270	138,684,810	-	-	-	-	(5)	(5,015)
JGS	2,635,690	139,691,570	2,789,430	147,839,790	-	-	-	-	153,740	8,148,220
JOH	19,000	103,550	21,000	114,450	-	-	-	-	2,000	10,900
KEEPR	119,357,892	157,552,417	118,182,352	156,000,705	-	-	-	-	(1,175,540)	(1,551,713)
KEP	1,447,115	4,355,816	1,441,115	4,337,756	48	144	-	-	(6,000)	(18,060)
KPH	51,298	312,918	55,998	341,588	-	-	-	-	4,700	28,670
KPHB	6,712	41,077	6,712	41,077	-	-	-	-	-	-
KPPI	1,334,439	3,776,462	1,334,444	3,776,477	-	-	-	-	5	14
LAND	5,795,475	4,926,154	5,842,475	4,966,104	-	-	-	-	47,000	39,950
LBC	34,101	850,820	31,601	788,445	-	-	-	-	(2,500)	(62,375)
LC	5,602,643,387	784,370,074	5,597,613,387	783,665,874	-	-	-	-	(5,030,000)	(704,200)

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
LCB	683,165,408	91,544,165	683,795,408	91,628,585	-	-	-	-	630,000	84,420
LFM	69,394	1,432,986	70,094	1,447,441	-	-	-	-	700	14,455
LIB	201,000	-	201,000	-	-	-	30,000	-	-	-
LMG	505,609	2,022,436	502,609	2,010,436	-	-	-	-	(3,000)	(12,000)
LODE	14,614,085	9,206,874	14,661,085	9,236,484	-	-	-	-	47,000	29,610
LOTO	2,593,624	4,512,906	2,553,624	4,443,306	-	-	-	-	(40,000)	(69,600)
LPZ	7,782,170	22,646,115	7,777,170	22,631,565	-	-	-	-	(5,000)	(14,550)
LR	14,410,159	21,471,137	14,404,159	21,462,197	-	-	-	-	(6,000)	(8,940)
LSC	4,973,529	4,476,176	4,973,529	4,476,176	-	-	-	-	-	-
LTG	30,159,825	298,582,268	30,980,334	306,705,307	-	-	-	-	820,509	8,123,039
MA	4,233,139,302	46,564,532	4,091,039,302	45,001,432	-	-	-	-	(142,100,000)	(1,563,100)
MAB	607,241,325	6,072,413	609,541,325	6,095,413	-	-	-	-	2,300,000	23,000
MAC	30,604,119	162,201,831	28,880,719	153,067,811	-	-	8	42	(1,723,400)	(9,134,020)
MACAY	371,011	2,044,271	371,011	2,044,271	-	-	-	-	-	-
MAH	3,121,297	3,714,343	3,125,297	3,719,103	-	-	-	-	4,000	4,760
MAHB	70,000	70,000	73,000	73,000	-	-	-	-	3,000	3,000
MARC	28,528,128	33,377,910	29,074,128	34,016,730	-	-	-	-	546,000	638,820
MAXS	6,280,116	40,695,152	6,280,316	40,696,448	-	-	-	-	200	1,296
MB	3,350,886	1,390,618	3,350,886	1,390,618	-	-	-	-	-	-
MBC	26,209	249,248	26,209	249,248	-	-	-	-	-	-
MBT	145,332,773	8,095,035,456	145,439,115	8,100,958,706	34,018	1,894,803	2,000,000	111,400,000	106,342	5,923,249
MED	13,387,100	4,016,130	13,387,100	4,016,130	-	-	-	-	-	-
MEDIC	12,836,750	16,559,408	12,946,750	16,701,308	-	-	-	-	110,000	141,900

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	VA L U E	NO. OF SHARES	VA L U E	NO. OF SHARES	VA L U E
MEG	166,476,547	524,401,123	187,033,030	589,154,045	55,350	174,353	-	-	20,556,483	64,752,921
MER	1,732,976	511,574,515	1,745,946	515,403,259	274	80,885	-	-	12,970	3,828,744
MFC	4,303	4,072,790	4,253	4,025,465	-	-	-	-	(50)	(47,325)
MFIN	106,251	265,628	106,251	265,628	-	-	-	-	-	-
MG	99,227,188	15,777,123	98,357,188	15,638,793	-	-	-	-	(870,000)	(138,330)
MGH	228,000	228,000	228,000	228,000	-	-	-	-	-	-
MHC	1,838,087	689,283	1,838,087	689,283	-	-	-	-	-	-
MJC	21,627,941	39,362,853	21,627,941	39,362,853	-	-	-	-	-	-
MJIC	117,599	135,239	117,599	135,239	-	-	-	-	-	-
MM	135,002,573	338,856,458	135,813,153	340,891,014	-	-	-	-	810,580	2,034,556
MON	68,370	-	-	-	68,370	-	-	-	-	-
MONDE	53,111,590	860,407,758	52,483,890	850,239,018	-	-	-	-	(627,700)	(10,168,740)
MPI	218,952,274	853,913,869	221,114,319	862,345,844	-	-	-	-	2,162,045	8,431,976
MRC	284,325,795	72,503,078	283,415,795	72,271,028	60,000	15,300	-	-	(910,000)	(232,050)
MREIT	19,443,395	383,034,882	23,010,195	453,300,842	-	-	-	-	3,566,800	70,265,960
MRS GI	42,289,436	60,896,788	42,290,436	60,898,228	-	-	31,000	44,640	1,000	1,440
MVC	408,306	1,747,550	408,306	1,747,550	-	-	-	-	-	-
MWC	19,922,487	493,081,553	19,920,787	493,039,478	-	-	-	-	(1,700)	(42,075)
MWIDE	46,092,942	238,761,440	46,036,142	238,467,216	-	-	-	-	(56,800)	(294,224)
MWP2A	56,230	5,429,007	56,230	5,429,007	-	-	-	-	-	-
MWP2B	221,870	22,076,065	221,870	22,076,065	-	-	-	-	-	-
MWP4	311,240	31,404,116	311,240	31,404,116	-	-	-	-	-	-
NI	7,176,108	7,391,391	7,167,108	7,382,121	-	-	-	-	(9,000)	(9,270)

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
NIKL	95,323,511	509,980,784	98,313,211	525,975,679	-	-	-	-	2,989,700	15,994,895
NOW	53,177,870	68,599,452	53,067,770	68,457,423	-	-	-	-	(110,100)	(142,029)
NRCP	216,873,950	130,124,370	216,873,950	130,124,370	-	-	-	-	-	-
NXGEN	208,950	1,462,650	208,250	1,457,750	700	4,900	-	-	-	-
OM	100,262,193	34,590,457	99,962,193	34,486,957	-	-	-	-	(300,000)	(103,500)
OPM	5,055,409,462	55,609,504	5,055,409,462	55,609,504	-	-	-	-	-	-
OPMB	309,188,484	3,401,073	310,288,484	3,413,173	-	-	-	-	1,100,000	12,100
ORE	26,367,182	20,566,402	26,487,182	20,660,002	-	-	-	-	120,000	93,600
OV	2,119,867,234	21,198,672	2,127,867,234	21,278,672	-	-	-	-	8,000,000	80,000
PA	966,354	3,092,333	969,354	3,101,933	-	-	-	-	3,000	9,600
PAL	901,919	5,456,610	901,919	5,456,610	-	-	-	-	-	-
PAX	738,518	1,203,784	738,518	1,203,784	-	-	-	-	-	-
PBB	8,356,740	83,567,400	8,363,590	83,635,900	-	-	-	-	6,850	68,500
PBC	116,246	2,031,980	116,246	2,031,980	-	-	-	-	-	-
PCOR	79,612,157	252,370,538	79,530,957	252,113,134	2,100	6,657	-	-	(81,200)	(257,404)
PCP	49,878,060	10,225,002	49,878,060	10,225,002	-	-	-	-	-	-
PERC	3,507,862	14,031,448	3,525,862	14,103,448	-	-	-	-	18,000	72,000
PGOLD	8,138,459	319,841,439	8,543,052	335,741,944	-	-	-	-	404,593	15,900,505
PHA	206,807,086	115,811,968	207,352,086	116,117,168	-	-	-	-	545,000	305,200
PHC	2,000	2,800	2,000	2,800	-	-	-	-	-	-
PHES	30,134,860	15,368,779	29,900,860	15,249,439	-	-	-	-	(234,000)	(119,340)
PHN	481,823	9,708,733	465,523	9,380,288	-	-	-	-	(16,300)	(328,445)
PHR	77,101,169	60,138,912	77,058,169	60,105,372	-	-	-	-	(43,000)	(33,540)

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
PIP	1,228,842	-	1,228,842	-	-	-	85,400	-	-	-
PIZZA	10,532,892	106,382,209	10,469,492	105,741,869	-	-	-	-	(63,400)	(640,340)
PLC	207,973,288	89,428,514	208,143,288	89,501,614	-	-	-	-	170,000	73,100
PMPC	735,675	4,414,050	733,675	4,402,050	-	-	-	-	(2,000)	(12,000)
PMT	50,000	18,500	50,000	18,500	-	-	-	-	-	-
PNB	9,855,030	198,086,103	10,247,090	205,966,509	1,134	22,793	-	-	392,060	7,880,406
PNC	6,400	31,360	6,400	31,360	-	-	-	-	-	-
PNX	664,923	7,221,064	664,923	7,221,064	-	-	-	-	-	-
PNX3B	460,630	47,168,512	461,380	47,245,312	-	-	-	-	750	76,800
PNX4	151,820	151,516,360	151,450	151,147,100	-	-	-	-	(370)	(369,260)
PORT	11,300	82,490	11,300	82,490	-	-	-	-	-	-
PPC	1,569,127	9,085,245	1,561,327	9,040,083	-	-	-	-	(7,800)	(45,162)
PPI	29,475	-	29,475	-	-	-	2,407	-	-	-
PRC	22,038,463	171,900,011	22,038,463	171,900,011	-	-	-	-	-	-
PRF3A	612,390	612,390,000	610,790	610,790,000	-	-	-	-	(1,600)	(1,600,000)
PRF3B	226,845	253,839,555	226,845	253,839,555	-	-	-	-	-	-
PRIM	6,630,060	7,757,170	6,653,060	7,784,080	-	-	-	-	23,000	26,910
PRMX	7,727,184	16,613,446	7,365,184	15,835,146	-	-	-	-	(362,000)	(778,300)
PSB	206,976,550	11,694,175,075	206,976,550	11,694,175,075	-	-	-	-	-	-
PSE	3,047,455	655,202,825	3,047,485	655,209,275	-	-	-	-	30	6,450
PTC	4,140	488,520	4,650	548,700	-	-	-	-	510	60,180
PTT	992,000	327,360	992,000	327,360	-	-	-	-	-	-
PX	80,056,106	436,305,778	77,188,614	420,677,946	1,052	5,733	-	-	(2,867,200)	(15,626,240)

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
PXP	61,656,845	379,189,597	61,670,245	379,272,007	3,466	21,316	-	-	13,400	82,410
RCB	2,741,608	54,832,160	2,691,208	53,824,160	-	-	-	-	(50,400)	(1,008,000)
RCI	22,524,346	14,640,825	22,879,346	14,871,575	-	-	-	-	355,000	230,750
RCR	90,192,775	686,367,018	91,356,575	695,223,536	-	-	-	-	1,163,800	8,856,518
REG	531,158	1,593,474	531,158	1,593,474	-	-	-	-	-	-
RFM	2,866,010	13,097,666	2,866,010	13,097,666	-	-	-	-	-	-
RLC	21,023,060	403,642,752	19,432,112	373,096,550	-	-	-	-	(1,590,948)	(30,546,202)
RLT	18,166,541	3,669,641	18,206,541	3,677,721	-	-	-	-	40,000	8,080
ROCK	11,358,589	16,810,712	11,350,206	16,798,305	938	1,388	-	-	(8,383)	(12,407)
ROX	974,525,580	1,013,506,603	974,521,580	1,013,502,443	-	-	-	-	(4,000)	(4,160)
RPC	328,555	-	328,555	-	-	-	-	-	-	-
RRHI	2,214,567	144,832,682	2,273,037	148,656,620	-	-	1	65	58,470	3,823,938
RWM	543,955	-	543,955	-	-	-	7,000	-	-	-
SBS	1,065,886	4,167,614	1,061,303	4,149,695	-	-	-	-	(4,583)	(17,920)
SCC	34,171,660	729,564,941	33,897,070	723,702,445	-	-	-	-	(274,590)	(5,862,497)
SECB	3,587,945	426,965,455	3,638,360	432,964,840	-	-	-	-	50,415	5,999,385
SECUL	618,941	-	-	-	618,941	-	-	-	-	-
SEVN	83,286	7,329,168	83,246	7,325,648	-	-	-	-	(40)	(3,520)
SFI	70,781,284	7,361,254	70,781,284	7,361,254	1,500	156	-	-	-	-
SFIP	423,491	635,237	423,491	635,237	-	-	-	-	-	-
SGI	25,540,600	27,583,848	25,540,600	27,583,848	-	-	-	-	-	-
SGP	29,989,442	393,461,479	29,910,342	392,423,687	-	-	-	-	(79,100)	(1,037,792)
SHLPH	5,621,913	111,763,630	5,553,013	110,393,898	552	10,974	-	-	(68,900)	(1,369,732)



STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
SHNG	11,934,116	31,148,043	11,960,116	31,215,903	-	-	-	-	26,000	67,860
SLF	8,493	23,678,484	8,493	23,678,484	103	287,164	-	-	-	-
SLI	2,269,000	6,534,720	2,269,000	6,534,720	-	-	-	-	-	-
SM	200,872	189,422,296	248,132	233,988,476	522	492,246	-	-	47,260	44,566,180
SMC	3,167,294	363,922,081	3,172,944	364,571,266	624	71,698	-	-	5,650	649,185
SMC2F	6,274,757	491,313,473	6,244,737	488,962,907	-	-	-	-	(30,020)	(2,350,566)
SMC2H	4,147,040	315,175,040	4,147,040	315,175,040	-	-	-	-	-	-
SMC2I	4,559,520	363,165,768	4,559,520	363,165,768	-	-	-	-	-	-
SMC2J	1,658,700	126,890,550	1,658,700	126,890,550	-	-	-	-	-	-
SMC2K	980,290	74,354,997	980,290	74,354,997	-	-	-	-	-	-
SMPH	14,829,697	502,726,728	15,748,857	533,886,252	201,203	6,820,782	-	-	919,160	31,159,524
SOC	1,738,000	1,077,560	1,739,000	1,078,180	-	-	-	-	1,000	620
SPC	5,123,164	71,519,369	5,103,225	71,241,021	-	-	-	-	(19,939)	(278,348)
SPM	89,687	180,271	89,687	180,271	1,559	3,134	-	-	-	-
SPNEC	423,269,630	541,785,126	430,613,780	551,185,638	-	-	-	-	7,344,150	9,400,512
SRDC	7,000	8,400	7,000	8,400	-	-	-	-	-	-
SSI	59,015,824	66,097,723	58,737,824	65,786,363	-	-	-	-	(278,000)	(311,360)
SSP	11,304,000	12,434,400	11,303,000	12,433,300	-	-	-	-	(1,000)	(1,100)
STI	69,821,321	23,739,249	69,641,321	23,678,049	-	-	-	-	(180,000)	(61,200)
STN	148,930	38,722	148,930	38,722	-	-	-	-	-	-
STR	2,759,217	10,264,287	2,756,217	10,253,127	-	-	-	-	(3,000)	(11,160)
SUN	15,493,038	17,352,203	15,484,038	17,342,123	-	-	-	-	(9,000)	(10,080)
SWM	21,000	-	21,000	-	-	-	-	-	-	-

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	A MOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
T	13,335,136	10,401,406	13,395,136	10,448,206	-	-	-	-	60,000	46,800
TBGI	116,169,829	34,850,949	115,599,829	34,679,949	-	-	-	-	(570,000)	(171,000)
TCB2A	3,450,600	3,450,600	3,460,700	3,460,700	-	-	-	-	10,100	10,100
TCB2C	134,100	6,839,100	134,100	6,839,100	-	-	-	-	-	-
TCB2D	861,620	46,010,508	854,320	45,620,688	-	-	-	-	(7,300)	(389,820)
TECH	39,687,325	149,621,215	39,644,825	149,460,990	-	-	-	-	(42,500)	(160,225)
TECHW	9,469,376	8,143,663	9,743,376	8,379,303	-	-	-	-	274,000	235,640
TEL	1,172,940	2,125,367,280	1,159,210	2,100,488,520	2,352	4,261,824	-	-	(13,730)	(24,878,760)
TFC	15,121	651,715	15,121	651,715	-	-	-	-	-	-
TFHI	69,771	8,909,757	69,841	8,918,696	-	-	-	-	70	8,939
TUGS	16,674,361	15,173,669	16,648,361	15,150,009	-	-	-	-	(26,000)	(23,660)
UBP	1,708,766	170,022,217	1,712,256	170,369,472	28,640	2,849,680	-	-	3,490	347,255
UNI	6,111,800	1,503,503	6,111,800	1,503,503	-	-	-	-	-	-
UP	220,000	-	220,000	-	-	-	-	-	-	-
UPM	788,369,363	5,439,749	784,368,363	5,412,142	-	-	-	-	(4,001,000)	(27,607)
URC	3,124,926	399,990,528	3,394,428	434,486,784	-	-	-	-	269,502	34,496,256
V	638,167	523,297	638,167	523,297	-	-	-	-	-	-
VITA	116,262,311	86,034,110	116,320,311	86,077,030	-	-	-	-	58,000	42,920
VLL	27,619,845	97,498,053	26,572,645	93,801,437	5,225	18,444	-	-	(1,047,200)	(3,696,616)
VMC	2,423,604	5,816,650	2,425,604	5,821,450	-	-	-	-	2,000	4,800
VUL	22,733,361	21,824,027	22,797,361	21,885,467	-	-	-	-	64,000	61,440
VVT	176,704,189	2,562,210,741	176,704,189	2,562,210,741	-	-	-	-	-	-
WEB	14,162,906	27,759,296	14,147,906	27,729,896	-	-	-	-	(15,000)	(29,400)

STOCK CODE	TOTAL		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT	NO. OF SHARES	VALUE	NO. OF SHARES	VALUE	NO. OF SHARES	VALUE
WIN	7,604,679	1,749,076	7,604,679	1,749,076	-	-	-	-	-	-
WLCON	19,247,196	587,039,478	19,621,696	598,461,728	-	-	-	-	374,500	11,422,250
WPI	26,405,590	12,146,571	26,405,590	12,146,571	-	-	-	-	-	-
X	70,917,812	39,004,797	70,917,812	39,004,797	-	-	-	-	-	-
ZHI	34,976,088	6,295,696	35,266,088	6,347,896	-	-	-	-	290,000	52,200
	57,367,870,164	80,480,050,872	57,258,953,855	80,863,321,182	8,167,419	23,344,397	202,537,506	2,885,541,376	(101,934,223)	383,276,801

**SCHEDULE VIII**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
SCHEDULE SHOWING FINANCIAL SOUNDNESS INDICATORS IN TWO COMPARATIVE  
PERIODS UNDER SRC RULE 68, AS AMENDED  
DECEMBER 31, 2021 AND 2020**

<b>Ratio</b>	<b>Formula</b>	<b>2021</b>	<b>2020</b>
<b>Profitability ratios:</b>			
Return on asset ratio	Net income/Average total assets	<b>2.05%</b>	1.19%
	Net income	₱130.24	
	Divided by: Average total assets		
	2021	₱6,682.18	
	2020	6,019.14	6,350.66
	<u>Return on asset</u>	<u>2.05%</u>	
Return on equity ratio	Net income/Average total equity	<b>24.23%</b>	11.40%
	Net income	₱130.24	
	Divided by: Average total equity		
	2021	₱602.88	
	2020	472.07	537.47
	<u>Return on asset</u>	<u>24.23%</u>	
Net profit margin	Net income/Net revenue	<b>25.70%</b>	16.00%
	Net income	₱130.24	
	Divided by: Net Sales	506.84	
	<u>Net profit margin</u>	<u>25.70%</u>	
<b>Solvency and liquidity ratios:</b>			
Current ratio	Current assets/Current liabilities	<b>108.32%</b>	106.69%
	Current assets	₱6,559.77	
	Divided by: Current liabilities	6,055.68	
	<u>Current ratio</u>	<u>108.32%</u>	
Debt-to-equity ratio	Total liabilities/Total equity	<b>1,008.38%</b>	1,175.05%
	Total liabilities	₱6,079.31	
	Divided by: Total equity	602.88	
	<u>Debt-to-equity ratio</u>	<u>1,008.38%</u>	
Quick ratio	Liquid assets/Current liabilities	<b>108.00%</b>	106.18%
	Cash	₱1,987.65	
	HTC (Reserves)	3,179.00	
	Receivables	1,314.42	
	Financial assets at FVTPL	59.13	
	<u>Liquid assets</u>	<u>6,540.21</u>	
	Divided by: Current liabilities	6,055.68	
	<u>Quick ratio</u>	<u>108.00%</u>	
Asset-to-equity ratio	Total assets/Total equity	<b>1,108.38%</b>	1,275.05%
	Total assets	₱6,682.18	
	Divided by: Total equity	602.88	
	<u>Asset-to-equity ratio</u>	<u>1,108.38%</u>	