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Sent: Tuesday, April 30, 2024 8:41 AM
To: tblim@abcapital.com.ph
Subject: Re: Submission of AAFS of AB Capital Securities Inc for the Year Ended December 31, 2023

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----- NOTICE TO
COMPANIES -----

Please be informed of the reports that shall be filed only through ictdsubmission@sec.gov.ph.

Pursuant to SEC MC Circular No. 3 s 2021, scanned copies of the printed reports with wet signature and proper notarization shall be filed in PORTABLE DOCUMENT FORMAT (pdf) through email at ictdsubmission@sec.gov.ph such as the following SECONDARY REPORTS:

1. 17-A 6. ICA-QR 11. IHAR 16. 39-AR 21. Monthly Reports
2. 17-C 7. 23-A 12. AMLA-CF 17. 36-AR 22. Quarterly Reports
3. 17-L 8. 23-B 13. NPM 18. PNFS 23. Letters
4. 17-Q 9. GIS-G 14. NPAM 19. MCG 24. OPC (Alternate Nominee)
5. ICASR 10. 52-AR 15. BP-FCLC 20. S10/SEC-NTCE-EXEMPT

Further, effective 01 July 2023, the following reports shall be submitted through <https://efast.sec.gov.ph/user/login>.

1. FORM MC 18 7. Completion Report
2. FORM 1 - MC 19 8. Certificate-SEC Form MCG- 2009
3. FORM 2- MC 19 9. Certificate-SEC Form MCG- 2002, 2020 ETC.
4. ACGR 10. Certification of Attendance in Corporate Governance
5. I-ACGR 11. Secretary's Certificate Meeting of Board Directors (Appointment)
6. MRPT

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1. AFS 7. IHFS 13. SSF
2. GIS 8. LCFS 14. AFS with Affidavit of No Operation
3. BDFS 9. LCIF 15. AFS with NSPO Form 1,2, and 3
4. FCFS 10. OPC_AO 16. AFS with NSPO Form 1,2,3 and 4,5,6
5. FCIF 11. PHFS 17. FS - Parent
6. GFFS 12. SFFS 18. FS – Consolidated

For the submission and processing of compliance in the filing of Memorandum Circular No. 28 Series of 2020, please visit this link – <https://apps010.sec.gov.ph/>

For your information and guidance.

Thank you.

From: eafs@bir.gov.ph
Sent: Wednesday, April 24, 2024 1:55 PM
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Subject: Your BIR AFS eSubmission uploads were received

Hi AB CAPITAL SECURITIES, INC.,

Valid files

- EAFS000154121ITRTY122023.pdf
- EAFS000154121AFSTY122023.pdf
- EAFS000154121OTHTY122023.pdf
- EAFS000154121RPTY122023.pdf
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- <None>

Transaction Code: **AFS-0-AJKK6K960AB7A96D8MVYNQXX309LAKEH97**

Submission Date/Time: **Apr 24, 2024 01:55 PM**

Company TIN: **000-154-121**

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- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

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COVER SHEET

for
AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1	0	4	5	6	5				
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COMPANY NAME

A	B		C	A	P	I	T	A	L		S	E	C	U	R	I	T	I	E	S	,		I	N	C	.		(A
S	u	b	s	i	d	i	a	r	y		o	f		A	B		C	a	p	i	t	a	l		a	n	d		
I	n	v	e	s	t	m	e	n	t		C	o	r	p	o	r	a	t	i	o	n)							

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

U	N	I	T	S		1	2	1	0	-	1	2	1	2		&		1	9	1	1	-	1	9	1	2					
P	S	E		T	O	W	E	R	,		5	T	H		A	V	E	.		C	O	R		2	8	T	H		S	T	.
B	O	N	I	F	A	C	I	O		G	L	O	B	A	L		C	I	T	Y		T	A	G	U	I	G				

Form Type

5	2	A	R
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Department requiring the report

M	R	D	
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Secondary License Type, If Applicable

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COMPANY INFORMATION

Company's Email Address	Company's Telephone Number	Mobile Number
absci@abcapital.com.ph	(02) 898-7555	n/a
No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
9	09/1	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
Ericson C. Wee	ecwee@abcapital.com.ph	(02) 898-7615	n/a

CONTACT PERSON'S ADDRESS

Units 1210-1212 & 1911-1912, PSE Tower, 5 th Ave. corner 28 th St., Bonifacio Global City, Taguig 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.



AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
ANNUAL AUDITED FINANCIAL REPORT
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DECEMBER 31, 2023

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

COVER PAGE

Information Required of Brokers and Dealers Pursuant to Rule 52.1-5 of the Securities Regulation Code.

Report for the Year Beginning January 1, 2023 and Ending December 31, 2023.

IDENTIFICATION OF BROKER OR DEALER

Name of Broker/Dealer:	AB Capital Securities, Inc.
Address of Principal Place of Business:	Units 1210-1212 & 1911-1912, PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City
Name and Phone Number of Person to Contact in Regard to this Report	
Name: Jonna C. Llaguno	Tel. No.: 8898-7522 Fax No.: 8898-7596

IDENTIFICATION OF ACCOUNTANT

Name of Independent Auditors whose opinion is contained in this report:	
Name: SyCip Gorres Velayo & Co.	Tel. No.: (02) 8891-0307
BOA/PRC Reg. No. 0001	Fax No.: (02) 8819-0872
SEC Accreditation No. 0012-FR-3 (Group A)	
Address: 6760 Ayala Avenue, Makati City	
CPA Certificate No. 108795	
Tax Identification No. 216-950-288	
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024	
BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026	
PTR No. 10079900, January 5, 2024, Makati City	



**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The management of AB Capital Securities, Inc. (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, 2023 and 2022, 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 to do so.


The Board of Directors (BOD) is responsible for overseeing the Company's financial reporting process.

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


SGV & Co., the independent auditor appointed by the stockholders, has audited the 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.



MICHAEL B. ZALAMEA
Chairman of the Board



LAMBERTO M. SANTOS, JR.
President




ERICSON C. WEE
Treasurer

Signed this 29th day of February 2024

SUBSCRIBED AND SWORN TO, before me this APR 12 2024, day of MAKATI CITY, exhibiting to me their respective identification documents:

NAME	ID	PLACE OF ISSUE	DATE OF EXPIRATION
Michael B. Zalamea	Passport: P4654321B	DFA NCR EAST	January 31, 2030
Lamberto M. Santos, Jr.	Passport: A03994681	United States of America	May 26, 2032
Ericson C. Wee	Passport: P5885769	DFA NCR SOUTH	February 2, 2028

Doc. No. 307
Page No. 81
Book No. XIV
Series of 1024


ATTY. SERVAZIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729- Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Brgy. Pio Del Pilar, Makati City

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
AB Capital Securities, Inc.
Units 1210-1212 & 1911-1912
PSE Tower, 5th Ave. corner 28th St.,
Bonifacio Global City,
Taguig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of AB Capital Securities, Inc. (the Company), which comprise the statements of financial condition as at December 31, 2023 and 2022, statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its 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 Financial Statements* section of our report. We are independent of the Company 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 Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, 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.

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



Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

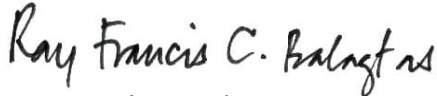
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



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 a separate schedule 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 the Company. 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.



Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

February 29, 2024



AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
STATEMENTS OF FINANCIAL CONDITION

	December 31, 2023			December 31, 2022		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short
ASSETS						
Current Assets						
Cash and cash equivalents (Note 6)	₱1,146,689,454			₱1,058,190,974		
Receivable from customers (Note 7)	84,851,616	₱1,801,121,056		57,685,508		₱1,276,147,847
Receivable from clearing house (Note 13)	–			80,612,852		
Receivable from non-customers (Note 18 and 21)	12,954,045			15,220,956		
Investment securities at amortized cost	128,339,454			208,023,178		
Financial assets at fair value through profit or loss (Notes 8)	4,971,395	4,971,395		12,091,905		12,091,905
Other assets (Note 11)	30,166,053			19,739,638		
Total Current Assets	1,407,972,017			1,451,565,011		
Noncurrent Assets						
Property and equipment (Note 9)	3,277,910			4,416,971		
Right of Use Asset (Note 18)	–			1,549,489		
Exchange trading right (Note 10)	4,000,000			4,000,000		
Deferred tax assets (Note 20)	417,099			–		
Retirement Asset (Note 17)	–			658,777		
Other assets (Note 11)	11,026,728			8,656,806		
Total Noncurrent Assets	18,721,737			19,282,043		
	₱1,426,693,754			₱1,470,847,054		
Securities in box, transfer offices, Philippine Depository and Trust Corp.			₱203,256,619,653			₱157,308,305,051



	December 31, 2023			December 31, 2022		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short
LIABILITIES AND EQUITY						
Current Liabilities						
Payable to customers (Note 12)	₱1,153,689,394	₱201,450,527,202		₱1,309,206,615		₱156,020,065,299
Payable to clearing house (Note 13)	59,303,615			–		
Accounts payable and accrued expenses (Note 14)	21,338,197			11,090,234		
Lease liability – current (Note 18)	–			4,593,954		
Other liabilities (Note 15)	3,338,385			2,242,298		
Total Current Liabilities	<u>1,237,669,591</u>			<u>1,327,133,101</u>		
Noncurrent Liabilities						
Retirement liability (Note 18)	1,114,876			–		
Deferred tax liability (Note 20)	–			102,135		
Total Noncurrent Liabilities	<u>1,114,876</u>			<u>102,135</u>		
	<u>1,238,784,467</u>			<u>1,327,235,236</u>		
Equity						
Capital stock (Note 16)	48,000,000			48,000,000		
Additional paid-in capital	49,838,400			49,838,400		
Retained earnings (Note 16)						
Appropriated	28,642,031			21,783,609		
Unappropriated	61,817,882			23,558,639		
Remeasurement gains (losses) on retirement plan (Note 17)	(389,026)			431,170		
	<u>187,909,287</u>			<u>143,611,818</u>		
	<u>₱1,426,693,754</u>	<u>₱203,256,619,653</u>	<u>₱203,256,619,653</u>	<u>₱1,470,847,054</u>	<u>₱157,308,305,051</u>	<u>₱157,308,305,051</u>

See accompanying Notes to Financial Statements.



AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
STATEMENTS OF COMPREHENSIVE INCOME

	Years Ended December 31	
	2023	2022
REVENUE		
Commissions (Note 21)	₱123,039,626	₱73,803,532
Interest (Notes 6, 7, 8 and 18)	57,314,590	14,914,947
Trading gains (losses) (Note 8)	884,789	550,368
Miscellaneous (Note 11)	4,134,255	426,773
	185,373,260	89,695,620
COST OF SERVICES		
Commissions	19,448,122	14,610,618
Stock exchange fees and dues	12,326,992	8,974,040
Communication	5,652,991	5,598,420
Compensation and fringe benefits (Notes 17 and 21)	4,706,722	4,896,099
Miscellaneous (Note 19)	2,115,051	1,901,170
	44,249,878	35,980,347
OPERATING EXPENSES		
Administrative expenses (Note 19)	32,713,692	26,752,084
Depreciation (Notes 9, 11, and 18)	5,323,198	3,832,265
Interest expense (Note 18)	132,877	532,753
Miscellaneous (Note 19)	22,240,202	8,073,864
	60,409,969	39,190,966
INCOME BEFORE INCOME TAX	80,713,413	14,524,307
PROVISION FOR INCOME TAX (Note 20)	12,129,195	3,234,512
NET INCOME	68,584,218	11,289,795
OTHER COMPREHENSIVE INCOME (LOSS)		
Other comprehensive income (loss) not to be reclassified to profit or loss in subsequent periods:		
Remeasurement losses on retirement plan, net of tax (Note 17)	(820,196)	(88,270)
OTHER COMPREHENSIVE INCOME (LOSS), NET OF TAX	(820,196)	(88,270)
TOTAL COMPREHENSIVE INCOME	₱67,764,022	₱11,201,525

See accompanying Notes to Financial Statements.



AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
STATEMENTS OF CHANGES IN EQUITY

	Capital Stock (Note 16)	Additional Paid-in Capital (Note 16)	Retained Earnings (Note 16)		Net Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Income (Note 8)	Remeasurement gains (losses) on retirement plan (Note 17)	Total
			Appropriated	Unappropriated			
Balances at January 1, 2023	₱48,000,000	₱49,838,400	₱21,783,609	₱23,558,639	₱-	₱431,170	₱143,611,818
Total comprehensive income	-	-	-	68,584,218	-	(820,196)	67,764,022
Dividends paid (Note 16)	-	-	-	(23,466,553)	-	-	(23,466,553)
Appropriation (Note 17)	-	-	6,858,422	(6,858,422)	-	-	-
Balances at December 31, 2023	₱48,000,000	₱49,838,400	₱28,642,031	₱61,817,882	₱-	(₱389,026)	₱187,909,287
Balances at January 1, 2022	₱48,000,000	₱49,838,400	₱20,654,629	₱13,397,824	₱-	₱519,440	₱132,410,293
Total comprehensive loss	-	-	-	11,289,795	-	(88,270)	11,201,525
Appropriation	-	-	1,128,980	(1,128,980)	-	-	-
Balances at December 31, 2022	₱48,000,000	₱49,838,400	₱21,783,609	₱23,558,639	₱-	₱431,170	₱143,611,818

See accompanying Notes to Financial Statements.



AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)

STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	₱80,713,413	₱14,524,307
Adjustments for:		
Interest income (Notes 6, 7, and 18)	(57,314,590)	(14,914,947)
Depreciation (Note 9, 11, 12 and 18)	5,323,198	3,832,265
Retirement expense (Note 18)	1,024,539	907,605
Interest expense (Note 18)	132,877	532,753
Miscellaneous income (Note 18)	(1,256,643)	-
Operating income before changes in working capital	28,622,794	4,881,983
Changes in operating assets and liabilities:		
Decrease (increase) in the amounts of:		
Financial assets at fair value through profit or loss	7,120,510	(12,061,391)
Receivable from customers	(27,166,108)	17,611,630
Receivable from clearing house	80,612,852	(29,766,785)
Receivable from non-customers (Note 17 and 21)	(324,797)	(910,367)
Other assets (Note 11)	(10,819,444)	(4,155,949)
Increase (decrease) in the amounts of:		
Payable to customers	(155,517,221)	470,076,245
Payable to clearing house	59,303,615	(5,305,905)
Accounts payable and accrued expenses	10,247,963	1,712,563
Other liabilities	1,096,087	363,526
Net cash generated from operations	(6,823,749)	442,445,550
Interest received (Notes 6, 7, and 18)	53,348,088	13,117,554
Income taxes paid	(12,375,030)	(3,049,411)
Contributions to retirement fund (Note 17)	(344,481)	(1,377,924)
Net cash provided by operating activities	33,804,828	451,135,769
CASH FLOWS FROM INVESTING ACTIVITY		
Acquisition of investment securities at amortized cost	(155,349,774)	(208,023,178)
Proceeds from maturity of investment securities at amortized cost	239,000,000	-
Acquisition of software (Note 11)	(2,548,214)	-
Acquisitions of property and equipment (Note 9)	(1,506,655)	(3,075,262)
Proceeds from sale of property (Note 9)	-	3,520
Collections from finance lease receivable (Note 18)	1,816,584	2,536,730
Net cash provided by (used in) investing activities	81,411,941	(208,558,190)
CASH FLOWS FROM FINANCING ACTIVITY		
Payment of lease liability (Note 19)	(3,251,736)	(4,655,425)
Payment of dividends (Note 16)	(23,466,553)	-
Cash used in financing activities	(26,718,289)	(4,655,425)
NET INCREASE IN CASH AND CASH EQUIVALENTS	88,498,480	237,922,154
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,058,190,974	820,268,820
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	₱1,146,689,454	₱1,058,190,974

See accompanying Notes to Financial Statements.



AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)

NOTES TO FINANCIAL STATEMENTS

1. General Information

AB Capital Securities, Inc. (the Company) was incorporated in the Philippines on April 29, 1982 and was licensed by the Securities and Exchange Commission (SEC) to deal and trade in equity and debt securities and other financial instruments traded in the Philippine Stock Exchange (PSE or the Exchange). The Company is both a stockholder of and a holder of a trading right in the PSE.

The Company's registered address and principal place of business is at Units 1210-1212 & 1911-1912 PSE Tower, 5th Ave. corner 28th Street, Bonifacio Global City, Taguig City.

The Company's ultimate parent company is Campden Hill Group, Inc. (CHGI). As of December 31, 2023, the Company is owned by AB Capital and Investment Corporation (ABCIC or the Parent Company) and Globe Fintech Innovations, Inc. with shareholdings of 92.5% and 7.5%, respectively. As of December 31, 2022, the Company is a wholly owned subsidiary of ABCIC.

2. Summary of Material Accounting Policies

Basis of 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) that have been measured at fair value. The financial statements are presented in Philippine pesos (₱), which is also the Company's functional currency and all values are rounded to the nearest peso except when otherwise indicated.

Statement of Compliance

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

Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new pronouncements effective as at January 1, 2023. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Unless otherwise indicated, adoption of these new standards did not have an impact on the financial statements.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- Amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*

Standards issued but not yet effective

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



Effective beginning on or after January 1, 2024

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current*
- Amendments to PFRS 16, *Lease Liability in a Sale and Leaseback*
- Amendments to PAS 7 and PFRS 7, *Disclosures: Supplier Finance Arrangements*

Effective beginning on or after January 1, 2025

- PFRS 17, *Insurance Contracts*
- Amendments to PAS 21, *Lack of Exchangeability*

Deferred effectivity

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

Fair Value Measurement

The Company measures financial instruments at fair value at each statement of financial condition 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 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.

If an asset or a liability measured at fair value has a bid price and an ask price, the price within the bid-ask spread that is most representative of fair value in the circumstances shall be used to measure fair value regardless of where the input is categorized within the fair value hierarchy.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash equivalents include short-term investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less from dates of placements and that are subject to an insignificant risk of changes in value.

Financial Instruments - Initial Recognition and Subsequent Measurement

Date of recognition

Financial instruments are recognized in the statement of financial condition when the Company becomes 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 Company commits 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.

Classification and Subsequent Measurement of financial instruments

The classification and measurement of financial assets is 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').

As of December 31, 2023 and 2022, the Company has equity securities classified as financial assets at FVTPL and its cash and cash equivalents and receivables (from customers, clearing house and non-customers), and investments in government securities are classified as financial assets at amortized cost. Receivables from customers arise from trade-related while receivable from non-customers represent receivables from non-trade related transactions and advances to employees.



Financial assets at FVTPL

Equity investments held for proprietary dealings are classified as at FVTPL.

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

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 subsequently measured at amortized cost using the effective interest rate (EIR) method, less allowance for credit losses, if any. 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' in the profit or loss and is calculated by applying the EIR to the gross carrying amount of the financial asset. The losses arising from impairment are recognized in 'Provision for credit losses' under profit or loss in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities are financial liabilities not classified or designated at FVTPL and contain contractual obligations to deliver cash or another financial asset to the holder or to settle the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

The Company's other financial liabilities include 'Payable to customers', 'Payable to clearing house', 'Accounts payable and accrued expenses', 'Lease liability', and 'Other liabilities'.

Impairment of Financial Assets

The Company records ECL for all loans and other debt financial assets not classified as at FVTPL, together with loan commitments and financial guarantee contracts.

Expected credit loss methodology

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 are 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 twelve (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.

Simplified approach

For receivables from customers, the Company applies a simplified approach in calculating ECL which does not require tracking of changes in credit risk, but instead recognized a loss allowance based on lifetime ECL at each reporting date. The Company establishes an impairment analysis based on its historical credit loss experience, adjusted for forward-looking factors specific to the counterparties and the economic environment.



Details of the Company's ECL model for its credit exposures other than receivable from customers are discussed in Note 4.

Derecognition of Financial Assets and Liabilities

Financial asset

A financial asset is derecognized when:

- the rights to receive cash flows from the asset have expired; or
- the Company retains 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 Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained the risk and rewards of the asset but has transferred the control over the asset.

Financial liability

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial condition 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 Company assesses 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.

Exchange Trading Right

Exchange trading right was acquired, together with PSE shares, in exchange for the Exchange membership seat under the conversion program of PSE (Note 11). 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 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 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.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation, and any impairment in value.

The initial cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after items of property and equipment have been put into operation, such as repairs and maintenance, are charged against current operations in the year in which 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 item of property and equipment. When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation are removed from the accounts, and any resulting gain or loss is credited to or charged against current operations.



Depreciation is computed using the straight-line method over the estimated useful life of the respective assets. Leasehold improvements are amortized over the shorter between the lease terms taking into consideration the expected renewal of leases and estimated useful lives of the improvements. The estimated useful lives of property and equipment follow:

Condominium units	40 years
Transportation equipment	5 years
Furniture, fixtures and office equipment	3-5 years
Leasehold improvements	Shorter of useful life or the lease term 1-2 years

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.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, an impairment loss is recognized under profit or loss in the statement of comprehensive income.

Transfers are made from properties and equipment when, and only when, there is a change in use, evidenced by ending of owner occupation, commencement of an operating lease to another party or completion of construction or development. Transfers are made to property and equipment when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

Software costs

Costs related to software purchased by the Company for use in operations are included in other assets account and are amortized on a straight-line basis over the estimated life of three (3) to five (5) years.

Impairment of Non-financial Assets

Exchange trading right, property and equipment and right-of-use asset

An assessment is made, at each statement of financial condition date, whether there is any indication of impairment of an asset, or whether there is any indication that an impairment loss previously recognized for an asset in prior years may no longer exist or may have decreased. If any such indication exists or when an annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. Recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount 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. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.



Exchange trading right is reviewed and tested at each statement of financial condition date or more frequently, irrespective whether there is an indication of impairment or none. Property and equipment and right-of-use assets is reviewed and tested whether there is an indication of impairment. An impairment loss is recognized only if the carrying amount of an asset exceeds its recoverable amount. An impairment loss is charged against current operations in the year in which it arises.

A previously recognized impairment loss is reversed by a credit to current operations to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any depreciation) had no impairment loss been recognized for the asset in prior years.

Equity

The Company records capital stock at par value and additional paid-in capital in excess of the total contributions received over the aggregate par values of the equity shares. Incremental costs incurred directly attributable to the issuance of new shares are shown in equity as a deduction from proceeds, net of tax.

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

Cash Dividend to Equity Holders of the Company

The Company recognizes a liability to make cash distribution to equity holders of the Company when the distribution is authorized and the distribution is no longer at the discretion of the Company. A corresponding amount is recognized directly in equity.

Revenue Recognition

Revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires the Company to exercise judgment, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers.

The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. The PFRS 15 establishes a five-step model to account for revenue arising from contracts with customers. The five-step model is as follows:

- a. Identify the contract(s) with a customer
- b. Identify the performance obligations in the contract
- c. Determine the transaction price
- d. Allocate the transaction price to the performance obligation in the contract
- e. Recognize revenue when (or as) the entity satisfies a performance obligation

The following specific recognition criteria that must be met before revenue is recognized across the Company's revenue streams:

Commissions

Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur, which is normally upon acceptance of trade deals. These are computed based on a certain percentage of every trade transaction.



Arrangement and other fees

Arrangement and other fees consist of service revenue from initial public offering and tender offer. Revenue is recognized upon completion of underlying transactions and is recorded under 'Miscellaneous income'.

Revenues scoped in under PFRS 9

Interest income

Interest income on deposit in banks, short-term investments, and margin accounts is recognized on a time proportion basis taking into account the effective yield on the asset.

Trading gains (losses)

Trading gains or loss on trading securities represents results arising from trading activities including all gains and losses from changes in fair value of financial assets at FVTPL and financial assets at FVTOCI.

Dividend income

Dividend income is recognized when the Company's right to receive payment is established, which is generally when shareholders of the issuer approve the dividend.

Revenues related to lease contracts within the scope of PFRS 16

Interest income

The Company earns revenue from acting as a lessor under finance lease which is renewable at the lessee's sole option. The Company subleased its right-of-use asset acquired under the head lease with lease term exceeding 12 months at commencement date. Subleases are classified as a finance lease or an operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. The Company's sublease is classified as finance lease. Interest income arising from the finance lease recognized under 'Receivable from non-customers' is included in 'Interest' in the statement of profit or loss.

Retirement Cost

The Company has a defined benefit plan that defines the amount of retirement benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the statement of financial condition date reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. 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 retirement plan is determined using the projected unit credit method.

Retirement costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- 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 the statement of income. Past service costs are recognized when the plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.



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 the statement of comprehensive income.

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 OCI 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 Company, nor can they be paid directly to the 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). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The 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.

Employee Leave Entitlement

Employee entitlements to annual leave are recognized as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognized for services rendered by employees up to the statement of financial condition date.

Leases

The 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.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases. The 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 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 right-of-use assets are also subject to impairment. Refer to accounting policies on impairment on non-financial assets in this note.

Lease liabilities

At the commencement date of the lease, the 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 Company and payments of penalties for terminating a lease, if the lease term reflects the 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 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 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.

Company as a lessor

The Company classifies a lease as finance lease if it transfers substantially all the risks and rewards incidental to ownership of asset arising from the lease. Leases where the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

The Company also entered into arrangement to sublease a leased asset to its related party while the original lease is in effect. In this arrangement, the Company acts as both the lessee and lessor of the same underlying asset. The original lease is often referred to as a head lease, the original lessee is often referred to as an intermediate lessor or sub-lessor and the ultimate lessee is often referred to as the sub-lessee.

In classifying a sublease, the intermediate lessor shall classify the sublease as a finance lease or an operating lease as follows: (i) if the head lease is a short-term lease that the Company, as a lessee, has accounted for, the sublease shall be classified as an operating lease; (ii) otherwise, the sublease shall be classified by reference to the right-of-use asset arising from the head lease and by reference to the underlying asset.



For the sublease classified as a finance lease, the Company, the original lessee, derecognizes the right-of-use asset on the head lease at the sublease commencement date and recognizes the net investment in the sublease. The Company recognizes any difference between the right-of-use asset and the net investment in sublease in the profit or loss. The Company, the original lessee, continues to account for the original lease liability in accordance with the lessee accounting model. Refer to policy on *Lease liabilities* above. The Company, as the sublessor, evaluates the net investment in sublease for impairment. Refer to policy on *Impairment of financial assets* above.

Income Taxes

Current taxes

Current tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to taxation authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted at the statement of financial condition date.

Deferred taxes

Deferred tax is provided, using the balance sheet liability method, on all temporary differences, with certain exceptions, at the statement of financial condition 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, with certain exceptions. Deferred tax assets are recognized for all deductible temporary differences, with certain exceptions, carryforward of unused tax credits from excess 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 taxable income will be available against which the deductible temporary differences and carry forward of unused MCIT and unused NOLCO can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial condition 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 asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit 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 substantially enacted at the statement of financial condition date.

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

Current tax and deferred tax relating to items recognized directly in equity is also recognized in equity and not in the statement of comprehensive income.

Value - Added Tax (VAT)

The input VAT pertains to the 12% indirect tax paid by the Company in the course of the Company's trade or business on local purchase of goods or services.

Output VAT pertains to the 12% tax due on services provided by the Company. If, at the end of any taxable month, the output VAT exceeds the input VAT, the outstanding balance is included under 'Other liabilities' account. If the input VAT exceeds out VAT, the excess, shall be carried over to succeeding months and included under 'Other assets' account.



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.

Events After the Statement of Financial Condition Date

Post year-end events up to the date of the approval of the Board of Directors (BOD) of the financial statements that provide additional information about the Company's position at the statement of financial condition date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

Future Changes in Accounting Policies

Pronouncements issued but not yet effective are listed below. The Company intends to adopt the following pronouncements when they become effective. Adoption of these pronouncements is not expected to have a significant impact on the Company's financial statements, unless otherwise indicated.

3. Significant Accounting Judgments and Estimates

The preparation of the accompanying financial statements in accordance with PFRS requires the Company to make judgments and estimates that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent liabilities, if any. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in judgments and 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.

Judgments

a. Determination of lease term of contracts with renewal option – Company as a lessee

The Company has several lease contracts that include renewal option. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew (e.g., construction of significant leasehold improvements or significant customization to the leased asset).

b. Lease modifications – Company as a lessor

The Company has modified its sublease agreement to increase the space leased out to the Parent Company. If a finance lease is modified, the Company applies judgment in evaluating whether the modified arrangement contains a lease. If a lease continues to exist, the Company evaluates



whether the modification to the finance lease may result in a separate lease or a change in the accounting for the existing lease.

Estimates

a. Impairment of financial assets

The measurement of impairment losses under PFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

b. Impairment of exchange trading rights

The Company assesses impairment on its nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Among others, the factors that the Company considers important which could trigger an impairment review on its nonfinancial assets include the following:

- Permanent 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.

The Company recognizes an impairment loss whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell or value in use.

Exchange trading right is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. The carrying values of exchange trading right is disclosed in Note 11.

c. Present value of retirement obligation

The cost of defined benefit pension plan as well as the present value of the pension obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations are highly sensitive to changes in these assumptions.

All assumptions are reviewed at each statement of financial condition date. In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific country.



The details of assumptions used in the calculation and present value of retirement obligation are disclosed in Note 17.

d. Recognition of deferred tax assets

Deferred tax assets are recognized for all deductible temporary differences 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 together with future tax planning strategies.

The details of recognized and unrecognized deferred tax assets are disclosed in Note 20.

4. Financial Risk Management Objectives and Policies

Introduction

The Company's risk management framework is managed through a systematic application of management policies, procedures and practices to identify, measure and control risks inherent in the Company's activities; disseminate the risk philosophy and policies; assist risk-taking business units in understanding and measuring risk/reward profile; and develop a risk control infrastructure.

The key outcome of a structural framework of managing risk is to provide a more effective strategic planning to ensure maximizing opportunities and minimizing losses (integral facet of effective business practice and provides management with a deeper insight and wider perspective for effective management of the Company with a dynamic changing environment).

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk Management Structure

The BOD has overall responsibility for the oversight of the Company's risk management process. In addition, board committees at the Parent Company level also serve as committees responsible for developing, managing and monitoring risk management policies at the subsidiary level. The board committees include the following:

- Audit Committee
- Credit Committee

Audit Committee

The main responsibility of the Audit Committee is to perform oversight over financial management functions specifically in the areas of managing credit, market, liquidity, operational and other risks of the Company. The Audit Committee checks all financial reports against compliance with the internal financial management policies, regulatory requirements and pertinent accounting standards.

Credit Committee

The main responsibility of the Credit Committee is to determine and set the parameters for credit risk and asset concentration and review compliance with such limits. The Credit Committee also reviews and approves the credit policy of the Company and ratifies all credits over established limits (analyzes transactions that open the Company to significant and regular credit risk and recommends to the BOD the relevant parameters under which to operate such transactions).



Risk Measurement and Reporting System

The volatility of the stock market is the central focus of risk measurement methodologies and limits. It also gauges the returns the Company requires from its activities. The risk measurement framework strives to quantify the potential change in the value of the portfolio as a result of a change in the market risk factors (correlation between changes in value with market forces). This includes marking to market all open positions where the Company is exposed to; the sensitivity of the position or portfolio to a movement in the market risk factor to which it is exposed to; technical and fundamental analysis of equity including movement of the stock index; average turnover, market capitalization, fundamentals, earning projections and trends of a particular equity. These methodologies would enable management to assess and evaluate in determining the tolerance level for the amount of exposure of portfolio based on the market risk factors.

Monitoring and controlling risks are performed based on limits established by the Company on each counterparty transaction. This limit reflects the counterparty's capacity to pay based on his risk profile, financial trends/projections, assets, reputation/integrity, and the adequacy and enforceability of collateral under various scenarios.

The Company has an information system that provides data which cover all material risk-related activities which include: a) internal financial, operational and compliance data that will permit actual exposures to be measured regularly against the established position and credit limits; and b) external market information about rate/price movements, events and conditions that are relevant to timely and informed decision making. This information is communicated to the business unit heads, BOD and applicable committees for monitoring and review in order to develop an action plan at least on a monthly basis or when deemed appropriate.

Risk Mitigation

As part of its overall risk management, the Company follows a structural framework (risk management structure/process) in identifying, analyzing, evaluating and treating risks at all levels of the Company's operations. Specifically, it utilizes risk measurement tools, as mentioned above, to ensure maximizing opportunities and minimizing losses in a dynamic changing environment.

The Company establishes credit limits and uses collaterals to reduce its credit risk. Furthermore, it maintains its records in a manner such that they adequately disclose, in a prompt and appropriate manner, the financial and business information which will enable management to identify, quantify and manage the Company's risk exposure and make timely and informed decisions (effective channels of communication to ensure adherence to all procedures and policies affecting risk exposures).

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

a. 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. Trading limits for each customer are set after assessment of the true risk and profile of the customers (i.e., financial capacity, reputation and collateral) on top of risk management procedures. Receivable balances are also monitored regularly.

Concentration arises when a number of counterparties are engaged in similar activities or have similar economic features that would cause the ability to meet contractual obligation to be similarly affected by changes in political, economic or other conditions. In order to avoid excessive concentrations of risk, the Company's policy and procedures include the objective of achieving a well-diversified portfolio that limits the Company's risk to any group or industry.



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

The Company's maximum exposure to credit risk is the carrying value at the reporting date of each class of financial assets of the Company except for receivables from customers wherein the Company holds collateral as security.

An analysis of the maximum exposure to credit risk after taking into account any collateral held or other credit enhancements of the Company's receivable from customers is shown below:

	December 31, 2023			
	Gross Maximum Exposure	Fair Value of Collateral	Net Exposure	Financial Effect of Collateral
Receivable from customers				
Secured	₱84,851,616	₱1,801,121,056	₱4,794	₱84,846,822
	December 31, 2022			
	Gross Maximum Exposure	Fair Value of Collateral	Net Exposure	Financial Effect of Collateral
Receivable from customers				
Secured	₱57,685,508	₱1,276,147,847	₱21,439	₱57,664,069

The Company's unutilized margin commitments is disclosed in Note 7.

Collateral and other credit enhancements

The amount and type of collateral required depends on the assessment of the credit risk of the borrower or counterparty. The Company follows guidelines on the acceptability of types of collateral and valuation parameters.

Management regularly monitors the market value of collateral and requests additional collateral in accordance with the underlying agreement. The existing market value of collateral is considered during the review of the adequacy of the allowance for impairment losses.

Eligible collaterals are shares listed and traded in the PSE and lodged with the Philippine Depository and Trust Corporation (PDTC) under the account of the Company.

Risk concentration of the maximum exposure to credit risk

An industry sector analysis of the Company's maximum exposure to credit risk is as follows:

	Receivables*		Investments	
	2023	2022	2023	2022
Financial intermediaries	₱1,204,387,519	₱1,150,399,788	₱-	₱-
Personal activities	19,726,261	25,198,659	-	-
Government	10,727,039	177,055	128,339,454	208,023,178
Transportation, storage and communication	3,969,019	3,733,549	3,450	3,450
Real estate, renting and business services	3,050,124	3,411,894	14,812	14,812
Hotel and restaurant	2,430,167	580,388	6,504	624
Wholesale and retail trade	15,279	7,234,429	4,939,117	6,044,453
Construction	-	-	6,733	6,027,787
Mining and quarrying	-	-	76	76
Others	159,707	20,944,528	703	703
	₱1,244,465,115	₱1,211,680,290	₱133,310,849	₱220,115,083

*Consists of cash and cash equivalents (excluding cash on hand amounting to ₱30,000 as of December 31, 2023 and 2022, respectively), receivables from customer, clearing house and non-customer.



Credit quality per class of financial assets

The Company's bases in grading its financial assets are as follows:

Short-term placements

Evidence of indebtedness issued by banks are classified as high grade. For corporate debts, classification is based on grading provided by foreign and local (reputable) rating agencies.

Receivables

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

Standard - These are receivables where collections are probable due to the reputation and the financial ability of the counterparty to pay but have been outstanding for a long period of time.

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

As of December 31, 2023 and 2022, the Company's cash and cash equivalents (excluding cash on hand), receivables from customers, non-customers (excluding receivable from BIR) and clearing house, security deposits and investment securities at amortized cost are all assessed to be High grade. These financial assets (excluding receivable from customers) are all classified as Stage 1 financial assets as of December 31, 2023 and 2022. ECL for receivables from customers is measured by applying the simplified approach.

Management determined that ECL is negligible for its debt financial assets, and thus, no provision is recognized based on the following:

Credit risk of cash and cash equivalents is assessed to be minimal since these are placed and recoverable from banks with high external credit ratings.

Receivables from customers are assessed to have low credit risk due to its underlying collateral securities.

Receivables from clearing house is guaranteed to be settled following T+2 policy.

Receivables from non-customers consist of receivables for non-trade related costs and advances to employees, both of which are automatically deducted from the customer's accounts and salary, respectively. Credit risk is also minimal from net investment in the lease from its sublease arrangement with its related party, which is adequately capitalized. It is therefore assessed that the risk of default of the related party is low and there has been no significant increase in credit risk.

Investment securities at amortized cost securities are classified as High grade. These securities are issued by the Philippine Government and are considered as risk-free debt securities.

Expected credit losses

The Company applies the following in determining ECL on credit exposures other than receivable from customers:



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. The Company recognizes a 12-month ECL for Stage 1 debt financial assets.
- Stage 2 is comprised of all non-impaired debt financial assets which have experienced a SICR since initial recognition. The Company recognizes a lifetime ECL for Stage 2 debt financial assets.

For credit-impaired financial instruments:

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

Write-off Policy

A financial asset is written off when there is no reasonable expectation of recovering the contractual cashflows.

Definition of “default”

The Company classifies receivables, or any financial asset as in default when it is credit impaired or becomes past due on its contractual payments for more than 90 days. As part of a qualitative assessment of whether a customer is in default, the Company considers a variety of instances that may indicate unlikelihood to pay. When such events occur, the Company carefully considers whether the event should result in treating the customer as defaulted.

Significant increase in credit risk (SICR)

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Company’s aging information, the borrower becomes past due for over 30 days. Further, the Company assumes that the credit risk of a financial asset, particularly on cash and equivalents and receivables from customers, clearing house and non-customers, has not increased significantly since origination if the financial asset is determined to have “low credit risk” as of the reporting date. A financial asset is considered “low credit risk” when it has an external rating equivalent to “investment grade”.

In subsequent reporting periods, if the credit risk of the financial instrument improves such that there is no longer a significant increase in credit risk since initial recognition, the Company shall revert to recognizing a 12-month ECL.

Information about rights of offset and related arrangements (such as collateral parting arrangements) for financial instruments subject to enforceable master netting agreements or similar arrangements are disclosed in the succeeding tables.

2023					
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	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria	Net exposure
	[a]	[b]	[a-b]	[d]	[c-d]
Financial assets					
Receivable from clearing house	P-	P-	P-	P-	P-
Receivable from customers	107,908,468	23,056,852	84,851,616	84,846,822	4,794
Financial liabilities					
Payable to clearing house	P59,303,615	P-	P59,303,615	P-	P59,303,615
Payable to customers and other brokers	1,176,746,246	23,056,852	1,153,689,394	-	1,153,689,394



2022					
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 [d]	Net exposure [c-d]
	[a]	[b]	[c]	[d]	[e]
Financial assets					
Receivable from clearing house	P80,612,852	P-	P80,612,852	P-	P80,612,852
Receivable from customers	79,150,588	21,465,080	57,685,508	57,664,069	21,439
Financial liabilities					
Payable to clearing house	P-	P-	P-	P-	P-
Payable to customers and other brokers	1,330,671,695	21,465,080	1,309,206,615	-	1,309,206,615

b. *Liquidity risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations when they fall due under normal and stress circumstances.

Prudent liquidity risk management implies maintaining a balance between continuity of funding and flexibility of funding through the use of the Company's bills purchased (BP) lines. The Company has established a strong liquidity risk management system characterized by elements such as a good management information system, effective analysis of net funding requirements under various scenarios, and/or diversification of funding sources in order to make timely payments on any of the financial obligation to customers.

Specifically, the Company has established control procedures which include monitoring of total trades during the trading session to determine in advance if the said trades are in excess of BP lines. If there are trades in excess of BP lines, arrangements are made in advance for funding the excess amount. Further, strict monitoring of receivables is made to ensure that collections are made on a timely basis to fund current obligations to customers.

The Company'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 Company on a regular basis.

The tables below summarize the maturity profile of the financial assets and liabilities of the Company based on contractual undiscounted cash flows (except for the financial assets at FVTPL which were based on expected disposal date) as of December 31, 2023 and 2022:

	December 31, 2023						Total
	On Demand	Up to 1 Month	More than 1 to 3 Months	More than 3 to 6 Months	More than 6 to 12 Months	Beyond 1 Year	
Financial Assets							
Loans and receivables							
Cash and cash equivalents*	P155,880,416	P992,114,366	P-	P-	P-	P-	P1,147,994,782
Receivable from clearing house	-	-	-	-	-	-	-
Receivable from customers	-	84,851,616	-	-	-	-	84,851,616
Receivable from non - customers	44,699	2,369,374	10,380,166	48,333	62,821	48,652	12,954,045
Other assets - security deposit	-	-	-	36,000	172,080	-	208,080
Investment securities at amortized cost	-	-	20,004,614	-	112,054,955	-	132,059,569
Financial assets at FVTPL	4,940,880	-	-	-	-	30,515	4,971,395
Total undiscounted financial assets	P160,865,995	P1,079,335,356	P30,384,780	P84,333	P112,289,856	P79,167	P1,383,039,487
Financial Liabilities							
Payable to customers	P1,103,894,564	P49,794,830	P-	P-	P-	P-	P1,153,689,394
Accounts payable and accrued expenses	5,976,361	7,881,490	-	-	15,268	9,000	13,882,119
Payable to clearing house	-	59,303,615	-	-	-	-	59,303,615
Due to Parent Company	-	7,456,078	-	-	-	-	7,456,078
Lease Liability*	-	-	-	-	-	-	-
Total undiscounted financial liabilities	P1,109,870,925	P124,436,013	P-	P-	P15,268	P9,000	P1,234,331,206

* Includes future interest.



	December 31, 2022						Total
	On Demand	Up to 1 Month	More than 1 to 3 Months	More than 3 to 6 Months	More than 6 to 12 Months	Beyond 1 Year	
Financial Assets							
Loans and receivables							
Cash and cash equivalents*	₱178,681,226	₱880,648,314	₱-	₱-	₱-	₱-	₱1,059,329,540
Receivable from clearing house	-	80,612,852	-	-	-	-	80,612,852
Receivable from customers	-	57,685,508	-	-	-	-	57,685,508
Receivable from non - customers	44,699	900,340	9,426,603	744,221	543,435	524,008	12,183,306
Net Investment in Lease*	-	217,436	434,872	652,308	1,304,617	-	2,609,233
Due from Parent Company	-	486,109	-	-	-	-	486,109
Other assets - security deposit	-	-	-	41,100	172,080	-	213,180
Investment securities at amortized cost	-	-	99,812,553	30,160,591	80,245,011	-	210,218,155
Financial assets at FVTPL	-	-	6,040,337	6,021,054	-	30,514	12,091,905
Total undiscounted financial assets	₱178,725,925	₱1,020,550,559	₱115,714,365	₱37,619,274	₱82,265,143	₱554,522	₱1,435,429,788
Financial Liabilities							
Payable to customers	₱1,136,761,724	₱172,444,891	₱-	₱-	₱-	₱-	₱1,309,206,615
Accounts payable and accrued expenses	7,252,370	3,793,238	-	-	44,626	-	11,090,234
Lease Liability*	-	399,140	798,280	1,197,420	2,394,837	-	4,789,677
Total undiscounted financial liabilities	₱1,144,014,094	₱176,637,269	₱798,280	₱1,197,420	₱2,439,463	₱-	₱1,325,086,526

* Includes future interest.

c. *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, equity risk or the risk that the stock prices will change; 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 index risk or the risk that stock and other index prices will change.

The central focus of the Company's market risk management is financial assets at FVTPL. The Company has established a risk management/measure system to mitigate the adverse effects in fluctuations of the price or market value of these financial assets. The current policies of the Company are anchored on the selective purchase of shares of stock and establishment of trading and stop loss limits on dealer trading activities to manage possible financial losses to be incurred from trading activities.

The following table sets forth the impact, for the period indicated, of changes in the price quotation to the Company's unrealized gain or loss on financial assets at FVTPL for 2023 and 2022:

	2023		2022	
	(14.04%)	14.04%	(20.55%)	20.55%
Change in profit or loss	(₱617,627)	₱617,627	(₱1,314,005)	₱1,314,005

Interest rate risk

As of December 31, 2023 and 2022, the Company has no significant interest rate risk due to the short-term maturities of its interest-bearing financial assets and the Company does not have financial instruments which are subject to floating interest rate.

5. Fair Value Measurement

As of December 31, 2023 and 2022, the carrying values of the Company's financial assets and liabilities as reflected in the statements of financial condition and related notes approximate their respective fair values as of the reporting date.



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

Financial assets and liabilities at amortized cost - Carrying values, except for investment securities, approximate fair values since these instruments are liquid and have short-term maturities. These financial instruments comprise cash and cash equivalents, receivables, security deposits, payable to customers, payable to clearing house, accounts payable and accrued expenses and other liabilities.

Fair values of investment securities are generally based on quoted market prices. For securities at FVTPL, fair values are generally based on closing prices published by the PSE for quoted equity securities.

Fair Value Hierarchy

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The fair value of investment in FVTPL in 2023 and 2022 amounted to ₱4.97 million and ₱12.09 million, respectively, are based on published closing price per unit. The fair value of investment securities at amortized cost in 2023 and 2022 amounted to ₱128.34 million and ₱208.02 million, respectively.

In 2023 and 2022, there were no transfers were made among the fair value hierarchy levels. Fair values of FVTPL and investments at amortized costs are significantly based on Level 1 inputs.

6. Cash and Cash Equivalents

This account consists of:

	2023	2022
Cash on hand	₱30,000	₱30,000
Cash in banks	155,850,416	178,651,226
Short-term placements	990,809,038	879,509,748
	₱1,146,689,454	₱1,058,190,974

Cash in banks bear annual interest rates of 0.0625% to 3.50% and 0.0625% to 3.60% in 2023 and 2022. Short-term placements bear annual interest rates ranging from 0.125% to 6.00% and from 0.125% to 5.00% in 2023 and 2022, respectively.

Interest income recognized for the years ended December 31, 2023 and 2022 from cash in banks and short-term placements amounted to ₱53.34 million and ₱12.36 million, respectively.



The Company maintains a special reserve account under the trust management of its Parent Company with the following conditions:

- (a) The funds are kept separate from other accounts;
- (b) The funds shall not be used as security for a loan to the Company by the Parent Company and shall be subject to no right, charge, security interest, lien or claim of any kind in favor of the Parent Company or any person claiming through the Parent Company; and
- (c) The Company waives the confidentiality of, or any other right in relation to the special reserve account in favor of the SEC and/or the PSE for the purpose of allowing the latter to determine from time to time the Company's compliance with SRC Rule 49.2 (4).

The Company's reserve requirement is determined weekly based on the SEC's prescribed computation. As of December 31, 2023, and 2022, the Company's reserve accounts are adequate to cover its reserve requirements.

As of December 31, 2023, and 2022, included in cash on hand and in banks are cash collateral and settlement accounts amounting to ₱1.27 million and ₱5.20 million, respectively. Cash collateral account is for the limited use of addressing any market or price risk that the Securities Clearing Corporation of the Philippines (SCCP) may suffer whenever SCCP settles the failed trades of the Company. The cash settlement account is for the limited use of settling the Company's securities trade transactions coursed through the facilities of the SCCP. The balance in the cash collateral and settlement account shall at all times be free of any liens or encumbrances, other than as may be imposed under court orders or legal processes as may be issued by a court of competent jurisdiction or lawful authority.

In compliance with SRC Rule 49.2, covering customer protection and custody of securities, the Company maintains a special reserve account, included in the short-term placements (Note 6) and investment securities at amortized cost (Note 8), for the exclusive benefit of its customers amounting to ₱898.11 million and ₱623.32 million as of December 31, 2023 and 2022, respectively. Short-term placements also include proceeds from sale of investments of its customers (corresponding liability is presented under 'Payable to customers' in the statements of financial condition). Instead of being settled on their due dates, the customers opted to retain such amounts in the Company's possession to fund their subsequent trading transactions.

7. Receivable from Customers

This account consists of receivable from customers. Details follow:

	December 31, 2023		
	Money Balance	Security Valuation	
		Long	Short
Fully secured accounts:			
More than 250%	₱5,562,672	₱1,721,530,739	₱-
Between 200% and 250%	-	-	-
Between 150% and 200%	-	-	-
Between 100% and 150%	79,022,550	79,328,717	-
Partially secured accounts	266,394	261,600	-
Unsecured	-	-	-
	₱84,851,616	₱1,801,121,056	₱-



	December 31, 2022		
	Money Balance	Security Valuation	
		Long	Short
Fully secured accounts:			
More than 250%	₱26,001,226	₱1,242,935,190	₱–
Between 200% and 250%	1,349,020	2,818,155	–
Between 150% and 200%	–	–	–
Between 100% and 150%	28,423,823	28,504,502	–
Partially secured accounts	1,911,439	1,890,000	–
Unsecured	–	–	–
	₱57,685,508	₱1,276,147,847	₱–

Fully secured accounts include margin accounts amounting to ₱0.85 million and ₱7.42 million as of December 31, 2023 and 2022, respectively. Margin accounts are charged with 15.00% interest per annum when settled beyond the T+2 period. Interest earned on these margin accounts amounted to ₱1.23 million and ₱1.38 million in 2023 and 2022, respectively. Unutilized margin lines amounted to ₱9.24 million and ₱13.68 million, as of December 31, 2023 and 2022, respectively.

8. Investment Securities

Financial assets at FVTPL

Financial assets at FVTPL consist of investments in quoted securities that are held for trading purposes. In 2023 and 2022, 'Trading gains (losses)' in the statements of comprehensive income amounted to ₱0.88 million and ₱0.55 million, respectively.

Investment Securities at Amortized Cost

As of December 31, 2023, investment securities at amortized cost are comprised of investment in peso-denominated government securities. The outstanding investments are included in the Company's special reserve accounts in compliance with SRC 49.2 under the trust management of its Parent Company. Related interest income amounted to ₱2.70 million and ₱1.02 million, in 2023 and 2022, respectively.

9. Property and Equipment

Composition of and movements in this account follow:

	Furniture, Fixtures and Office Equipment	Leasehold Improvements	Total
Cost			
Balances at beginning of year	₱18,945,425	₱6,371,452	₱25,316,877
Additions	1,506,655	–	1,506,655
Balances at end of year	20,452,080	6,371,452	26,823,532
Accumulated Depreciation			
Balances at beginning of year	15,169,435	5,730,471	20,899,906
Depreciation	2,004,738	640,978	2,645,716
Balances at end of year	17,174,173	6,371,449	23,545,622
Net Book Values	₱3,277,907	₱3	₱3,277,910



	Furniture, Fixtures and Office Equipment	Leasehold Improvements	Total
Cost			
Balances at beginning of year	₱15,951,663	₱6,371,452	₱22,323,115
Additions	3,075,262	–	3,075,262
Write-off	(81,500)	–	(81,500)
Balances at end of year	18,945,425	6,371,452	25,316,877
Accumulated Depreciation			
Balances at beginning of year	13,992,178	5,031,219	19,023,397
Depreciation	1,255,237	699,252	1,954,489
Write-off	(77,980)	–	(77,980)
Balances at end of year	15,169,435	5,730,471	20,899,906
Net Book Values	₱3,775,990	₱640,981	₱4,416,971

As of December 31, 2023, and 2022, the cost of fully depreciated property and equipment still in use amounted to ₱21.92 million and ₱18.08 million, respectively.

10. Exchange Trading Right

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

As of December 31, 2023 and 2022, the carrying values of exchange trading right amounted to ₱4.00 million.

As of December 31, 2023, and 2022, the latest transacted price of the exchange trading right (as provided by the PSE) amounted to ₱8.00 million. No impairment loss was recognized on this account in 2023 and 2022.

11. Other Assets

This account consists of:

	2023	2022
Creditable withholding taxes	₱28,316,820	₱18,120,873
CTGF refundable deposits	7,693,239	7,300,210
Software asset	2,524,047	547,154
Prepaid expenses	1,638,153	1,402,585
Security deposit	208,080	213,180
Miscellaneous	812,442	812,442
	₱41,192,781	₱28,396,444



Movement of software asset is as follows:

	2023	2022
Cost		
Balance at beginning of year	₱4,681,925	₱4,681,925
Additions	2,548,214	-
Balance at end of year	7,230,139	4,681,925
Accumulated Amortization		
Balance at beginning of year	4,134,771	3,806,485
Amortization	571,321	328,286
Balance at end of the year	4,706,092	4,134,771
Net Book Value	₱2,524,047	₱547,154

On 13 March 2018, the SEC resolved to approve the SCCP's proposed amendment to make the contributions to the Clearing and Trade Gratuity Fund (CTGF) refundable to clearing members upon cessation of their business and/or termination of their membership with SCCP.

The classification of other assets as to current and noncurrent is as follows:

	2023	2022
Current portion	₱30,166,053	₱19,739,638
Noncurrent portion	11,026,728	8,656,806
	₱41,192,781	₱28,396,444

12. Payable to Customers

This account consists of payable to customers. Details follow:

	December 31, 2023		December 31, 2022	
	Money Balance	Security Valuation - Long	Money Balance	Security Valuation - Long
With money balance	₱1,153,689,394	₱33,292,984,051	₱1,309,206,615	₱22,922,673,295
Without money balance	-	168,157,543,151	-	133,097,392,004
	₱1,153,689,394	₱201,450,527,202	₱1,309,206,615	₱156,020,065,299

13. Receivable from/Payable to Clearing House

As of December 31, 2023, receivable from clearing house and payable to clearing house amounting to nil and ₱59.30 million, respectively, were collected and settled in January 2024.

As of December 31, 2022, receivable from clearing house and payable to clearing house amounting to ₱80.61 million and nil, respectively, were collected and settled in January 2023.



14. Accounts Payable and Accrued Expenses

This account consists of:

	2023	2022
Accounts payable (Note 21)	₱15,460,540	₱7,737,281
Accrued expenses	2,854,659	1,633,162
Payable to PSE, PDTC and SCCP fees	3,022,998	1,719,791
	₱21,338,197	₱11,090,234

Accrued expenses include accruals of management fees, professional fees, employee costs and others.

15. Other Liabilities

This account consists of:

	2023	2022
Due to Bureau of Internal Revenue (BIR)	₱3,079,362	₱2,028,105
Others	259,023	214,193
	₱3,338,385	₱2,242,298

Due to BIR includes unpaid stock transaction tax, withholding taxes and output VAT (net of input VAT).

16. Equity

As of December 31, 2023 and 2022, the Company has an authorized capital stock of 640,000 common shares with par value of ₱100 per share, of which 480,000 shares are issued and outstanding.

On June 9, 2023, the BOD declared cash dividends totaling to ₱23.47 million to its parent, AB Capital & Investment Corporation, which were paid on June 14, 2023.

Capital Management

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

The 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 Company may adjust the amount of dividend payments 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 ₱2.50 million or 2.50% 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 Risk-Based Capital Adequacy (RBCA) model, and (c) to require unimpaired paid-up capital of ₱100.00 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; ₱10.00 million plus a surety bond for existing broker dealers not engaged in market-making transactions; and ₱2.50 million for broker dealers dealing only in proprietary shares and not holding securities.

The 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 110.00%. 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 2,000.00% of its NLC and at all times shall have and maintain NLC of at least ₱5.00 million or 5.00% of the AI, whichever is higher.

Further, based on SEC Memorandum Circular No. 16 dated November 11, 2004, starting December 1, 2005, every broker dealer is expected to comply with all the requirements of the RBCA rules. As of December 31, 2005, the RBCA is based on the guidelines which 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.

As of December 31, 2023 and 2022, the Company is in compliance with the RBCA ratio. The RBCA ratio of the Company as of December 31, 2023 and 2022 are shown in the table below.

	2023	2022
Equity eligible for net liquid capital	₱187,484,656	₱143,486,993
Less ineligible assets	62,838,788	54,508,496
NLC	₱124,645,868	₱88,978,497
Operational risk	₱16,585,352	₱15,688,665
Position risk	1,249,368	6,959,765
Large exposure risk	-	2,338,009
TRCR	₱17,834,720	₱24,986,439
Less: Exclusions from Aggregate Indebtedness		
Others	172,226	226,960
AI	₱1,172,928,725	₱1,302,383,400
5% of AI	₱58,646,436	₱65,119,170
Required net liquid capital	58,646,436	65,119,170
Net risk-based capital excess	65,999,432	23,859,327
Ratio of aggregate indebtedness to net liquid capital	941%	1464%
RBCA ratio	699%	356%

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

Counterparty risk requirements

This amount is 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.

LER requirements

This amount is necessary to accommodate a given level of the Broker Dealer's LER which is in excess of the LER limit. LER limit is the maximum permissible large exposure and calculated as a percentage of Core Equity.

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 that the broker dealer 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.

In addition, SRC Rule 49.1 (B), *Reserve Fund*, of such circular 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 30.00%, 20.00% and 10.00% of profit after tax for broker dealers with unimpaired paid up capital between ₱10.00 million to ₱30.00 million, between ₱30.00 million to ₱50.00 million and more than ₱50.00 million, respectively. As of December 31, 2023 and 2022, the appropriated retained earnings amounted to ₱28.64 million and ₱21.78 million, respectively.

On May 28, 2009, the SEC approved the PSE's Rules Governing Trading Rights and Trading Participants. These rules superseded the Membership Rules of the PSE. Section 8 (c) of Article 3 of the said new rule requires that trading participants shall have a minimum unimpaired capital of ₱20.00 million effective December 31, 2009, and ₱30.00 million effective December 31, 2010 and onwards. This applies only to trading participants who opted to defer compliance with the ₱100.00 million unimpaired capital requirements. As of December 31, 2023 and 2022, the Company's regulated operations have complied with all externally imposed capital requirements.

17. Retirement Plan

The Company has a noncontributory and funded retirement plan covering all its officers and regular employees. Under the retirement plan, all covered officers and employees are entitled to cash benefits after satisfying certain age and service requirements. The retirement fund is administered by the Parent Company's TID which acts as a trustee under the plan.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan.



The following tables show the amounts recognized based on the actuarial valuation as of December 31, 2023 and 2022. Changes in net defined benefit liability of funded funds in 2023 and 2022 are as follows:

	2023													
	Net benefit cost in profit or loss*					Remeasurements in other comprehensive income								December 31, 2023
	January 1, 2023	Current service cost	Interest on the effect of the asset ceiling	Net interest	Subtotal	Return on plan assets (excluding amount included in net interest)	Changes in effect of asset ceiling	Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments	Subtotal	Benefits paid/ withdrawal from plan assets	Contribution by employer	
Present value of defined benefit obligation	₱6,425,120	₱1,081,573	₱-	₱469,034	₱1,550,607	₱-	₱-	₱-	₱800,716	₱57,675	₱858,391	(₱99,460)	₱-	₱8,734,658
Fair value of plan assets	(7,083,897)	-	-	(526,068)	(526,068)	235,204	-	-	-	-	235,204	99,460	(344,481)	(7,619,782)
Net defined benefit liability (asset)	(₱658,777)	₱1,081,573	₱-	(₱57,034)	₱1,024,539	₱235,204	₱-	₱-	₱800,716	₱57,675	₱1,093,595	₱-	(₱344,481)	₱1,114,876

* The net benefit cost is recorded under 'Compensation and fringe benefits' in the statements of comprehensive income.

	2022													
	Net benefit cost in profit or loss*					Remeasurements in other comprehensive income								December 31, 2022
	January 1, 2022	Current service cost	Interest on the effect of the asset ceiling	Net interest	Subtotal	Return on plan assets (excluding amount included in net interest)	Changes in effect of asset ceiling	Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments	Subtotal	Benefits paid/ withdrawal from plan assets	Contribution by employer	
Present value of defined benefit obligation	₱5,829,311	₱947,276	₱-	₱299,627	₱1,246,903	₱-	₱-	₱-	(₱1,333,688)	₱1,129,223	(₱204,465)	(₱446,630)	₱-	₱6,425,120
Fair value of plan assets	(6,135,463)	-	809	(340,107)	(339,298)	290,612	31,546	-	-	-	322,158	446,630	(1,377,924)	(7,083,897)
Net defined benefit liability (asset)	(₱306,152)	₱947,276	₱809	(₱40,479)	₱907,605	₱290,612	₱31,546	₱-	(₱1,333,688)	₱1,129,223	₱117,693	₱-	(₱1,377,924)	(₱658,777)

* The net benefit cost is recorded under 'Compensation and fringe benefits' in the statements of comprehensive income.



The principal actuarial assumptions used in determining the retirement benefit cost as of January 1 are shown below:

	2023	2022
Discount rate	6.15%	7.30%
Future salary increases	4.00%	4.00%
Mortality rate	2017 PICM	2017 PICM

The movements in 'Remeasurement gain (loss) on retirement liability' in OCI follow:

	2023	2022
Balance at beginning of year	₱431,170	₱519,440
Remeasurement gain (loss) during the year from:		
Present value of defined benefit obligation	(858,391)	204,465
Fair value of plan assets	(235,204)	(290,612)
Effect of asset ceiling	-	(31,546)
	(1,093,595)	(117,693)
Income tax effect	273,399	29,423
Balance at end of year net of tax	(₱389,026)	₱431,170

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of December 31, 2023 and 2022, assuming if all other assumptions were held constant:

	Increase (Decrease)	2023	2022
Discount rate	100%	(₱704,981)	(₱471,387)
	(100%)	842,406	555,574
Salary increase rate	100%	852,525	568,833
	(100%)	(724,692)	(489,485)

Shown below is the ten-year maturity analysis of the undiscounted benefit payments:

	2023	2022
Less than one year	₱-	₱-
More than 1 year to 5 years	4,286,142	3,361,306
More than 6 years to 10 years	14,892,967	8,636,840

The weighted average duration of the defined benefit obligation is equivalent to 8.9 years and 8.0 years in 2023 and 2022, respectively.



The fair values of plan assets by each class as at December 31, 2023 and 2022 are as follows:

	2023	2022
Short-term placements:		
Time deposits	₱7,608,323	₱6,808,411
Other assets:		
Deposit with banks	35,929	375,042
Interest receivables	13,506	10,000
Less: Other accountabilities		
Accounts payable	34,201	57,893
Portfolio fees payable	3,775	3,572
Total fair value of plan assets*	₱7,619,782	₱7,131,988

*Difference in plan assets in 2022 is due to asset ceiling and its related interest income

The retirement plan trustee has no specific matching strategy between the plan assets and the plan liabilities.

18. Leases

Company as a lessee

The Company has entered into lease agreement with Vicsal Development Corporation (VDC) for the lease of its head office space for a period of five years with escalation subject to renewal at the option of the Company.

In 2023, the Company was granted rent concession on its rental payments from January to December 2023. Accordingly, the Company remeasured its lease liability to consider the impact of the rent concession.

The rollforward analysis of the lease liability follows:

	2023	2022
Balance at beginning of the year	₱4,593,954	₱8,716,626
Interest expense	132,877	532,753
Lease payments	(3,251,736)	(4,655,425)
Modifications	(1,475,095)	-
Balance at end of the year	₱-	₱4,593,954

The classification of lease liability as to current and noncurrent is as follows:

	2023	2022
Current portion	₱-	₱4,593,954
Noncurrent portion	-	-
	₱-	₱4,593,954



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

	2023	2022
Within one year	P-	P4,789,683
More than one year but less than two years	-	-
	P-	P4,789,683

The rollforward analysis of right-of-use asset on the abovementioned lease contracts are as follows:

	2023	2022
Cost		
Balance at beginning of year	P8,654,941	P8,654,941
Modifications in the sublease agreement	556,672	-
Balance at end of year	9,211,613	8,654,941
Accumulated Depreciation		
Balance at beginning of year	7,105,452	5,555,962
Depreciation	2,106,161	1,549,490
Balance at end of the year	9,211,613	7,105,452
Net Book Value	P-	P1,549,489

In 2023 and 2022, the following are the amounts recognized in the statement of income related to the lease:

	2023	2022
Depreciation expense of right-of-use assets	P2,106,161	P1,549,490
Interest expense on lease liability	132,877	532,753
Rent expenses relating to short-term leases (included in operating expenses) (Note 20)	2,324,222	908,680
Total amount recognized in statement of income	P4,563,260	P2,990,923

Operating Lease - Company as Lessee

The Company is a lessee under a non-cancellable lease agreement covering the office space of its branches classified as short-term leases with lease term less than one year from commencement date. Short-term lease payments amounted to P0.51 million and P0.55 million in 2023 and 2022, respectively.

Finance Lease - Company as Lessor

The Company entered into a sublease agreement to lease out a portion of its building space to the Parent Company. The non-cancellable sublease agreement is for a period of five years with an annual escalation. At initial adoption, the sublease agreement was classified as finance lease.

In 2023, the Company amended the sublease agreement to increase the space leased out to Parent Company. Accordingly, the Company remeasured the net investment in the lease and the right-of-use asset to consider the impact of the lease modification.



The rollforward analysis of net investment in the lease recognized under 'Receivables from non-customer' is as follows:

	2023	2022
Balance at beginning of the year	P 2,551,541	P4,928,684
Interest income	40,167	159,587
Payment received	(1,816,584)	(2,536,730)
Modifications	(775,124)	-
Balance at end of the year	P-	P2,551,541

19. Administrative Expenses

This account consists of:

	2023	2022
Compensation and fringe benefits (Notes 18 and 23)	P 23,958,105	P18,163,086
Management and other professional fees (Note 23)	2,792,580	4,274,519
Occupancy and other equipment-related costs (Note 19)	5,302,749	3,722,866
Taxes and licenses	433,007	376,777
Communication	227,251	214,836
	P32,713,692	P26,752,084

Miscellaneous Cost/Expenses

This account consists of:

	2023	2022
Shared cost	P 8,734,360	P-
Consultancy fees	3,190,190	-
Building expense	1,016,073	1,043,890
Fuel and lubricants	758,683	852,796
Stationery and supplies	766,792	757,998
Insurance	101,254	115,475
Entertainment, amusement and recreation	152,475	89,496
Travelling expenses	39,515	43,863
Taxes and licenses	23,050	30,740
Advertising and publicity	4,608	9,661
Others	9,568,253	7,031,115
	P24,355,253	P9,975,034

Other miscellaneous expenses include parking fees, meals, bank charges, janitorial and messengerial expenses and marketing and service fees.



Miscellaneous expenses are classified in the statements of comprehensive income as follows:

	2023	2022
Cost of services	₱2,115,051	₱1,901,170
Operating expenses	22,240,202	8,073,864
	₱24,355,253	₱9,975,034

20. Income Taxes

Provision for income tax consists of:

	2023	2022
Current:		
RCIT	₱3,148,781	₱-
MCIT	-	399,059
Final	10,415,415	2,650,352
	13,564,196	3,049,411
Deferred	(1,435,001)	185,101
	₱12,129,195	₱3,234,512

Under Philippine tax laws, the Company is subject to other taxes (presented as ‘Taxes and license fees’ in the statements of income) as well as income taxes. Other taxes paid consist principally of documentary stamp tax. Income taxes include corporate income taxes, as discussed below, and final taxes paid at the rate of 20.0%, which represent final withholding tax on gross interest income from deposit in banks. These income taxes, as well as deferred tax, are presented as ‘Provision for income tax’ in the statements of income.

On March 26, 2021, Republic Act (RA) No. 11534, otherwise known as Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act was signed into law. CREATE reduced the regular corporate income tax (RCIT) from 30% to 20% to 25% depending on the criteria set by the law effective July 1, 2020. Interest expense allowed as deductible expense shall be reduced by 20.0% of interest income subjected to final tax under the CREATE Act, while tax arbitrage is 33.0% prior to the CREATE Act.

RA No. 9504, An Act Amending National Internal Revenue Code, provides that, the optional standard deduction (OSD) equivalent to 40.0% of gross income may be claimed as an alternative deduction in computing for the RCIT. In 2023 and 2022, the Company elected to claim itemized expense deductions.

Current tax regulations also provide for the ceiling on the amount of EAR expense that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense for a service company like the Parent Company and most of its subsidiaries is limited to the actual EAR paid or incurred but not to exceed 1.0% of net revenue.

The regulations also provide for MCIT of 1.0% 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.



Components of the net deferred tax asset (liability) are as follows:

	2023	2022
Deferred tax asset on:		
Allowance for credit losses*	₱124,825	₱124,825
Unrealized loss on financial assets at FVTPL	21,086	-
Retirement liability	278,720	-
	424,631	124,825
Deferred tax liability on:		
Unrealized foreign exchange gain	7,532	7,614
Unrealized gain on financial assets at FVTPL	-	54,652
Retirement asset	-	164,694
	7,532	226,960
Net deferred tax asset (liability)	₱417,099	(₱102,135)

*Pertains to fully provided non-trade receivables

Provision for deferred income tax charged directly to OCI during the year amounted to ₱0.27 million and ₱0.03 million as of December 31, 2023 and 2022, respectively.

The Company did not recognize deferred tax asset on the following:

	2023	2022
NOLCO	₱-	₱11,465,767
MCIT	-	1,189,166
PFRS 16 and net investment in lease	-	492,924
Unamortized past service cost	1,606,961	1,833,391
	₱1,606,961	₱14,981,248

Details of excess of MCIT over RCIT follow:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2022	₱399,059	₱399,059	₱-	₱-	2025
2021	418,284	418,284	-	-	2024
2020	371,823	371,823	-	-	2023
	₱1,189,166	₱1,189,166	₱-	₱-	

*The excess MCIT over RCIT amount in 2020 is reduced by ₱0.12 million due to implementation of CREATE. The Company utilized available MCIT against its 2023 income tax liability

On September 30, 2020, the BIR issued Revenue Regulations No. 25-2020 implementing Section 4(bbbb) 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.

As of December 31, 2023, the Company has incurred NOLCO before taxable year 2020 which can be claimed as deduction from the regular taxable income for the next three (3) consecutive taxable years, as follows:

Year incurred	Availment Period	Amount	NOLCO Applied Previous Years	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2019	2020-2022	₱15,591,482	₱10,896,976	₱4,694,506	₱-	₱-



As of December 31, 2023, the Company has incurred NOLCO in taxable year 2020 which can be claimed as deduction from the regular taxable income for the next five (5) consecutive taxable years pursuant to the Bayanihan to Recover As One Act, as follows:

Year incurred	Availment Period	Amount	NOLCO Applied Previous Years	NOLCO Expired	NOLCO Applied Current Year	NOLCO Unapplied
2020	2021-2025	₱11,465,767	₱-	₱-	₱11,465,767	₱-

Reconciliation between the statutory income tax rate and the effective income tax rate follows:

	2023	2022
Statutory income tax rate	25.00%	25.00%
Tax effect of		
Non-taxable income	(0.06)	(0.01)
Movement in unrecognized deferred tax assets	(5.15)	2.34
Tax exempt and tax paid income	(4.76)	(5.06)
Effective income tax rate	15.03%	22.27%

21. Related Party Transactions

Parties are considered to be 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 or if they are subjected to common control or common significant influence such as subsidiaries or other related parties. Related parties may be individuals or corporate entities.

The Company has several business relationships with related parties. Transactions with such parties are made in the ordinary course of business and on substantially same terms, including interest and collateral, as those prevailing at the time for comparable transactions with other parties. These transactions also did not involve more than the normal risk of collectability or present other unfavorable conditions.

Other related parties include those transactions with entities under common control. These are conducted in the normal course of business and will be settled in cash. Details on related party transactions follow:

Category	2023		2022		Nature/Terms and Condition
	Amount/ Volume	Outstanding Balances	Amount/ Volume	Outstanding Balances	
VDC					
Lease arrangement					
Right of use asset	(₱1,549,489)	₱-	₱-	₱1,549,489	Lease agreement for the lease of its head office space for a period of five years subject to annual escalation.
Lease liability	(4,593,954)	-	(4,655,425)	4,593,954	
Parent Company		1,028,267,137		857,194,721	
Special deposit accounts					30 days, unsecured 0.125% to 6.485% and 0.125% to 5.5%, per annum in 2023 and 2022, respectively, unimpaired, placed with the TID of Parent Company
Placements	1,625,426,293	-	371,947,205	-	
Withdrawals	1,454,353,877	-	118,646,513	-	Memorandum of agreement on IT services and related activities; due yearly; Various operating expenses such as maintenance fees and utilities. Payable in cash, due within 1 month. Presented under accounts payable in Note 14.
Due to parent company	21,142,736	7,456,078	7,501,757	-	



Category	2023		2022		Nature/Terms and Condition
	Amount/ Volume	Outstanding Balances	Amount/ Volume	Outstanding Balances	
Due from parent company	(P486,109)	P-	P486,109	P486,109	Memorandum of agreement on IT services and related activities; due yearly; Various operating expenses such as maintenance fees and utilities; Payable in cash, due within 1 month.
Net investment in lease	(2,551,541)	-	-	2,551,541	Sublease agreement to lease out a portion of leased building space for a period of five years.
Placement fees	1,855,420	177,650	1,241,799	148,105	Payable in cash, due within 1 month
Entities under common control:					
Commission income	1,059,815	39,528,546	968,037	76,905,164	Paid in cash on settlement date (Trade date + 2)
Trade transactions	423,912,018	-	387,214,845	-	
Key management personnel:					
Commission income	1,966	77,900	5,653	679	Paid in cash on settlement date (Trade date + 2)
Trade transactions	781,107	-	2,253,134	-	

Transaction with retirement plans

Under PFRS, certain post-employment benefit plans are considered related parties. The Company has business relationships with its retirement plan pursuant to which the Parent Company's TID provides trust and management services to this plan.

As of December 31, 2023, and 2022, the fair values of the plan assets of the Company amounted to P7.62 million and P7.08 million, respectively.

Relevant information on statements of financial condition of the Company's retirement funds (at carrying values) as of December 31, 2023 and 2022 are as follows:

	2023	2022
Short-term placements	P7,608,323	P6,808,411
Other assets	49,435	385,042
Total Fund Assets	P7,657,758	P7,193,453
Total Fund Liabilities	P37,976	P61,465

The remuneration of directors and other members of the Company's key management personnel follow:

	2023	2022
Salaries and short-term benefits	P9,382,662	P6,996,753
Post-employment benefits	534,549	349,669
	P9,917,211	P7,346,422

22. Financial Performance

The following basic ratios measure the financial performance of the Company:

	2023	2022
Return on average equity	41.38%	8.18%
Return on average assets	4.73%	0.92%
Net interest margin on average earning assets	4.21%	1.36%



23. Approval for the Release of Financial Statements

The accompanying financial statements were approved and authorized for issue by the BOD on February 29, 2024.




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**INDEPENDENT AUDITOR'S REPORT
ON THE SUPPLEMENTARY INFORMATION
REQUIRED UNDER REVENUE REGULATIONS 15-2010**

The Board of Directors and Stockholders
AB Capital Securities, Inc.
Units 1210-1212 & 1911-1912
PSE Tower, 5th Ave. corner 28th St.,
Bonifacio Global City,
Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of AB Capital Securities, Inc. (the Company) as at and for the years ended December 31, 2023 and 2022 and have issued our report thereon dated February 29, 2024 which contained an unqualified opinion on those financial statements. 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 for the year ended December 31, 2023 is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. The information is also not required by Revised Securities Regulation Code Rule 68. Revenue Regulations 15-2010 require the information to be presented in the notes to financial statements. Such information is the responsibility of the management of the Company. 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.



Ray Francis C. Balagtas
Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

February 29, 2024



**AB CAPITAL SECURITIES, INC.
SUPPLEMENTARY INFORMATION REQUIRED UNDER
REVENUE REGULATIONS (RR) 15-2010**

In compliance with RR 15-2010, the Company presents information on taxes, duties and license fees paid or accrued during the taxable year.

The Company reported and/or paid the following types of taxes for the taxable year ended December 31, 2023:

Value Added Tax (VAT)

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

Details of the Company's net sales/receipts and output VAT and purchases of goods/services and input VAT accounts are as follows:

a. Net Sales/Receipts and Output VAT declared in the Company's VAT returns filed for the period

	Net Sales/ Receipts	Output VAT
Commissions	₱123,039,646	₱14,764,765
Gain on sale of marketable securities	1,616,834	194,020
Interest	1,230,731	147,688
Other collections	1,362,500	163,500
Miscellaneous Income	2,980,981	357,718
	₱130,246,799	₱15,629,623

The Company's outstanding output VAT payable amounted to ₱3.07 million.

Purchases of Goods/Services and Input VAT

	Purchases	Input VAT
Balance at January 1		₱215,903
Current year's domestic purchases/payments for:		
Domestic purchases of services and goods	34,931,367	4,191,764
Claims for tax credit/refund and other adjustments		(3,269,742)
Balance at December 31		₱1,137,925

Other Taxes and Licenses

In 2023, taxes and licenses of the Company included in 'Miscellaneous' under 'Cost of Services' and 'Administrative expenses' under 'Operating expense' in the statement of income follow:

Local taxes	₱242,492
SEC licenses	206,745
Others	6,820
	₱456,057

Withholding Taxes

Breakdown of taxes withheld and remitted in 2023:

	Total Remittances	Balance as of December 31, 2023
Stock Transaction Tax	₱248,140,179	₱281,367
Compensation	4,363,033	475,465
Expanded withholding tax	3,450,313	394,102
Final withholding tax	456,696	30
	<u>₱256,410,221</u>	<u>₱1,150,964</u>

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
AB Capital Securities, Inc.
Units 1210-1212 & 1911-1912
PSE Tower, 5th Ave. corner 28th St.,
Bonifacio Global City,
Taguig City

We have audited the accompanying financial statements of AB Capital Securities, Inc. (the Company), as at December 31, 2023 and for the year then ended, on which we have rendered the attached report dated February 29, 2024.

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

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas
Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

February 29, 2024



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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY SCHEDULE

The Board of Directors and Stockholders
AB Capital Securities, Inc.
Units 1210-1212 & 1911-1912
PSE Tower, 5th Ave. corner 28th St.,
Bonifacio Global City,
Taguig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of AB Capital Securities, Inc. (the Company), as at December 31, 2023 and 2022, and have issued our report thereon dated February 29, 2024. 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 Supplementary Schedules¹ are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code (SRC) Rule 68 and SRC 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 information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.



Ray Francis C. Balagtas

Partner

CPA Certificate No. 108795

Tax Identification No. 216-950-288

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

BIR Accreditation No. 08-001998-107-2023, September 12, 2023, valid until September 11, 2026

PTR No. 10079900, January 5, 2024, Makati City

February 29, 2024

¹ This includes:

- Reconciliation of Retained Earnings Available for Dividend Declaration
- Statement of changes in liabilities subordinated to claims of general creditors
- Computation of risk-based capital adequacy requirement pursuant to SEC Memorandum Circular No. 16
- Information relating to the possession or control requirements under SRC Rule 49.2 - Annex 49.2-A
- Computation for determination of reserve requirements under SRC Rule 49.2 - Annex 49.2-B
- A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit
- Results of monthly securities count conducted pursuant to SRC Rule 52.1.10 as of balance sheet date



SCHEDULE I

AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
AVAILABLE FOR DIVIDEND DECLARATION
December 31, 2023

Unappropriated Retained Earnings, beginning of reporting period	₱23,558,639
Add: Category B - Items that are directly debited to Unappropriated Retained Earnings	
Dividend declaration during the reporting period	(23,466,553)
Retained Earnings appropriated during the reporting period	<u>(6,858,422)</u>
Unappropriated Retained Earnings, as adjusted	(6,766,336)
Add: Net income for the current year	68,584,218
Adjusted Net Income	<u>61,817,882</u>
Add/Less: Category F - Other items that should be excluded from the determination of the amount of available for dividends distribution	
Net movement of deferred tax asset not considered in the reconciling items under the previous categories	(26,407)
Total Retained Earnings, End Available for Dividend, December 31, 2023	<u>₱61,791,475</u>

SCHEDULE II

AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
DECEMBER 31, 2023

There are no liabilities subordinated to claims of general creditors.

SCHEDULE III

AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
RISK-BASED CAPITAL ADEQUACY WORKSHEET PURSUANT TO
SEC MEMORANDUM CIRCULAR NO. 16
DECEMBER 31, 2023

Assets	1,360,845,544
Liabilities	1,172,936,257
Equity as per books	187,909,287
Adjustments to Equity per books	
Add (Deduct):	
Allowance for Market Decline	
Subordinated Liabilities	
Unrealized Gain / (Loss) in Propriety Accounts	
Deferred Income Tax	(424,631)
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
Total Adjustments to Equity per books	(424,631)
Equity Eligible For Net Liquid Capital	187,484,656
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or Indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	4,809,442
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	5,801,957
d. All Other Current Assets	22,496,517
e. Securities Not Readily Marketable	30,514
f. Negative Exposure (SCCP)	245,613
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	29,454,745
Total ineligible assets	62,838,788

Net Liquid Capital (NLC)	124,645,868
Less:	
Operating Risk Requirement	16,585,352
Position Risk Requirement	1,249,368
Counterparty Risk	
Large Exposure Risk	
LERR to a single client	
LERR to a single debt	
LERR to a single issuer and group of companies	
Total Risk Capital Requirement (TRCR)	17,834,720
Net RBCA Margin (NLC-TRCR)	106,811,148
Liabilities	1,172,936,257
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans and secured securities	
Loans secured by fixed assets	
Others	7,532
Total adjustments to AI	(7,532)
Aggregate Indebtedness	1,172,928,725
5% of Aggregate Indebtedness	58,646,436
Required Net Liquid Capital (> of 5% of AI or P5M)	58,646,436
Net Risk-based Capital Excess / (Deficiency)	65,999,432
Ratio of AI to Net Liquid Capital	941%
RBCA Ratio (NLC/TRCR)	699%

SCHEDULE IV

AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS UNDER
SRC RULE 49.2
DECEMBER 31, 2023

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 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 Annex F of 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 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 Annex F of SRC Rule 49.2:

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

SCHEDULE V

AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER
SRC RULE 49.2
 DECEMBER 31, 2023

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	1,005,300,094	
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.	42,945,189	
5. Credit balances in firm accounts which are attributable to principal sales to customer.		
6. Market value of stock dividends, stock splits and similar distributions 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.		17,679,370
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver.		
12. Failed to deliver customers' securities not older than 30 calendar days.		
13. Others:		
Total	1,048,245,283	17,679,370
Net Credit (Debit)	1,030,565,913	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	1,030,565,913	

SCHEDULE VI

**AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and 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, 2023**

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

SCHEDULE VII

AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
**RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC 52.1-10
DECEMBER 31, 2023**

There is no discrepancy in the results of the securities count conducted. Refer to attached summary.

SCHEDULE VIII

AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
SCHEDULE SHOWING FINANCIAL SOUNDNESS INDICATORS IN TWO COMPARATIVE PERIODS UNDER REVISED SRC RULE 68
DECEMBER 31, 2023

Ratio	Formula	Current year	Prior year
Current ratio	Total current assets divided by Total current liabilities		
	Current assets	1,407,972,017	
	Current liabilities	<u>1,237,669,591</u>	
		113.76%	109.38%
Solvency ratio	Net income plus Depreciation divided by Total liabilities		
	Net income plus Depreciation	73,907,416	
	Total liabilities	<u>1,238,784,467</u>	
		5.97%	1.14%
Debt-to-equity ratio	Total liabilities divided by Total equity		
	Total liabilities	1,238,784,467	
	Total equity	<u>187,909,287</u>	
		659.25%	924.18%
Asset-to-equity ratio	Total assets divided by Total equity		
	Total assets	1,426,693,754	
	Total equity	<u>187,909,287</u>	
		759.25%	1024.18%
Interest rate coverage ratio	Income before interest and tax divided by Interest expense		
	Income before interest and tax	80,846,290	
	Interest expense	<u>132,877</u>	
		60842.95%	2826.27%
Profitability ratios:			
Return on average equity	Net income divided by Average total equity		
	Net income	68,584,218	
	Average total equity	<u>165,760,553</u>	
		41.38%	8.18%
Return on average assets	Net income divided by Average total assets		
	Net income	68,584,218	
	Average total assets	<u>1,448,770,404</u>	
		4.73%	0.92%

AB CAPITAL SECURITIES, INC.
(A Subsidiary of AB Capital and Investment Corporation)
RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC 52.1-10
DECEMBER 31, 2023

STOCK CODE	IN-VAULT	W/TO	Per Record					Per Count			
			PCD QUANTITY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	
2GO	-	-	80,454	-	80,454	13.500	1,086,129	80,454	13.500	1,086,129	
8990B	-	-	116,710	-	116,710	95.000	11,087,450	116,710	95.000	11,087,450	
AAA	8,700	-	818,500	-	827,200	1.610	1,331,792	827,200	1.610	1,331,792	
AB	4,264	-	73,793	(1,000)	77,057	5.320	409,943	77,057	5.320	409,943	
ABA	100	-	5,122,819	(69,899)	5,053,020	0.850	4,295,067	5,053,020	0.850	4,295,067	
ABG	-	-	90,114	-	90,114	3.010	271,243	90,114	3.010	271,243	
ABS	19,090	-	76,885,015	124	76,904,229	4.620	355,297,538	76,904,229	4.620	355,297,538	
ABSP	-	-	7,331,623	-	7,331,623	4.600	33,725,466	7,331,623	4.600	33,725,466	
ABS-PREF	17,541	-	-	-	17,541	-	-	17,541	-	-	
AC	2	-	283,746	790	284,538	681.000	193,770,378	284,538	681.000	193,770,378	
ACE	-	-	401,810	-	401,810	1.720	691,113	401,810	1.720	691,113	
ACEN	191	-	36,280,061	2,029,000	38,309,252	4.380	167,794,524	38,309,252	4.380	167,794,524	
ACENA	-	-	28,500	-	28,500	1,050.000	29,925,000	28,500	1,050.000	29,925,000	
ACENB	-	-	145,260	-	145,260	1,080.000	156,880,800	145,260	1,080.000	156,880,800	
ACPAR	-	-	15,570	40	15,610	2,508.000	39,149,880	15,610	2,508.000	39,149,880	
ACPFREF	113,164	-	-	-	113,164	-	-	113,164	-	-	
ACR	-	-	4,258,785	-	4,258,785	0.540	2,299,744	4,258,785	0.540	2,299,744	
ACRMC	24,295	-	-	-	24,295	-	-	24,295	-	-	
AEV	14,380	-	963,422	901	978,703	44.600	43,650,154	978,703	44.600	43,650,154	
AGI	-	-	2,402,400	(2,700)	2,399,700	11.280	27,068,616	2,399,700	11.280	27,068,616	
ALCO	-	-	6,925,898	1,160	6,927,058	0.415	2,874,729	6,927,058	0.415	2,874,729	
ALCPC	-	-	20	-	20	95.000	1,900	20	95.000	1,900	
ALCPD	-	-	27,080	-	27,080	500.000	13,540,000	27,080	500.000	13,540,000	
ALHI	-	-	106,610	-	106,610	4.010	427,506	106,610	4.010	427,506	
ALI	433	-	6,738,960	1,402	6,740,795	34.450	232,220,388	6,740,795	34.450	232,220,388	
ALIPREF	100,111	-	-	-	100,111	-	-	100,111	-	-	

STOCK CODE	Per Record						Per Count			
	IN-VAULT	W/TO	PCD QUANTITIY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
ALLDY	-	-	63,461,340	2,500	63,463,840	0.157	9,963,823	63,463,840	0.157	9,963,823
ALLHC	250,400	-	5,079,047	1	5,329,448	1.770	9,433,123	5,329,448	1.770	9,433,123
ALTER	-	-	4,501,966	31,000	4,532,966	0.770	3,490,384	4,532,966	0.770	3,490,384
AMC	17,500	-	-	-	17,500	17.200	301,000	17,500	17.200	301,000
ANI	-	-	4,215,895	18,100	4,233,995	0.750	3,175,496	4,233,995	0.750	3,175,496
ANS	31,144	-	14,533,363	-	14,564,507	11.660	169,822,152	14,564,507	11.660	169,822,152
AP	-	-	5,131,517	1,414	5,132,931	37.800	194,024,792	5,132,931	37.800	194,024,792
APB2R	-	-	2,408,690	-	2,408,690	485.200	1,168,696,388	2,408,690	485.200	1,168,696,388
APC	-	-	60,044,347	(430,000)	59,614,347	0.235	14,009,372	59,614,347	0.235	14,009,372
APL	-	-	1,178,151,492	-	1,178,151,492	0.013	15,315,969	1,178,151,492	0.013	15,315,969
APO	9,010	-	3,489,498	-	3,498,508	0.450	1,574,329	3,498,508	0.450	1,574,329
APVI	-	-	423,334	-	423,334	9.290	3,932,773	423,334	9.290	3,932,773
APX	11,143	-	4,017,653,823	1,228,000	4,018,892,966	3.000	12,056,678,898	4,018,892,966	3.000	12,056,678,898
AR	100,000	-	5,286,307,000	-	5,286,407,000	0.005	24,317,472	5,286,407,000	0.005	24,317,472
ARA	3,270	-	139,253,904	-	139,257,174	0.980	136,472,031	139,257,174	0.980	136,472,031
AREIT	-	-	2,982,553	2,647	2,985,200	33.400	99,705,680	2,985,200	33.400	99,705,680
ASLAG	-	-	4,826,000	-	4,826,000	1.290	6,225,540	4,826,000	1.290	6,225,540
AT	3,699	599	15,151,106	(6,000)	15,149,404	3.530	53,477,396	15,149,404	3.530	53,477,396
ATI	-	-	24,206,405	2	24,206,407	15.000	363,096,105	24,206,407	15.000	363,096,105
ATN	2,000	-	20,931,830	-	20,933,830	0.380	7,954,855	20,933,830	0.380	7,954,855
ATNB	-	-	1,075,500	-	1,075,500	0.380	408,690	1,075,500	0.380	408,690
AUB	-	-	282,883	(300)	282,583	32.700	9,240,464	282,583	32.700	9,240,464
AXLM	-	-	1,191,966,201	100	1,191,966,301	2.400	2,860,719,122	1,191,966,301	2.400	2,860,719,122
BALAI	-	-	151,203,324	260,000	151,463,324	0.390	59,070,696	151,463,324	0.390	59,070,696
BC	1,704	-	4,354,726	8,000	4,364,430	4.870	21,254,774	4,364,430	4.870	21,254,774
BCB	-	-	982,865	12,000	994,865	4.900	4,874,839	994,865	4.900	4,874,839
BCOR	-	-	63,500	-	63,500	7.510	476,885	63,500	7.510	476,885
BCP	8	-	518	-	526	24.550	12,913	526	24.550	12,913
BDO	360	-	3,711,682	1,064	3,713,106	130.500	484,560,333	3,713,106	130.500	484,560,333
BEL	-	-	19,394,236	-	19,394,236	1.170	22,691,256	19,394,236	1.170	22,691,256
BH	-	-	250	-	250	680.000	170,000	250	680.000	170,000
BHI	-	-	396,000,000	-	396,000,000	0.061	24,156,000	396,000,000	0.061	24,156,000
BKR	-	-	4,144,692	(26,000)	4,118,692	1.400	5,766,169	4,118,692	1.400	5,766,169
BLOOM	-	-	3,195,718,120	1,121,300	3,196,839,420	9.840	31,456,899,893	3,196,839,420	9.840	31,456,899,893
BMM	-	-	240	-	240	52.000	12,480	240	52.000	12,480

STOCK CODE	Per Record						Per Count			
	IN-VAULT	W/TO	PCD QUANTITY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
BNCOM	-	-	521,129	-	521,129	7.270	3,788,608	521,129	7.270	3,788,608
BPI	-	-	1,926,675	151	1,926,826	103.800	200,004,539	1,926,826	103.800	200,004,539
BRN	-	-	4,529,579	100	4,529,679	0.650	2,944,291	4,529,679	0.650	2,944,291
BRNP	-	-	36,540	-	36,540	96.500	3,526,110	36,540	96.500	3,526,110
BSC	110,493	-	85,360,969	(202,714)	85,268,748	0.177	15,092,568	85,268,748	0.177	15,092,568
C	-	-	5,660,715	-	5,660,715	1.500	8,491,073	5,660,715	1.500	8,491,073
CA	-	-	4,224	-	4,224	39.050	164,947	4,224	39.050	164,947
CAB	-	-	310	-	310	67.450	20,910	310	67.450	20,910
CAL	1,530,164	-	-	-	1,530,164	2.040	3,121,535	1,530,164	2.040	3,121,535
CAT	-	-	28,099	-	28,099	11.500	323,139	28,099	11.500	323,139
CBC	16,600	-	-	-	16,600	3.000	49,800	16,600	3.000	49,800
CDC	-	-	3,128,896	-	3,128,896	0.690	2,158,938	3,128,896	0.690	2,158,938
CEB	-	-	1,582,242	1,600	1,583,842	32.500	51,474,865	1,583,842	32.500	51,474,865
CEBCP	-	-	249,080	-	249,080	32.450	8,082,646	249,080	32.450	8,082,646
CEI	-	-	54,862,001	-	54,862,001	0.067	3,675,754	54,862,001	0.067	3,675,754
CEU	-	-	226,077	1,100	227,177	8.500	1,931,005	227,177	8.500	1,931,005
CHI	4,625	-	20,612,688	-	20,617,313	6.120	126,177,956	20,617,313	6.120	126,177,956
CHIB	-	-	6,820,225	(8)	6,820,217	30.850	210,403,694	6,820,217	30.850	210,403,694
CHP	-	-	7,759,378	(12,319)	7,747,059	0.940	7,282,235	7,747,059	0.940	7,282,235
CIC	-	-	8,047,541	-	8,047,541	14.500	116,689,345	8,047,541	14.500	116,689,345
CIP	-	-	200	-	200	120.000	24,000	200	120.000	24,000
CLI	-	-	101,949,672	-	101,949,672	2.470	251,815,690	101,949,672	2.470	251,815,690
CNPF	-	-	435,602	(300)	435,302	30.950	13,472,597	435,302	30.950	13,472,597
CNVRG	-	-	14,176,507	(46,550)	14,129,957	8.380	118,409,040	14,129,957	8.380	118,409,040
COAL	-	-	13,655,810	-	13,655,810	0.111	1,515,795	13,655,810	0.111	1,515,795
COL	-	-	163,040	-	163,040	2.660	433,686	163,040	2.660	433,686
COSCO	-	-	6,461,928	5,000	6,466,928	4.620	29,877,207	6,466,928	4.620	29,877,207
CPG	-	-	42,657,880	-	42,657,880	0.280	11,944,206	42,657,880	0.280	11,944,206
CPM	-	-	6,821,050	(50,000)	6,771,050	3.480	23,563,254	6,771,050	3.480	23,563,254
CREIT	-	-	34,411,526	(1,871)	34,409,655	2.560	88,088,717	34,409,655	2.560	88,088,717
CROWN	-	-	1,642,239	-	1,642,239	1.560	2,561,893	1,642,239	1.560	2,561,893
CSB	-	-	13,040	(13,000)	40	8.110	324	40	8.110	324
CTS	-	-	9,640,000	-	9,640,000	0.750	7,230,000	9,640,000	0.750	7,230,000
CYBR	-	-	39,299,380	-	39,299,380	0.330	12,968,795	39,299,380	0.330	12,968,795
DD	-	-	2,424,515	13,200	2,437,715	7.600	18,526,634	2,437,715	7.600	18,526,634

STOCK CODE	Per Record						Per Count			
	IN-VAULT	W/TO	PCD QUANTITIY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
DDMPR	-	-	50,286,988	(53,000)	50,233,988	1.210	60,783,125	50,233,988	1.210	60,783,125
DDPR	-	-	551,030	10	551,040	93.000	51,246,720	551,040	93.000	51,246,720
DELM	-	-	317,418	100	317,518	6.490	2,060,692	317,518	6.490	2,060,692
DFNN	-	-	1,520,200	-	1,520,200	3.090	4,697,418	1,520,200	3.090	4,697,418
DGTL	306,065	-	-	-	306,065	1.450	443,794	306,065	1.450	443,794
DHI	2,000	-	449,570	-	451,570	-	-	451,570	-	-
DITO	235,027	-	30,185,452	11,040	30,431,519	2.350	71,514,070	30,431,519	2.350	71,514,070
DIZ	625	-	1,108,125	-	1,108,750	2.230	2,472,513	1,108,750	2.230	2,472,513
DMC	2,000	-	50,235,386	(382,000)	49,855,386	9.770	487,087,121	49,855,386	9.770	487,087,121
DMW	-	-	667,300	-	667,300	5.160	3,443,268	667,300	5.160	3,443,268
DNA	-	-	242,010	-	242,010	2.860	692,149	242,010	2.860	692,149
DNL	-	-	3,120,520	300	3,120,820	6.310	19,692,374	3,120,820	6.310	19,692,374
DWC	-	-	105,200	-	105,200	1.410	148,332	105,200	1.410	148,332
EAGLE	-	-	1,000	-	1,000	17.000	17,000	1,000	17.000	17,000
ECP	-	-	124,518	-	124,518	2.260	281,411	124,518	2.260	281,411
ECVC	6,675	-	5,785,594	-	5,792,269	0.600	3,475,361	5,792,269	0.600	3,475,361
EDC	102,986	-	-	-	102,986	6.870	707,514	102,986	6.870	707,514
EEI	986	-	3,324,660	10,000	3,335,646	5.970	19,913,807	3,335,646	5.970	19,913,807
EEIPA	-	-	12,680	-	12,680	86.900	1,101,892	12,680	86.900	1,101,892
EEIPB	-	-	250,370	-	250,370	96.900	24,260,853	250,370	96.900	24,260,853
EG	-	-	239,320,000	-	239,320,000	0.009	2,249,608	239,320,000	0.009	2,249,608
EIBA	100	-	21,940,571	-	21,940,671	0.260	5,704,574	21,940,671	0.260	5,704,574
EIBB	-	-	6,410,000	-	6,410,000	0.260	1,666,600	6,410,000	0.260	1,666,600
ELI	9,800	-	218,028,863	120,000	218,158,663	0.126	27,487,992	218,158,663	0.126	27,487,992
EMI	-	-	198,556	600	199,156	20.850	4,152,403	199,156	20.850	4,152,403
ENEX	-	-	130,273,959	-	130,273,959	4.900	638,342,399	130,273,959	4.900	638,342,399
ETON	3,994	-	38,756	-	42,750	2.810	120,128	42,750	2.810	120,128
EURO	-	-	374,923	-	374,923	0.710	266,195	374,923	0.710	266,195
EVER	-	-	19,145,000	-	19,145,000	0.290	5,552,050	19,145,000	0.290	5,552,050
EW	-	-	2,844,416	(100)	2,844,316	8.520	24,233,572	2,844,316	8.520	24,233,572
FAF	-	-	712,000	-	712,000	0.600	427,200	712,000	0.600	427,200
FB	-	-	440,940	120	441,060	51.000	22,494,060	441,060	51.000	22,494,060
FCG	-	-	19,463,695	(35,000)	19,428,695	0.600	11,657,217	19,428,695	0.600	11,657,217
FDC	800	-	24,156,133	-	24,156,933	5.350	129,239,592	24,156,933	5.350	129,239,592
FERRO	-	-	345,850	-	345,850	2.900	1,002,965	345,850	2.900	1,002,965

STOCK CODE	Per Record						Per Count			
	IN-VAULT	W/TO	PCD QUANTITY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
FEU	-	-	26,346	-	26,346	566.500	14,925,009	26,346	566.500	14,925,009
FFI	-	-	35,738,564	-	35,738,564	3.600	128,658,830	35,738,564	3.600	128,658,830
FGEN	-	-	16,192,975	8,100	16,201,075	17.400	281,898,705	16,201,075	17.400	281,898,705
FILRT	-	-	18,246,692	77,055	18,323,747	2.580	47,275,267	18,323,747	2.580	47,275,267
FJP	-	-	186,200	-	186,200	1.650	307,230	186,200	1.650	307,230
FJPB	-	-	6,000	-	6,000	1.350	8,100	6,000	1.350	8,100
FLI	1,000	-	49,919,369	1,000	49,921,369	0.590	29,453,608	49,921,369	0.590	29,453,608
FMETF	-	-	1,041,061	360	1,041,421	102.700	106,953,937	1,041,421	102.700	106,953,937
FMIC	820	-	50	-	870	80.000	69,600	870	80.000	69,600
FNI	1,000	-	5,725,468	(2,347)	5,724,121	2.060	11,791,689	5,724,121	2.060	11,791,689
FOOD	-	-	9,971,976	170	9,972,146	0.460	4,587,187	9,972,146	0.460	4,587,187
FPH	6,390	-	14,623,492	-	14,629,882	62.500	914,367,625	14,629,882	62.500	914,367,625
FPI	-	-	6,121,000	-	6,121,000	0.200	1,224,200	6,121,000	0.200	1,224,200
FRUIT	-	-	127,132,859	-	127,132,859	0.960	122,047,545	127,132,859	0.960	122,047,545
FYN	-	-	13,790	-	13,790	3.000	41,370	13,790	3.000	41,370
GEO	200	-	68,677,805	-	68,678,005	0.027	1,854,306	68,678,005	0.027	1,854,306
GERI	2,000	-	22,824,059	-	22,826,059	0.950	21,684,756	22,826,059	0.950	21,684,756
GLO	8	2,000	137,660	72	139,740	1,720.000	240,352,800	139,740	1,720.000	240,352,800
GMA7	-	-	3,734,397	630	3,735,027	8.400	31,374,227	3,735,027	8.400	31,374,227
GMAP	-	-	961,405	-	961,405	8.300	7,979,662	961,405	8.300	7,979,662
GO	554	-	4,243,885	-	4,244,439	0.140	594,221	4,244,439	0.140	594,221
GOB	-	-	4,448,547	-	4,448,547	0.170	756,253	4,448,547	0.170	756,253
GPH	-	-	561,459	-	561,459	6.840	3,840,380	561,459	6.840	3,840,380
GREEN	-	-	28,358,370	-	28,358,370	0.229	6,494,067	28,358,370	0.229	6,494,067
GSMI	-	-	84,210	420	84,630	168.700	14,277,081	84,630	168.700	14,277,081
GTCAP	-	-	348,806	2,820	351,626	590.000	207,459,340	351,626	590.000	207,459,340
GTPPB	-	-	12,825	-	12,825	940.500	12,061,913	12,825	940.500	12,061,913
HI	-	-	1,594,500	-	1,594,500	3.240	5,166,180	1,594,500	3.240	5,166,180
HLCM	2,297	-	970,049	-	972,346	3.870	3,762,979	972,346	3.870	3,762,979
HOME	-	-	5,125,873	19,385	5,145,258	1.120	5,762,689	5,145,258	1.120	5,762,689
HOUSE	-	-	117,553	90	117,643	9.230	1,085,845	117,643	9.230	1,085,845
HTI	-	-	1,269,000	(112,000)	1,157,000	0.950	1,099,150	1,157,000	0.950	1,099,150
HVN	-	-	1,040	-	1,040	844.500	878,280	1,040	844.500	878,280
I	-	-	2,330,025	-	2,330,025	0.385	897,060	2,330,025	0.385	897,060
ICT	858	-	494,525,985	(8,260)	494,518,583	246.800	122,047,186,285	494,518,583	246.800	122,047,186,285

STOCK CODE	Per Record						Per Count			
	IN-VAULT	W/TO	PCD QUANTITY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
IDC	-	-	1,702,043	-	1,702,043	0.690	1,174,410	1,702,043	0.690	1,174,410
IMI	-	-	3,300,348	1,150	3,301,498	3.160	10,432,734	3,301,498	3.160	10,432,734
IMP	27,500	-	225,850	-	253,350	0.520	131,742	253,350	0.520	131,742
INFRA	1,000	-	3,557,400	-	3,558,400	0.550	1,957,120	3,558,400	0.550	1,957,120
ION	-	-	2,285,607	(180,000)	2,105,607	1.010	2,126,663	2,105,607	1.010	2,126,663
IPM	-	-	120,000	-	120,000	3.380	405,600	120,000	3.380	405,600
IPO	1,250	-	833,221	100	834,571	7.350	6,134,097	834,571	7.350	6,134,097
IS	250	-	53,340,016	-	53,340,266	0.144	7,680,998	53,340,266	0.144	7,680,998
JAS	-	-	180,000	-	180,000	0.810	145,800	180,000	0.810	145,800
JFC	1,937	-	933,292	(9,605)	925,624	251.400	232,701,874	925,624	251.400	232,701,874
JFCPA	-	-	3,760	-	3,760	950.500	3,573,880	3,760	950.500	3,573,880
JFCPB	-	-	77,360	-	77,360	942.000	72,873,120	77,360	942.000	72,873,120
JGS	2,000	-	107,497,106	(2,700)	107,496,406	38.150	4,100,987,889	107,496,406	38.150	4,100,987,889
JOH	-	-	759,400	-	759,400	8.960	6,804,224	759,400	8.960	6,804,224
KEEPER	-	-	5,697,744	202	5,697,946	1.480	8,432,960	5,697,946	1.480	8,432,960
KEP	393	-	6,179	-	6,572	4.910	32,269	6,572	4.910	32,269
KPH	1	-	232,891	-	232,892	5.000	1,164,460	232,892	5.000	1,164,460
KPHB	-	-	359,290	-	359,290	5.510	1,979,688	359,290	5.510	1,979,688
KPM	63,350	-	-	-	63,350	3.000	190,050	63,350	3.000	190,050
KPPI	-	-	151,600	-	151,600	1.530	231,948	151,600	1.530	231,948
LAND	-	-	2,083,604	30,000	2,113,604	0.760	1,606,339	2,113,604	0.760	1,606,339
LBC	-	-	13,803	-	13,803	18.240	251,767	13,803	18.240	251,767
LC	276,239	-	202,113,463	(70,000)	202,319,702	0.080	16,185,576	202,319,702	0.080	16,185,576
LCB	107,720	-	50,507,919	-	50,615,639	0.078	3,948,020	50,615,639	0.078	3,948,020
LFM	-	-	243,769	-	243,769	12.100	2,949,605	243,769	12.100	2,949,605
LIB	526,000	-	-	-	526,000	1.560	820,560	526,000	1.560	820,560
LMG	-	-	111,500	-	111,500	3.340	372,410	111,500	3.340	372,410
LODE	-	-	4,694,000	20,000	4,714,000	0.465	2,192,010	4,714,000	0.465	2,192,010
LOTO	-	-	1,124,808	135,000	1,259,808	4.950	6,236,050	1,259,808	4.950	6,236,050
LPC	-	-	16,515,261	-	16,515,261	0.060	990,916	16,515,261	0.060	990,916
LPZ	9,950	-	2,754,363	-	2,764,313	4.260	11,775,973	2,764,313	4.260	11,775,973
LRI	2,330	-	-	-	2,330	9.000	20,970	2,330	9.000	20,970
LSC	-	-	820,750	-	820,750	0.550	451,413	820,750	0.550	451,413
LTG	-	-	18,000,026	(18,300)	17,981,726	8.980	161,475,899	17,981,726	8.980	161,475,899
MA	765,394	-	4,817,629,945	(11,000,000)	4,807,395,339	0.005	22,114,019	4,807,395,339	0.005	22,114,019

STOCK CODE	Per Record					Per Count				
	IN-VAULT	W/TO	PCD QUANTITIY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
MAB	47,280	-	974,691,141	-	974,738,421	0.004	4,191,375	974,738,421	0.004	4,191,375
MAC	-	-	3,020,197	19,050	3,039,247	4.150	12,612,875	3,039,247	4.150	12,612,875
MACAY	-	-	1,063,760	-	1,063,760	5.700	6,063,432	1,063,760	5.700	6,063,432
MAH	-	-	212,031	-	212,031	0.455	96,474	212,031	0.455	96,474
MAHB	-	-	950,000	-	950,000	0.510	484,500	950,000	0.510	484,500
MARC	88,520	-	7,737,773	(115,000)	7,711,293	1.080	8,328,196	7,711,293	1.080	8,328,196
MAXS	-	-	5,079,775	-	5,079,775	3.270	16,610,864	5,079,775	3.270	16,610,864
MB	5,000	-	863,106	-	868,106	0.231	200,532	868,106	0.231	200,532
MBC	-	-	4,700	-	4,700	8.000	37,600	4,700	8.000	37,600
MBT	5	-	5,413,355	1,480	5,414,840	51.300	277,781,292	5,414,840	51.300	277,781,292
MC	6,151,200	-	12,500,000	-	18,651,200	0.020	373,024	18,651,200	0.020	373,024
MCB	2,100,000	-	23,500,000	-	25,600,000	0.020	512,000	25,600,000	0.020	512,000
MEC	5,938	-	-	-	5,938	-	-	5,938	-	-
MED	-	-	4,246,000	-	4,246,000	0.086	365,156	4,246,000	0.086	365,156
MEDIC	-	-	6,234,129	-	6,234,129	0.330	2,057,263	6,234,129	0.330	2,057,263
MEG	-	-	45,180,946	143,000	45,323,946	1.970	89,288,174	45,323,946	1.970	89,288,174
MER	536	-	766,656	(8,700)	758,492	399.000	302,638,308	758,492	399.000	302,638,308
MFC	-	-	6,404	(15)	6,389	1,130.000	7,219,570	6,389	1,130.000	7,219,570
MFIN	-	-	18,494	-	18,494	1.900	35,139	18,494	1.900	35,139
MG	-	-	20,239,000	-	20,239,000	0.101	2,044,139	20,239,000	0.101	2,044,139
MGH	3,400	-	295,350	-	298,750	1.000	298,750	298,750	1.000	298,750
MHC	50,000	-	3,135,000	-	3,185,000	0.112	356,720	3,185,000	0.112	356,720
MJC	-	-	306,255	-	306,255	1.270	388,944	306,255	1.270	388,944
MJIC	-	-	109,700	-	109,700	1.000	109,700	109,700	1.000	109,700
MM	-	-	18,607,125	6,000	18,613,125	1.030	19,171,519	18,613,125	1.030	19,171,519
MMC	-	-	25,769	-	25,769	-	-	25,769	-	-
MON	12,895,611	-	-	-	12,895,611	0.100	1,289,561	12,895,611	0.100	1,289,561
MONDE	-	-	18,626,053	(3,000)	18,623,053	8.380	156,061,184	18,623,053	8.380	156,061,184
MPC	3,552	-	-	-	3,552	2.080	7,388	3,552	2.080	7,388
MPI	-	-	415,008	-	415,008	5.180	2,149,741	415,008	5.180	2,149,741
MRC	-	-	13,746,680	-	13,746,680	1.300	17,870,684	13,746,680	1.300	17,870,684
MREIT	-	-	4,364,253	(11,000)	4,353,253	12.300	53,545,012	4,353,253	12.300	53,545,012
MRP	213,000	-	-	-	213,000	7.250	1,544,250	213,000	7.250	1,544,250
MRSGL	-	-	268,951,088	12,000	268,963,088	1.270	341,583,122	268,963,088	1.270	341,583,122
MVC	247,000	-	85,200	-	332,200	5.860	1,946,692	332,200	5.860	1,946,692

STOCK CODE	Per Record						Per Count			
	IN-VAULT	W/TO	PCD QUANTITIY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
MWC	-	-	308,892,264	47,100	308,939,364	18.600	5,746,272,170	308,939,364	18.600	5,746,272,170
MWIDE	-	-	5,445,398	(27,000)	5,418,398	3.080	16,688,666	5,418,398	3.080	16,688,666
MWP2B	-	-	81,550	-	81,550	90.250	7,359,888	81,550	90.250	7,359,888
MWP4	-	-	35,710	-	35,710	88.150	3,147,837	35,710	88.150	3,147,837
MWP5	-	-	64,590	-	64,590	101.300	6,542,967	64,590	101.300	6,542,967
NEW CO	1,558,734	-	-	-	1,558,734	-	-	1,558,734	-	-
NI	-	-	5,503,618	-	5,503,618	0.550	3,026,990	5,503,618	0.550	3,026,990
NIKL	-	-	8,126,641	280,500	8,407,141	5.480	46,071,133	8,407,141	5.480	46,071,133
NOW	-	-	10,630,451	-	10,630,451	1.150	12,225,019	10,630,451	1.150	12,225,019
NRCP	-	-	7,035,149	-	7,035,149	0.360	2,532,654	7,035,149	0.360	2,532,654
NXGEN	-	-	691,425	-	691,425	7.000	4,839,975	691,425	7.000	4,839,975
OM	3,600	-	8,872,411	-	8,876,011	0.275	2,440,903	8,876,011	0.275	2,440,903
OPM	3,927,657	-	491,469,241	-	495,396,898	0.008	3,963,175	495,396,898	0.008	3,963,175
OPMB	2,549,435	-	118,077,369	-	120,626,804	0.008	977,077	120,626,804	0.008	977,077
ORE	-	-	5,523,400	14,000	5,537,400	0.630	3,488,562	5,537,400	0.630	3,488,562
OV	2,818,516	-	584,222,670	-	587,041,186	0.008	4,755,034	587,041,186	0.008	4,755,034
PA	21,250	-	2,531,400	-	2,552,650	1.380	3,522,657	2,552,650	1.380	3,522,657
PAL	1,464	-	374,635	(800)	375,299	5.070	1,902,766	375,299	5.070	1,902,766
PAX	-	-	120,028,054	-	120,028,054	1.030	123,628,896	120,028,054	1.030	123,628,896
PBB	-	-	762,882	(1,900)	760,982	8.700	6,620,543	760,982	8.700	6,620,543
PBC	-	-	4,039	-	4,039	14.120	57,031	4,039	14.120	57,031
PCEV	3,300	-	3	-	3,303	2.800	9,248	3,303	2.800	9,248
PCOR	29,746	-	13,225,161	10	13,254,917	3.550	47,054,955	13,254,917	3.550	47,054,955
PCP	395	-	31,890,295	-	31,890,690	0.205	6,537,592	31,890,690	0.205	6,537,592
PECB	8,000	-	-	-	8,000	40.000	320,000	8,000	40.000	320,000
PERC	-	-	719,929	(5,000)	714,929	4.950	3,538,899	714,929	4.950	3,538,899
PGOLD	-	-	1,981,069	2,600	1,983,669	26.900	53,360,696	1,983,669	26.900	53,360,696
PHA	-	-	24,154,105	(101,000)	24,053,105	0.162	3,896,603	24,053,105	0.162	3,896,603
PHC	1,300	-	377,407	-	378,707	1.400	530,190	378,707	1.400	530,190
PHES	-	-	6,871,956	-	6,871,956	0.315	2,164,666	6,871,956	0.315	2,164,666
PHN	10	-	120,822,353	128,200	120,950,563	20.400	2,467,391,485	120,950,563	20.400	2,467,391,485
PHR	-	-	5,438,382	(6,000)	5,432,382	0.870	4,726,172	5,432,382	0.870	4,726,172
PIP	-	-	296,700	-	296,700	1.700	504,390	296,700	1.700	504,390
PIZZA	-	-	285,775,238	-	285,775,238	9.800	2,800,597,332	285,775,238	9.800	2,800,597,332
PLC	-	-	36,430,190	(1,357,000)	35,073,190	0.630	22,096,110	35,073,190	0.630	22,096,110

STOCK CODE	Per Record						Per Count			
	IN-VAULT	W/TO	PCD QUANTITIY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
PLUS	7,168	-	7,856,016	622,919	8,486,103	8.000	67,888,824	8,486,103	8.000	67,888,824
PMPC	-	-	1,198,135	-	1,198,135	5.800	6,949,183	1,198,135	5.800	6,949,183
PMT	-	-	2,955,112	-	2,955,112	0.370	1,093,391	2,955,112	0.370	1,093,391
PNB	27,255	-	2,742,028	(8,500)	2,760,783	18.500	51,074,486	2,760,783	18.500	51,074,486
PNC	2,202	-	105,038	-	107,240	4.900	525,476	107,240	4.900	525,476
PNX	-	-	342,300	-	342,300	4.900	1,677,270	342,300	4.900	1,677,270
PNX3B	-	-	59,600	-	59,600	23.450	1,397,620	59,600	23.450	1,397,620
PNX4	-	-	16,895	-	16,895	232.800	3,933,156	16,895	232.800	3,933,156
PORT	-	-	1,000	-	1,000	7.300	7,300	1,000	7.300	7,300
PPC	-	-	350,400	5,000	355,400	5.310	1,887,174	355,400	5.310	1,887,174
PPI	-	-	250,827	-	250,827	-	-	250,827	-	-
PRC	-	-	255,385	-	255,385	6.400	1,634,464	255,385	6.400	1,634,464
PREIT	-	-	1,206,000	13,000	1,219,000	1.540	1,877,260	1,219,000	1.540	1,877,260
PRF3A	-	-	34,120	20	34,140	970.000	33,115,800	34,140	970.000	33,115,800
PRF3B	-	-	15,260	(30)	15,230	980.000	14,925,400	15,230	980.000	14,925,400
PRF4A	-	-	36,825	-	36,825	885.000	32,590,125	36,825	885.000	32,590,125
PRF4B	-	-	23,870	-	23,870	950.000	22,676,500	23,870	950.000	22,676,500
PRF4C	-	-	4,275	-	4,275	973.000	4,159,575	4,275	973.000	4,159,575
PRIM	147	-	1,334,892	-	1,335,039	2.870	3,831,562	1,335,039	2.870	3,831,562
PRMX	-	-	560,301	-	560,301	2.450	1,372,737	560,301	2.450	1,372,737
PSB	-	-	242,924	-	242,924	53.000	12,874,972	242,924	53.000	12,874,972
PSE	-	-	117,771	80	117,851	170.000	20,034,670	117,851	170.000	20,034,670
PTC	-	-	160	-	160	120.000	19,200	160	120.000	19,200
PTT	-	-	1,562,274	-	1,562,274	0.330	515,550	1,562,274	0.330	515,550
PX	304,110	-	52,762,928	79,000	53,146,038	3.210	170,598,782	53,146,038	3.210	170,598,782
PXP	-	-	4,383,415	(1,000)	4,382,415	3.950	17,310,539	4,382,415	3.950	17,310,539
RCB	-	-	512,266	(1,500)	510,766	23.000	11,747,618	510,766	23.000	11,747,618
RCI	2,140	-	5,738,949	(380,000)	5,361,089	0.480	2,573,323	5,361,089	0.480	2,573,323
RCR	-	-	35,652,642	(26)	35,652,616	4.890	174,341,292	35,652,616	4.890	174,341,292
REDC	-	-	122,800	(15,000)	107,800	7.000	754,600	107,800	7.000	754,600
REG	97	-	108,389	-	108,486	3.000	325,458	108,486	3.000	325,458
RFM	-	-	3,579,200	6,000	3,585,200	3.000	10,755,600	3,585,200	3.000	10,755,600
RLC	-	-	15,494,158	(15,250)	15,478,908	15.940	246,733,794	15,478,908	15.940	246,733,794
RLT	4,200,000	-	19,585,016	-	23,785,016	0.132	3,139,622	23,785,016	0.132	3,139,622
ROCK	-	-	15,844,549	-	15,844,549	1.410	22,340,814	15,844,549	1.410	22,340,814

STOCK CODE	Per Record						Per Count			
	IN-VAULT	W/TO	PCD QUANTITY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
ROX	-	-	74,448	(20,000)	54,448	0.770	41,925	54,448	0.770	41,925
RPC	-	-	3,464,892	-	3,464,892	0.150	519,734	3,464,892	0.150	519,734
RRHI	-	-	48,331,028	(510)	48,330,518	39.650	1,916,305,039	48,330,518	39.650	1,916,305,039
RWM	-	-	98,800	-	98,800	5.420	535,496	98,800	5.420	535,496
SBS	-	-	59,018	-	59,018	4.850	286,237	59,018	4.850	286,237
SCC	-	-	18,761,779	120,700	18,882,479	30.250	571,194,990	18,882,479	30.250	571,194,990
SECB	-	-	916,409	(330)	916,079	71.500	65,499,649	916,079	71.500	65,499,649
SECBPREF	136,000	-	-	-	136,000	-	-	136,000	-	-
SEVN	-	-	9,143,448	39,140	9,182,588	76.200	699,713,206	9,182,588	76.200	699,713,206
SFI	2,250	-	16,761,550	-	16,763,800	0.054	905,245	16,763,800	0.054	905,245
SFIP	-	-	22,533	-	22,533	1.280	28,842	22,533	1.280	28,842
SGI	5,000	-	6,293,334	-	6,298,334	0.890	5,605,517	6,298,334	0.890	5,605,517
SGP	-	-	18,022,385	1,400	18,023,785	6.550	118,055,792	18,023,785	6.550	118,055,792
SHLPH	-	-	3,148,293	(28,790)	3,119,503	10.940	34,127,363	3,119,503	10.940	34,127,363
SHNG	20,296	-	9,060,858	3,000	9,084,154	3.670	33,338,845	9,084,154	3.670	33,338,845
SLF	-	-	4,845	-	4,845	2,720.000	13,178,400	4,845	2,720.000	13,178,400
SLI	-	-	154,418,100	(40,000)	154,378,100	3.400	524,885,540	154,378,100	3.400	524,885,540
SM	-	-	226,915	(3,759)	223,156	872.000	194,592,032	223,156	872.000	194,592,032
SMB	16,000	-	-	-	16,000	29.300	468,800	16,000	29.300	468,800
SMC	25,028	-	983,604	1,691	1,010,323	102.100	103,153,978	1,010,323	102.100	103,153,978
SMC2F	-	-	788,083	-	788,083	72.500	57,136,018	788,083	72.500	57,136,018
SMC2I	-	-	275,260	-	275,260	70.500	19,405,830	275,260	70.500	19,405,830
SMC2J	-	-	326,430	-	326,430	67.950	22,180,919	326,430	67.950	22,180,919
SMC2K	-	-	369,150	-	369,150	68.000	25,102,200	369,150	68.000	25,102,200
SMC2L	-	-	195,700	-	195,700	77.000	15,068,900	195,700	77.000	15,068,900
SMC2N	-	-	209,300	-	209,300	77.000	16,116,100	209,300	77.000	16,116,100
SMC2O	-	-	554,570	-	554,570	78.000	43,256,460	554,570	78.000	43,256,460
SMDC	6,512	-	-	-	6,512	6.810	44,347	6,512	6.810	44,347
SMP	3,456	-	-	-	3,456	700.000	2,419,200	3,456	700.000	2,419,200
SMPH	320	-	26,778,990	1,385,000	28,164,310	32.900	926,605,799	28,164,310	32.900	926,605,799
SOC	-	-	2,003,940	-	2,003,940	0.360	721,418	2,003,940	0.360	721,418
SPC	-	-	1,138,928	3,200	1,142,128	7.000	7,994,896	1,142,128	7.000	7,994,896
SPM	7,168	-	1,339,653	-	1,346,821	1.410	1,899,018	1,346,821	1.410	1,899,018
SPNEC	-	-	26,641,300	298,500	26,939,800	1.320	35,560,536	26,939,800	1.320	35,560,536
SSI	-	-	17,337,753	19,000	17,356,753	2.270	39,399,829	17,356,753	2.270	39,399,829

STOCK CODE	IN-VAULT	W/TO	Per Record				Per Count			
			PCD QUANTITY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
SSP	-	-	4,759,000	-	4,759,000	2.210	10,517,390	4,759,000	2.210	10,517,390
STI	-	-	13,886,903	70,000	13,956,903	0.485	6,769,098	13,956,903	0.485	6,769,098
STN	-	-	3,623,089	-	3,623,089	0.260	942,003	3,623,089	0.260	942,003
STR	-	-	703,993	1,000	704,993	2.410	1,699,033	704,993	2.410	1,699,033
SUN	-	-	8,747,019	-	8,747,019	0.850	7,434,966	8,747,019	0.850	7,434,966
SWM	-	-	1,204,083	-	1,204,083	0.200	240,817	1,204,083	0.200	240,817
T	-	-	6,331,000	-	6,331,000	0.415	2,627,365	6,331,000	0.415	2,627,365
TBGI	-	-	57,581,061	-	57,581,061	0.136	7,831,024	57,581,061	0.136	7,831,024
TCB2C	-	-	12,010	-	12,010	34.700	416,747	12,010	34.700	416,747
TCB2D	-	-	43,860	-	43,860	48.050	2,107,473	43,860	48.050	2,107,473
TECH	-	-	5,626,264	(30,000)	5,596,264	1.590	8,898,060	5,596,264	1.590	8,898,060
TECHW	-	-	1,128,925	-	1,128,925	0.265	299,165	1,128,925	0.265	299,165
TEL	495	-	216,610	(460)	216,645	1,279.000	277,088,955	216,645	1,279.000	277,088,955
TELA	330	-	-	-	330	11.120	3,670	330	11.120	3,670
TELB	15	-	-	-	15	11.120	167	15	11.120	167
TELC	25	-	-	-	25	11.500	288	25	11.500	288
TELD	20	-	-	-	20	10.860	217	20	10.860	217
TELE	250	-	-	-	250	11.140	2,785	250	11.140	2,785
TELF	90	-	-	-	90	11.140	1,003	90	11.140	1,003
TELH	200	-	-	-	200	11.120	2,224	200	11.120	2,224
TELI	1,750	-	-	-	1,750	10.680	18,690	1,750	10.680	18,690
TELJ	890	-	-	-	890	11.180	9,950	890	11.180	9,950
TELL	90	-	-	-	90	11.140	1,003	90	11.140	1,003
TELM	180	-	-	-	180	11.220	2,020	180	11.220	2,020
TELN	80	-	-	-	80	11.200	896	80	11.200	896
TELR	350	-	-	-	350	10.720	3,752	350	10.720	3,752
TELT	180	-	-	-	180	11.240	2,023	180	11.240	2,023
TELV	130	-	-	-	130	10.660	1,386	130	10.660	1,386
TFC	-	-	1,166	-	1,166	49.000	57,134	1,166	49.000	57,134
TFHI	-	-	45,226	-	45,226	101.900	4,608,529	45,226	101.900	4,608,529
TOL	-	-	243	-	243	5.500	1,337	243	5.500	1,337
TUGS	-	-	47,265,800	7,000	47,272,800	0.760	35,927,328	47,272,800	0.760	35,927,328
UBP	-	-	1,017,088	926	1,018,014	50.350	51,257,005	1,018,014	50.350	51,257,005
UNI	-	-	2,402,000	-	2,402,000	0.246	590,892	2,402,000	0.246	590,892
UP	-	-	21,944,000	-	21,944,000	0.038	833,872	21,944,000	0.038	833,872

STOCK CODE	Per Record					Per Count				
	IN-VAULT	W/TO	PCD QUANTITY	IN-TRANSIT	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION	TOTAL NO. OF SHARES	MARKET PRICE	VALUATION
UPM	1,250,000	-	1,007,378,999	-	1,008,628,999	0.004	4,034,516	1,008,628,999	0.004	4,034,516
UPSON	-	-	378,000	-	378,000	1.640	619,920	378,000	1.640	619,920
URC	-	-	2,802,829	(720)	2,802,109	118.200	331,209,284	2,802,109	118.200	331,209,284
UW	16,272,888	-	-	-	16,272,888	0.135	2,196,840	16,272,888	0.135	2,196,840
V	-	-	892,512	-	892,512	0.770	687,234	892,512	0.770	687,234
VITA	-	-	986,936,060	-	986,936,060	0.520	513,206,751	986,936,060	0.520	513,206,751
VLL	-	-	5,377,924	(1,000)	5,376,924	1.680	9,033,232	5,376,924	1.680	9,033,232
TOTAL	60,052,538	2,599	29,968,280,334	(6,399,727)	30,021,935,744		203,256,619,653	30,021,935,744		203,256,619,653