Re: FIRST METRO SECURITIES BROKERAGE CORPORATION: ANNUAL AUDITED FINANCIAL STATEMENTS / SEC Form 52-AR

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Tue 4/30/2024 9:11 PM

To:Jillene Savellano <jsavellano@firstmetrosec.com.ph>;

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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/

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Thank you.

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Fri 4/26/2024 1:18 PM

To:Mary Grace B. Padernal <mpadernal@firstmetrosec.com.ph>;

Cc:MLANGANLANGAN@FIRSTMETROSEC.COM.PH <MLANGANLANGAN@FIRSTMETROSEC.COM.PH>;

Hi FIRST METRO SECURITIES BROKERAGE CORPORATION,

Valid files

- EAFS003458062OTHTY122023.pdf
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Transaction Code: **AFS-0-PPYMV2XZ0BDL699CJQ2ZZ1XS30CDA9EE**
Submission Date/Time: **Apr 26, 2024 01:17 PM**
Company TIN: **003-458-062**

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C O V E R   S H E E T

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

1 4 5 3 2 3

C O M P A N Y   N A M E

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

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

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

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

C O M P A N Y   I N F O R M A T I O N

Company's Email Address	Company's Telephone Number	Mobile Number
fmsec.com.ph	8-859-0600	N/A

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
6	5/31	12/31

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Mr. Gonzalo G. Ordoñez	gordonez@firstmetrosec.com.ph	8859-0600	N/A

CONTACT PERSON's ADDRESS

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

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

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

FIRST METRO SECURITIES BROKERAGE CORPORATION
ANNUAL AUDITED FINANCIAL REPORT
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DECEMBER 31, 2023

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

COVER PAGE

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

IDENTIFICATION OF ACCOUNTANT	
Name of Independent Auditors whose opinion is contained in this report:	
Name: SyCip, Gorres, Velayo & Co.	Tel. No.: 8891-0307 Fax No.: 8818-1377
Address: 6760 Ayala Avenue, Makati City	
Glenda C. Anisco-Niño Partner CPA Certificate No. 114462 Tax Identification No. 225-158-629 BOA/PRC Reg. No. 0001, April 16, 2024, valid until August 23, 2026 BIR Accreditation No. 08-001998-151-2022, November 7, 2022, valid until November 6, 2025 PTR No. 10079897, January 5, 2024, Makati City	

First Metro Securities
Brokerage Corporation
Metrobank Group

STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS

The management of First Metro Securities Brokerage Corporation (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 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 but to do so.

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

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

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

DocuSigned by:
Jose Patricio A. Dumlao
1EAC0323FC8E4AE...
Mr. Jose Patricio A. Dumlao
Chairman of the Board

DocuSigned by:
757A2B45C02040B...
Mr. Gonzalo G. Ordoñez
President

DocuSigned by:
C712C9FFC59C4F1...
Mr. Mauro B. Placente
Treasurer

Signed this 3rd day of April 2024

18/F PSBank Center, 777 Paseo de Roxas cor. Sedeño St., Makati City 1226
Tel. No: (63 2) 859-0600 to 02 Fax: (63 2) 859-0699 Member: Philippine Stock Exchange

www.firstmetrosec.com.ph

First Metro Securities
Brokerage Corporation
Metrobank Group

APR 24 2024

SUBSCRIBED AND SWORN to before me this ____ day of __________, ____ affiants exhibiting to me their identification, as follows:

Name	Identification	Place of Issue	Date of Expiry
Jose Patricio A. Dumlao	Passport No. P3214283B	DFA NCR South	09/14/2029
Gonzalo G. Ordoñez	Driver's License No. N15-81-035998		04/07/2032
Mauro B. Placente	Driver's License No. N03-03-000212	Antipolo City	01/15/2033

Notary Public

Doc. No. 225
Page No. 46
Book No. XXIX
Series of 2024

ATTY. JOHN EDWARD TRINIDAD ANG
Notary Public for City of Manila-Until Dec. 31, 2024
Notarial Commission No. 2023-091
2nd Floor Midland Plaza Hotel, Adriatico St., Ermita, Mla.
I.B.P. NO. 393341 - Jan. 3, 2024
P.T.R. NO. 1535522 - Jan. 3, 2024 at Manila
ROLL No. 68731/MCLE Compliance No. VII-0011675 - 04-14-2025

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

Tel: (632) 8891 0307
Fax: (632) 8819 0872
ey.com/ph

INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
First Metro Securities Brokerage Corporation
18th Floor, PS Bank Center Building
777 Paseo de Roxas cor. Sedeño Street
Makati City

Opinion

We have audited the consolidated financial statements of First Metro Securities Brokerage Corporation and its subsidiary (the Group) and the parent company financial statements of First Metro Securities Brokerage Corporation (the Parent Company), which comprise the consolidated and parent company statements of financial position as at December 31, 2023 and 2022 and the consolidated and parent company statements of comprehensive income, consolidated and parent company statements of changes in equity and consolidated and parent company statements of cash flows for the years then ended, and notes to the consolidated and parent company financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated and parent company financial statements present fairly, in all material respects, the financial position of the Group and the Parent Company as at December 31, 2023 and 2022, and their financial performance and their cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated and parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in theconsolidated and parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and parent company financial statements, including the disclosures, and whether the consolidated and parent company financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and parent company financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 28 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of First Metro Securities Brokerage Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño
Partner
CPA Certificate No. 114462
Tax Identification No. 225-158-629
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-151-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10079897, January 5, 2024, Makati City

April 3, 2024

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

	Consolidated		Parent Company					
	December 31		December 31					
	2023	2022	**2023**			2022		
			Money Balance	**Security Valuation Long**	**Security Valuation Short**	Money Balance	Security Valuation Long	Security Valuation Short
ASSETS								
Current Assets								
Cash and cash equivalents (Notes 6 and 20)	**₱3,135,922,349**	₱1,839,713,620	**₱3,135,922,349**			₱1,839,255,393		
Short-term investments (Notes 6 and 20)	**218,337,382**	1,999,493,364	**218,337,382**			1,999,493,364		
Financial assets at: (Notes 7 and 20)								
Fair value through profit or loss (FVTPL)	**103,033,366**	67,039,804	**103,033,366**	**₱47,195,585**		67,039,804	₱12,962,521	
Fair value through other comprehensive income (FVOCI)	**328,493,485**	717,870,016	**328,493,485**			717,870,016		
Amortized cost (Note 7)	**–**	90,750,006	**–**			90,750,006		
Receivable from:								
Clearing house and other brokers (Note 8)	**20,252,252**	477,125,189	**20,252,252**			477,125,189		
Customers (Notes 9 and 20)	**179,740,584**	439,303,316	**179,740,584**	**12,240,216,643**	**₱6,297,000**	439,303,316	16,976,956,094	
Others (Note 10)	**17,011,303**	18,591,226	**17,011,303**			18,806,655		
Other current assets (Note 14)	**48,338,471**	39,789,302	**48,338,471**			39,789,302		
	4,051,129,192	5,689,675,843	**4,051,129,192**			5,689,433,045		
Noncurrent Assets								
Financial assets at FVOCI (Notes 7, 13 and 20)	**1,179,045,683**	249,329,783	**1,179,045,683**	**16,830**		249,329,783	15,642	
Receivable from others (Note 10)	**1,755,106**	1,580,696	**1,755,106**			1,580,696		
Investment in a subsidiary (Note 11)	**–**	–	**–**			50,000,000		
Property and equipment (Note 12)	**50,362,933**	54,499,752	**50,362,933**			54,499,752		
Deferred tax assets (Note 18)	**13,764,908**	16,993,086	**13,764,908**			16,993,086		
Exchange trading right (Note 13)	**4,750,000**	4,750,000	**4,750,000**			4,750,000		
Other noncurrent assets (Note 14)	**30,069,792**	26,448,034	**30,069,792**			26,423,794		
	1,279,748,422	353,601,351	**1,279,748,422**			403,577,111		
TOTAL ASSETS	**₱5,330,877,614**	₱6,043,277,194	**₱5,330,877,614**			₱6,093,010,156		
Securities in Box, Transfer Offices and Philippine Depository and Trust Corp.					**₱77,419,535,186**			₱80,688,945,951

(Forward)

	Consolidated		Parent Company					
	December 31		December 31					
	2023	2022	**2023**			2022		
			Money Balance	**Security Valuation Long**	**Security Valuation Short**	Money Balance	Security Valuation Long	Security Valuation Short
LIABILITIES AND EQUITY								
LIABILITIES								
Current Liabilities								
Payable to:								
Clearing house and other brokers (Note 15)	**₱6,861,289**	₱338,267,029	**₱6,861,289**			₱338,267,029		
Customers (Notes 16 and 20)	**4,489,177,256**	4,976,607,953	**4,489,177,256**	**₱65,168,564,790**	**₱30,161,662**	5,043,603,778	₱63,818,278,825	₱119,267,131
Accrued expenses and other current liabilities (Notes 17 and 20)	**84,534,620**	69,288,041	**84,534,620**			69,250,143		
	4,580,573,165	5,384,163,023	**4,580,573,165**			5,451,120,950		
Noncurrent Liabilities								
Retirement Liability (Note 19)	**23,835,266**	18,059,580	**23,835,266**			18,059,580		
Accrued expenses and other noncurrent liabilities (Notes 17 and 20)	**19,432,538**	25,892,390	**19,432,538**			25,892,390		
	43,267,804	43,951,970	**43,267,804**			43,951,970		
TOTAL LIABILITIES	**4,623,840,969**	5,428,114,993	**4,623,840,969**			5,495,072,920		
EQUITY								
Share capital (Note 21)	**169,000,000**	169,000,000	**169,000,000**			169,000,000		
Retained earnings								
Unappropriated	**450,817,812**	364,780,726	**450,817,812**			347,555,761		
Appropriated	**105,954,029**	91,147,135	**105,954,029**			91,147,135		
Net unrealized losses on financial assets at FVOCI	**(3,117,011)**	(1,314,156)	**(3,117,011)**			(1,314,156)		
Remeasurement losses on retirement plan (Note 19)	**(15,618,185)**	(8,451,504)	**(15,618,185)**			(8,451,504)		
TOTAL EQUITY	**707,036,645**	615,162,201	**707,036,645**			597,937,236		
	₱5,330,877,614	₱6,043,277,194	**₱5,330,877,614**	**₱77,455,993,848**	**₱77,455,993,848**	₱6,093,010,156	₱80,808,213,082	₱80,808,213,082

See accompanying Notes to Financial Statements.

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

STATEMENTS OF COMPREHENSIVE INCOME

	Consolidated		Parent Company	
	Years Ended December 31			
	2023	2022	**2023**	2022
REVENUE				
Commissions (Notes 20 and 23)	**₱230,790,037**	₱286,556,496	**₱230,790,037**	₱286,556,496
Interest (Notes 6, 7, 9, 11 and 20)	**263,321,633**	98,823,207	**263,321,633**	98,823,207
Trading gains (Note 7)	**6,735,914**	2,760,189	**6,735,914**	2,760,189
Dividend (Note 7)	**885,039**	1,139,027	**17,585,039**	1,139,027
Miscellaneous (Notes 20 and 24)	**20,635,446**	6,785,468	**20,630,879**	6,785,468
	522,368,069	396,064,387	**539,063,502**	396,064,387
COST OF SERVICE				
Salaries and benefits - operations (Notes 19 and 20)	**141,528,714**	114,656,582	**141,528,714**	114,656,582
Research and other technical costs	**54,991,337**	66,831,551	**54,991,337**	66,831,551
Transfer and exchange fees	**16,731,755**	21,029,426	**16,731,755**	21,029,426
Communications	**6,964,717**	6,551,920	**6,964,717**	6,551,920
Messengerial and clerical services	**3,630,939**	4,083,422	**3,630,939**	4,083,422
	223,847,462	213,152,901	**223,847,462**	213,152,901
GROSS PROFIT	**298,520,607**	182,911,486	**315,216,040**	182,911,486
OPERATING EXPENSES				
Advertising	**21,752,133**	65,326,655	**21,752,133**	65,326,655
Depreciation (Note 12)	**14,921,792**	13,605,157	**14,921,792**	13,605,157
Insurance	**6,128,797**	4,822,985	**6,128,797**	4,822,985
Bank charges	**4,681,737**	4,316,550	**4,681,737**	4,316,550
Membership fees, subscriptions and licenses	**4,605,041**	1,751,115	**4,605,041**	1,751,115
Management and professional fees (Note 20)	**4,529,919**	6,529,923	**4,529,919**	6,529,923
Transportation and travel	**4,378,693**	3,052,491	**4,378,693**	3,052,491
Rent, power and light (Notes 20 and 22)	**3,250,299**	2,705,152	**3,250,299**	2,705,152
Salaries and benefits - administration (Notes 19 and 20)	**2,557,000**	2,580,000	**2,532,000**	2,580,000
Repairs and maintenance	**2,487,232**	3,793,603	**2,487,232**	3,793,603
Interest expense	**2,470,920**	1,626,845	**2,470,920**	1,626,845
Entertainment, amusement and recreation (Note 18)	**2,464,253**	3,101,988	**2,464,253**	3,101,988
Interest expense on lease liabilities	**2,050,929**	1,190,894	**2,050,929**	1,190,894
Taxes and licenses	**955,367**	1,206,852	**955,367**	1,206,852
Association dues	**859,662**	547,508	**859,662**	547,508
Office supplies	**759,566**	606,307	**759,566**	606,307
Reversal of probable losses	**–**	(23,763,817)	**–**	(23,763,817)
Miscellaneous (Notes 9, 14, 20 and 24)	**34,255,320**	18,006,518	**33,750,788**	17,964,640
	113,108,660	111,006,726	**112,579,128**	110,964,848
INCOME BEFORE INCOME TAX	**185,411,947**	71,904,760	**202,636,912**	71,946,638
PROVISION FOR INCOME TAX (Note 18)	**54,567,967**	15,351,112	**54,567,967**	15,351,112
NET INCOME	**130,843,980**	56,553,648	**148,068,945**	56,595,526
OTHER COMPREHENSIVE INCOME				
Item that do recycle to profit or loss in subsequent periods:				
Changes in fair value of debt financial assets at FVOCI	**(2,404,996)**	792,160	**(2,404,996)**	792,160
Item that do not recycle to profit or loss in subsequent periods:				
Changes in fair value of equity financial assets at FVOCI	**1,188**	61,943	**1,188**	61,943
Remeasurement losses on retirement plan (Note 19)	**(9,555,574)**	(2,900,777)	**(9,555,574)**	(2,900,777)
Income tax effect (Notes 18 and 19)	**2,989,846**	511,668	**2,989,846**	511,668
	(8,969,536)	(1,535,006)	**(8,969,536)**	(1,535,006)
TOTAL COMPREHENSIVE INCOME	**₱121,874,444**	₱55,018,642	**₱139,099,409**	₱55,060,520

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CHANGES IN EQUITY

	Consolidated						**Parent Company**					
	Share Capital (Note 21)	**Retained Earnings** (Note 21)		**Net Unrealized Gains (Losses) on Financial Assets at FVOCI** (Note 7)	**Remeasurement Gains (Losses) on Retirement Plan** (Note 19)	**Total**	**Share Capital** (Note 21)	**Retained Earnings** (Note 21)		**Net Unrealized Gains (Losses) on Financial Assets at FVOCI** (Note 7)	**Remeasurement Gains (Losses) on Retirement Plan** (Note 19)	**Total**
		Unappropriated	**Appropriated**					**Unappropriated**	**Appropriated**			
Balance at January 1, 2023	**₱169,000,000**	**₱364,780,726**	**₱91,147,135**	**(₱1,314,156)**	**(₱8,451,504)**	**₱615,162,201**	**₱169,000,000**	**₱347,555,761**	**₱91,147,135**	**(₱1,314,156)**	**(₱8,451,504)**	**₱597,937,236**
Total comprehensive income (loss) for the year	**–**	**130,843,980**	**–**	**(1,802,855)**	**(7,166,681)**	**121,874,444**	**–**	**148,068,945**	**–**	**(1,802,855)**	**(7,166,681)**	**139,099,409**
Net appropriations (Note 21)	**–**	**(14,806,894)**	**14,806,894**	**–**	**–**	**–**	**–**	**(14,806,894)**	**14,806,894**	**–**	**–**	**–**
Dividends (Note 21)	**–**	**(30,000,000)**	**–**	**–**	**–**	**(30,000,000)**	**–**	**(30,000,000)**	**–**	**–**	**–**	**(30,000,000)**
Balance at December 31, 2023	**₱169,000,000**	**₱450,817,812**	**₱105,954,029**	**(₱3,117,011)**	**(₱15,618,185)**	**₱707,036,645**	**₱169,000,000**	**₱450,817,812**	**₱105,954,029**	**(₱3,117,011)**	**(₱15,618,185)**	**₱707,036,645**
Balance at January 1, 2022	₱169,000,000	₱372,188,630	₱85,487,583	(₱256,733)	(₱6,275,921)	₱620,143,559	₱169,000,000	₱354,921,787	₱85,487,583	(₱256,733)	(₱6,275,921)	₱602,876,716
Total comprehensive income (loss) for the year	–	56,553,648	–	640,577	(2,175,583)	55,018,642	–	56,595,526	–	640,577	(2,175,583)	55,060,520
Transfer to retained earnings (Note 7)	–	1,698,000	–	(1,698,000)	–	–	–	1,698,000	–	(1,698,000)	–	–
Net appropriations (Note 21)	–	(5,659,552)	5,659,552	–	–	–	–	(5,659,552)	5,659,552	–	–	–
Dividends (Note 21)	–	(60,000,000)	–	–	–	(60,000,000)	–	(60,000,000)	–	–	–	(60,000,000)
Balance at December 31, 2022	₱169,000,000	₱364,780,726	₱91,147,135	(₱1,314,156)	(₱8,451,504)	₱615,162,201	₱169,000,000	₱347,555,761	₱91,147,135	(₱1,314,156)	(₱8,451,504)	₱597,937,236

See accompanying Notes to Financial Statements.

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

STATEMENTS OF CASH FLOWS

	Consolidated		Parent Company	
	Years Ended December 31			
	2023	2022	**2023**	2022
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	**₱185,411,947**	₱71,904,760	**₱202,636,912**	₱71,946,638
Adjustments for:				
Depreciation and amortization (Note 12)	**14,921,792**	13,605,157	**14,921,792**	13,605,157
Retirement expense (Note 19)	**8,027,148**	7,064,563	**8,027,148**	7,064,563
Provision for (recovery from) credit and impairment losses (Notes 9 and 14)	**3,360,183**	(143,739)	**3,360,183**	(143,739)
Interest expense on lease liabilities (Note 22)	**2,050,929**	1,190,895	**2,050,929**	1,190,895
Unrealized loss gain on financial assets at FVTPL (Note 7)	**(1,521,859)**	(773,031)	**(1,521,859)**	(773,031)
Gain on liquidation	**–**	–	**(33,331)**	–
Changes in operating assets and liabilities:				
Decrease (increase) in the amounts of:				
Short-term investments	**1,781,155,982**	(1,999,493,364)	**1,781,155,982**	(1,999,493,364)
Receivable from customers	**256,202,549**	436,036,017	**306,235,880**	436,036,017
Other assets	**(11,191,349)**	(19,487,777)	**(11,215,587)**	(19,487,777)
Financial assets at FVTPL	**(34,471,703)**	(7,134,086)	**(34,471,703)**	(7,134,086)
Other receivables	**1,405,513**	8,776,981	**1,620,941**	8,735,103
Financial assets at FVOCI	**(542,743,176)**	(960,423,717)	**(543,035,070)**	(960,423,717)
Receivables from clearing house and other brokers	**456,872,937**	(66,271,747)	**456,872,937**	(66,271,747)
Financial assets at amortized cost	**90,750,006**	3,087,962,500	**91,041,900**	3,087,962,500
Increase (decrease) in the amounts of:				
Payable to customers	**(487,430,696)**	(924,923,529)	**(554,426,522)**	(924,923,529)
Accrued expenses and other liabilities	**17,146,137**	(10,906,234)	**17,184,035**	(10,906,234)
Payables to clearing house and other brokers	**(331,405,739)**	327,011,866	**(331,405,740)**	327,011,866
Net cash generated from operations	**1,408,540,601**	(36,004,485)	**1,408,998,827**	(36,004,485)
Contribution paid to pension fund (Note 19)	**(11,807,036)**	(10,263,218)	**(11,807,036)**	(10,263,218)
Interest paid (Note 23)	**(2,470,920)**	(1,626,845)	**(2,470,920)**	(1,626,845)
Income taxes paid	**(49,329,524)**	(18,734,020)	**(49,329,524)**	(18,734,020)
Net cash provided by operating activities	**1,344,933,121**	(66,628,568)	**1,345,391,347**	(66,628,568)
CASH FLOWS FROM INVESTINGACTIVITIES				
Proceeds from sale/maturities of:				
Property and equipment (Note 12)	**42,502**	791,470	**42,502**	791,470
Acquisitions of:				
Property and equipment (Note 12)	**(10,827,474)**	(14,225,121)	**(10,827,474)**	(14,225,121)
Net cash used in investing activities	**(10,784,972)**	(13,433,651)	**(10,784,972)**	(13,433,651)
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend payment	**(30,000,000)**	(60,000,000)	**(30,000,000)**	(60,000,000)
Payment of principal portion of lease liabilities (Note 22)	**(7,939,420)**	(8,336,544)	**(7,939,419)**	(8,336,544)
Net cash used in financing activities	**(37,939,420)**	(68,336,544)	**(37,939,419)**	(68,336,544)
NET INCREASE IN CASH AND CASH EQUIVALENTS	**1,296,208,729**	(148,398,763)	**1,296,666,956**	(148,398,763)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**1,839,713,620**	1,988,112,383	**1,839,255,393**	1,987,654,156
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	**₱3,135,922,349**	₱1,839,713,620	**₱3,135,922,349**	₱1,839,255,393

OPERATING CASH FLOWS FROM INTERESTS AND DIVIDENDS				
Interest received	**₱218,250,405**	₱66,164,080	**₱218,250,405**	₱66,164,080
Interest paid	**(2,470,920)**	(1,626,845)	**(2,470,920)**	(1,626,845)
Dividends received	**17,585,039**	1,139,027	**17,585,039**	1,139,027

See accompanying Notes to Financial Statements.

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

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

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

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

On September 30, 2023, MCFC has completed its liquidation upon receipt of tax clearance from the Bureau of Internal Revenue (BIR) and certificate of retirement from the local government unit (LGU).

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

2. Summary of Significant Accounting Policies

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

<u>Statement of Compliance</u>
The financial statements of the Group have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs).

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

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

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

On September 30, 2023, MCFC has completed its liquidation process upon receipt of tax clearance from BIR and certificate of retirement from the LGU. Consequently, the Parent Company assumed the assets and liabilities of MCFC and recognized an income amounting to ₱33,331 included under 'Miscellaneous Income' in the statements of comprehensive income arising from the liquidation of MCFC.

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

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

All other assets are classified as noncurrent.

A liability is current when:

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

The Group classify all other liabilities as noncurrent.

Changes in Accounting Policies and Disclosures
The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new standards effective in 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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

Amendments to PAS 12, *International Tax Reform-Pillar Two Model Rules*
The amendments to PAS 12 have been introduced in response to the Organization for Economic Cooperation and Development's Base Erosion and Profit Shifting Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

In periods in which Pillar Two legislation is (substantively) enacted but not yet effective, the amendment requires disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes, including both qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. For example:

a) Qualitative information such as how an entity is affected by Pillar Two legislation and the main jurisdictions in which exposures to Pillar Two income taxes might exist; and
b) Quantitative information such as:
   - An indication of the proportion of an entity's profits that might be subject to Pillar Two income taxes and the average tax rate applicable to those profits; or
   - An indication of how the entity's overall effective tax rate would have changed if Pillar Two legislation had been effective.

Once the legislation is effective, additional disclosures are required for the current tax expense related to Pillar Two income taxes.

The Company has reviewed its corporate structure in light of the introduction of Pillar Two Model Rules in the various jurisdictions in which it operates. The Bank has determined that it will not be subject to Pillar Two taxes once the legislation becomes effective since its effective tax rate is above 15% in all the jurisdictions in which it operates. Therefore, as the related Pillar Two disclosures are not required, the amendments will have no impact on the Group's consolidated financial statements as at December 31, 2023.

Amendments to PAS 12, *Income Taxes, Deferred tax related to assets and liabilities arising from a single transaction*
The amendments narrow the scope of the initial recognition exception under PAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

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

Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors, Definition of accounting estimates*
The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

Amendments to PAS 1, *Presentation of Financial Statements*, and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

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

Material Accounting Policies

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

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

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

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

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

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

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

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

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

Financial Instruments – Initial Recognition and Subsequent Measurement

Date of recognition

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

Initial recognition of financial assets and financial liabilities

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

Classification and subsequent measurement of financial instruments

Under PFRS 9, the classification and measurement of financial assets are driven by the entity's business model for managing the financial assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The classification and measurement of financial assets are as follows: financial assets at amortized cost, and financial assets at FVTPL and financial assets at FVOCI.

As of December 31, 2023 and 2022, the Group classify their financial assets into the following categories: financial assets at FVTPL, FVOCI and financial assets measured at amortized cost.

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

Financial assets at FVTPL

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

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

As of December 31, 2023 and 2022, the Group's financial assets at FVTPL consist of investment in mutual funds and quoted equity securities.

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

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

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

The Group's financial assets at FVOCI consist of both quoted equity securities and government debt securities as of December 31, 2023 and 2022.

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

As of December 31, 2023 and 2022, the Group's financial assets measured at amortized cost consist of 'Cash and cash equivalents', 'Short-term investments', 'Investment securities at amortized cost', 'Receivable from customers', 'Receivable from clearing house and other brokers' and 'Receivable from others'.

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

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

Derecognition of financial assets and liabilities

Financial assets

A financial asset is derecognized when:

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

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

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

Financial liability

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

Impairment of Financial Assets

Expected credit loss

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

Staging assessment

For non-credit-impaired financial instruments:

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

For credit-impaired financial instruments:

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

ECL parameters and methodologies
For 'Cash and cash equivalents' and 'Other receivables', the Group's calculation of ECL is a function of the probability of default (PD), loss given default (LGD) and exposure at default (EAD), with the timing of the loss also considered, and is estimated by incorporating forward-looking economic information and through the use of experienced credit judgment. For the years ended December 31, 2023 and 2022, ECL from these financial assets did not have any significant impact to the financial statements.

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

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

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

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

Investment in a Subsidiary
Investment in a subsidiary pertains to investment in MCFC.

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

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

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

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

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

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

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

Exchange Trading Right
Exchange trading right was acquired, together with Philippine Stock Exchange (PSE) shares, in exchange for the Exchange membership seat under the conversion program of PSE (see Note 13). The exchange trading right is carried at the amount allocated from the original cost of the exchange membership seat (after a corresponding allocation was made to the value of the PSE shares) less allowance for impairment losses, if any. The Parent Company does not intend to sell the exchange trading right in the near future. The exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Parent Company. It is tested annually for any impairment in value. Any impairment loss is charged directly under profit or loss in the statement of comprehensive income.

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

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

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

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

<u>Equity</u>
Capital stock is measured at par value for all shares issued.

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

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

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

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

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

<u>*Revenue outside the scope of PFRS 15*</u>
The following specific recognition criteria must be met before revenue is recognized:

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

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

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

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

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

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

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

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

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

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

Defined benefit costs comprise the following:

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

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

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

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

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

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

Leases

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

Parent Company as a lessee

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

Right-of-use assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

<u>Standards Issued but not yet Effective</u>
New and amended standards and interpretations that are issued but not yet effective will not have a material impact on the Group's consolidated financial statements.

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*

3. Significant Accounting Judgments, Estimates and Assumptions

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

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

As of December 31, 2023 and 2022, there were no significant accounting judgments made that have significant impact on the amounts to be recognized in the financial statements.

Estimates and Assumptions

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

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

As of December 31, 2023 and 2022, there were no abovementioned indicators that would trigger impairment review of the exchange trading right.

As of December 31, 2023 and 2022, exchange trading right is carried at ₱4.8 million. The recoverable value of exchange trading right was determined based on its latest transacted price less cost to sell which amounted to ₱6.0 million as of December 31, 2023 and 2022 (see Note 13).

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

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

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

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

All assumptions are reviewed at each statement of financial position date. The details of assumptions used in the actuarial valuation and the carrying amounts of retirement liability as of December 31, 2023 and 2022 are disclosed in Note 19.

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

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

4. Fair Value Measurement

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

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

Cash and cash equivalents, Short-term investments, Receivables from customers, clearing house, other brokers and Payable to customers, clearing house and other brokers – Carrying values approximate fair values since these instruments are liquid and have short-term maturities.

Financial assets at FVTPL and FVOCI - Fair values are generally based on quoted market prices. Fair values of equity securities are determined based on closing prices published by the Philippines Stock Exchange while the fair values of debt securities are determined based on the BVAL rates published by Philippine Depository and Trust Corporation.

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

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

The fair value of nonfinancial assets is determined as follows:

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

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

	Consolidated and Parent Company				
	2023				
	Carrying Value	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets measured at fair value:					
Financial assets					
Financial assets at FVTPL					
Mutual funds	**₱55,837,782**	**₱–**	**₱55,837,782**	**₱–**	**₱55,837,782**
Quoted equity securities	**47,195,584**	**47,195,584**	**–**	**–**	**47,195,584**
Financial assets at FVOCI					
Government debt securities	**1,507,442,438**	**893,217,326**	**614,225,112**	**–**	**1,507,442,438**
Quoted equity securities	**96,730**	**96,730**	**–**	**–**	**96,730**
	₱1,610,572,534	**₱1,554,734,752**	**₱55,837,782**	**₱–**	**₱1,610,572,534**
Assets for which fair values are disclosed:					
Nonfinancial assets					
Exchange trading right	**₱4,750,000**	**₱–**	**₱–**	**₱6,000,000**	**₱6,000,000**
	₱4,750,000	**₱–**	**₱–**	**₱6,000,000**	**₱6,000,000**

	Consolidated and Parent Company				
	2022				
	Carrying Value	Level 1	Level 2	Level 3	Total
Assets measured at fair value:					
Financial assets					
Financial assets at FVTPL					
Mutual funds	₱54,077,284	₱–	₱54,077,284	₱–	₱54,077,284
Quoted equity securities	12,962,520	12,962,520	–	–	₱12,962,520
Financial assets at FVOCI					
Government debt securities	967,184,157	967,184,157	–	–	967,184,157
Quoted equity securities	15,642	15,642	–	–	15,642
	₱1,034,239,603	₱980,162,319	₱54,077,284	₱–	₱1,034,239,603
Assets for which fair values are disclosed:					
Financial assets					
Financial assets at amortized cost					
Government debt security	₱90,750,006	₱90,952,930	₱–	₱–	₱90,952,930
Nonfinancial assets					
Exchange trading right	4,750,000	–	–	6,000,000	6,000,000
	₱95,500,006	₱90,952,930		₱6,000,000	₱96,952,930

There have been no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurement in 2023 and 2022.

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

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

- Credit risk
- Liquidity risk
- Market risk

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

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

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

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

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

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

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

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

	2023			
	Gross Carrying Amount	**Fair Value of Collateral**	**Maximum Exposure to Credit Risk**	**Financial effect of collateral and other credit enhancements**
Receivable from customers				
Unsecured	**₱4,483,724**	**₱–**	**₱4,483,724**	**₱–**
Partially secured	**6,469,977**	**6,353,677**	**116,300**	**6,353,677**
Fully secured	**171,538,732**	**12,233,862,966**	**–**	**171,538,732**
	₱182,492,433	**₱12,240,216,643**	**₱4,600,024**	**₱177,892,409**

	2022			
	Gross Carrying Amount	Fair Value of Collateral	Maximum Exposure to Credit Risk	Financial effect of collateral and other credit enhancements
Receivable from customers				
Unsecured	₱10,352,928	₱–	₱10,352,928	₱–
Partially secured	89,865,277	67,045,746	22,819,531	67,045,747
Fully secured	339,876,455	16,909,910,348	–	339,876,455
	₱440,094,660	₱16,976,956,094	₱33,172,459	₱406,922,202

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

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

	Consolidated		**Parent Company**	
	2023	2022	**2023**	2022
Cash and cash equivalents (Note 6)	**₱3,135,922,349**	₱1,839,713,620	**₱3,135,922,349**	₱1,839,255,393
Short-term investments (Note 6)	**218,337,382**	1,999,493,364	**218,337,382**	1,999,493,364
Receivables from Customers (Note 9)	**112,850,033**	160,357,568	**112,850,033**	160,357,568
Other receivables (Note 10)	**18,766,409**	20,171,922	**18,766,409**	20,387,351
Clearing and Trade Guaranty Fund refundable deposits (Note 14)	**20,899,408**	19,556,317	**20,899,408**	19,556,317
Other refundable deposits (Note 14)	**3,646,238**	2,912,981	**3,646,238**	2,912,981
	3,510,421,819	4,042,205,772	**3,510,421,819**	4,041,962,974
Unutilized margin trading Facility	**269,102,075**	220,893,370	**269,102,075**	220,893,370
	₱3,779,523,894	₱4,263,099,142	**₱3,779,523,894**	₱4,262,856,344

Credit quality of financial assets
The Group's funds are deposited only in banks that are directly, or comparably with the peer institutions, rated as investment grade by the global external rating agency. Accordingly, placements in these banks are considered to be low credit risk investments. As of December 31, 2023 and 2022, the Group determined that the impact of 12-month ECL ("Stage 1") is not material.

For trade receivables, the Group applied simplified approach in calculating ECLs and does not track changes in credit risk but instead recognizes an allowance based on lifetime ECL at each reporting period. The ECL calculation is based on historical loss experience adjusted for current conditions and forecasts of future economic conditions using reasonable and supportable information available as of the reporting date. The ECL calculation considers the SEC requirements for a stock broker in calculating allowance for credit losses. The receivables are secured by collateral comprising of quoted equity securities. Unsecured or partially secured receivables which are already past due (i.e. more than T+2) are provided with allowance (see Note 9).

Set out below is the information about the credit risk exposure on the Group's receivable from customers using a provision matrix as of December 31, 2023 and 2022:

	2023				
	Days after trade date				
	T+0 to T+1	**T+2 to T+13**	**T+14 to T+30**	**T+31 to T+365**	**Total**
Expected loss rate	**0.0%**	**2.0%**	**14.0%**	**0.02%**	**0.2%**
Gross amounts of receivables	**₱116,718,247**	**₱5,009,544**	**₱12,781,380**	**₱47,983,262**	**₱182,492,433**
Expected credit loss	**−**	**100,191**	**1,820,072**	**831,586**	**2,751,849**

	2022				
	Days after trade date				
	T+0 to T+2	T+3 to T+13	T+14 to T+30	T+31 to T+365	Total
Expected loss rate	0.0%	2.0%	4.0%	0.7%	0.2%
Gross amounts of receivables	₱342,340,040	₱2,425,524	₱2,792,696	₱92,536,400	₱440,094,660
Expected credit loss	−	48,510	113,004	629,830	791,344

As of December 31, 2023, the Group assessed that receivables from clearing house are considered as high grade and ECL is negligible as there is no default experience and historically, these are collected within 3 trading days.

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

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

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

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

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

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

As of December 31, 2023 and 2022, allowance for credit losses of receivables from customers amounted to ₱2.8 million and ₱0.8 million, respectively (Note 9).

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

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

The Group's liquidity risk is managed by holding sufficient liquid assets to ensure short-term funding requirements are met. Deposits with banks are made on a short-term basis which are available on demand and less than 1-year term. Liquidity is monitored by the Group on a regular basis.

The tables below summarize the maturity profile of the financial assets (held for managing liquidity risk) and financial liabilities of the Group based on contractual undiscounted cashflows as of December 31, 2023 and 2022:

Consolidated

	2023					2022				
	Up to 1 month	**1 to 3 months**	**More than 3 months and up to 1 year**	**More than 1 year**	**Total**	Up to 1 month	1 to 3 months	More than 3 months and up to 1 year	More than 1 year	Total
Cash and cash equivalents	**₱2,877,793,884**	**₱258,128,465**	**₱–**	**₱–**	**₱3,135,922,349**	₱508,001,442	₱1,331,712,178	₱–	₱–	₱1,839,713,620
Short-term investments	**–**	**–**	**218,337,382**	**–**	**218,337,382**	–	–	1,999,493,364	–	1,999,493,364
Loans and receivables:										
Receivables from:										
Clearing house and other brokers	**20,252,252**	**–**	**–**	**–**	**20,252,252**	477,125,189	–	–	–	477,125,189
Customers	**132,588,909**	**47,151,675**	**–**	**–**	**179,740,584**	347,396,745	91,906,571	–	–	439,303,316
Others	**17,011,303**	**–**	**–**	**1,755,106**	**18,766,409**	4,847,399	13,743,828	–	1,580,695	20,171,922
Financial Asset at FVTPL	**–**	**–**	**–**	**103,033,366**	**103,033,366**	–	–	–	67,039,804	67,039,804
Financial Asset at FVOCI										
Government debt securities	**–**	**–**	**328,493,485**	**1,178,948,953**	**1,507,442,438**	244,080,411	473,789,605	–	249,314,141	967,184,157
Quoted equity securities				**96,730**	**96,730**	–	–	–	15,642	15,642
Financial Asset at Amortized Cost										
Government debt securities	**–**	**–**	**–**	**–**		90,750,006	–	–	–	90,750,006
	3,047,646,348	**305,280,140**	**546,830,867**	**1,283,834,155**	**5,183,591,510**	1,672,201,192	1,911,152,182	1,999,493,364	317,950,282	5,900,797,020
Payable to:										
Clearing house and other brokers	**6,861,289**	–	–	–	**6,861,289**	338,267,029	–	–	–	338,267,029
Customers	**4,489,177,256**	–	–	–	**4,489,177,256**	4,976,607,953	–	–	–	4,976,607,953
Accrued expenses and other liabilities (Note 17)	–	**2,843,809**	**22,767,017**	–	**25,610,826**	–	2,928,508	6,053,359	–	8,981,867
	4,496,038,545	**2,843,809**	**22,767,017**	–	**4,521,649,371**	5,314,874,982	2,928,508	6,053,359	–	5,323,856,849
Net undiscounted financial assets	**₱-1,448,392,197**	**₱302,436,331**	**₱524,063,850**	**₱1,283,834,155**	**₱661,942,139**	(₱3,642,673,790)	₱1,908,223,674	₱1,993,440,005	₱317,950,282	₱576,940,171

Parent Company

	2023					2022				
	Up to 1 month	**1 to 3 months**	**More than 3 months and up to 1 year**	**More than 1 year**	**Total**	Up to 1 month	1 to 3 months	More than 3 months and up to 1 year	More than 1 year	Total
Cash and cash equivalents	**₱2,877,793,884**	**₱258,128,465**	**₱–**	**₱–**	**₱3,135,922,349**	₱507,543,215	₱1,331,712,178	₱–	₱–	₱1,839,255,393
Short-term investments	**–**	**–**	**218,337,382**	**–**	**218,337,382**	–	–	1,999,493,364	–	1,999,493,364
Loans and receivables:										
Receivables from:										
Clearing house and other brokers	**20,252,252**	**–**	**–**	**–**	**20,252,252**	477,125,189	–	–	–	477,125,189
Customers	**132,588,909**	**47,151,675**	**–**	**–**	**179,740,584**	347,396,969	91,906,571	–	–	439,303,540
Others	**17,011,303**	**–**	**–**	**1,755,106**	**18,766,409**	4,847,399	13,959,256	–	1,580,695	20,387,351
Financial Asset at FVTL	**–**	**–**	**–**	**103,033,366**	**103,033,366**	–	–	–	67,039,804	67,039,804
Financial Asset at FVOCI										
Government debt securities	**–**	**–**	**328,493,485**	**1,178,948,953**	**1,507,442,438**	244,080,411	473,789,605	–	249,314,141	967,184157
Quoted equity securities				**96,730**	**96,730**	–	–	–	15,642	15,642
Financial Asset at Amortized Cost										
Government debt securities	**–**	**–**	**–**	**–**		90,750,006	–	–	–	90,750,006
	3,047,646,348	**305,280,140**	**546,830,867**	**1,283,834,155**	**5,183,591,510**	1,671,743,189	1,911,367,610	1,999,493,364	317,950,282	5,900,554,446
Payable to:										
Clearing house and other brokers	**6,861,289**	–	–	–	**6,861,289**	338,267,029	–		–	338,267,029
Customers	**4,489,177,256**	–	–	–	**4,489,177,256**	5,043,603,778	–		–	5,043,603,778
Accrued expenses and other liabilities (Note 17)	–	**2,843,809**	**22,767,017**	–	**25,610,826**	–	2,928,508	6,053,359	–	8,981,867
	4,496,038,545	**2,843,809**	**22,767,017**	–	**4,521,649,371**	5,381,870,807	2,928,508	6,053,359	–	5,390,852,674
Net undiscounted financial assets	**₱-1,448,392,197**	**₱302,436,331**	**₱524,063,850**	**₱1,283,834,155**	**₱661,942,139**	(₱3,710,127,618)	₱1,908,439,102	₱1,993,440,005	₱317,950,282	₱509,701,772

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

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

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

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

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

	2023		2022	
Changes in PSEi	**12.40%**	**(12.40%)**	14.22%	(14.22%)
Change on trading income at equity portfolio under:				
Holding companies	**₱2,414,249**	**(₱2,414,249)**	₱–	₱–
Financial intermediaries	**1,370,815**	**(1,370,815)**	1,773,022	(1,773,022)
Services	**904,940**	**(904,940)**	54,708	(54,708)
Property	**809,765**	**(809,765)**	–	–
Industrial companies	**17,785**	**(17,785)**	10,531	(10,531)
	₱5,517,554	**(₱5,517,554)**	₱1,838,261	(₱1,838,261)
As a percentage of the Parent Company's trading gain or loss for the year	**(4.33%)**	**4.33%**	1.31%	(1.31%)

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

	Changes in price quotation (in basis points)			
	+ 100	**- 100**	**+ 50**	**- 50**
Change in income				
2023	**₱558,378**	**(₱558,378)**	**₱279,189**	**(₱279,189)**
2022	540,773	(540,773)	270,386	(270,386)

Impact of the 12.4% and 14.2% changes in PSEi on the Parent Company's unrealized gain on FVOCI investments amounted to ₱835 and ₱912 for the years ended December 31, 2023 and 2022, respectively. This impact on the Parent Company's equity already excludes the impact on transactions affecting profit and loss.

The Group's exposures to interest rate risk and foreign exchange rate risk are minimal. Management believes that disclosure of sensitivity analyses for these risks for 2023 and 2022 is not significant.

6. Cash and Cash Equivalents and Short-Term Investments

Cash and Cash Equivalents
This account consists of:

	Consolidated		Parent Company	
	2023	2022	**2023**	2022
Petty cash fund	**₱3,504**	₱15,326	**₱3,504**	₱15,326
Cash in banks (Note 20)	**376,751,658**	507,986,116	**376,751,658**	507,527,889
Cash equivalents	**2,759,167,187**	1,331,712,178	**2,759,167,187**	1,331,712,178
	₱3,135,922,349	₱1,839,713,620	**₱3,135,922,349**	₱1,839,255,393

Cash in banks bear annual interest rates ranging from 0.1% to 4.0% in 2023 and 0.1% to 1.3% in 2022. Cash equivalents bear annual interest rates ranging from 1.9% to 6.2% in 2023 and 5.0% to 5.8% in 2022. Cash equivalents consists of time deposits and government securities that have a term of less than or equivalent to three (3) months.

Short-term Investments
Short-term investments amounting ₱0.2 billion and ₱2.0 billion in 2023 and 2022, respectively, are placements in time deposits with original maturities of more than three months but less than one year from the date of placement. Short term investments bear annual interest rates ranging from 5.4% to 6.2% in 2023 and 3.4% to 6.0% in 2022.

In compliance with Securities Regulation Code (SRC) Rule 49.2-1, *Physical Possession or Control of Securities*, which covers customer protection and custody of securities, the Parent Company maintains a special reserve bank accounts for the exclusive benefits of its customers amounting to ₱4.2 billion and ₱4.6 billion as of December 31, 2023 and 2022, respectively. The special reserve accounts consist of cash in banks and short-term investments which are recorded as ‘Cash and cash equivalents’, ‘Short term investments’, ‘Financial assets at FVOCI’ and ‘Financial assets at amortized cost’(Note 7).

As at December 31, 2023 and 2022, the Parent Company’s reserve accounts are adequate to cover its reserve requirements for the exclusive benefits of its customers.

Interest income earned on cash and cash equivalents and short-term investments as follows:

	Consolidated and Parent Company	
	2023	2022
Cash in banks	**₱3,234,440**	₱340,600
Cash equivalents	**107,720,137**	26,549,038
Short-term investments	**81,133,714**	7,616,375
	₱192,088,291	₱34,506,013

7. Trading and Investment Securities

Financial Assets at FVTPL

As of December 31, 2023 and 2022, financial assets at FVTPL consist of investments in:

	Consolidated and Parent Company	
	2023	2022
Mutual funds (Note 20)	**₱55,837,782**	₱54,077,284
Quoted equity securities	**47,195,584**	12,962,520
	₱103,033,366	₱67,039,804

Details of trading gains (losses) - net recognized in the statements of comprehensive income follow:

	Consolidated and Parent Company	
	2023	2022
Gain on sale of financial assets at FVTPL	**₱5,214,055**	₱2,240,914
Fair value gain of financial assets at FVTPL	**1,521,859**	773,031
Loss on sale of financial assets at FVOCI	**–**	(253,756)
	₱6,735,914	₱2,760,189

Dividend income earned from these investments amounted to ₱0.9 million for 2023 and 2022.

Financial Assets at FVOCI

Financial assets at FVOCI of the Parent Company consist of the following investments:

	2023	2022
Government debt securities	**₱1,507,442,438**	₱967,184,157
Equity securities		
Philippine Securities Exchange	**16,830**	15,642
Eagle	**79,900**	–
	₱1,507,539,168	₱967,199,799

Financial assets at FVOCI shown in the parent company statements of financial position follow:

	2023	2022
Current portion	**₱328,493,485**	₱717,870,016
Noncurrent portion	**1,179,045,683**	249,329,783
	₱1,507,539,168	₱967,199,799

The unrealized gains (losses) taken to other comprehensive income amounted to (₱1.8 million) and to ₱0.6 million in 2023 and 2022, respectively. In 2022, the Parent Company disposed equity securities at FVOCI with total carrying value of ₱6.9 million and realized fair value losses were transferred to retained earnings amounting to ₱1.7 million.

Investments in government debt securities are included in the Parent Company's special reserve accounts in compliance with SRC Rule 49.2 (see Note 6). As of December 31, 2023 and 2022, the unamortized discount related to these investment amounted to ₱41.6 million ₱18.7 million, respectively. These securities bear nominal annual interest rate of 3.0% to 6.5% and 2.6% to 5.5% respectively, per annum, in 2023 and 2022, and total interest income amounted to ₱64.0 million and ₱34.9 million, respectively, in 2023 and 2022.

Dividend income earned from equity securities amounted to ₱6,254 and ₱0.2 million, respectively, in 2023 and 2022.

Financial Assets at Amortized cost
Financial assets at amortized cost of the Parent Company consist of peso-denominated government debt securities amounting to ₱90.8 million as of December 31, 2022.

These investments in short-term government treasury bills are included in the Parent Company's special reserve accounts in compliance with SRC Rule 49.2 (Note 6). As of December 31, 2022, the unamortized discount related to investment securities at amortized cost amounted to ₱0.3 million.

In 2022, the peso-denominated government debt securities bear nominal annual interest rate of 0.6% to 6.3% per annum.

Interest income earned from the investments amounted to ₱16.2 million in 2022.

8. Receivables from Clearing House and Other Brokers

The Parent Company's receivable from clearing house and other brokers amounting to ₱20.2 million and ₱477.1 million as of December 31, 2023 and 2022, respectively, were collected in January 2024 and 2023, respectively.

Receivable from and payable to clearing house are settled two days after the transaction date at net. The outstanding balances with the clearing house have been collected or paid in January of the succeeding year.

9. Receivable from Customers

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

	2023		2022	
	Money Balance	**Security Valuation – Long***	Money Balance	Security Valuation – Long*
Cash accounts:				
Fully secured accounts:				
More than 250%	**₱56,126,159**	**₱11,931,976,525**	₱160,970,283	₱16,191,606,223
Between 100% and 250%	**48,948,917**	**55,102,711**	73,502,250	99,638,924
Partially secured accounts	**6,469,977**	**6,353,677**	89,118,227	66,376,496
Unsecured accounts	**4,483,724**	–	10,352,928	–
	116,028,777	**11,993,432,913**	333,943,688	16,357,621,643
Margin accounts:				
Fully secured accounts:				
More than 250%	**₱34,872,777**	**₱184,365,483**	₱46,476,949	₱494,692,621
Between 100% and 250%	**31,590,879**	**62,418,247**	58,926,973	123,972,580
Partially secured accounts	–	–	747,050	669,250
Unsecured accounts	–	–	–	–
	66,463,656	**246,783,730**	106,150,972	619,334,451
	182,492,433	**12,240,216,643**	440,094,660	16,976,956,094
Less: Allowance for credit losses	**2,751,849**	–	791,344	–
	₱179,740,584	**₱12,240,216,643**	**₱439,303,316**	**₱16,976,956,094**

**Fair value of collateral*

Movements in allowance for credit losses follow:

	2023	2022
Balance at January 1	**₱791,344**	₱935,083
Provision for (reversal of) credit losses	**1,960,505**	(143,739)
Balance at December 31	**₱2,751,849**	₱791,344

As at December 31, 2023 and 2022, the Parent Company offered a credit line facility amounting to ₱269.1 million and ₱220.9 million, respectively, to its customers who qualified for margin account. The outstanding balance of utilized margin is being charged an interest rate of 0.9% per month in 2023 and 2022.

Interest income from margin trading amounted to ₱7.3 million and ₱13.2 million in 2023 and 2022, respectively.

10. Other Receivables

This account consists of:

	Consolidated		Parent Company	
	2023	2022	**2023**	2022
Accounts receivable	**₱5,350,154**	₱4,304,958	**₱5,350,154**	₱4,520,387
Accrued interest receivable	**13,416,255**	15,866,964	**13,416,255**	15,866,964
	₱18,766,409	₱20,171,922	**₱18,766,409**	₱20,387,351

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

	Consolidated		Parent Company	
	2023	2022	**2023**	2022
Current portion	**₱17,011,303**	₱18,591,226	**₱17,011,303**	₱18,806,655
Noncurrent portion	**1,755,106**	1,580,696	**1,755,106**	1,580,696
	₱18,766,409	₱20,171,922	**₱18,766,409**	₱20,387,351

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

11. Investment in a Subsidiary

Investment in a subsidiary represents the Parent Company's 100% ownership in MCFC which is at cost in its financial statements. As discussed in Note 1, MCFC has completed its liquidation process upon receipt of tax clearance from BIR and certificate of retirement from the LGU. Consequently, the Parent Company assumed the assets and liabilities of MCFC and recognized an income amounting to ₱33,331 included under 'Miscellaneous Income' in the statements of comprehensive income arising from the liquidation of MCFC.

The financial information of the subsidiary as of December 31, 2022 is shown below:

Total assets	₱67,478,292
Total liabilities	253,327
Equity	₱67,224,965

As of December 31, 2022, the total assets of the subsidiary primarily comprised of receivable from the Parent Company pertaining to the proceeds on the sale of MCFC's investment in mutual funds (see Note 20).

MCFC incurred a net loss amounting to ₱0.5 million ₱0.4 million in 2023 and 2022 this is directly attributable to the clean-up of books and fines and penalties. The amount incurred is due to payments related to the application of clearance with the BIR.

On September 21, 2023, the BOD approved the declaration of cash dividends amounting to ₱16.7 million in favor of stockholders of record as of September 25, 2023 and was distributed on the same date.

In the consolidated financial statements, a portion of the Group's retained earnings corresponding to the net accumulated earnings of MCFC amounting to ₱17.3 million as of December 31, 2022 is not available for dividend declaration. This becomes available for dividends upon receipt by the Parent Company of cash dividends from MCFC.

12. **Property and Equipment**

The composition of and movements in this account follows:

	Consolidated and Parent Company											
	2023						2022					
	Office Space	**Leasehold Improvements**	**Computer Equipment**	**Office Furniture and Transportation Equipment**	**Right-of-Use Assets**	**Total**	Office Space	Leasehold Improvements	Computer Equipment	Office Furniture and Transportation Equipment	Right-of-Use Assets	Total
Cost												
Balance at January 1	**₱6,891,031**	**₱29,484,584**	**₱33,569,330**	**₱19,009,390**	**₱35,624,663**	**₱124,578,998**	₱6,891,031	₱23,340,344	₱30,003,821	₱21,409,839	₱26,450,994	₱108,096,029
Additions	**–**	**2,081,766**	**4,037,651**	**4,708,057**	**–**	**10,827,474**	–	6,144,240	5,422,356	2,658,525	33,654,970	47,880,091
Disposals	**–**	**–**	**–**	**(1,275,892)**	**–**	**(1,275,892)**	–	–	(1,856,847)	(5,058,974)	(24,481,301)	(31,397,122)
Balance at December 31	**6,891,031**	**31,566,350**	**37,606,981**	**22,441,555**	**35,624,663**	**134,130,580**	6,891,031	29,484,584	33,569,330	19,009,390	35,624,663	124,578,998
Accumulated Depreciation and Amortization												
Balance at January 1	**6,884,561**	**21,762,440**	**24,439,504**	**12,528,917**	**4,463,824**	**70,079,246**	6,538,257	20,326,279	24,160,759	14,332,497	21,721,949	87,079,741
Depreciation and amortization	**6,469**	**2,349,574**	**2,987,580**	**2,453,237**	**7,124,932**	**14,921,792**	346,304	1,436,161	2,133,479	2,466,037	7,223,176	13,605,157
Disposal	**–**	**–**	**–**	**(1,233,391)**	**–**	**(1,233,391)**	–	–	(1,854,734)	(4,269,617)	(24,481,301)	(30,605,652)
Balance at December 31	**6,891,030**	**24,112,014**	**27,427,084**	**13,748,763**	**11,588,756**	**83,767,647**	6,884,561	21,762,440	24,439,504	12,528,917	4,463,824	70,079,246
Net Book Value	**₱1**	**₱7,454,336**	**₱10,179,897**	**₱8,692,792**	**₱24,035,907**	**₱50,362,933**	₱6,470	₱7,722,144	₱9,129,826	₱6,480,473	₱31,160,839	₱54,499,752

As of December 31, 2023 and 2022, the cost of fully depreciated property and equipment still in use amounted to ₱59.2 million and ₱48.3 million, respectively for both the Group and the Parent Company.

13. Exchange Trading Right

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

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

	2023	2022
Exchange trading right	**₱4,750,000**	₱4,750,000
Investment in PSE shares (Note 7)	**16,830**	15,642
	₱4,766,830	₱4,765,642

As of December 31, 2023 and 2022, the Parent Company owns 99 PSE shares included under financial assets at FVOCI. As of the same dates, the market value of a PSE share is quoted at ₱170.0 and ₱158.0, respectively.

The latest transacted price of the exchange trading right (as provided by the PSE) amounted to ₱8.0 million as of December 31, 2023 and 2022. As of December 31, 2023 and 2022, the Company did not recognize any impairment loss as the recoverable amount which is equivalent to fair value less cost to sell amounting to ₱6.0 million is higher than the carrying value.

14. Other Assets

This account consists of:

	Consolidated		Parent Company	
	2023	2022	**2023**	2022
Creditable withholding tax - net	**₱33,044,667**	₱23,748,562	**₱33,044,667**	₱23,748,562
Clearing and Trade Guaranty Fund	**20,899,408**	19,556,317	**20,899,408**	19,556,317
Prepaid expenses	**14,089,505**	12,176,117	**14,089,505**	12,176,117
Prepaid tax	**4,312,274**	5,577,342	**4,312,274**	5,577,342
Refundable deposits	**3,646,238**	2,912,981	**3,646,238**	2,912,981
Input VAT	**2,398,130**	2,175,074	**2,398,130**	2,175,074
Miscellaneous (Note 20)	**18,041**	90,943	**18,041**	66,703
	₱78,408,263	₱66,237,336	**₱78,408,263**	₱66,213,096

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

	Consolidated		Parent Company	
	2023	2022	**2023**	2022
Current portion	**₱48,338,471**	₱39,789,302	**₱48,338,471**	₱39,789,302
Noncurrent portion	**30,069,792**	26,448,034	**30,069,792**	26,423,794
	₱78,408,263	₱66,237,336	**₱78,408,263**	₱66,213,096

15. Payables to Clearing House and Other Brokers

The Parent Company's payable to clearing house and other brokers amounting to ₱6.9 million and ₱338.3 million as of December 31, 2023 and 2022 were settled in January 2024 and 2023, respectively.

16. **Payable to Customers**

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

	Consolidated and Parent Company		
	2023		
	Money Balance	**Security Valuation**	
		Long	**Short**
With money balance (Note 6)	**₱4,489,177,256**	**₱34,127,089,518**	**₱30,161,662**
Without money balance	**–**	**31,041,475,272**	**–**
	₱4,489,177,256	**₱65,168,564,790**	**₱30,161,662**

	Consolidated		
	2022		
	Money Balance	Security Valuation	
		Long	Short
With money balance (Note 6)	₱4,976,607,953	₱29,534,110,357	₱119,267,131
Without money balance	–	34,284,168,468	–
	₱4,976,607,953	₱63,818,278,825	₱119,267,131

	Parent Company		
	2022		
	Money Balance	Security Valuation	
		Long	Short
With money balance (Note 6)	₱5,043,603,778	₱29,534,110,357	₱119,267,131
Without money balance	–	34,284,168,468	–
	₱5,043,603,778	₱63,818,278,825	₱119,267,131

17. **Accrued Expenses and Other Liabilities**

This account consists of:

	Consolidated		**Parent Company**	
	2023	2022	**2023**	2022
Financial:				
Current liabilities				
Accounts payable	**₱12,613,587**	₱16,987,230	**₱12,613,587**	₱16,987,230
Accrued expenses payable	**25,610,826**	8,981,868	**25,610,826**	8,981,868
Lease liabilities (Note 22)	**6,459,851**	5,888,490	**6,459,851**	5,888,490
Other liabilities	**12,774,528**	14,436,134	**12,774,528**	14,436,134
	57,458,792	46,293,722	**57,458,792**	46,293,722
Noncurrent liabilities				
Lease liabilities (Note 22)	**19,432,538**	25,892,390	**19,432,538**	25,892,390
	76,891,330	72,186,112	**76,891,330**	72,186,112
Nonfinancial:				
Current liabilities				
Value-added tax	**9,324,850**	2,719,792	**9,324,850**	2,719,792
Withholding taxes payable	**3,450,418**	2,081,667	**3,450,418**	2,081,667
Other accrued and taxes payable	**14,300,560**	18,192,860	**14,300,560**	18,154,962
	27,075,828	22,994,319	**27,075,828**	22,956,421
	₱103,967,158	₱95,180,431	**₱103,967,158**	₱95,142,533

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

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

	Consolidated		Parent Company	
	2023	2022	**2023**	2022
Current portion	**₱84,534,620**	₱69,288,041	**₱84,534,620**	₱69,250,143
Noncurrent portion	**19,432,538**	25,892,390	**19,432,538**	25,892,390
	₱103,967,158	₱95,180,431	**₱103,967,158**	₱95,142,533

18. **Income Taxes**

Provision for income tax consists of:

	Consolidated		Parent Company	
	2023	2022	**2023**	**2022**
Current:				
Final tax	**₱47,521,936**	₱17,140,933	**₱47,521,936**	**₱17,140,933**
MCIT	**1,807,588**	1,593,087	**1,807,588**	**1,593,087**
	49,329,524	18,734,020	**49,329,524**	**18,734,020**
Deferred	**5,238,443**	(3,382,908)	**5,238,443**	**(3,382,908)**
	₱54,567,967	₱15,351,112	**₱54,567,967**	**₱15,351,112**

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

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

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

Current tax regulations also provide for the ceiling on the amount of entertainment, amusement and recreation (EAR) expenses that can be claimed as a deduction against taxable income. Under the regulation, EAR expense allowed as a deductible expense is limited to the actual EAR paid or incurred but not to exceed 1% of net revenue. EAR expenses reported in the statements of comprehensive income amounted to ₱2.5 million and ₱3.1 million in 2023 and 2022, respectively.

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

	2023	2022
Affecting profit and loss		
Deferred tax asset on:		
Accrued expense and allowance for credit losses	**₱7,318,285**	₱3,868,796
Unamortized pension cost contribution	**1,477,596**	3,361,456
Unrealized loss on financial assets at FVTPL	**59,669**	–
NOLCO	**–**	3,994,666
Retirement liability	**–**	1,697,727
MCIT	**–**	1,593,087
	8,855,550	14,515,732
Deferred tax liability on:		
Unrealized gain on financial assets at FVTPL	**–**	6,033
	8,855,550	14,509,699
Affecting OCI		
Deferred tax asset/(liability) on:		
Remeasurement loss on retirement obligation	**5,206,062**	2,817,168
Unrealized losses on financial assets at FVOCI	**(296,704)**	(333,781)
	4,909,358	2,483,387
Deferred tax assets - net	**₱13,764,908**	₱16,993,086

Provision for deferred income tax that were charged directly against other comprehensive income amounted to ₱0.4 million and ₱0.5 million in 2023 and 2022, respectively.

As of December 31, 2023, the Parent Company did not recognized deferred tax assets on the following temporary differences:

NOLCO	₱66,203,342
Unamortized past service cost	8,652,444
Accrued expenses	8,255,667
MCIT	3,400,675
Retirement liability	3,011,020
	₱89,523,148

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.

Details of excess of MCIT over RCIT follow:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2023	₱1,807,588	₱–	₱–	₱1,807,588	2026
2022	1,593,087	–	–	1,593,087	2025
2020	2,096,299	2,096,299	–	–	2025
	₱5,496,974	₱2,096,299	₱–	₱3,400,675	

Details of NOLCO follow:

Inception Year	Amount	Applied	Expired	Balance	Expiry Year
2023	₱50,224,684	₱–	₱–	₱50,224,684	2026
2022	15,978,658	–	–	15,978,658	2025
	₱66,203,342	₱–	₱–	₱66,203,342	

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

	Consolidated		**Parent Company**	
	2023	2022	**2023**	2022
Statutory income tax	**₱46,352,987**	₱19,186,512	**₱50,659,228**	₱19,186,512
Tax effect of:				
Change in unrecognized net deferred tax assets	**24,919,225**	88,505	**24,919,225**	88,505
Non-taxable income and others	**(17,020,339)**	(4,734,956)	**(21,326,580)**	(4,734,956)
Non-deductible expenses	**316,094**	811,051	**316,094**	811,051
Effective income tax	**₱54,567,967**	₱15,351,112	**₱54,567,967**	₱15,351,112

19. **Retirement Liability**

The Parent Company has a funded noncontributory defined retirement plan covering all regular employees of the Parent Company. The retirement cost of the Parent Company is determined using projected unit credit method. The latest actuarial valuation of the retirement plan was made on December 31, 2023.

The principal actuarial assumptions used in determining the retirement liability for the Parent Company's retirement plan as of December 31, 2023 and 2022 are shown below:

	2023	2022
Discount rate	**6.09%**	7.19%
Future salary rate increases	**6.00%**	6.00%
Average years of service	**4.65**	5.43
Turnover rate	**18% at age 18 to 0.0% at age 55**	18% at age 18 to 0.0% at age 55

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

2023

		Net benefit cost				Remeasurements in other comprehensive income						
	January 1, 2023	Current service cost	Net interest	Past service cost	Subtotal* [b+c+d]	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Subtotal [f+g+h]	Contribution by employer	Benefits paid	December 31, 2023 [a+e+i+j+k]
	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]	[l]
Present value of defined benefit obligation	**₱58,359,166**	**₱7,153,127**	**₱3,966,443**	**₱–**	**₱11,119,570**	**₱–**	**₱2,188,756**	**₱5,056,636**	**₱7,245,392**	**₱–**	**(₱8,844,400)**	**₱67,879,728**
Fair value of plan assets	**(40,299,586)**	**–**	**(3,092,422)**	**–**	**(3,092,422)**	**2,310,182**	**–**	**–**	**2,310,182**	**(11,807,036)**	**8,844,400**	**(44,044,462)**
Net defined benefit liability	**₱18,059,580**	**₱7,153,127**	**₱874,021**	**₱–**	**₱8,027,148**	**₱2,310,182**	**₱2,188,756**	**₱5,056,636**	**₱9,555,574**	**(₱11,807,036)**	**₱–**	**₱23,835,266**

2022

		Net benefit cost				Remeasurements in other comprehensive income						
	January 1, 2022	Current service cost	Net interest	Past service cost	Subtotal* [b+c+d]	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from experience adjustments	Actuarial changes arising from changes in financial assumptions	Subtotal [f+g+h]	Contribution by employer	Benefits paid	December 31, 2022 [a+e+i+j+k]
	[a]	[b]	[c]	[d]	[e]	[f]	[g]	[h]	[i]	[j]	[k]	[l]
Present value of defined benefit obligation	₱54,107,205	₱6,386,077	₱2,721,787	₱–	₱9,107,864	₱–	₱1,941,533	(₱3,903,160)	(₱1,961,627)	₱–	(₱2,894,276)	₱58,359,166
Fair value of plan assets	(35,749,747)	–	(2,043,301)	–	(2,043,301)	4,862,404	–	–	4,862,404	(10,263,218)	2,894,276	(40,299,586)
Net defined benefit liability	₱18,357,458	₱6,386,077	₱678,486	₱–	₱7,064,563	₱4,862,404	₱1,941,533	(₱3,903,160)	₱2,900,777	(₱10,263,218)	₱–	₱18,059,580

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

The Parent Company expects to contribute ₱9.8 million to its defined benefit pension plan in 2024.

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

	2023		2022	
	Amount	Amount	Amount	%
Deposits in bank	₱93,010	0.2	₱12,009,987	23.1
Quoted equity securities	4,199,217	9.5	15,780,098	33.1
Government debt securities	27,246,008	61.9	11,832,230	40.0
Unit investment trust fund	12,313,028	28.0	482,972	4.5
Interest and other receivables	462,259	1.0	267,788	0.4
Other liabilities	(269,060)	(0.6)	(73,489)	(1.1)
	₱44,044,462	100.0	₱40,299,586	100.0

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

	2023	2022
Balance at January 1	₱8,451,504	₱6,275,921
Remeasurement losses (gains)		
Defined benefit obligation	11,865,756	7,763,182
Fair value of plan assets	(2,310,182)	(4,862,405)
	9,555,574	2,900,777
Tax effect	(2,388,893)	(725,194)
	7,166,681	2,175,583
Balance at December 31	₱15,618,185	₱8,451,504

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

		Increase (Decrease)	
	Possible fluctuations	2023	2022
Discount rate			
	1.0%	(₱4,612,623)	(₱3,482,122)
	(1.0%)	5,246,236	3,925,137
Future salary increase rate			
	1.0%	₱5,514,342	₱4,215,770
	(1.0%)	(4,930,852)	(3,800,836)

Shown below is the maturity analysis of undiscounted benefit payments:

	2023	2022
Less than one year	₱11,983,148	₱6,386,123
More than one to five years	33,007,427	27,042,960
More than five year to 10 years	45,160,948	40,628,988
More than 10 to 15 years	87,603,417	73,607,122
More than 15 to 20 years	80,150,830	68,321,217
More than 20 years	93,317,807	78,154,898

The average duration of the defined benefit obligation and the average expected future service years as of December 31, 2023 is 9 years.

As of December 31, 2023 and 2022, the retirement fund of the Parent Company's employees is being managed by the Ultimate Parent Company's Trust Banking Group, which has a Trust Committee that is mandated to approve the plan, trust agreement, investment plan, including any amendments or modifications thereto, and other activities of the retirement plan.

20. Related Party Transactions

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

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

The following table presents the balances of material intercompany transactions of the Group and Parent Company as of and for the years ended December 31, 2023 and 2022:

	2023		
Category	**Amount/ Volume**	**Outstanding Balance**	**Nature, Terms and Conditions**
Ultimate Parent Company			
Cash in bank	**₱–**	**₱217,186,816**	Cash deposits with annual interest rate ranging from 0.1% to 0.3%
Short-term investments	**–**	**302,119,129**	Time deposits with annual interest rate ranging from 4.1% to 5.575%
Other assets	–	**126,191**	Advance lease deposit for three (3) months
Miscellaneous asset	–	**126,191**	Rental deposit, prepaid rent
Lease liability	–	**247,922**	5-year lease of office space
Accrued interest income	–	**144,501**	Accrued interest income from investment
Commission income	**43,806**	–	Income from RTB transaction on behalf of customers
Management and professional fees	**1,867,137**	–	Internal audit fee
Interest income	**59,740**	–	Interest on cash in bank
Interest income	**6,400,231**	–	Interest on time deposit
Amortization expense	**393,939**	–	Amortization of ROU asset under PFRS 16
Interest expense	**30,925**	–	Accretion of interest expense on lease liabilities under PFRS 16
Contractual and other services	**206,531**	–	Co-location charges
Utilities and other expenses	**64,842**	–	Internet, utilities and association Dues
Repairs and maintenance	**25,640**	–	System backup and maintenance
Postage	**9,433**	–	Pouch services
Bank charges	**694,099**	–	Wire transfer, Remittances, RTGS

(Forward)

Category	Amount/ Volume (2023)	Outstanding Balance (2023)	Nature, Terms and Conditions (2023)
Receivable from customers	₱–	₱68,183	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Miscellaneous expenses	**1,200,000**	–	Fees for payroll processing and other services
Commission income	**23,741**	–	Income from trading transactions on behalf of customers
Commission income	**39,599**	–	Income from RTB transaction on behalf of customers
Miscellaneous income	**12,340,035**	–	Research Fees, Selling Fees, Tender Offer Processing Fees
Affiliates and Other Related Parties			
Cash in bank	–	**1,355,965**	Cash deposits with annual interest rate of 1.3%
Short-term investments	–	**1,538,002,083**	Special savings account with annual interest rates ranging from of 3% to 6.0% and term of one to thirty-five (35) days
Other assets	–	**4,776,922**	Advance lease deposit for three (3) months; the lease agreement will end on July 15, 2027 with annual escalation of 5%
Accrued interest income	–	**3,740,863**	Accrued interest income from investment
Investment in mutual funds at FVTPL	–	**55,531,725**	Save & Learn Money Market Fund
Receivable from customers	–	**1,720,258**	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Payable to customers	–	**481**	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Prepayment	–	**78,737**	Prepaid Insurance
Lease liability	–	**25,644,468**	5-year lease of office space
Property and equipment	–	**7,470,804**	Purchases
Contractual and other services	**6,037,457**	–	Co-location charges
Interest income	**139,947,226**	–	Interest on cash in bank and short-term investments
Amortization expense	**6,730,994**	–	Amortization of ROU asset under PFRS 16
Interest expense	**2,020,004**	–	Accretion of interest expense on lease liabilities under PFRS 16
Utilities and other expenses	**1,198,223**	–	Utilities and association dues
Bank charges	**3,928,673**	–	Trust Fees
Insurance expense	**550,853**	–	Life insurance premium
Repairs and maintenance	**34,430**	–	Repairs and maintenance of company cars
Travel	**275,381**	–	Travel expense
Commission income	**12,045,666**	–	Income from trading transactions on behalf of customers
Mutual funds commission	**223,628**	–	Trail commissions on mutual funds
Unrealized gains (losses)	**1,748,676**	–	Unrealized gains (losses) on investment in mutual funds
Miscellaneous income	**758,100**	–	Tender offer agent fee

Category	Amount/ Volume	Outstanding Balance	Nature, Terms and Conditions
		2022	
Ultimate Parent Company			
Cash in bank	₱–	₱284,262,140	Cash deposits with annual interest rate ranging from 0.1% to 0.3%
Other assets	–	126,191	Advance lease deposit for three (3) months
Miscellaneous asset	–	126,191	Rental deposit, prepaid rent
Lease liability	–	709,744.84	5-year lease of office space
Commission income	45,756	–	Income from RTB transaction on behalf of customers
Management and professional fees	1,778,226	–	Internal audit fee
Interest income	117,811	–	Interest on cash in bank
Amortization expense	393,939	–	Amortization of ROU asset under PFRS 16
Interest expense	57,602	–	Accretion of interest expense on lease liabilities under PFRS 16
Contractual and other services	217,829	–	Co-location charges
Utilities and other expenses	72,298	–	Internet, utilities and association Dues
Repairs and maintenance	76,920	–	System backup and maintenance
Postage	17,535	–	Pouch services
Parent Company			
Receivable from customers	–	68,183	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Miscellaneous expenses	1,200,000	–	Fees for payroll processing and other services
Miscellaneous expenses	1,003,041	–	Share in Active one services
Miscellaneous income	446,429	–	Research Fees
Affiliates and Other Related Parties			
Cash in bank	–	4,578,064	Cash deposits with annual interest rate of 1.3%
Short-term investments	–	2,237,533,161	Special savings account with annual interest rates ranging from of 3% to 6.0% and term of one to thirty-five (35) days
Other assets	–	1,658,278	Advance lease deposit for three (3) months; the lease agreement will end on July 15, 2022 with annual escalation of 5%
Other assets	–	63,258	Prepaid insurance
Accrued interest income	–	11,740,897	Accrued interest income from investment
Investment in mutual funds at FVTPL	–	53,783,049	Save & Learn Money Market Fund
Receivable from customers	–	261,351	Receivable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Payable to customers	–	67,011,092	Payable arising out of trading transactions in behalf of customers; non-interest bearing; secured by shares of stocks
Lease liability	–	31,071,135	5-year lease of office space
Contractual and other services	7,666,920	–	Co-location charges
Interest income	27,085,981	–	Interest on cash in bank and short-term investments
Amortization expense	6,541,223	–	Amortization of ROU asset under PFRS 16
Interest expense	1,133,293	–	Accretion of interest expense on lease liabilities under PFRS 16
Utilities and other expenses	609,562	–	Utilities and association dues
Insurance expense	481,152	–	Life insurance premium

(Forward)

Category	Amount/ Volume (2022)	Outstanding Balance (2022)	Nature, Terms and Conditions (2022)
Repairs and maintenance	₱73,644	₱–	Repairs and maintenance of company cars
Bank charges	3,571,902	–	Trust Fees
Commission income	14,678,783	–	Income from trading transactions on behalf of customers
Mutual funds commission	247,098	–	Trail commissions on mutual funds
Unrealized gains (losses)	771,622	–	Unrealized gains (losses) on investment in mutual funds

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

As of December 31, 2023 and 2022, allowance for credit losses on receivables from related parties amounted to ₱356,165 and ₱258,134, respectively, as required under Rule 52.1.11.3 of the 2015 Implementing Rules and Regulations of the Securities Regulation Code.

Transactions with retirement plan
On December 20, 2012, the Philippine SEC issued Memorandum Circular No. 12 providing for guidelines on the disclosure of transactions with retirement benefit funds. Under said circular, a reporting entity shall disclose information about any transaction with a related party (retirement fund, in this case) and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

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

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

	2023	2022
Cash in bank	**₱93,010**	₱12,009,987
Quoted equity securities	**–**	10,300,000
Unit investment trust fund	**12,313,028**	482,972
	₱12,406,038	₱22,792,959

The following are the amounts recognized by the retirement plan arising from its transactions with the Ultimate Parent Company for the year ended December 31, 2022 and 2021:

	2023	2022
Trust fee	**₱359,207**	₱147,172
Interest income	**142,418**	744

Included in the Parent Company's retirement plan assets are investments in unit investment trust fund managed by the Ultimate Parent Company amounting to ₱0.5 million as of December 31, 2022.

The total fair value of retirement plan assets as of December 31, 2023 and 2022 are disclosed in Note 19.

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

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

	2023	2022
Salaries and short-term benefits	**₱51,350,241**	₱46,182,616
Post-employment benefits	**3,394,164**	2,980,298
	₱54,744,405	₱49,162,914

21. Equity

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

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

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

Regulatory Qualifying Capital

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

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

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

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

	2023	2022
Equity eligible for NLC	**₱712,006,933**	₱580,886,659
Ineligible assets	**(136,950,644)**	(198,542,730)
NLC	**₱575,056,289**	₱382,343,929
Operational risk	**₱79,208,544**	₱79,208,544
Position risk	**120,376,473**	82,863,990
Counterparty risk	**1,820,301**	113,796
Large Exposure Risk to a single issuer and group of companies (LERR-3)	**–**	–
TRCR	**₱201,405,318**	₱162,186,330
AI	**₱4,553,561,157**	₱4,877,068,800
5.0% of AI	**₱227,678,058**	₱243,853,440
Required NLC	**227,678,058**	243,853,440
Net risk-based capital excess	**347,378,231**	138,490,489
Ratio of AI to NLC	**792%**	1276%
RBCA ratio	**286%**	236%

Further, SEC Memorandum Circular No. 16 dated November 11, 2004 provides the guidelines on the adoption in the Philippines of the RBCA Framework for all registered brokers dealers in accordance with SRC. These guidelines cover the following risks:
(a) position or market risk,
(b) credit risks such as counterparty, settlement, large exposure, and margin financing risks, and
(c) operational risk.

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

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

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

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

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

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

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

The BOD approved the appropriation of ₱14.8 million and ₱5.7 million, respectively, in compliance with the regulatory requirements on April 3, 2024 and April 20, 2023, respectively.

Minimum Capital Requirements
For registration and subsequent renewal of license of brokers and dealers, SRC Rule 28.1, *Registration of Brokers and Dealers*, requires brokers and dealers to maintain a minimum capital requirement amounting to ₱100.0 million. Paid-up capital of the Parent Company amounted to ₱169.0 million in 2023 and 2022.

Cash Dividends
On May 31, 2023, the BOD approved the declaration of cash dividends amounting to ₱30.0 million in favor of stockholders of record as of May 31, 2023 and was distributed on August 29, 2023.

On May 27, 2022, the BOD approved the declaration of cash dividends amounting to ₱60.0 million in favor of stockholders of record as of May 31, 2022 and was distributed on August 25, 2022.

22. Lease Contracts

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

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

	2023	2022
Amortization expense of right-of-use assets (Note 12)	**₱7,124,933**	₱7,223,176
Rent expenses relating to short-term leases (included in operating expenses)	**2,253,364**	1,652,760
Interest expense on lease liabilities	**2,050,929**	1,190,895
Total amount recognized in statement of income	**₱11,429,226**	₱10,066,831

The rollforward analysis of the lease liability as of December 31, 2023 and 2022 follows:

.	**2023**	2022
At January 1	**₱31,780,880**	₱5,271,559
Additions	**–**	33,654,970
Interest expense	**2,050,929**	1,190,895
Lease payments	**(7,939,420)**	(8,336,544)
As at December 31	**₱25,892,389**	₱31,780,880

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

	2023	2022
Within one year	**₱8,071,408**	₱7,939,420
More than one year but less than two years	**8,209,994**	8,071,408
More than two years but less than three years	**8,620,486**	8,209,994
More than three years but less than four years	**4,415,368**	8,620,486
More than five years	–	4,415,368
	₱29,317,256	₱37,256,676

23. Commissions

This account consists of:

	2023	2022
Brokers commission	**₱221,766,458**	₱285,183,880
Commission on fixed income	**83,365**	68,234
Commission on public offerings	**8,940,215**	1,304,381
	₱230,790,037	₱286,556,496

24. Miscellaneous Income and Expenses

Miscellaneous Income

Miscellaneous income consists of tender offer agent fee, commission from mutual funds, research and processing fees, unrealized foreign exchange gain (loss), income on liquidation of MCFC and other miscellaneous income amounting to ₱20.6 million and ₱6.8 million as of December 31, 2023 and 2022, respectively, both for the Group and the Parent Company.

Miscellaneous Expense

Miscellaneous expense consists of provision for credit and impairment losses, allowances for employees, expenses for company sponsorships, corporate giveaways, maintenance and administrative costs amounting to ₱34.2 million and ₱18.0 million, respectively, for the Group and ₱33.8 million and ₱18.0 million, respectively, for the Parent Company as at December 31, 2023 and 2022.

25. Offsetting of Financial Assets and Financial Liabilities

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

Financial assets

			2023			
Financial assets recognized at end of reporting period by type	**Gross carrying amounts (before offsetting) [a]**	**Gross amounts offset in accordance with the offsetting criteria [b]**	**Net amount presented in statements of financial condition [a-b] [c]**	**Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria**		
				Financial instruments [d]	**Financial collateral [e]**	**Net exposure [c-d-e] [f]**
Receivable from clearing house and other brokers	**₱20,252,252**	**₱–**	**20,252,252**	**₱–**	**₱–**	**₱20,252,252**
Receivable from customers	**182,492,433**	**–**	**182,492,433**	**–**	**177,892,409**	**4,600,024**

			2022			
Financial assets recognized at end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in statements of financial condition [a-b] [c]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments [d]	Financial collateral [e]	Net exposure [c-d-e] [f]
Receivable from clearing house and other brokers	₱477,125,189	₱–	₱477,125,189	₱–	₱–	₱477,125,189
Receivable from customers	440,094,660	–	440,094,660	–	406,922,201	33,172,459

Financial liabilities

			2023			
Financial liabilities recognized at end of reporting period by type	**Gross carrying amounts (before offsetting) [a]**	**Gross amounts offset in accordance with the offsetting criteria [b]**	**Net amount presented in statements of financial condition [a-b] [c]**	**Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria**		
				Financial instruments [d]	**Financial collateral [e]**	**Net exposure [c-d-e] [f]**
Payable to clearing house and other brokers	**₱6,861,289**	**₱–**	**₱6,861,289**	**₱–**	**₱–**	**₱6,861,289**
Payable to customers	**4,489,177,256**	**–**	**4,489,177,256**	**–**	**–**	**4,489,177,256**

			2022			
Financial liabilities recognized at end of reporting period by type	Gross carrying amounts (before offsetting) [a]	Gross amounts offset in accordance with the offsetting criteria [b]	Net amount presented in statements of financial condition [a-b] [c]	Effect of remaining rights of set-off (including rights to set off financial collateral) that do not meet PAS 32 offsetting criteria		
				Financial instruments [d]	Financial collateral [e]	Net exposure [c-d-e] [f]
Payable to clearing house and other brokers	₱338,267,029	₱–	₱338,267,029	₱–	₱–	₱338,267,029
Payable to customers	5,043,603,778	–	5,043,603,778	–	–	5,043,603,778

26. Subsequent Events

On April 3, 2024, the BOD approved the declaration of cash dividends amounting to ₱100.0 million in favor of stockholders of record as of April 15, 2024 and to be distributed on July 12, 2024.

27. Approval of Release of Financial Statements

The accompanying comparative financial statements of the Group and of the Parent Company were authorized and approved for issue by the BOD on April 3, 2024.

28. Supplementary Information Required Under Revenue Regulations No. 15-2010

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

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

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

Net sales/receipts and output VAT declared in the Parent Company's VAT returns filed for 2023 follow:

	Net Receipts	Output VAT Payable
Balance as at January 1, 2023	₱–	₱–
Vatable sales:		
Vatable sales/receipts	261,680,818	31,401,830
Sale to government	2,220,689	266,483
	263,901,507	31,668,313
Zero rated sales/receipts	–	–
Exempt sales	–	–
Less: VAT remittances		21,000,308
VAT withheld on sale to government		111,129
Creditable VAT withheld		–
Input VAT claimed as deduction		10,556,876
Balance as at December 31, 2023		₱–

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

Purchases of Goods/Services and Input VAT

	Input VAT
Balance at January 1	₱–
Current year's purchases/payments for:	
Domestic purchases of goods	1,240,396
Domestic purchases of services	9,316,480
Total	10,556,876
Less: Deductions from input tax	
Input tax allocable to exempt sales	–
Input tax on sale to government closed to expense	–
Total deductions from input tax	–
Balance available to be applied to Output VAT	10,556,876
Less: Input VAT claimed as deduction	10,556,876
Balance at December 31	₱–

Other Taxes and Licenses
This includes all other taxes, documentary stamp tax, local tax, fringe benefit tax including licenses and permit fees for the year ended December 31, 2023:

Local taxes	₱747,038
Others	208,329
	₱955,367

Withholding Taxes
Details of total remittances in 2023 and outstanding balance as of December 31, 2023 are as follows:

	Total Remittances	Outstanding Balance
Withholding taxes on compensation and benefits	₱16,700,314	₱2,846,596
Expanded withholding taxes	3,089,325	603,822
	₱19,789,639	₱3,450,418

Total remittances pertain to tax payments made for the reporting period covering January 2023 to November 2023. The outstanding withholding tax payable as of December 31, 2023 represents the withholding taxes for the month of December 2023 which were remitted in January 2024.

Tax Assessments
The Company has no pending tax cases and/or assessment as of December 31, 2023.

SyCip Gorres Velayo & Co.
6760 Ayala Avenue
1226 Makati City
Philippines

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors and Stockholders
First Metro Securities Brokerage Corporation
18th Floor, PS Bank Center Building
777 Paseo de Roxas cor. Sedeño Street
Makati City

We have audited the accompanying financial statements of First Metro Securities Brokerage Corporation (the Company), as at December 31, 2023 and for the year then ended, on which we have rendered the attached report dated April 3, 2024.

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

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

Glenda C. Anisco-Niño
Partner
CPA Certificate No. 114462
Tax Identification No. 225-158-629
BOA/PRC Reg. No. 0001, August 25, 2021, valid until April 15, 2024
BIR Accreditation No. 08-001998-151-2022, November 7, 2022, valid until November 6, 2025
PTR No. 10079897, January 5, 2024, Makati City

April 3, 2024

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Building a better working world

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

The Board of Directors and Stockholders
First Metro Securities Brokerage Corporation
18th Floor, PS Bank Center Building
777 Paseo de Roxas cor. Sedeño Street
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of First Metro Securities Brokerage Corporation (the Company) as at December 31, 2023, and have issued our report thereon dated April 3, 2024. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying Schedule of Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management. This schedule is presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and is not part of the basic financial statements. This has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

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INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY SCHEDULES

The Board of Directors and Stockholders
First Metro Securities Brokerage Corporation
18th Floor, PS Bank Center Building
777 Paseo de Roxas cor. Sedeño Street
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of First Metro Securities Brokerage Corporation (the Company) as at December 31, 2023 and 2022, and have issued our report thereon dated April 3, 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 Schedules are the responsibility of the Company's management. These schedules are presented for purposes of complying with the Revised Securities Regulation Code Rule 68, and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state, in all material respects, the financial information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Glenda C. Anisco-Niño

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Partner
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PTR No. 10079897, January 5, 2024, Makati City

April 3, 2024

FIRST METRO SECURITIES BROKERAGE CORPORATION
INDEX TO THE SUPPLEMENTARY SCHEDULES

Supplementary Schedules Required by Securities Regulation Code 52.1

SCHEDULE I

FIRST METRO SECURITIES BROKERAGE CORPORATION
(A Wholly Owned Subsidiary of First Metro Investment Corporation)
SCHEDULE OF RECONCILIATION OF RETAINED EARNINGS
AVAILABLE FOR DIVIDEND DECLARATION
DECEMBER 31, 2023

Unappropriated Retained Earnings, beginning of reporting period per audited financial statements		**₱347,555,761**
Less: Category B: Items that are directly debited to Unappropriated Retained Earnings		
Dividend declaration during the reporting period	**30,000,000**	
Retained Earnings appropriated during the reporting period	**14,806,895**	**44,806,895**
Unappropriated Retained Earnings, as adjusted		**302,748,866**
Add/Less: Net Income (loss) for the current year		**148,068,945**
Less: Category C.1: Unrealized income recognized in the profit or loss during the reporting period (net of tax)		
Unrealized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		**(1,521,859**
Add: Category C.2: Unrealized income recognized in the profit or loss in prior reporting periods but realized in the current reporting period (net of tax)		
Realized fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		**773,030**
Add: Category C.3: Unrealized income recognized in profit or loss in prior periods but reversed in the current reporting period (net of tax)		
Reversal of previously recorded fair value adjustment (mark-to-market gains) of financial instruments at fair value through profit or loss (FVTPL)		**(773,030)**
Adjusted Net Income/Loss		**146,547,086**
Add/Less: Category F: Other items that should be excluded from the determination of the amount of available for dividends distribution		
Deferred income tax		**3,228,178**
Total Retained Earnings, end of the reporting period available for dividend		**452,524,130**

SCHEDULE II

FIRST METRO SECURITIES BROKERAGE CORPORATION
(A Wholly Owned Subsidiary of First Metro Investment Corporation)
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
DECEMBER 31, 2023

There are no liabilities subordinated to claims of general creditors.

SCHEDULE III

FIRST METRO SECURITIES BROKERAGE CORPORATION
(A Wholly Owned Subsidiary of First Metro Investment Corporation)
RISK-BASED CAPITAL ADEQUACY WORKSHEET PURSUANT TO SECURITIES AND EXCHANGE COMMISSION CIRCULAR NO. 16
DECEMBER 31, 2023

Assets	**₱5,260,597,802**
Liabilities	**4,553,561,157**
Equity as per books	**707,036,645**
Adjustments to Equity per books	
Add (Deduct):	
– Allowance for market decline	
– Subordinated Liabilities	
– Unrealized Gain / (Loss) in proprietary accounts	
– Deferred Income Tax	**(13,764,908)**
– Revaluation Reserves	**18,735,196**
– Deposit for Future Stock Subscription (No application with SEC)	
– Minority Interest	
Total Adjustments to Equity per books	**4,970,288**
Equity Eligible For Net Liquid Capital	**712,006,933**
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	**4,750,000**
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	**50,362,933**
d. Prepayment from Client for Early Settlement of Account	
e. All Other Current Assets	**21,347,826**
f. Securities Not Readily Marketable	
g. Negative Exposure (SCCP)	**386,671**
h. Notes Receivable (non-trade related)	
i. Interest and Dividends Receivables outstanding for more than 30 days	
j. Ineligible Insurance claims	
k. Ineligible Deposits	
l. Short Security Differences	
m. Long Security Differences not resolved prior to sale	
n. Other Assets including Equity Investment in PSE	**60,103,214**
Total ineligible assets	**136,950,644**

Net Liquid Capital (NLC)	**575,056,289**
Less:	
– Operational Risk Reqt (Schedule ORR-1)	**79,208,544**
– Position Risk Reqt (Schedule PRR-1)	**120,376,473**
– Counterparty Risk (Schedule CRR-1 and detailed schedules)	**1,820,301**
– **Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)**	
– LERR to a single client (LERR-1)	
– LERR to a single debt (LERR-2)	
– LERR to a single issuer and group of companies (LERR-3)	
Total Risk Capital Requirement (TRCR)	**201,405,318**
Net RBCA Margin (NLC-TRCR)	**373,650,971**
Liabilities	**4,553,561,157**
Add: Deposit for Future Stock Subscription (No application with SEC)	
Less: Exclusions from Aggregate Indebtedness	
– Subordinated Liabilities	
– Loans secured by securities	
– Loans secured by fixed assets	
– Others	
Total adjustments to AI	
Aggregate Indebtedness	**4,553,561,157**
5% of Aggregate Indebtedness	**227,678,058**
Required Net Liquid Capital (> of 5% of AI or P5M)	**227,678,058**
Net Risk-based Capital Excess / (Deficiency)	**347,378,231**
Ratio of AI to Net Liquid Capital	**792%**
RBCA Ratio (NLC / TRCR)	**286%**

SCHEDULE IV

FIRST METRO SECURITIES BROKERAGE CORPORATION
(A Wholly Owned Subsidiary of First Metro Investment Corporation)
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER SRC RULE 49.2
DECEMBER 31, 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 to possession or control had been issued as of the report date but for which the required action was not taken by respondent within the time frame specified under SRC Rule 49.2):

Market Valuation:	NIL
Number of Items:	NIL

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

Market Valuation:	NIL
Number of Items:	NIL

SCHEDULE V

FIRST METRO SECURITIES BROKERAGE CORPORATION
(A Wholly Owned Subsidiary of First Metro Investment Corporation)
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER SRC RULE 49.2
DECEMBER 31, 2023

Particulars	Credit	Debit
1. Free credit balance and other credit balance in customers' security accounts.	₱4,428,928,756	
2. Monies borrowed collateralized by securities carried for the account of customers.		
3. Monies payable against customers' securities loaned.		
4. Customers' securities failed to receive.		
5. Credit balances in firm accounts which are attributable to principal sales to 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.		₱ 104,878,435
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		
12. Failed to deliver customers' securities not older than 30 calendar days.		19,052,990
13. Others		
Total	4,428,928,756	123,931,425
Net Credit (Debit)	₱4,304,997,331	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱4,304,997,331	

SCHEDULE VI

FIRST METRO SECURITIES BROKERAGE CORPORATION
(A Wholly Owned Subsidiary of First Metro Investment Corporation)
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES
FOUND TO EXIST OR FOUND TO HAVE EXISTED
SINCE THE DATE OF THE PREVIOUS AUDIT
DECEMBER 31, 2023

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

SCHEDULE VII

FIRST METRO SECURITIES BROKERAGE CORPORATION
RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED
DECEMBER 31, 2023

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

	STOCK POSITION		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
SECURITY	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
2GO	157,822	-	157,822	-	-	-	39,600	-	-	-
8990B	3,187,040	302,768,800	3,187,040	302,768,800	-	-	-	-	-	-
AAA	128,900	207,529	128,900	207,529	-	-	-	-	-	-
AB	5,512,385	29,325,888	5,510,385	29,315,248	-	-	-	-	(2,000)	(10,640)
ABA	30,112,509	25,595,633	30,461,509	25,892,283	-	-	-	-	349,000	296,650
ABG	271,519	817,272	270,519	814,262	-	-	-	-	(1,000)	(3,010)
ABS	5,319,954	24,578,187	5,317,454	24,566,637	-	-	-	-	(2,500)	(11,550)
ABSP	625,770	2,878,542	625,770	2,878,542	-	-	-	-	-	-
AC	1,482,378	1,009,499,418	1,497,298	1,019,659,938	12	8,172	6,550	4,460,550	14,920	10,160,520
ACE	330,004	567,607	330,004	567,607	-	-	-	-	-	-
ACEN	293,148,764	1,283,991,586	293,990,534	1,287,678,539	-	-	-	-	841,770	3,686,953
ACENA	164,050	172,252,500	164,050	172,252,500	-	-	-	-	-	-
ACENB	804,080	868,406,400	804,180	868,514,400	-	-	-	-	100	108,000
ACPAR	130,420	327,093,360	130,415	327,080,820	-	-	-	-	(5)	(12,540)
ACPVR	-	-	-	-	6,301	-	-	-	-	-
ACR	24,984,841	13,491,814	24,986,841	13,492,894	-	-	-	-	2,000	1,080
ACRMC	128,737	-	-	-	128,737	-	-	-	-	-
AEV	2,645,990	118,011,154	2,622,640	116,969,744	-	-	-	-	(23,350)	(1,041,410)
AGI	23,585,094	266,039,860	24,016,894	270,910,564	1,240	13,987	-	-	431,800	4,870,704
ALCO	34,216,770	14,199,960	34,116,770	14,158,460	-	-	-	-	(100,000)	(41,500)
ALCPC	15,480	1,470,600	15,480	1,470,600	-	-	-	-	-	-
ALCPD	121,790	60,895,000	121,790	60,895,000	-	-	-	-	-	-
ALHI	207,359	831,510	207,359	831,510	-	-	-	-	-	-
ALI	30,081,141	1,036,295,307	30,464,641	1,049,506,882	-	-	-	-	383,500	13,211,575
ALIP	3,842,045	-	-	-	3,842,045	-	-	-	-	-
ALLDY	493,838,600	77,532,660	493,772,600	77,522,298	-	-	1,000	157	(66,000)	(10,362)
ALLHC	41,257,695	73,026,120	41,286,695	73,077,450	-	-	-	-	29,000	51,330

	STOCK POSITION		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
SECURITY	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
ALPHA	1,100	-	1,100	-	-	-	-	-	-	-
ALTER	13,275,340	10,222,012	13,751,340	10,588,532	-	-	-	-	476,000	366,520
ANI	25,770,320	19,327,740	24,653,320	18,489,990	-	-	-	-	(1,117,000)	(837,750)
ANS	4,422,195	51,562,794	4,369,195	50,944,814	-	-	-	-	(53,000)	(617,980)
AP	12,600,232	476,288,770	12,577,633	475,434,527	-	-	-	-	(22,599)	(854,242)
APB2R	987,040	478,911,808	987,040	478,911,808	-	-	-	-	-	-
APC	132,158,369	31,057,217	132,288,369	31,087,767	-	-	-	-	130,000	30,550
APL	7,809,501,653	101,523,521	7,782,901,653	101,177,721	-	-	-	-	(26,600,000)	(345,800)
APO	20,904,263	9,406,918	20,904,263	9,406,918	-	-	-	-	-	-
APVI	938,734	8,720,839	938,734	8,720,839	-	-	-	-	-	-
APX	68,302,832	204,908,496	69,089,832	207,269,496	-	-	-	-	787,000	2,361,000
AR	20,714,767,572	95,287,931	20,714,767,572	95,287,931	-	-	-	-	-	-
ARA	3,625,877	3,553,359	3,643,877	3,570,999	-	-	-	-	18,000	17,640
AREIT	19,844,108	662,793,207	19,907,608	664,914,107	-	-	-	-	63,500	2,120,900
ASLAG	9,311,793	12,012,213	9,311,793	12,012,213	-	-	-	-	-	-
AT	65,747,975	232,090,352	65,902,975	232,637,502	-	-	-	-	155,000	547,150
ATI	4,120,061	61,800,915	4,119,861	61,797,915	-	-	27,200	408,000	(200)	(3,000)
ATN	38,062,200	14,463,636	38,062,200	14,463,636	-	-	-	-	-	-
ATNB	4,383,000	1,665,540	4,383,000	1,665,540	-	-	-	-	-	-
AUB	1,875,405	61,325,744	1,875,063	61,314,560	-	-	-	-	(342)	(11,183)
AXLM	304,007,947	729,619,073	304,036,947	729,688,673	-	-	-	-	29,000	69,600
BALAI	78,353,379	30,557,818	78,483,379	30,608,518	-	-	-	-	130,000	50,700
BC	1,679,704	8,180,158	1,709,704	8,326,258	-	-	-	-	30,000	146,100
BCB	2,180,700	10,685,430	2,163,700	10,602,130	-	-	-	-	(17,000)	(83,300)
BCOR	71,573	537,513	71,573	537,513	-	-	-	-	-	-
BCP	12,159	298,503	12,159	298,503	-	-	-	-	-	-
BDO	9,470,510	1,235,901,555	9,458,300	1,234,308,150	4,156	542,358	-	-	(12,210)	(1,593,405)
BEL	23,773,708	27,815,238	23,780,708	27,823,428	-	-	-	-	7,000	8,190
BHI	467,202,191	28,499,334	467,532,191	28,519,464	-	-	-	-	330,000	20,130
BKR	4,538,008	6,353,211	4,518,008	6,325,211	-	-	-	-	(20,000)	(28,000)
BLOOM	19,664,951	193,503,118	19,617,251	193,033,750	-	-	-	-	(47,700)	(469,368)
BMM	3,010	156,520	3,010	156,520	1,108	57,616	-	-	-	-
BNCOM	1,894,800	13,775,196	1,895,800	13,782,466	-	-	-	-	1,000	7,270
BPI	7,552,121	783,910,160	7,511,356	779,678,753	4,042	419,560	-	-	(40,765)	(4,231,407)
BRN	26,272,065	17,076,842	26,265,065	17,072,292	-	-	-	-	(7,000)	(4,550)
BRNP	255,320	24,638,380	255,320	24,638,380	-	-	-	-	-	-
BSC	276,112,681	48,871,945	275,533,681	48,769,462	-	-	-	-	(579,000)	(102,483)
C	29,265,657	43,898,486	29,270,657	43,905,986	-	-	-	-	5,000	7,500
CA	78,374	3,060,505	78,374	3,060,505	-	-	-	-	-	-
CAB	13,796	930,540	13,796	930,540	-	-	-	-	-	-

	STOCK POSITION		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
SECURITY	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
CAL	4,649,258	-	4,649,258	-	-	-	893,040	-	-	-
CAT	898,208	10,329,392	897,608	10,322,492	-	-	-	-	(600)	(6,900)
CDC	9,596,415	6,621,526	9,576,415	6,607,726	-	-	-	-	(20,000)	(13,800)
CEB	5,211,385	169,370,013	5,200,285	169,009,263	-	-	-	-	(11,100)	(360,750)
CEBCP	781,802	25,369,475	781,802	25,369,475	-	-	-	-	-	-
CEI	52,158,660	3,494,630	52,168,660	3,495,300	-	-	-	-	10,000	670
CEU	307,560	2,614,260	307,360	2,612,560	-	-	-	-	(200)	(1,700)
CHI	4,913,832	30,072,652	4,913,832	30,072,652	-	-	-	-	-	-
CHIB	15,313,931	472,434,771	15,312,835	472,400,960	-	-	13,408	413,637	(1,096)	(33,812)
CHP	138,489,982	130,180,583	138,482,982	130,174,003	-	-	-	-	(7,000)	(6,580)
CIC	165,141	2,394,545	165,141	2,394,545	-	-	-	-	-	-
CIP	340	40,800	340	40,800	-	-	-	-	-	-
CLI	42,254,897	104,369,596	42,226,897	104,300,436	-	-	-	-	(28,000)	(69,160)
CNPF	94,320,675	2,919,224,891	94,312,625	2,918,975,744	-	-	-	-	(8,050)	(249,148)
CNVRG	57,703,746	483,557,391	57,005,546	477,706,475	-	-	-	-	(698,200)	(5,850,916)
COAL	51,793,312	5,749,058	51,793,312	5,749,058	-	-	-	-	-	-
COL	941,933	2,505,542	941,933	2,505,542	-	-	-	-	-	-
COSCO	29,826,543	137,798,629	29,926,143	138,258,781	-	-	-	-	99,600	460,152
CPG	194,740,891	54,527,449	194,750,891	54,530,249	-	-	-	-	10,000	2,800
CPM	7,570,230	26,344,400	7,570,230	26,344,400	-	-	-	-	-	-
CREIT	135,866,256	347,817,615	132,780,256	339,917,455	-	-	-	-	(3,086,000)	(7,900,160)
CROWN	7,082,770	11,049,121	7,094,770	11,067,841	-	-	-	-	12,000	18,720
CSB	121,700	986,987	121,700	986,987	-	-	-	-	-	-
CTS	7,342,000	5,506,500	7,342,000	5,506,500	-	-	-	-	-	-
CYBR	57,980,008	19,133,403	57,980,008	19,133,403	-	-	-	-	-	-
DD	24,536,828	186,479,893	24,505,728	186,243,533	-	-	-	-	(31,100)	(236,360)
DDMPR	359,560,494	435,068,198	359,774,494	435,327,138	-	-	-	-	214,000	258,940
DDPR	2,386,929	221,984,397	2,390,369	222,304,317	-	-	-	-	3,440	319,920
DELM	3,723,082	24,162,802	3,721,782	24,154,365	-	-	-	-	(1,300)	(8,437)
DFNN	9,534,935	29,462,949	9,534,935	29,462,949	-	-	-	-	-	-
DGTL	113,196	-	-	-	113,196	-	-	-	-	-
DHI	10,549,783	33,337,314	10,549,783	33,337,314	-	-	-	-	-	-
DITO	278,392,515	654,222,410	278,580,300	654,663,705	-	-	-	-	187,785	441,295
DIZ	311,087	693,724	311,087	693,724	-	-	-	-	-	-
DMC	63,147,302	616,949,141	63,566,702	621,046,679	-	-	-	-	419,400	4,097,538
DMW	2,651,009	13,679,206	2,629,009	13,565,686	-	-	-	-	(22,000)	(113,520)
DNA	2,483,513	7,102,847	2,483,513	7,102,847	-	-	-	-	-	-
DNL	32,213,099	203,264,655	32,395,699	204,416,861	-	-	-	-	182,600	1,152,206
DWC	1,993,800	2,811,258	1,993,800	2,811,258	-	-	-	-	-	-
EAGLE	309,062	-	309,062	-	-	-	1,700	-	-	-

	STOCK POSITION		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
SECURITY	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
ECP	738,649	1,669,347	738,649	1,669,347	-	-	-	-	-	-
ECVC	23,349,778	14,009,867	23,349,778	14,009,867	-	-	-	-	-	-
EEI	13,838,968	82,618,639	13,860,668	82,748,188	-	-	-	-	21,700	129,549
EEIPA	634,620	55,148,478	634,620	55,148,478	-	-	-	-	-	-
EEIPB	482,400	46,744,560	482,370	46,741,653	-	-	-	-	(30)	(2,907)
EG	1,444,782,989	13,580,960	1,444,782,989	13,580,960	-	-	-	-	-	-
EIBA	19,670,000	-	19,670,000	-	-	-	-	-	-	-
EIBB	2,600,000	-	2,600,000	-	-	-	-	-	-	-
ELI	68,856,590	8,675,930	68,856,590	8,675,930	133,612	16,835	-	-	-	-
EMI	971,201	20,249,541	969,201	20,207,841	-	-	-	-	(2,000)	(41,700)
ENEX	4,917,806	24,097,249	4,909,806	24,058,049	-	-	-	-	(8,000)	(39,200)
ETON	21,000	-	21,000	-	-	-	-	-	-	-
EURO	3,734,675	2,651,619	3,734,675	2,651,619	-	-	-	-	-	-
EVER	42,340,829	12,278,840	42,330,829	12,275,940	-	-	-	-	(10,000)	(2,900)
EW	13,509,103	115,097,558	13,511,503	115,118,006	-	-	-	-	2,400	20,448
FAF	840,008	504,005	840,008	504,005	-	-	-	-	-	-
FB	2,377,369	121,245,819	2,386,119	121,692,069	-	-	-	-	8,750	446,250
FCG	77,943,206	46,765,924	77,535,206	46,521,124	-	-	-	-	(408,000)	(244,800)
FDC	2,770,978	14,824,732	2,770,978	14,824,732	-	-	-	-	-	-
FERRO	1,604,108	4,651,913	1,612,108	4,675,113	-	-	-	-	8,000	23,200
FEU	7,588	4,298,602	7,588	4,298,602	-	-	-	-	-	-
FFI	23,415	84,294	23,415	84,294	311,608	1,121,789	-	-	-	-
FGEN	10,991,238	191,247,541	10,942,618	190,401,553	-	-	-	-	(48,620)	(845,988)
FILRT	49,135,086	126,768,522	48,405,186	124,885,380	-	-	-	-	(729,900)	(1,883,142)
FJP	155,300	256,245	155,300	256,245	-	-	-	-	-	-
FJPB	60,600	81,810	60,600	81,810	-	-	-	-	-	-
FLI	298,569,723	176,156,137	299,352,723	176,618,107	-	-	202,000,000	119,180,000	783,000	461,970
FMETF	9,913,595	1,018,126,207	9,911,905	1,017,952,644	-	-	-	-	(1,690)	(173,563)
FNI	82,313,363	169,565,528	82,355,363	169,652,048	-	-	-	-	42,000	86,520
FOOD	7,180,711	3,303,127	7,180,711	3,303,127	-	-	-	-	-	-
FPH	2,645,697	165,356,063	2,646,207	165,387,938	291	18,188	-	-	510	31,875
FPI	4,126,088	825,218	4,126,088	825,218	-	-	-	-	-	-
FRUIT	1,207,024,512	1,158,743,532	1,207,009,512	1,158,729,132	-	-	-	-	(15,000)	(14,400)
GEO	56,743,311	1,532,069	56,743,311	1,532,069	-	-	-	-	-	-
GERI	16,340,235	15,523,223	16,419,235	15,598,273	58,500	55,575	-	-	79,000	75,050
GLO	717,506	1,234,110,320	717,626	1,234,316,720	30	51,600	15,842	27,248,240	120	206,400
GMA7	21,064,681	176,943,320	20,940,881	175,903,400	-	-	-	-	(123,800)	(1,039,920)
GMAP	3,952,400	32,804,920	3,952,400	32,804,920	-	-	-	-	-	-
GO	1,090,000	-	1,090,000	-	-	-	-	-	-	-
GPH	4,107	28,092	4,107	28,092	-	-	-	-	-	-

	STOCK POSITION		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
SECURITY	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
GREEN	101,803,954	23,313,105	101,871,479	23,328,569	-	-	-	-	67,525	15,463
GSMI	1,432,316	241,631,709	1,432,206	241,613,152	-	-	-	-	(110)	(18,557)
GTCAP	1,538,675	907,818,250	1,534,695	905,470,050	-	-	-	-	(3,980)	(2,348,200)
GTCUL	947,997	-	-	-	947,997	-	-	-	-	-
GTPPB	1,349,250	1,268,969,625	1,349,250	1,268,969,625	-	-	-	-	-	-
HI	1,022,300	3,312,252	1,022,300	3,312,252	-	-	-	-	-	-
HLCM	1,443,393	-	1,443,393	-	-	-	46,400	-	-	-
HOME	43,639,271	48,875,984	43,394,271	48,601,584	-	-	-	-	(245,000)	(274,400)
HOUSE	2,242,172	20,695,248	2,244,072	20,712,785	-	-	-	-	1,900	17,537
HTI	2,830,009	2,688,509	2,797,009	2,657,159	-	-	-	-	(33,000)	(31,350)
HVN	15,611	13,183,490	15,612	13,184,334	-	-	-	-	1	845
I	1,320,827	508,518	1,320,827	508,518	-	-	-	-	-	-
ICT	606,376	149,653,597	671,135	165,636,118	-	-	-	-	64,759	15,982,521
IDC	23,707,595	16,358,241	23,709,595	16,359,621	-	-	-	-	2,000	1,380
IMI	22,728,953	71,823,491	22,713,953	71,776,091	-	-	-	-	(15,000)	(47,400)
IMP	959,707	499,048	959,707	499,048	-	-	-	-	-	-
INFRA	33,183,778	18,251,078	33,179,778	18,248,878	-	-	-	-	(4,000)	(2,200)
ION	25,567,313	25,822,986	25,197,313	25,449,286	-	-	-	-	(370,000)	(373,700)
IPM	2,345,708	7,928,493	2,345,708	7,928,493	-	-	-	-	-	-
IPO	284,883	2,093,890	284,883	2,093,890	-	-	-	-	-	-
IS	98,325,500	14,158,872	98,325,500	14,158,872	-	-	-	-	-	-
JAS	741,300	600,453	741,300	600,453	-	-	-	-	-	-
JFC	10,076,714	2,533,285,900	10,104,643	2,540,307,250	-	-	11,345,110	2,852,160,654	27,929	7,021,351
JFCPA	46,750	44,435,875	46,750	44,435,875	-	-	-	-	-	-
JFCPB	174,635	164,506,170	174,635	164,506,170	-	-	-	-	-	-
JGS	3,610,463	137,739,163	3,506,742	133,782,207	-	-	-	-	(103,721)	(3,956,956)
JOH	18,900	169,344	18,900	169,344	-	-	-	-	-	-
KEEPR	76,512,541	113,238,561	76,613,743	113,388,340	-	-	-	-	101,202	149,779
KEP	1,665,015	8,175,224	1,665,015	8,175,224	48	236	-	-	-	-
KPH	846,798	4,233,990	846,798	4,233,990	-	-	-	-	-	-
KPHB	8,912	49,105	8,912	49,105	-	-	-	-	-	-
KPPI	1,223,739	1,872,321	1,223,739	1,872,321	-	-	-	-	-	-
LAND	6,463,901	4,912,565	6,465,901	4,914,085	-	-	-	-	2,000	1,520
LBC	34,901	636,594	34,901	636,594	-	-	-	-	-	-
LC	5,835,350,938	466,828,075	5,834,340,938	466,747,275	-	-	-	-	(1,010,000)	(80,800)
LCB	690,735,736	53,877,387	690,735,736	53,877,387	-	-	-	-	-	-
LFM	76,024	919,890	76,024	919,890	-	-	-	-	-	-
LIB	191,000	-	191,000	-	-	-	1,000	-	-	-
LMG	455,109	1,520,064	455,109	1,520,064	-	-	-	-	-	-
LODE	13,706,085	6,373,330	13,706,085	6,373,330	-	-	-	-	-	-

	STOCK POSITION		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
SECURITY	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
LOTO	2,738,724	13,556,684	2,705,724	13,393,334	-	-	-	-	(33,000)	(163,350)
LPC	4,843,714	290,623	4,873,714	292,423	-	-	-	-	30,000	1,800
LPZ	6,737,570	28,702,048	6,737,570	28,702,048	-	-	-	-	-	-
LSC	3,517,529	1,934,641	3,517,529	1,934,641	-	-	-	-	-	-
LTG	70,673,453	634,647,608	70,659,753	634,524,582	-	-	-	-	(13,700)	(123,026)
MA	2,293,533,604	10,550,255	2,293,533,604	10,550,255	-	-	-	-	-	-
MAB	672,569,125	2,892,047	672,569,125	2,892,047	-	-	-	-	-	-
MAC	27,258,172	113,121,414	27,226,309	112,989,182	-	-	-	-	(31,863)	(132,231)
MACAY	372,811	2,125,023	372,811	2,125,023	-	-	-	-	-	-
MAH	2,188,297	995,675	2,198,297	1,000,225	-	-	-	-	10,000	4,550
MAHB	46,000	23,460	46,000	23,460	-	-	-	-	-	-
MARC	38,387,817	41,458,842	38,680,817	41,775,282	-	-	-	-	293,000	316,440
MAXS	7,800,282	25,506,922	7,778,982	25,437,271	-	-	-	-	(21,300)	(69,651)
MB	4,815,200	1,112,311	4,785,200	1,105,381	-	-	-	-	(30,000)	(6,930)
MBC	23,605	188,840	23,605	188,840	-	-	-	-	-	-
MBT	232,184,538	11,911,066,799	232,150,328	11,909,311,826	22,457	1,152,044	2,000,000	102,600,000	(34,210)	(1,754,973)
MED	13,317,100	1,145,271	13,317,100	1,145,271	-	-	-	-	-	-
MEDIC	16,922,760	5,584,511	17,452,760	5,759,411	-	-	-	-	530,000	174,900
MEG	404,496,954	796,858,999	403,288,954	794,479,239	55,350	109,040	-	-	(1,208,000)	(2,379,760)
MER	1,532,046	611,286,354	1,565,976	624,824,424	162	64,638	-	-	33,930	13,538,070
MFC	5,007	5,657,910	5,007	5,657,910	-	-	-	-	-	-
MFIN	69,027	131,151	69,027	131,151	-	-	-	-	-	-
MG	75,328,188	7,608,147	75,318,188	7,607,137	-	-	-	-	(10,000)	(1,010)
MGH	228,000	228,000	228,000	228,000	-	-	-	-	-	-
MHC	2,004,087	224,458	1,994,087	223,338	-	-	-	-	(10,000)	(1,120)
MJC	21,710,941	27,572,895	21,710,941	27,572,895	-	-	-	-	-	-
MJIC	130,799	130,799	130,799	130,799	-	-	-	-	-	-
MM	156,992,679	161,702,459	157,027,679	161,738,509	-	-	-	-	35,000	36,050
MON	68,370	-	-	-	68,370	-	-	-	-	-
MONDE	57,809,832	484,446,392	57,747,832	483,926,832	-	-	-	-	(62,000)	(519,560)
MPI	7,805,191	-	7,805,191	-	-	-	105,200	-	-	-
MRC	27,319,765	35,515,695	27,289,765	35,476,695	60,000	78,000	-	-	(30,000)	(39,000)
MREIT	40,527,827	498,492,272	40,545,927	498,714,902	-	-	-	-	18,100	222,630
MRSGI	36,012,907	45,736,392	36,030,907	45,759,252	-	-	-	-	18,000	22,860
MVC	642,869	3,767,212	639,969	3,750,218	-	-	-	-	(2,900)	(16,994)
MWC	22,529,898	419,056,103	22,588,698	420,149,783	-	-	-	-	58,800	1,093,680
MWIDE	56,891,178	175,224,828	56,850,178	175,098,548	-	-	-	-	(41,000)	(126,280)
MWP2B	259,880	23,454,170	259,880	23,454,170	-	-	-	-	-	-
MWP4	287,420	25,336,073	287,040	25,302,576	-	-	-	-	(380)	(33,497)
MWP5	458,840	46,480,492	457,840	46,379,192	-	-	-	-	(1,000)	(101,300)

	STOCK POSITION		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
SECURITY	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
NI	6,405,008	3,522,754	6,405,008	3,522,754	-	-	-	-	-	-
NIKL	80,790,040	442,729,419	81,035,440	444,074,211	-	-	-	-	245,400	1,344,792
NOW	58,939,375	67,780,281	59,050,375	67,907,931	-	-	-	-	111,000	127,650
NRCP	216,514,179	77,945,104	216,514,179	77,945,104	-	-	-	-	-	-
NXGEN	208,950	1,462,650	208,250	1,457,750	700	4,900	-	-	-	-
OM	133,398,193	36,684,503	133,398,193	36,684,503	-	-	-	-	-	-
OPM	3,715,928,760	29,727,430	3,715,928,760	29,727,430	-	-	-	-	-	-
OPMB	305,088,484	2,471,217	305,088,484	2,471,217	-	-	-	-	-	-
ORE	27,596,682	17,385,910	27,516,682	17,335,510	-	-	-	-	(80,000)	(50,400)
OV	2,050,049,771	16,605,403	2,050,049,771	16,605,403	-	-	-	-	-	-
PA	1,040,404	1,435,758	1,040,404	1,435,758	-	-	-	-	-	-
PAL	1,190,438	6,035,521	1,190,938	6,038,056	-	-	-	-	500	2,535
PAX	751,518	774,064	751,518	774,064	-	-	-	-	-	-
PBB	7,805,665	67,909,286	7,824,415	68,072,411	-	-	-	-	18,750	163,125
PBC	162,716	2,297,550	162,716	2,297,550	-	-	-	-	-	-
PCOR	64,485,329	228,922,918	64,440,929	228,765,298	2,100	7,455	-	-	(44,400)	(157,620)
PCP	49,908,060	10,231,152	49,908,060	10,231,152	-	-	-	-	-	-
PERC	6,089,647	30,143,753	6,091,047	30,150,683	-	-	-	-	1,400	6,930
PGOLD	17,814,669	479,214,596	17,707,179	476,323,115	-	-	-	-	(107,490)	(2,891,481)
PHA	216,357,035	35,049,840	215,733,035	34,948,752	-	-	-	-	(624,000)	(101,088)
PHC	2,000	2,800	2,000	2,800	-	-	-	-	-	-
PHES	20,239,860	6,375,556	20,239,860	6,375,556	-	-	-	-	-	-
PHN	171,039	3,489,196	171,039	3,489,196	-	-	-	-	-	-
PHR	76,145,297	66,246,408	76,083,297	66,192,468	-	-	-	-	(62,000)	(53,940)
PIP	1,031,842	-	1,031,842	-	-	-	5,400	-	-	-
PIZZA	10,402,576	101,945,245	10,404,076	101,959,945	-	-	-	-	1,500	14,700
PLC	261,394,608	164,678,603	261,855,608	164,969,033	-	-	-	-	461,000	290,430
PLUS	27,905,288	223,242,304	23,185,488	185,483,904	-	-	11,000	88,000	(4,719,800)	(37,758,400)
PMPC	691,195	4,008,931	686,795	3,983,411	-	-	-	-	(4,400)	(25,520)
PMT	50,000	-	50,000	-	-	-	-	-	-	-
PNB	7,045,044	130,333,314	7,045,644	130,344,414	1,134	20,979	-	-	600	11,100
PNC	6,400	31,360	6,400	31,360	-	-	-	-	-	-
PNX	450,271	2,206,328	450,271	2,206,328	-	-	-	-	-	-
PNX3B	475,000	11,138,750	475,000	11,138,750	-	-	-	-	-	-
PNX4	207,535	48,314,148	207,545	48,316,476	-	-	-	-	10	2,328
PORT	11,300	82,490	11,300	82,490	-	-	-	-	-	-
PPC	2,470,528	13,118,504	2,465,528	13,091,954	-	-	-	-	(5,000)	(26,550)
PPI	29,475	-	29,475	-	-	-	2,407	-	-	-
PRC	166,680	1,066,752	166,680	1,066,752	-	-	-	-	-	-
PREIT	5,087,600	7,834,904	5,088,600	7,836,444	-	-	-	-	1,000	1,540

	STOCK POSITION		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
SECURITY	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
PRF3A	433,060	420,068,200	433,060	420,068,200	-	-	-	-	-	-
PRF3B	233,315	228,648,700	233,175	228,511,500	-	-	-	-	(140)	(137,200)
PRF4A	63,440	56,144,400	63,440	56,144,400	-	-	-	-	-	-
PRF4B	93,700	89,015,000	93,700	89,015,000	-	-	-	-	-	-
PRF4C	455,025	442,739,325	455,030	442,744,190	-	-	-	-	5	4,865
PRIM	2,345,410	6,731,327	2,350,410	6,745,677	-	-	-	-	5,000	14,350
PRMX	103,210,284	252,865,196	103,210,284	252,865,196	-	-	-	-	-	-
PSB	206,992,871	10,970,622,163	206,992,921	10,970,624,813	-	-	-	-	50	2,650
PSE	3,071,127	522,091,590	3,071,157	522,096,690	-	-	-	-	30	5,100
PTC	3,900	468,000	3,900	468,000	-	-	-	-	-	-
PTT	992,000	327,360	992,000	327,360	-	-	-	-	-	-
PX	264,350,116	848,563,872	264,744,116	849,828,612	5,226	16,775	-	-	394,000	1,264,740
PXP	62,479,157	246,792,670	62,435,157	246,618,870	3,466	13,691	-	-	(44,000)	(173,800)
RCB	2,287,761	52,618,503	2,292,861	52,735,803	-	-	-	-	5,100	117,300
RCI	16,465,346	7,903,366	16,425,346	7,884,166	-	-	-	-	(40,000)	(19,200)
RCR	128,123,177	626,522,336	128,377,177	627,764,396	-	-	-	-	254,000	1,242,060
REDC	1,699,700	11,897,900	1,699,700	11,897,900	-	-	-	-	-	-
REG	518,158	1,554,474	518,158	1,554,474	-	-	-	-	-	-
RFM	7,035,428	21,106,284	7,033,428	21,100,284	-	-	-	-	(2,000)	(6,000)
RLC	28,018,938	446,621,872	28,242,938	450,192,432	-	-	-	-	224,000	3,570,560
RLT	16,121,567	2,128,047	16,121,567	2,128,047	-	-	-	-	-	-
ROCK	11,694,412	16,489,121	11,694,412	16,489,121	938	1,323	-	-	-	-
ROX	974,322,580	750,228,387	974,366,580	750,262,267	-	-	-	-	44,000	33,880
RPC	328,555	-	328,555	-	-	-	-	-	-	-
RRHI	4,249,869	168,507,306	4,285,769	169,930,741	-	-	-	-	35,900	1,423,435
RWM	537,955	-	537,955	-	-	-	7,000	-	-	-
SBS	879,145	4,263,853	891,645	4,324,478	-	-	-	-	12,500	60,625
SCC	35,461,740	1,072,717,635	35,469,440	1,072,950,560	-	-	-	-	7,700	232,925
SECB	7,621,638	544,947,117	7,618,938	544,754,067	-	-	-	-	(2,700)	(193,050)
SECUL	618,941	-	-	-	618,941	-	-	-	-	-
SEVN	118,194	9,006,383	117,194	8,930,183	-	-	-	-	(1,000)	(76,200)
SFI	56,606,454	3,056,749	56,606,454	3,056,749	1,500	81	-	-	-	-
SFIP	421,600	792,608	421,600	792,608	-	-	-	-	-	-
SGI	38,983,950	34,695,716	38,982,950	34,694,826	-	-	-	-	(1,000)	(890)
SGP	54,064,128	354,120,038	54,070,828	354,163,923	-	-	-	-	6,700	43,885
SHLPH	9,220,185	100,868,824	9,218,685	100,852,414	552	6,039	-	-	(1,500)	(16,410)
SHNG	21,237,805	77,942,744	21,227,805	77,906,044	-	-	-	-	(10,000)	(36,700)
SLF	8,825	24,004,000	8,825	24,004,000	103	280,160	-	-	-	-
SLI	1,828,000	6,215,200	1,848,000	6,283,200	-	-	-	-	20,000	68,000
SM	453,111	395,112,792	446,071	388,973,912	522	455,184	-	-	(7,040)	(6,138,880)

	STOCK POSITION		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
SECURITY	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
SMC	3,180,548	324,733,951	3,176,268	324,296,963	-	-	-	-	(4,280)	(436,988)
SMC2F	6,962,507	504,781,758	6,962,707	504,796,258	-	-	-	-	200	14,500
SMC2I	4,662,290	328,691,445	4,662,290	328,691,445	-	-	-	-	-	-
SMC2J	1,739,530	118,201,064	1,739,570	118,203,782	-	-	-	-	40	2,718
SMC2K	1,019,020	69,293,360	1,019,720	69,340,960	-	-	-	-	700	47,600
SMC2L	3,250,100	250,257,700	3,250,100	250,257,700	-	-	-	-	-	-
SMC2N	1,077,450	82,963,650	1,073,300	82,644,100	-	-	-	-	(4,150)	(319,550)
SMC2O	4,748,520	370,384,560	4,751,820	370,641,960	-	-	-	-	3,300	257,400
SMPH	16,332,527	537,340,138	16,176,627	532,211,028	125	4,113	-	-	(155,900)	(5,129,110)
SOC	1,636,000	588,960	1,636,000	588,960	-	-	-	-	-	-
SPC	7,772,347	54,406,429	7,787,347	54,511,429	-	-	-	-	15,000	105,000
SPM	84,687	119,409	84,687	119,409	1,559	2,198	-	-	-	-
SPNEC	706,096,815	932,047,796	717,263,815	946,788,236	-	-	-	-	11,167,000	14,740,440
SRDC	7,000	8,400	7,000	8,400	-	-	-	-	-	-
SSI	35,132,739	79,751,318	40,571,739	92,097,848	-	-	-	-	5,439,000	12,346,530
SSP	5,648,800	12,483,848	5,794,800	12,806,508	-	-	-	-	146,000	322,660
STI	108,238,361	52,495,605	108,551,361	52,647,410	-	-	-	-	313,000	151,805
STN	161,180	41,907	161,180	41,907	-	-	-	-	-	-
STR	3,037,917	7,321,380	3,044,917	7,338,250	-	-	-	-	7,000	16,870
SUN	15,195,737	12,916,376	15,191,737	12,912,976	-	-	-	-	(4,000)	(3,400)
SWM	21,000	-	21,000	-	-	-	-	-	-	-
T	11,742,136	4,872,986	11,742,136	4,872,986	-	-	-	-	-	-
TBGI	103,305,114	14,049,496	103,305,114	14,049,496	-	-	-	-	-	-
TCB2A	3,668,880	1,724,374	3,650,080	1,715,538	-	-	-	-	(18,800)	(8,836)
TCB2C	95,550	3,315,585	95,550	3,315,585	-	-	-	-	-	-
TCB2D	1,081,470	51,964,634	1,080,870	51,935,804	-	-	-	-	(600)	(28,830)
TECH	37,156,930	59,079,519	37,170,930	59,101,779	-	-	-	-	14,000	22,260
TECHW	10,418,463	2,760,893	10,348,463	2,742,343	-	-	-	-	(70,000)	(18,550)
TEL	1,449,563	1,853,991,077	1,445,704	1,849,055,416	160	204,640	-	-	(3,859)	(4,935,661)
TFC	15,321	750,729	15,321	750,729	-	-	-	-	-	-
TFHI	67,555	6,883,855	67,555	6,883,855	-	-	-	-	-	-
TUGS	19,363,208	14,716,038	19,360,208	14,713,758	-	-	-	-	(3,000)	(2,280)
UBP	3,790,180	190,835,563	3,788,930	190,772,626	85	4,280	-	-	(1,250)	(62,938)
UNI	5,331,800	1,311,623	5,331,800	1,311,623	-	-	780,000	191,880	-	-
UP	220,000	-	220,000	-	-	-	-	-	-	-
UPM	791,846,440	3,167,386	791,846,440	3,167,386	-	-	-	-	-	-
UPSON	185,617,400	304,412,536	185,616,400	304,410,896	-	-	-	-	(1,000)	(1,640)
URC	3,355,966	396,675,181	3,336,266	394,346,641	-	-	-	-	(19,700)	(2,328,540)
V	530,167	408,229	530,167	408,229	-	-	-	-	-	-
VITA	116,016,076	60,328,360	116,006,076	60,323,160	-	-	-	-	(10,000)	(5,200)

	STOCK POSITION		WITH PCD		CERTIFICATE		DTL / URDT		IN TRANSIT	
SECURITY	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E	NO. OF SHARES	V A L U E
VLL	42,351,247	71,150,095	42,738,247	71,800,255	225	378	-	-	387,000	650,160
VMC	1,239,327	3,730,374	1,239,327	3,730,374	-	-	-	-	-	-
VREIT	26,045,269	43,495,599	26,050,269	43,503,949	-	-	-	-	5,000	8,350
VVT	176,780,589	2,527,962,423	176,780,589	2,527,962,423	-	-	-	-	-	-
WEB	22,994,777	39,780,964	23,004,777	39,798,264	-	-	-	-	10,000	17,300
WIN	5,494,679	1,263,776	5,494,679	1,263,776	-	-	-	-	-	-
WLCON	18,086,216	378,001,914	18,086,616	378,010,274	-	-	-	-	400	8,360
WPI	29,101,890	10,913,209	28,971,890	10,864,459	-	-	-	-	(130,000)	(48,750)
X	46,305,712	8,844,391	46,305,712	8,844,391	-	-	-	-	-	-
ZHI	34,456,088	2,446,382	34,456,088	2,446,382	-	-	-	-	-	-
	59,791,654,573	₱77,419,535,195	59,769,413,883	₱77,440,017,603	6,396,598	₱4,731,834	217,301,857	₱3,106,751,118	(16,520,704)	₱20,487,309

SCHEDULE VIII
FIRST METRO SECURITIES BROKERAGE CORPORATION
(A Wholly Owned Subsidiary of First Metro Investment Corporation)
SCHEDULE SHOWING FINANCIAL SOUNDNESS INDICATORS IN TWO COMPARATIVE PERIODS UNDER SRC RULE 68, AS AMENDED
AS OF DECEMBER 31, 2023 AND 2022

Ratio	Formula (amounts in millions)				2023	2022
	Net income/Average total assets				**2.30%**	0.89%
	Net income			130.84		
	Divided by: Average total assets					
Profitability ratios:		2023	₱5,330.88			
Return on asset ratio		2022	6,043.28	5,687.08		
	Return on asset			2.30%		
	Net income/Average total equity				**19.79%**	9.16%
	Net income			130.84		
	Divided by: Average total equity					
		2023	707.04			
Return on equity ratio		2022	615.16			
	Return on equity			19.79%		
	Net income/Net revenue				**43.83%**	30.92%
	Net income		130.84			
Net profit margin	Divided by: Net revenue		298.52			
	Net profit margin		43.83%			
	Current assets/Current liabilities				**88.44%**	105.67%
Solvency and liquidity ratios:	Current assets		4,051.13			
Current ratio	Divided by: Current liabilities		4,580.57			
	Current ratio		88.44%			
	Total liabilities/Total equity				**653.97%**	882.39%
	Total liabilities		4,623.84			
Debt-to-equity ratio	Divided by: Total equity		707.04			
	Debt-to-equity ratio		653.97%			
	Liquid assets/Current liabilities				**80.21%**	54.46%
	Cash and cash equivalents		3,135.92			
	Short-term investments		218.34			
	Receivables		217.00			
Quick ratio	Financial assets at FVTPL		103.03			
	Liquid assets		3,674.29			
	Divided by: Current liabilities		4,580.57			
	Quick ratio		80.21%			
	Total assets/Total equity				**753.97%**	982.39%
	Total assets		5,330.88			
Asset-to-equity ratio	Divided by: Total equity		707.04			
	Asset-to-equity ratio		753.97%			