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**SECURITIES AND EXCHANGE COMMISSION**

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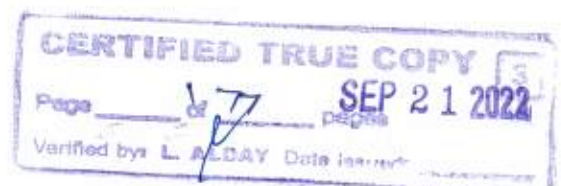
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Company Representative**Doc Source****Company Information**

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Industry Classification
Company Type Stock Corporation

Document Information

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

COVER PAGE

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

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

IDENTIFICATION OF BROKER OR DEALER	
Name of Broker/Dealer:	R. Coyluto Securities, Inc.
Address of Principal Place of Business :	5th Floor, Corinthian Plaza 121 Paseo De Roxas, Legaspi Village Makati City
Name and Phone Number of Person to Contact in Regard to this Report:	
Name :	Vito S. Caragan
Tel. No.	(02) 8811-3066
Fax No.	(02) 8811-3073

IDENTIFICATION OF ACCOUNTANT		
Name of Independent Auditors whose opinion is contained in this report:		
Name:	R.G. Manabat & Co. BOA/PRC Reg No. 003 SEC Accreditation No. 003-IC	Tel. No. +63 (2) 8885 7000 Fax +63 (2) 8898 1985 Email ph-inquiry@kpmg.com
Address:	The KPMG Center, 6/F 6787 Ayala Avenue, Makati City Philippines 1209	
Tireso Randy F. Lapidez Partner CPA License No. 0092183 SEC Accreditation No. 92183-SEC, Group A, valid for one year covering the audit of 2021 financial Statements Tax Identification No. 162-411-175 BIR Accreditation No. 08-001987-034-2020 Issued July 20, 2020; valid until July 19, 2023 PTR No. MKT 8854069 Issued January 3, 2022 at Makati City		





**R. Coyiuto
Securities, Inc.**

Member : Philippine Stock Exchange

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

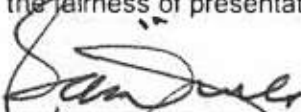
The Management of **R. Coyiuto Securities, Inc.** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended **December 31, 2021 and 2020**, in accordance with the prescribed financial reporting framework indicated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

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

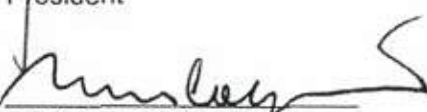
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

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


SAMUEL G. COYIUTO
Chairman of the Board


MARIA ROSALINA T. COYIUTO
President


ROSIE T. COYIUTO
Senior Vice President - Treasurer

Signed this 15th day of August 2022

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certified by ALDAY D.

for
AUDITED FINANCIAL STATEMENTS

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11/11/2019

r_coyutosec@yahoo.com

811-3006

13

April 3

December 31

Vito S. Caragan

vito.rcoviutosecurities@gmail.com

5th Floor, Corinthian Plaza, 121 Paseo de Roxas, Legaspi Village, Makati City

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.

Page 1 of 1 SEP 21 2022

Verified by **NALDAY** Da

R. COYIUTO SECURITIES, INC.

FINANCIAL STATEMENTS
December 31, 2021 and 2020

With Independent Auditors' Report





R.G. Manabat & Co.
The KPMG Center, 6/F
6787 Ayala Avenue, Makati City
Philippines 1209
Telephone +63 (2) 8885 7000
Fax +63 (2) 8894 1985
Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

REPORT OF INDEPENDENT AUDITORS

The Board of Directors and Stockholders
R. Coyiuto Securities, Inc.
5th Floor, Corinthian Plaza
121 Paseo de Roxas
Legaspi Village, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of R. Coyiuto Securities, Inc. (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of profit or loss, comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes, comprising significant accounting policies and other explanatory information.

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

Basis for Opinion

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

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until November 21, 2023

SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-30, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.





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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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





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

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

Report on the Supplementary Information Required Under Revenue Regulations No. 15-2010 of the Bureau of Internal Revenue

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 23 to the basic 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 supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

R.G. MANABAT & CO.

Tireso Randy F. Lapidez
TIRESO RANDY F. LAPIDEZ
Partner

CPA License No. 0092183

SEC Accreditation No. 92183-SEC, Group A, issued on July 15, 2021,
valid for one (1) year covering the audit of 2021 financial statements

SEC Accreditation No. 92183-SEC, Group A, issued on April 12, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-034-2020

Issued July 20, 2020; valid until July 19, 2023

PTR No. MKT 8854069

Issued January 3, 2022 at Makati City

August 15, 2022
Makati City, Metro Manila





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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

SUPPLEMENTAL WRITTEN STATEMENT OF AUDITORS

The Board of Directors and Stockholders
R. Coyiuto Securities, Inc.
5th Floor, Corinthian Plaza
121 Paseo de Roxas
Legaspi Village, Makati City

We have audited the accompanying financial statements of R. Coyiuto Securities, Inc. (the Company) as at and for the year ended December 31, 2021, on which we have rendered our report dated August 15, 2022.

In compliance with the Revised Securities Regulation Code Rule 68, we are stating that the Company has ten (10) stockholders owning one hundred (100) or more shares each.

R.G. MANABAT & CO.


TIRESO RANDY F. LAPIDEZ
Partner

CPA License No. 0092183

SEC Accreditation No. 92183-SEC, Group A, issued on July 15, 2021,
valid for one (1) year covering the audit of 2021 financial statements

SEC Accreditation No. 92183-SEC, Group A, issued on April 12, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-034-2020

Issued July 20, 2020; valid until July 19, 2023

PTR No. MKT 8854069

Issued January 3, 2022 at Makati City

August 15, 2022
Makati City, Metro Manila

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until November 21, 2023

SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024

financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2161, Transition clause)



R. COYIUTO SECURITIES, INC.
STATEMENTS OF FINANCIAL POSITION

December 31

	Note	2021			2020		
		Money Balance	Security Valuation		Money Balance	Security Valuation	
			Long	Short		Long	Short
ASSETS							
Cash and cash equivalents	4	P155,911,301			P147,416,806		
Short-term investments	5	13,221,717			12,435,270		
Financial assets at fair value through profit or loss	6	2,462,383	P2,446,401		2,399,297	P2,399,297	
Receivable from:							
Clearing house	7	-			6,326,676		
Customers - net	7	16,754,144	165,832,658		26,381,109	404,541,637	
Brokers	7	82,622,557			-		
Others - net	7	2,338,628			630,293		
Financial assets at fair value through other comprehensive income	8, 9	53,586,775			38,283,692		
Exchange trading right	9	25,000			25,000		
Property and equipment	10	6,165,772			11,267,609		
Deferred tax asset - net	17	118,987			197,069		
Other assets	11	3,080,528			2,809,403		
Total Assets		P336,287,792	P168,279,059		P248,172,224	P406,940,934	
Securities in Box and Philippine Depository & Trust Corporation				P4,118,191,792			P11,284,264,454
Forward							



December 31

	Note	2021			2020		
		Money Balance	Security Valuation		Money Balance	Security Valuation	
			Long	Short		Long	Short
LIABILITIES AND EQUITY							
Liabilities							
Payable to:							
Customers	12, 15	P133,155,559	P4,118,191,792		P148,522,877	P11,284,264,454	
Brokers	12	-			9,713	67,441	P414,400
Clearing House	12	77,619,712			-		
Accounts payable and accrued expenses	13	13,483,361			12,993,938		
Lease liabilities	18	5,504,934			10,453,796		
Pension benefits obligation	14	3,134,220			3,263,434		
Advances from a stockholder	15	12,500,000			-		
Income tax payable	17	-			106,614		
Total Liabilities		245,397,786			175,350,372		
Equity							
Capital stock	19	50,000,000			50,000,000		
Net unrealized gain on financial assets at fair value through other comprehensive income	8	53,311,775			38,008,692		
Remeasurement gain on defined benefits plan	14	2,856,835			2,473,184		
Retained earnings (deficit):	21						
Appropriated		10,355,226			10,355,226		
Unappropriated		(25,633,230)			(28,014,650)		
Treasury shares	19	(600)			(600)		
Total Equity		90,890,006			72,821,852		
		P336,287,792	P4,118,191,792	P4,118,191,792	P248,172,224	P1,284,331,895	P1,284,331,895

See Notes to the Financial Statements.

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Certified by L. ALD Date 10/10/22

R. COYIUTO SECURITIES, INC.
STATEMENTS OF PROFIT OR LOSS

		Years Ended December 31	
	Note	2021	2020
INCOME			
Commission income		P15,935,827	P10,374,803
Rent income	15, 18	2,458,000	2,111,781
Dividend income	6, 8	2,048,600	167,608
Reversal of provision for impairment losses - net	7, 11	867,679	361,652
Foreign exchange gain (loss) - net		771,118	(660,564)
Interest income	4, 5	512,278	1,925,496
Others	16	1,310,560	52,654
		23,904,062	14,333,430
EXPENSES			
Compensation and fringe benefits	15	6,111,401	6,280,785
Depreciation and amortization	10, 18	5,513,306	5,602,813
Rent expense	18	2,215,306	1,629,538
Management fees		866,240	954,080
Trading charges and fees		765,132	1,041,491
Securities and janitorial		764,370	1,001,089
Entertainment, amusement and recreation		624,052	381,228
Utilities		606,916	575,749
Professional fees		602,580	459,618
Taxes and licenses		511,434	838,537
Interest expense - lease liabilities	18	451,439	708,190
Communications		403,662	376,740
Subscription and periodicals		372,408	382,008
Office supplies		287,760	269,667
Retirement benefits expense	14	156,590	129,716
Repairs and maintenance		141,133	163,662
Transportation and travel		110,673	56,505
Gasoline and fuel		76,039	80,823
Fine and penalties		65,801	425,210
Fair value loss (gain) on financial assets at fair value through profit or loss		41,281	(5,684)
Others		498,755	397,929
		21,186,278	21,749,694
LOSS BEFORE INCOME TAX		2,717,784	(7,416,264)
INCOME TAX EXPENSE	17	(336,364)	(413,509)
NET INCOME (LOSS)		P2,381,420	(P7,829,773)

See Notes to the Financial Statements.



R. COYIUTO SECURITIES, INC.
STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

		Years Ended December 31	
	Note	2021	2020
NET INCOME (LOSS)		P2,381,420	(P7,829,773)
OTHER COMPREHENSIVE INCOME (LOSS)			
<i>Item that will be reclassified to profit or loss in subsequent periods</i>			
Unrealized gain (loss) on financial assets at fair value through other comprehensive income - net of tax effect	8	15,303,083	(4,813,683)
<i>Item that will not be reclassified to profit or loss in subsequent periods</i>			
Remeasurement gain (loss) on defined benefits obligation	14	383,655	(43,023)
		15,686,738	(4,856,706)
TOTAL COMPREHENSIVE INCOME (LOSS)		P18,068,158	(P12,686,479)

See Notes to the Financial Statements.

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 Verified by: L. ALD. Date: 09/21/2022

R. COYIUTO SECURITIES, INC.
STATEMENTS OF CHANGES IN EQUITY

Years Ended December 31

		Capital Stock (Note 19)	Net Unrealized Gain on Financial Assets at Fair Value through Other Comprehensive Income (Note 8)	Reserves on Actuarial Gain (Loss) on Defined Benefits Plan (Note 14)	Retained Earnings		Treasury Shares	Total
	Note				Appropriated	Unappropriated		
Balances at January 1, 2021		P50,000,000	P38,008,692	P2,473,184	P10,355,226	(P28,014,650)	(P600)	P72,821,852
Net income		-	-	-	-	2,381,420	-	2,381,420
Other comprehensive loss	8, 14	-	15,303,083	383,655	-	-	-	15,686,738
Balances at December 31, 2021		P50,000,000	P53,311,775	P2,856,839	P10,355,226	(P25,633,230)	(P600)	P90,890,010
Balances at January 1, 2020		P50,000,000	P42,822,375	P2,516,207	P10,355,226	(P20,184,877)	(P600)	P85,508,331
Net loss		-	-	-	-	(7,829,773)	-	(7,829,773)
Other comprehensive loss	8, 14	-	(4,813,683)	(43,023)	-	-	-	(4,856,706)
Balances at December 31, 2020		P50,000,000	P38,008,692	P2,473,184	P10,355,226	(P28,014,650)	(P600)	P72,821,852

See Notes to the Financial Statements.

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 Certified by: L. ALDA

R. COYIUTO SECURITIES, INC.
STATEMENTS OF CASH FLOWS

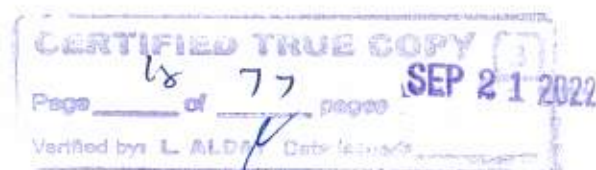
		Years Ended December 31	
	Note	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax		P2,717,784	(P7,416,264)
Adjustments for:			
Depreciation and amortization	10, 18	5,513,306	5,602,813
Interest expense	14, 18	549,290	841,913
Retirement benefits expense	14	156,590	129,716
Fair value loss (gain) on securities at fair value through profit or loss	6	41,281	(5,684)
(Gain on reversal of provision) Provision for impairment losses on:			
Receivables	7	(867,679)	(513,970)
Other assets	11	-	152,318
Interest income	4, 5	(512,278)	(1,925,496)
Foreign exchange losses		(771,118)	660,564
Dividend income	6, 8	(2,048,600)	(167,608)
		4,778,576	(2,641,698)
Changes in:			
Receivable from:			
Clearing house		6,326,676	(3,356,375)
Customers		9,304,461	23,064
Brokers		(82,622,557)	-
Others		(547,679)	(110,544)
Financial assets at fair value through profit or loss		(104,367)	13,847
Other assets		(312,618)	(185,514)
Payable to:			
Customers		(15,367,318)	(12,641,228)
Brokers		(9,713)	(107,005)
Clearing house		77,619,712	-
Accounts payable and accrued expenses		489,423	(359,204)
		(445,404)	(19,364,657)
Interest received		541,802	2,043,235
Dividend received		2,048,600	167,608
Income tax paid		(323,404)	(492,330)
Net cash provided by (used in) operating activities		1,821,594	(17,646,144)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from maturity and disposal of:			
Short-term investments	5	12,435,270	-
Acquisitions of:			
Short-term investments	5	(13,221,717)	(12,435,270)
Property and equipment	10	(411,469)	(59,157)
Net cash used in investing activities		(1,197,916)	(12,494,427)

Forward



	Years Ended December 31		
	Note	2021	2020
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from deposit for stock subscription		P12,500,000	P -
Payment of lease liabilities	18	(5,400,301)	(5,143,143)
Net cash provided by (used in) financing activities		7,099,699	(5,143,143)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		7,723,377	(35,283,714)
EFFECTS OF EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS		771,118	(660,564)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		147,416,806	183,361,084
CASH AND CASH EQUIVALENTS AT END OF YEAR	4	P155,911,301	P147,416,806

See Notes to the Financial Statements.



R. COYIUTO SECURITIES, INC.
NOTES TO THE FINANCIAL STATEMENTS

1. Reporting Entity

R. Coyiuto Securities, Inc. (the Company) is a domestic corporation organized to engage in buying, selling, or dealing in stocks, bonds, and other securities for its own account as a dealer or for the account of others as a stockbroker; to be a member of any stock exchange; and to render financial advisory services. The Company was registered with the Philippine Securities and Exchange Commission (SEC) on September 10, 1969. On March 11, 2015, it was approved by at least a majority of the Board of Directors (BOD) and stockholders owning and representing at least two-thirds (2/3) of the outstanding capital stock that the Articles of Incorporation will be amended to extend the existence of the Company to another fifty (50) years from its original expiry date. The Philippine SEC approved the amended Articles of Incorporation on May 7, 2015.

The registered office address of the Company is at 5th Floor, Corinthian Plaza, 121 Paseo de Roxas, Legaspi Village, Makati City.

2. Basis of Preparation

Basis of Accounting

These financial statements have been prepared in accordance with Philippine Financial Reporting Standards (PFRSs). They were authorized for issue by the Company's BOD on August 11, 2022.

Details of the Company's significant accounting policies are included in Note 22.

Basis of Measurement

These financial statements have been prepared using the historical cost basis of accounting except for financial instruments measured at fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) which are both measured at fair value, and retirement benefits obligation which is recognized at the present value of the benefit obligations.

Functional and Presentation Currency

These financial statements are presented in Philippine peso (P, PHP), which is also the Company's functional currency. All financial information presented in P or PHP have been rounded to the nearest peso, unless otherwise indicated.

3. Use of Judgments and Estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.



Judgments

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

Classifying Financial Instruments

The Company exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as a financial asset, financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definition of a financial asset, financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

The Company uses its judgment in determining the classification of financial assets based on its business model in which assets are managed and their cash flow characteristics. The classification and fair values of financial assets and financial liabilities are presented in Note 20.

Identifying Leases - Company as Lessee

The Company uses its judgment in assessing that a contract is, or contains, a lease when the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Company has the right to control the asset if it obtains substantially all of the economic benefits from the use of the identified asset throughout the period of use and when the Company has the right to direct the use of the identified asset. The Company reassesses whether a contract is, or contains, a lease only if the terms and conditions of the contract are changed.

The Company has lease contracts for office and parking spaces used in its operations. The Company has determined that it has the right to control the use of the identified assets over their respective lease terms.

Further details on the leases are disclosed in Note 18.

Determining the Lease Term of Contract with Renewal and Termination Options - Company as Lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has lease contracts that include renewal options. The Company applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew.

The Company excluded the renewal period as part of the lease term for its current long-term lease contract as it is determined to be renewable upon mutually acceptable terms and conditions of both the lessee and the lessor.

Further details on the leases are disclosed in Note 18.



Operating Lease - Company as Lessor

The Company has entered into subleasing arrangement to lease a portion of its office spaces. The Company has determined that the original lessor retains all significant risks and rewards of ownership of this property.

Further details on the sublease are disclosed in Note 15.

Short-term Leases and Leases of Low-value Assets

The Company applies the 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). It also applies the leases of low-value assets recognition exemption to leases that are considered of low value (i.e., below P216,000). Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

Determining Functional Currency

Philippine Accounting Standard (PAS) 21, *The Effects of Changes in Foreign Exchange Rates*, requires management to use its judgment to determine the entity's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. Based on the economic substance of underlying circumstances relevant to the Company, management determined that the functional currency of the Company is the PHP. The PHP is the currency of the primary economic environment in which the Company operates, and it is the currency that mainly influences the cost of providing the goods.

Assumptions and Estimation Uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is as follows:

Provision for Expected Credit Losses (ECL) on Financial Assets

The Company uses the ECL model in estimating the level of allowance which includes forecasts of future events and conditions. A credit loss is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows expected to be received discounted at the original effective interest rate (EIR). The model represents a probability-weighted estimate of the difference over the remaining life of the financial asset. Lifetime ECL is calculated by multiplying the lifetime Probability of Default by Loss Given Default (LGD) and Exposure at Default (EAD). LGD is the magnitude of the likely loss if there is a default. The Company estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty. The EAD of a financial asset is its gross carrying amount at the time of default.

Further details on the carrying amounts of financial assets are disclosed in Notes 4, 5, 6, 7, 8 and 11.

Fair Value of Financial Instruments

If the financial instruments are not traded in an active market, the fair value is determined using valuation techniques. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them.



All models are certified before they are used and are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practicable, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair values of financial instruments.

The specific methods and assumptions used by the Company in estimating the fair values of its financial instruments are disclosed in Note 22.

Useful Lives of Property and Equipment

The Company estimates the useful lives of property and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the property and equipment. However, it is possible that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recording of expenses for any period would be affected by changes in these factors and circumstances.

A reduction in the estimated useful lives of the property and equipment would increase depreciation and decrease the property and equipment account.

Further details on the carrying amount of property and equipment are disclosed in Note 10.

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that the carrying amount of nonfinancial assets may be impaired or that the previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated.

The factors that the Company considers important which could trigger an impairment review include the following:

- significant underperformance relative to the expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Company assessed that the carrying amounts of its nonfinancial assets approximate their recoverable amounts.

Estimation of Retirement Benefits

The present value of the pension obligation is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefits obligation (DBO) is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. The discount rate assumption is based on the Bankers Association of the Philippines PHP Bloomberg Valuation Reference Rates benchmark reference curve for the government securities market considering average years of remaining working life of the employees as the estimated term of the DBO.

Further details on retirement benefits liability are disclosed in Note 14.

Deferred Tax Assets

Deferred tax assets are recognized for financial statement and tax differences to the extent that it is probable that taxable profit will be available against which these differences 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 the level of future taxable profits, together with future tax planning strategies.

Further details on deferred taxes are disclosed in Note 17.

Leases - Estimating the Incremental Borrowing Rate (IBR)

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use assets in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs such as market interest rates when available and is required to make certain entity-specific estimates such as the Company's stand-alone credit rating.

Further details on leases are disclosed in Note 18.

4. Cash and Cash Equivalents

This account consists of:

	Note	2021	2020
Cash equivalents	20	P102,185,805	P101,807,220
Cash in banks	20	53,710,496	P45,594,586
Cash on hand		15,000	15,000
		P155,911,301	P147,416,806

Cash in banks pertain to savings, checking and demand deposit accounts earning interest at prevailing bank deposit rates. Cash equivalents include unrestricted time deposits with up to three (3) months of maturity. Cash equivalents bear 0.15% and 0.63% annual interest in 2021 and 2020, respectively.

Interest income earned on cash in banks and cash equivalents presented under "Interest income" in the statement of profit or loss amounted to P0.44 million and P1.92 million in 2021 and 2020, respectively.

In compliance with Securities Regulation Code (SRC) Rule 49.2 covering customer protection and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers amounting to P34.02 million and P33.27 million as at December 31, 2021 and 2020, respectively. The Company's reserve requirement is determined weekly based on the SEC's prescribed computations.

5. Short-term Investments

This account consists of time deposits with a commercial bank amounting to P13.22 million and P12.44 million as at December 31, 2021 and 2020, respectively. The time deposits bear 0.15% to 0.25% annual interest in 2021 and 2020, and with more than 90 days maturity. Interest income earned from short-term investments presented under "Interest income" in the statement of profit or loss amounted to P0.07 million and P0.01 million in 2021 and 2020, respectively.

Movements in this account are as follows:

	Note	2021	2020
Balance at January 1		P12,435,270	P -
Placements		13,221,717	12,435,270
Maturities		(12,435,270)	-
Balance at December 31	20	P13,221,717	P12,435,270

6. Financial Assets and Securities at FVTPL

Financial assets at FVTPL consist of investments in equity securities listed in the Philippines Stock Exchange (PSE). The rollforward analysis of this account is as follows:

	Note	2021	2020
Balance at January 1		P2,399,297	P2,407,460
Additions		2,911,427	2,628,200
Disposals		(2,807,060)	(2,642,047)
Fair value (loss) gain		(41,281)	5,684
Balance at December 31	20	P2,462,383	P2,399,297

Dividend income earned from financial assets at FVTPL amounted to P0.13 million and P0.17 million in 2021 and 2020, respectively.

7. Receivables

Receivable from clearing house amounted to nil and P6.33 million as at December 31, 2021 and 2020, respectively. Receivable from brokers amounted to P82.62 million, partially secured by P57.70 million shares of stocks as collateral, and nil as at December 31, 2021 and 2020, respectively.

Receivables from customers consists of:

	2021		2020	
	Money Balance	Security Valuation-long	Money Balance	Security Valuation-long
Cash and fully secured accounts:				
More than 250%	P3,684,083	P142,054,610	P23,378,046	P400,672,999
Between 200% and 250%	-	-	403,745	933,682
Between 150% and 200%	12,864,508	23,344,680	40,678	65,400
Between 100% and 150%	-	-	2,011,389	2,071,000
Partially secured accounts:			3,013,735	-
Less than 100%	2,984,495	433,368	1,226,478	798,556
Unsecured accounts	1,236,524	-	-	-
	20,769,610	165,832,658	30,074,071	404,541,637
Less: Allowance for impairment losses	(4,015,466)	-	(3,692,962)	-
	P16,754,144	P165,832,658	P26,381,109	P404,541,637

Gross receivables from customers are further classified as follows:

	2021	2020
Individual	P19,768,608	P29,579,994
Corporate	1,001,002	494,077
	P20,769,610	P30,074,071

Rollforward analysis of allowance for impairment losses based on the Company's collective assessment is as follows:

	Note	2021	2020
Balance at January 1		P3,692,962	P4,239,668
Provision		322,504	-
Reversal		-	(546,706)
Balance at December 31	20	P4,015,466	P3,692,962

Other receivables consist of:

	Note	2021	2020
Advances to employees and shareholders	15	P1,784,115	P1,487,728
Rent	15	534,076	303,221
Dividend		353,905	353,905
Interest		20,437	29,527
		2,692,533	2,174,381
Less: Allowance for impairment losses on advances to employees and officers		-	(1,190,183)
Less: Allowance on dividend receivable		(353,905)	(353,905)
		P2,338,628	P630,293

Interest receivable pertains to accrued interest income from cash and cash equivalents, and short-term investments.

8. Financial Assets at FVOCI

This account consists of:

	Note	2021	2020
Cost		P275,000	P275,000
Unrealized gain on financial assets at FVOCI		53,311,775	38,008,692
	9, 20	P53,586,775	P38,283,692

The rollforward of financial assets at FVOCI is as follows:

	2021	2020
Balance at the beginning of year	P38,283,692	P43,097,375
Fair value gain (loss) recognized in other comprehensive income (OCI)	15,303,083	(4,813,683)
Balance at the end of the year	P53,586,775	P38,283,692

Financial assets at FVOCI consist of investments in club shares and PSE shares. The fair values of the financial assets have been determined using the published price in an active market and closing price published by PSE as at December 31, 2021 and 2020, respectively.

The rollforward of the unrealized gain in OCI is as follows:

	2021	2020
Balance at the beginning of the year	P38,008,692	P42,822,375
Fair value gain (loss) recognized in OCI	15,303,083	(4,813,683)
Balance at the end of the year	P53,311,775	P38,008,692

Dividend income earned from financial assets at FVOCI amounted to P1.92 million and nil in 2021 and 2020, respectively.

9. Exchange Trading Right

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

SRC prescribed the conversion of the PSE into a stock corporation effective August 8, 2001, pursuant to a conversion plan approved by the SEC.

In August 2001, the SEC approved the conversion plan with the following salient features, among others:

- Existing 184 member-brokers as of August 8, 2001 are eligible to subscribe to the shares and to retain access to the trading facilities of the PSE;
- Each member shall subscribe to 50,000 shares at a par value of P1;
- The balance of the members' contribution amounting to P50,000,000 shall be treated as additional paid-in capital;
- Separation of ownership of the PSE and from access to trading;
- Issuance of trading rights in recognition of the existing seat ownership by the brokers;

- f. Policy of imposing a moratorium on the issuance of new trading rights; and
- g. Transferability of trading rights.

The PSE, however, did not issue shares of stock for the value of its donated assets.

As a result of the conversion plan and on the basis of the relative fair values of the PSE shares and the exchange trading right as of the time of the demutualization, the Company's membership in PSE originally amounting to P50,000, was bifurcated into (a) investment in PSE shares, classified as financial assets at FVOCI and (b) exchange trading right.

As at December 31, 2021 and 2020, the carrying values of the financial assets and the exchange trading right were as follows:

	Note	2021	2020
Financial assets at FVOCI	8	P53,586,775	P38,283,692
Exchange trading right		25,000	25,000
		P53,611,775	P38,308,692

As at December 31, 2021 and 2020, the Company owns 239,985 shares of PSE.

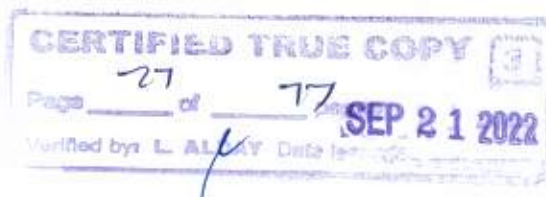
As at December 31, 2021 and 2020, the fair value less cost to sell of the exchange trading right amounted to P9.00 million and P8.50 million, respectively, representing the price of the exchange trading right of the most recent sale approved by the PSE on December 14, 2011. As at December 31, 2021 and 2020, the market value of the PSE shares based on quoted prices is P215 and P153 per share, respectively.

10. Property and Equipment

Rollforward analysis of this account is as follows:

	2021				Total
	Office Equipment	Transportation Equipment	Right-of-Use Asset (Note 18)	Leasehold Improvements	
Cost					
Balance at beginning of year	P8,706,222	P8,442,208	P17,225,337	P -	P34,373,767
Additions	411,469	-	-	-	411,469
Balance at end of year	9,117,691	8,442,208	17,225,337	-	34,785,236
Accumulated Depreciation					
Balance at beginning of year	8,594,185	6,900,779	7,611,194	-	23,106,158
Depreciation	231,951	474,285	4,807,070	-	5,513,306
Balance at end of year	8,826,136	7,375,064	12,418,264	-	28,619,464
Net Book Value	P291,555	P1,067,144	P4,807,073	P -	P6,165,772

	2020				Total
	Office Equipment	Transportation Equipment	Right-of-Use Asset (Note 18)	Leasehold Improvements	
Cost					
Balance at beginning of year	P8,647,065	P8,442,208	P17,225,337	P1,383,444	P35,698,054
Additions	59,157	-	-	-	59,157
Disposals	-	-	-	(1,383,444)	(1,383,444)
Balance at end of year	8,706,222	8,442,208	17,225,337	-	34,373,767
Accumulated depreciation					
Balance at beginning of year	8,517,667	6,181,553	2,804,125	1,383,444	18,886,789
Depreciation	76,518	719,226	4,807,069	-	5,602,813
Disposals	-	-	-	(1,383,444)	(1,383,444)
Balance at end of year	8,594,185	6,900,779	7,611,194	-	23,106,158
Net Book Value	P112,037	P1,541,429	P9,614,143	P -	P11,267,609



Depreciation charged to profit or loss amounted to P5.51 million and P5.60 million in 2021 and 2020, respectively. Cost of fully depreciated property and equipment still being used amounted to P16.18 million and P14.59 million as at December 31, 2021 and 2020, respectively.

No item of property and equipment has been used as collateral to secure any liabilities of the Company. Further, no contractual commitment was entered into by the Company to acquire items of property and equipment.

11. Other Assets

This account consists of:

	<i>Note</i>	2021	2020
Rental deposits	18, 20	P1,796,508	P1,732,219
Creditable withholding taxes (CWTs)		1,205,363	1,204,065
Deposits to clearing and trade guaranty fund		1,044,701	923,508
Prepayments		196,528	153,676
Income tax receivable		41,493	-
		4,284,593	4,013,468
Less: Allowance for impairment losses on CWTs		1,204,065	1,204,065
		P3,080,528	P2,809,403

Movements in the allowance for impairment losses on CWTs are as follows:

	2021	2020
Balance at January 1	P1,204,065	P1,051,747
Provision during the year	-	152,318
Balance at December 31	P1,204,065	P1,204,065

12. Payables

Payable to customers account consists of:

	2021		2020	
	Money Balance	Security Valuation-long	Money Balance	Security Valuation-long
With money balances	P133,155,559	P1,272,765,935	P148,522,877	P5,717,961,213
No money balances	-	2,845,425,857	-	5,566,303,241
	P133,155,559	P4,118,191,792	P148,522,877	P11,284,264,454

Payable to brokers account consists of:

	2021			2020		
	Money Balance	Security Valuation		Money Balance	Security Valuation	
		Long	Short		Long	Short
With money balances	P -	P -	P -	P9,713	P65,949	P414,400
No money balances	-	-	-	-	1,492	-
	P -	P -	P -	P9,713	P67,441	P414,400

Payable to clearing house amounted to P77.62 million and nil as at December 31, 2021 and 2020, respectively.

13. Accounts Payable and Accrued Expense

This account consists of:

	2021	2020
Accounts payable	P6,431,001	P6,270,947
Accrued expenses	6,314,976	6,207,973
Central deposit fee payable	525,568	271,691
Taxes payable	211,816	243,327
	P13,483,361	P12,993,938

Accounts payable pertains to amounts owed to creditors which are noninterest-bearing and normally settled within one year.

Accrued expenses pertain to accrual of entertainment, amusement and recreation, rental, utilities, security and janitorial and subscription and periodicals. The information usually required by PAS 37, *Provisions, Contingent Liabilities and Contingent Assets* is not disclosed on the grounds that it can be expected to prejudice the Company's position. These are noninterest-bearing and payable within approved terms within one year.

Central deposit fee payable to Philippine Depository and Trust Corporation is noninterest-bearing and normally settled within one year.

Taxes payable include taxes withheld from employees, suppliers, stock transaction tax payable and value-added tax (VAT) payable.

14. Pension Benefits Obligation

The Company does not have a formal retirement plan. However, it is subject to the minimum requirements under Republic Act (R.A.) No. 7641, *the Retirement Pay Law*, which provides for the retirement pay to qualified employees in the absence of any retirement plan. R.A. No. 7641 requires that private employers should provide minimum retirement benefits, equivalent to one-half salary for every year of service, to employees who have reached the age of 60 with at least 5 years of service with the Company. The cost of providing benefits was valued in 2021 by a professionally qualified independent actuary. Benefits are dependent on the years of service and the respective employee's compensation and are determined using the projected unit credit method.

The following tables summarize the components of the pension benefit expense recognized in the Company's statement of comprehensive income (loss) and the amounts recognized in the statement of financial position for the pension plan.

The pension benefit expense recognized in profit or loss follows:

	2021	2020
Current service cost	P156,590	P129,716
Net interest cost	97,851	133,723
	P254,441	P263,439

The present value of DBO recognized in the statement of financial position amounted to P3.13 million and P3.26 million as at December 31, 2021 and 2020, respectively.

The movements in the present value of DBO are as follows:

	2021	2020
Balances at January 1	P3,263,434	P2,956,972
Current service cost	156,590	129,716
Interest cost	97,851	133,723
Actuarial (gain) loss	(383,655)	43,023
Balances at December 31	P3,134,220	P3,263,434

The principal actuarial assumptions used in determining DBO are as follows:

	2021	2020
Salary increase rate	3.00%	3.00%
Discount rate:		
Beginning of year	3.00%	4.52%
End of year	5.10%	3.00%

The cumulative amount of remeasurement gains recognized in OCI is as follows:

	2021	2020
Balance at beginning of the year	P2,473,184	P2,516,207
Actuarial gain (loss) during the year	383,651	(43,023)
Balance at end of year	P2,856,835	P2,473,184

The following sensitivity analysis has been determined based on reasonable possible change in the discount rate, salary increase rate and turnover rate occurring at the end of the reporting period assuming all other assumptions were held constant in 2021 and 2020. The average duration of the DBO as at December 31, 2021 is five (5) years.

Assumption	2021		2020	
	Increase (Decrease)	Increase (Decrease) in DBO	Increase (Decrease)	Increase (Decrease) in DBO
Discount rate	1.00%	(P286,990)	1.00%	(P266,828)
	(1.00%)	325,502	(1.00%)	304,340
Salary increase rate	1.00%	329,172	1.00%	284,030
	(1.00%)	(295,170)	(1.00%)	(254,632)
Turnover rate	10.00%	(354,979)	10.00%	(120,765)
	(10.00%)	354,979	(10.00%)	125,966

15. Related Party Transactions

Identity of Related Parties

The Company has related party transactions with its key management personnel (KMP), Prudential Guarantee and Assurance, Inc. (PGAI), an entity under common control, and stockholders and officers.

Significant Transactions and Balances with Related Parties

The summary of significant transactions and balances with the related parties is as follows:

Category/Transaction	Year	Note	Amount of the Transaction	Outstanding			Terms and Conditions
				Receivable (Note 7)	Payable to Customers (Note 7)	Advances from a Stockholder	
Prudential Guarantee and Assurance, Inc.							
• Rent income	2021	a	P2,458,000	P534,076	P -	P -	Noninterest- bearing, unsecured, no impairment due and demandable
	2020	a	2,111,781	303,221	-	-	
Stockholders and Officers							
• Advances from a stockholder	2021	b	12,500,000	-	-	12,500,000	Noninterest- bearing, unsecured
	2020	b	-	-	-	-	
• Commission income	2021	c	108,683	-	-	-	Noninterest- bearing, unsecured
	2020	c	68,712	-	-	-	
• Payable to customers	2021	c	716,179	-	85,049,821	-	Noninterest- bearing, unsecured
	2020	c	990,023	-	84,333,642	-	
• Advances to shareholders	2021	d	313,137	1,768,615	-	-	Noninterest bearing, unsecured, payable on demand
	2020	d	301,574	1,455,478	-	-	
• Short-term employee benefits	2021	e	711,680	-	-	-	
	2020	e	614,400	-	-	-	
TOTAL	2021			P2,302,691	P85,049,821	P12,500,000	
TOTAL	2020			P1,758,699	P84,333,642	P -	

- a. The Company subleases to PGAI portion of the Company's office spaces.

PGAI occupies 151.24 square meters of the Company's office space in Makati City under the lease contract commencing on June 1, 2019 and ending on December 31, 2022 renewable at the option of PGAI at such new terms and conditions as may be agreed by the Company and PGAI. Monthly rental fee is P0.12 million with a yearly 5% escalation rate starting January 1, 2021.

PGAI also occupies 101.32 square meters of the Company's office space in Baguio City under the lease contract commencing on January 1, 2021 and ending on December 31, 2021 renewable at the option of PGAI at such new terms and conditions as may be agreed by the Company and PGAI. Monthly rental fee is P0.09 million. The lease contract was subsequently renewed in 2022 for another year with same terms and conditions with the previous lease contract.

Total rent income earned by the Company amounted to P2.46 million and P2.11 million in 2021 and 2020, respectively.

- b. On September 15, 2021, equity infusions for subscription were received in the form of cash amounting to P12.50 million. As at December 31, 2021, the Company has not met the requirements provided below to classify it as equity, resulting it to be classified under noncurrent liability, as "Advances from a stockholder", in the statement of financial position.
- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
 - There is BOD approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
 - There is stockholders' approval of said proposed increase; and
 - The application for the approval of the proposed increased has been presented for filing or has been filed with the SEC.

The application for the approval of the increase is yet to be filed with the SEC as at December 31, 2021.

- c. In the ordinary course of business, the Company acts as a stockbroker for its stockholders and officers. Commission income earned from stockholders and officers amounted to P0.11 million and P0.07 million in 2021 and 2020, respectively.

The outstanding payable to stockholders and officers amounted to P85.05 million and P84.33 million in 2021 and 2020, respectively.

- d. The Company paid expenses on behalf of the shareholders. Advances to shareholders amounted to P1.77 million and P1.46 in 2021 and 2020, respectively.
- e. Short-term employee benefits of key management personnel amounted to P0.71 million and P0.61 million in 2021 and 2020, respectively. Key management personnel of the Company include directors, executives and non-executives, and senior management.

The Company has not recorded any impairment relating to amounts owed by related parties in 2021 and 2020. The impairment assessment is undertaken each financial year by examining the financial position of each related party and the market in which the related party operates.

The Company did not act as a guarantor to any of its related parties. All outstanding balances of related party transactions will be settled in cash.

16. Other Income

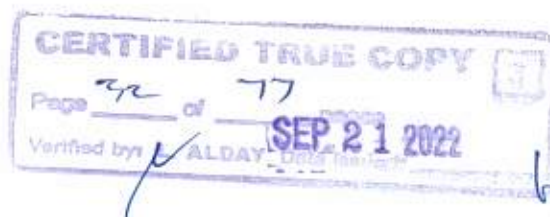
The Company earned other income amounted to P1.31 million and P0.05 million in 2021 and 2020, respectively. Included in other income are utility charges and dues from operating lease, and other miscellaneous income.

17. Income Taxes

The components of the income tax expense are as follows:

	2021	2020
Recognized in Profit or Loss		
Current tax expense	P155,826	P173,573
Deferred tax expense (benefit):		
Current	9,853	(185,434)
Impact of change in tax rate	68,229	-
	233,908	(11,861)
Final income tax	102,456	425,370
	P336,364	P413,509

On March 26, 2021, the R.A. No. 11534 also known as "Corporate Recovery and Tax Incentives for Enterprises Act" or "CREATE" Act was passed into law which reduced the corporate income tax rates and rationalized the current fiscal incentives by making it time bound, targeted and performance based.



Among others, the Act includes the following significant revisions:

- Effective July 1, 2020, domestic corporations with total assets not exceeding P100.00 million and net taxable income of P5.00 million and below shall be subject to 20% income tax rate while the other domestic corporations and resident foreign corporations will be subject to 25% income tax rate;
- Minimum corporate income tax (MCIT) rate is reduced from 2% to 1% from July 1, 2020 to June 30, 2023;
- Percentage tax for non-VAT taxpayers is reduced from 3% to 1% from July 1, 2020 to June 30, 2023; and
- Repeal of the improperly accumulated earnings tax.

The movements for the deferred tax asset and deferred tax liabilities are as follows:

December 31, 2020	2021	2020
Deferred tax asset:		
Lease liabilities	P1,376,234	P3,136,139
Deferred tax liabilities:		
Right-of-use asset	1,201,769	2,884,243
Accrued rent income	55,478	54,827
	1,257,247	2,939,070
Deferred Tax Asset - net	P118,987	P197,069

Movements in deferred tax asset and liabilities - net comprise of:

	2021	2020
At beginning of the year	P197,069	P11,635
Impact of change in tax rate	(9,853)	-
Amounts credited to (charged against) statement of profit or loss	(68,229)	185,434
At end of the year	P118,987	P197,069

The Company did not recognize deferred tax assets on the following temporary differences because of its limited capacity to take advantage of the benefits of these temporary differences:

	2021	2020
Net operating loss carry-over (NOLCO)	P11,403,755	P14,369,383
MCIT	559,583	643,854

NOLCO

The Bureau of Internal Revenue (BIR) issued Revenue Regulation (RR) No. 25-2020 to implement Section 4 (b) of R.A. No. 11494, *Bayanihan to Recover as One Act*, which provides that the NOLCO incurred for taxable years 2020 and 2021 can be carried over as a deduction from gross income for the next 5 consecutive taxable years immediately following the year of such loss. The said RR also defined taxable years 2020 and 2021 to include those corporations with fiscal years ending on or before June 30, 2021 and June 30, 2022, respectively.



Details of the Company's NOLCO covered by RR No. 25-2020 are as follows:

Year Incurred	Expiry Year	Amount	Utilized	Expired	Balance
2020	2025	P2,400,576	P -	P -	P2,400,576
2021	2026	781,668	-	-	781,668
		P3,182,244	P -	P -	P3,182,244

Details of the Company's NOLCO not covered by RR No. 25-2020 which could be carried over as a deduction from the Company's future taxable income for the next three (3) succeeding taxable years are as follows:

Year Incurred	Expiry Year	Amount	Utilized	Expired	Balance
2018	2021	P3,747,396	P -	P3,747,396	P -
2019	2022	8,221,411	-	-	8,221,411
		P11,968,807	P -	P3,747,396	P8,221,411

A MCIT of 1% of the gross income as at the end of the taxable year is imposed upon any domestic corporation beginning the fourth (4th) taxable year immediately following the taxable year in which such corporation commenced its business operations. The Company's MCIT is as follows:

Year Incurred	Expiry Year	Amount	Utilized	Expired	Balance
2018	2021	P240,102	P -	P240,102	P -
2019	2022	230,179	-	-	230,179
2020	2023	173,573	-	-	173,573
2021	2024	155,831	-	-	155,831
		P799,685	P -	P240,102	P559,583

The reconciliation of provision for income tax computed at statutory corporate income tax rate to provision for income tax follows:

	2021	2020
Income (loss) before tax	P2,717,784	(P7,416,264)
Statutory tax rate for income tax	25.00%	30.00%
Income tax expense (benefit)	P679,446	(P2,224,879)
Adjustments for tax effects of:		
Unrecognized deferred tax assets	136,102	3,063,754
Nondeductible expenses	161,036	202,564
Nontaxable income	(512,150)	(50,282)
Interest income subjected to final tax	(128,070)	(577,648)
	P336,364	P413,509

18. Leases

Company as a Lessee

The Company has the following lease agreements:

- a. On September 27, 2019, the Company entered into a renewable lease agreement with Grand Floridian Holdings, Inc. for a portion of the 5th floor of the Corinthian Plaza in Legazpi, Makati City, approximately 493.28 square meters and parking spaces situated at the basement of the said building. The lease shall be for a definite period starting June 1, 2019 to December 31, 2022. The Company shall pay a monthly rate of P0.49 million for the office space and P0.01 million for the parking spaces, plus 12% VAT with an escalation rate of 5%.
- b. On January 21, 2021, the Company entered into a contract of lease of Room 96, Laperal Building, a 101.32 square meters office space in Session Road, Baguio City, with a lease term of 12 months or less, starting January 1, 2021 and ending on December 31, 2021 in which it applies the "short-term lease" recognition exemption. The Company shall pay a monthly rental fee of P0.19 million with 12% VAT and exclusive of 5% withholding tax, provided that the whole year's rent shall be paid in advance by means of postdated checks to the lessor.

As at December 31, 2021 and 2020, the Company's refundable deposits pertaining to these lease agreements amounted to P1.80 million and P1.73 million, respectively (see Note 11).

The reconciliation of the carrying amount of the right-of-use assets as at December 31 are as follows:

	2021	2020
Cost		
At January 1	P17,225,337	P17,225,337
At December 31	17,225,337	17,225,337
Accumulated Amortization		
At January 1	7,611,194	2,804,125
Amortization	4,807,070	4,807,069
At December 31	12,418,264	7,611,194
Carrying Amount	P4,807,073	P9,614,143

The rollforward analysis of lease liabilities is as follows:

	2021	2020
Beginning balances at January 1	P10,453,796	P14,888,749
Interest expense	451,439	708,190
Payments	(5,400,301)	(5,143,143)
Ending balances at December 31	P5,504,934	P10,453,796

Payments consist of:

	2021	2020
Payment of principal portion of lease liabilities	P4,948,862	P4,434,952
Payment of interest portion of lease liabilities	451,439	708,191
Total	P5,400,301	P5,143,143

	2021	2020
Maturity Analysis - Contractual Undiscounted Cash Flows		
One to five years	P5,504,939	P10,286,286
Total undiscounted lease liability at December 31	P5,504,939	P10,286,286

The following are the amounts recognized in the statement of profit or loss:

	2021	2020
Depreciation expense of right-of-use assets	P4,807,070	P4,807,068
Interest expense on lease liabilities	451,439	708,190
Expenses relating to short-term leases	2,215,306	1,629,538
Total amount recognized in statement of profit or loss	P7,473,815	P7,144,796

Company as a Lessor

The Company subleased a portion of its office space. Rent income amounted to P2.46 million and P2.11 million in 2021 and 2020, respectively (see Note 15).

19. Equity

The Company's capital stock consists of:

	2021		2020	
	Shares	Amount	Shares	Amount
Common shares - P100 par value:				
Authorized - at beginning and end of the year	50,000	P50,000,000	50,000	P50,000,000
Issued - at beginning and end of the year	50,000	P50,000,000	50,000	P50,000,000
Treasury shares - at beginning and end of the year	6	600	6	600
Outstanding - at beginning and end of the year	49,994	P49,999,400	49,994	P49,999,400

20. Financial Instruments - Risk Management and Fair Values

Risk Management

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

- Market risk
- Equity price risk
- Liquidity risk
- Credit risk

Market Risk

The Company's market risk (the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument) originates from its holdings of equity securities. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity prices and other market changes.

The Treasurer is responsible for the identification of investments that provide a relatively stable rate of return and submit these identified investments to the President or the BOD for approval. In addition, the Treasurer monitors the investment portfolio performance and management's performance associated with the investment portfolio.

Equity Price Risk

Equity price risk is the risk that future cash flows will fluctuate because of changes in market prices of individual stocks and the changes in the level of Philippine Stock Exchange index (PSEi). The Company's equity price risk exposure relates to equity shares classified as financial assets at FVTPL and FVOCI.

The analysis below is performed for reasonably possible movements in the PSEi with all other variables held constant, showing the impact on income before tax (due to changes in fair value of financial assets at FVTPL) and equity (due to changes in financial assets at FVOCI).

	Percentage Increase/ Decrease in Equity Prices	Effect on Income before Tax Increase (Decrease)	Effect on Equity Increase (Decrease)
2021	+2%	P49,248	P1,071,736
	-2%	(49,248)	(1,071,736)
2020	+2%	5,798	760,174
	-2%	(5,798)	(760,174)

The impact on the Company's equity excludes the impact on transactions affecting the net income.

The sensitivity of profit before tax is the effect of the assumed changes in the market index on financial assets at FVTPL. The sensitivity of equity is calculated by revaluing financial assets at FVOCI as at December 31, 2021 and 2020, respectively, for the effects of the assumed changes in the market index.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its payment obligations when they fall due under normal and stressed circumstances. To limit this risk, management has arranged diversified funding sources in addition to its deposit base, manages assets with liquidity in mind, and monitors future cash flows and liquidity on a daily basis. The liquidity position is assessed and managed by maintaining limits on ratio of aggregate indebtedness (AI) to net liquid capital (NLC), which should not exceed 2,000%. NLC is the equity of the Company less non-allowable current and noncurrent assets and negative exposure for the outstanding unsettled transactions computed by the Securities Clearing Corporation of the Philippines (SCCP) at current market price.

The Company reported an NLC and AI amounting to P24.33 million and P160.36 million, respectively, as at December 31, 2021 and P16.24 million and P108.68 million, respectively as at December 31, 2020 (see Note 21).

As at December 31, 2021 and 2020, all financial assets and financial liabilities are expected to be settled within one year, except for financial assets at FVTPL and FVOCI which do not have settlement terms.

Credit Risk

Credit risk is the risk that the Company will incur a loss because its customers or counterparties failed to fulfill their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for customers and counterparties, and by monitoring exposures in relation to such limits.

In the normal course of business, the Company's activities include trade execution for its clients. These activities may expose the Company to risk arising from price volatility which can reduce the clients' ability to meet their obligations. To the extent clients are unable to meet their commitments to the Company, the Company may be required to purchase or sell financial instruments at prevailing market prices in order to fulfill the client's obligations.

The Company monitors concentration of credit risks on both individual and institutional counterparty basis and limits the risk through consideration of factors which includes the credit worthiness of the client, its financial strength, and the size of its positions or commitments. Where considered necessary, the Company requires a deposit of additional collateral or a reduction of securities position.

The table that follows shows the maximum exposure to credit risk for the components of the statement of financial position of the Company.

	Note	2021	2020
Cash and cash equivalents (excluding cash on hand)	4	P155,896,301	P147,401,806
Short-term investments	5	13,221,717	12,435,270
Financial assets at FVTPL	6	2,462,383	2,399,297
Receivable from:			
Clearing house	7	-	6,326,676
Customers	7	20,769,610	30,074,071
Brokers	7	82,622,557	-
Others	7	2,692,533	2,174,381
Financial assets at FVOCI	8	53,586,775	38,283,692
Other assets:			
Rental deposits	11, 18	1,796,508	1,732,219
		P333,048,384	P240,827,412

The Company's receivables from customers and brokers are secured by the related shares of stock held by the Company for the account of the particular customer or broker. Such shares of stock serve as the collateral for the receivable balances and are valued at its market price.

The table below shows the credit quality of the Company's financial assets as follows:

2021

	Neither Past Due nor Impaired			Past Due	Total
	High Grade	Standard Grade	Sub-standard Grade		
Cash and cash equivalents	P155,896,301	P -	P -	P -	P155,896,301
Short-term investments	13,221,717	-	-	-	13,221,717
Financial assets at FVTPL	2,462,383	-	-	-	2,462,383
Receivables from:					
Customers*	1,259,435	-	-	19,510,175	20,769,610
Brokers	82,622,557	-	-	-	82,622,557
Others	2,692,533	-	-	-	2,692,533
Financial assets at FVOCI	53,586,775	-	-	-	53,586,775
Other assets:					
Rental deposits	1,796,508	-	-	-	1,796,508
	P313,538,209	P -	P -	P19,510,175	P333,048,384

*Past due accounts include impaired receivables amounting to P4.02 million

2020

	Neither Past Due nor Impaired			Past Due	Total
	High Grade	Standard Grade	Sub-standard Grade		
Cash and cash equivalents	P147,401,806	P -	P -	P -	P147,401,806
Short-term investments	12,435,270	-	-	-	12,435,270
Financial assets at FVTPL	2,399,297	-	-	-	2,399,297
Receivables from:					
Clearing house	6,326,676	-	-	-	6,326,676
Customers*	9,206,247	-	-	20,867,824	30,074,071
Others	630,293	-	-	1,544,088	2,174,381
Financial assets at FVOCI	38,283,692	-	-	-	38,283,692
Other assets:					
Rental deposits	1,732,219	-	-	-	1,732,219
	P218,415,500	P -	P -	P22,411,912	P240,827,412

*Past due accounts include impaired receivables amounting to P3.69 million

The credit quality of the financial assets was determined as follows:

Cash and Cash Equivalents

These are considered as high grade financial assets as they have minimal or no risk at all.

Financial Assets at FVTPL and FVOCI

High grade pertains to counterparties that are consistently profitable and pay out dividends. Standard grade pertains to counterparties that recently turned profitable and have the potential of becoming a high grade company. Sub-standard grade pertains to counterparties that are not yet profitable, speculative in nature but have future earning potential.

Receivables

High grade is given to customers who possess strong to very strong capacity to meet its obligations. Standard grade is given to customers who possess above average capacity to meet its obligations. Substandard grade is given to customers who possess average capacity to meet its obligations. These customers are more likely to have significant deterioration of its capacity during adverse business and economic conditions relative to the two classes above.

Impaired Receivables

Impaired receivables are receivables the Company determines that it is probable that it will not be able to collect all principal and interest due based on the contractual terms and securities agreements.

Past Due but not Impaired Receivables

These comprise receivables where contractual payments are past due but the Company believes that impairment is not appropriate on the basis of the level of collateral available to the Company (Note 7).

The aging analysis of receivables follows:

2021

	Neither Past Due nor impaired	Past Due but not Impaired			Impaired	Total
		3 to 13 Days	14 to 30 Days	More than 30 Days		
Receivables from:						
Customers	P1,259,435	P2,425,260	P232	P17,084,683	P4,015,466	P20,769,610
Brokers	82,622,557	-	-	-	-	82,622,557
	P83,881,992	P2,425,260	P232	P17,084,683	P4,015,466	P103,392,167

2020

	Neither Past Due nor impaired	Past Due but not Impaired			Impaired	Total
		3 to 13 Days	14 to 30 Days	More than 30 Days		
Receivables from:						
Clearing house	P6,326,676	P -	P -	P -	P -	P6,326,676
Customers	9,206,247	2,358,805	-	14,816,057	3,692,962	30,074,071
Others	630,293	-	-	-	1,544,088	2,174,381
	P16,163,216	P2,358,805	P -	P14,816,057	P5,237,050	P38,575,128

Foreign Currency Risk

Financial assets of the Company are mainly denominated in PHP. As such, the Company's foreign currency risk is minimal.

Foreign currency denominated short-term investments as at December 31, 2021 and 2020 amounted to P13.22 million and nil, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the PHP-US dollar exchange rate, with all variables held constant, of the Company's profit before tax as at December 31, 2021 and 2020.

	2021		2020	
	Change in Variables	Impact on Profit before Tax Increase (Decrease)	Change in Variables	Impact on Profit before Tax Increase (Decrease)
USD	+5%	P38,556	+5.00%	P33,028
USD	-5%	(38,556)	-5.00%	(33,028)

There is no other impact on the Company's equity other than those already affecting the net income.

Fair Value Measurement

As at December 31, 2021 and 2020, the carrying values of the Company's financial assets and liabilities as reflected in the statement 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 Company in estimating the fair value of its financial instruments follow:

Cash and Cash Equivalents, and Short-term Investments - The carrying amount approximates its fair value due to the relatively short-term nature of these assets.

Financial Assets and Liabilities at Amortized Cost - Carrying values approximate fair values since these instruments are liquid and have short-term maturities. These financial instruments comprise receivables from clearing house, customers and others, payable to customers and brokers and rental deposits.

Financial Assets at FVTPL and FVOCI - Fair values are generally based on quoted market prices. For the Company's equity investments, fair values are determined based on the closing quoted prices of stock investments published by the PSE as required by the SRC.

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 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.

	2021			
	Level 1	Level 2	Level 3	Total
Assets Measured at Fair Value				
<i>Financial Assets</i>				
Financial assets at FVTPL	P2,462,383	P -	P -	P2,462,383
Financial assets at FVOCI	53,586,775	-	-	53,586,775
	P56,049,158	P -	P -	P56,049,158
Asset for Which Fair Values are Disclosed				
<i>Nonfinancial Asset</i>				
Exchange trading right	P -	P -	P9,000,000	P9,000,000
	P -	P -	P9,000,000	P9,000,000

	2020			
	Level 1	Level 2	Level 3	Total
Assets Measured at Fair Value				
<i>Financial Assets</i>				
Financial assets at FVTPL	P2,399,297	P -	P -	P2,399,297
Financial assets at FVOCI	38,283,692	-	-	38,283,692
	P40,682,989	P -	P -	P40,682,989
Asset for Which Fair Values are Disclosed				
<i>Nonfinancial Asset</i>				
Exchange trading right	P -	P -	P8,500,000	P8,500,000
	P -	P -	P8,500,000	P8,500,000

The Company has no financial assets at FVTPL and FVOCI classified under Level 2 and 3. There have been no reclassifications from Level 1 to Level 2 category.



The fair value of nonfinancial assets, *Exchange Trading Right*, is determined based on the last transacted price as provided by the PSE.

21. Capital Management

The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements and that the Company maintains healthy capital ratios to support its business and maximize shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend 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 P2,500,000 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 Risk-based Capital Adequacy (RBCA) model; and
- c. to require unimpaired paid-up capital of P100,000,000 for broker dealers, which are either first time registrants or those acquiring existing broker dealer firms and will participate in a registered clearing agency; P30,000,000 unimpaired paid-up capital for those existing broker dealers that did not meet the P100,000,000 capitalization and not seeking authorization to engage in market making transactions; P100,000,000 plus a surety bond for existing broker dealers not engaged in market making transactions; and P2,500,000 for broker dealers dealing only in proprietary shares and not holding securities.

RBCA ratio of a broker dealer, computed by dividing the NLC by the Total Risk Capital Requirement (TRCR), should not be less than 110%. 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% of its NLC and at all times shall have and maintain NLC of at least P5.0 million or 5% of the AI, whichever is higher.

In compliance with the requirements of the SEC, the Company obtained surety bonds in the amount of P10,000,000 to guarantee the faithful performance of its obligations as broker and P2,000,000 to guarantee the faithful performance of its obligations as dealer of securities.

The Company monitors capital using the AI to NLC ratio, which is the total money liabilities divided by net liquid capital. NLC is the equity eligible for net liquid capital, adjusted for non-allowable current and non-current assets. The Company is required to maintain a ratio not exceeding 2,000%.

	2021	2020
AI	P160,355,237	P108,678,258
Equity eligible for NLC	89,513,776	69,685,710
Ineligible assets:		
Other current assets	2,556,211	754,442
Fixed assets	6,165,773	11,267,611
Other assets including equity investment in PSE	56,436,319	40,939,419
Exchange trading right	25,000	25,000
Negative exposure (SCCP)	-	460,701
Total ineligible assets	65,183,303	53,447,172
NLC	P24,330,473	P16,238,538
Ratio of AI to NLC	659%	669%

As at December 31, 2021, the Company was in compliance with the RBCA ratio. The RBCA ratio of the Company as reported to the SEC as at December 31, 2021 and 2020 are shown in the table that follows:

	2021	2020
Equity eligible for NLC	P89,513,776	P69,685,710
Less ineligible assets	65,183,303	53,447,172
NLC	P24,330,473	P16,238,538
Position risk	P1,919,591	P1,834,595
Operational risk	4,149,556	4,510,638
Counterparty risk	79	-
Total RBCA Requirement	P6,069,226	P6,345,233
AI	P160,355,237	P108,678,258
5% of AI	P8,017,762	P5,433,913
Required NLC (> of 5% of AI or P5,000,000)	8,017,762	5,433,913
Net RBC Excess	16,312,711	10,804,625
Ratio of AI to NLC	659%	669%
RBCA ratio	401%	256%

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.

Position Risk Requirement

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

Operational Risk Requirement

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.

Counterparty Risk Requirements

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.

Large Exposure Risk (LER) Requirements

The amount necessary to accommodate a given level of the broker dealer LER which is in excess of the LER limit. LER limit is the maximum permissible large exposure and calculated as percentage of Core Equity.

Aggregate Indebtedness (AI)

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.

Reserves

SRC Rule 49.1 (B), *Reserve Fund of 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%, 20% and 10% of profit after tax for broker dealers with unimpaired paid-up capital of between P10,000,000 to P30,000,000, between P30,000,000 to P50,000,000 million and above P50,000,000, respectively.

In compliance with the requirements of the SEC, the Company appropriated in 2014 20% of its 2013 profit after tax. No appropriation of retained earnings was made in 2021 and 2020, 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 P100,000,000. For those existing broker dealers that did not meet the said capitalization and not seeking authorization to engage in market making transactions, they are required to maintain P30,000,000 unimpaired paid-up capital.

As at December 31, 2021 and 2020, the Company was in compliance with the required P30 million unimpaired paid-up capital where it amounted to P34.72 million and P32.34 million, respectively.

In compliance with requirements of SEC, the Company obtained surety bonds in the amount of P10,000,000 to guarantee the faithful performance of its obligations as broker and P2,000,000 to guarantee the faithful performance of its obligations as dealer of securities.

22. Significant Accounting Policies

The Company has consistently applied the following accounting policies presented in this financial statement, except for the adoption of amendments to standards as discussed below.

Adoption of Amendment to Standard

The Company has adopted the following amendment to standard starting January 1, 2021 and accordingly, changing its accounting policies. Except as otherwise indicated, the adoption of this amendment to standard did not have any significant impact on the Company's financial statements.

- COVID-19-Related Rent Concessions beyond June 30, 2021 (Amendment to PFRS 16, *Leases*)

The amendment, issued in March 2021, extends the practical expedient introduced by COVID-19-Related Rent Concessions (the 2020 amendments) 1 year to allow lessees not to account for rent concessions as lease modifications if they occur as a direct consequence of COVID-19 and meet all of the following conditions:

- the revised consideration is substantially the same as or less than the original consideration;
- the reduction in lease payments relates to payments due on or before June 30, 2022; and
- no other substantive changes have been made to the terms of the lease.

The Company has no rent concession occurring as a direct consequence of COVID-19 as at December 31, 2021 and 2020.

The amendment is effective for annual periods beginning on or after April 1, 2021. Early adoption is permitted.

The Company has consistently applied the following accounting policies to all periods presented in the financial statements.

Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of Recognition

Financial instruments are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets on initial recognition and, where allowed and appropriate, re-evaluates these classifications at each reporting date.



All regular way purchases and sales of financial assets are recognized on the trade date, i.e., the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Measurement at Initial Recognition

Financial instruments are recognized initially at fair value of the consideration given (in case of an asset) or received (in case of a liability). Except for financial instruments at FVTPL, the initial measurement of financial instruments includes transaction costs.

Financial Assets

On initial recognition, a financial asset is classified as measured at amortized cost, FVOCI or FVTPL, based on their contractual cash flow characteristics and the business model for managing the financial assets.

Debt Instruments

Financial Assets Measured at Amortized Cost

A financial asset that is a debt instrument, other than those that are designated at FVTPL, which meet both of the following conditions:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Included in this category are the Company's cash and cash equivalents, short-term investments and receivables.

Cash and Cash Equivalents

Cash and cash equivalents include short term placement, cash on hand and in banks which are stated at face value. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of 3 months or less from dates of acquisition and are subject to an insignificant risk of changes in value.

Short-term Investments

Short-term investments are certificates of deposit which are highly liquid with maturities of more than 3 months but less than 1 year from date of acquisition and are subject to an insignificant risk of change in value.

Receivables

Receivables are initially recognized at fair value, representing the original invoice amount. These are subsequently measured at amortized cost using the effective interest method, less impairment losses, if any. Any change in their value is recognized in profit or loss. Impairment loss is provided when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of credit loss is the difference between the cash flows that is expected to be received discounted at the original EIR.

Financial Assets at FVOCI

A financial asset that is a debt instrument measured at FVOCI shall meet both of the following conditions and is not designated as FVTPL:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

There are no debt instruments at FVOCI as at December 31, 2021 and 2020.

Financial assets at FVTPL

All other financial assets not measured at FVOCI or at amortized cost are classified and measured at FVTPL, except when the financial asset is part of a hedging relationship. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

There are no debt instruments at FVTPL as at December 31, 2021 and 2020.

Equity Instruments

Financial assets that are equity instruments shall be classified under any of the following categories:

- Financial assets measured at FVTPL which shall include financial assets held for trading; or
- Financial assets at FVOCI which shall consist of equity instruments that are irrevocably designated at FVOCI at initial recognition that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which PFRS 3, *Business Combinations*, applies. This election is made on an instrument-by-instrument basis.

As at December 31, 2021 and 2020, the Company has financial assets at FVOCI as financial assets measured at FVOCI and financial assets at FVTPL as financial assets measured at FVTPL.

Business Model Assessment

Business model pertains to the manner by which a portfolio of financial assets will be managed to generate cash flows such as by collecting contractual cash flows or by both collecting contractual cash flows and selling the financial assets, among others.

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the financial assets and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, earning dividend income, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash outflows through the sale of the assets;
- the risks that affect the performance of the business model and how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose financial performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether Contractual Cash Flows are SPPI

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. nonrecourse features).

Prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired for a discount or premium to its contractual face amount, a feature that permit or requires prepayment that an amount that substantially represents the contractual face amount plus accrued (but unpaid) contractual interest (which may include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Subsequent Measurement of Financial Assets

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Amounts recognized in OCI are not classified to profit or loss.

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

Classification and Measurement of Financial Liabilities

Financial Liabilities

Financial liabilities are initially recognized at fair value. Transaction costs are deducted from the initial measurement of the Company's financial liabilities except for debt instruments classified at FVTPL.

Financial liabilities are subsequently measured as follows:

- financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies;
- financial guarantee contracts;
- commitments to provide a loan at a below-market interest rate; and
- contingent consideration recognized by an acquirer in a business combination.

As at December 31, 2021 and 2020, other financial liabilities at amortized cost include payable to customers and brokers, accounts payable and accrued expenses (excluding statutory payables), lease liabilities and DBO.

Other Financial Liabilities at Amortized Cost

Issued financial instruments or their components which are not classified as financial liabilities at FVTPL are classified as other financial liabilities at amortized cost, where the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder or lender, or to satisfy the obligation other than by the exchange of a fixed amount of cash. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the effective interest method.

Derecognition of Financial Instruments

Financial Assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognized when:

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

Where the Company has transferred its right to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company'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 the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to pay.

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or 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, with the difference in the respective carrying amounts recognized in the statement of profit or loss and other comprehensive loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. This is generally not the case with master netting agreements, thus, the related assets and liabilities are presented at gross amounts in the statement of financial position.

Determination and Measurement of Fair Value

The Company measures 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 Company. 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 nonfinancial 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 market participant that would use the asset in its highest and best use.

The Company uses valuation technique 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) 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 Company determines whether transfer have occurred between Levels in the hierarchy by reassessing 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.

"Day 1" Difference

Where the transaction price in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" Difference) in the statement of profit or loss and other comprehensive income (loss) in the period when the asset is acquired or the liability is incurred. In cases where the transaction price used is based on inputs which are not observable, the difference between the transaction price and model value is only recognized in the profit or loss in the period when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" Difference.

Impairment of Financial Assets

Impairment of Financial Instruments

At the date of initial application of PFRS 9, *Financial Instruments*, the Company uses reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that a financial instrument was initially recognized and compared that to the credit risk at the date of initial application.

Lifetime ECL that result from all possible default events over the expected life of a financial instruments while 12-month ECL are the portion of ECL that result from default events that are possible within 12 months after the reporting date (or a shorter period of the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of cash shortfalls (i.e., the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECL are discounted at the EIR of the financial assets.

Credit-impaired Financial Assets

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. The financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as default or being more than the normal credit terms of the Company;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of Allowance for ECL in the Statement of Financial Position

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

Write-off

Financial assets are written off when there is no reasonable expectation of recovery. The Company categorizes financial assets at amortized cost for write off when a debtor fails to make payments or when it is probable that the receivable will not be collected.

Where financial assets at amortized cost have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in profit or loss.

Prepaid Expenses

Prepaid expenses represent expenses not yet incurred but are already paid. Prepaid expenses are initially recorded as assets and measured at the amount of cash paid. Subsequent to initial recognition, these are charged to profit or loss as they are consumed in operations or expire with the passage of time.

Prepaid expenses are classified in the statement of financial position as current assets when the cost of goods or services related to the prepayment are expected to be incurred within one year or the Company's normal operating cycle, whichever is longer. Otherwise, they are classified as noncurrent assets.

Exchange Trading Right

Exchange trading right is a result of a PSE conversion plan to preserve access of the Company to the trading facilities and to continue to transact business in the PSE. The exchange trading right is deemed to have an indefinite useful life as there is no foreseeable limit to the period over which this asset is expected to generate net cash inflows for the Company. The Company does not intend to sell the exchange trading right in the near future.

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 loss. The trading right is not amortized but is tested annually for any impairment in realizable value. Any impairment loss is taken up as a charge against current operations.



Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and any impairment losses. Such cost includes the cost of replacing the part of such property and equipment when that cost is incurred, and if the recognition criteria are met but excludes repairs and maintenance costs.

Depreciation is computed on a straight-line method over the estimated useful lives of five (5) to ten (10) years. The depreciation method and useful life are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is derecognized.

The carrying values of the property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, an impairment loss is recognized in the profit or loss (see accounting policy on Impairment of Nonfinancial Assets).

Impairment of Nonfinancial Assets

The Company assesses at each reporting date whether there is an indication that property and equipment may be impaired. If any such indication exists, or when annual impairment testing for a nonfinancial asset is required, the Company makes an estimate of the nonfinancial asset's recoverable amount. A nonfinancial asset's recoverable amount is the higher of its fair value less costs to sell and value in use. Recoverable amount is determined for an individual asset, unless the nonfinancial asset does not generate cash inflows that are largely independent of those from other nonfinancial assets or groups of nonfinancial assets. When the carrying amount of a nonfinancial asset exceeds its recoverable amount, the nonfinancial 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 nonfinancial asset.

An impairment loss is charged in profit or loss in the year in which it arises.

An assessment is made at each reporting date 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. Any subsequent reversal of an impairment loss is recognized in the statement of profit or loss and other comprehensive income, to the extent that the increase in value of the asset does not exceed the carrying amount at the reversal date.



Deposit for Future Stock Subscription

Deposit for future stock subscription is recognized as an equity instrument if elements below are present:

- The unissued authorized capital stock of the entity is insufficient to cover the amount of shares indicated in the contract;
- There is BOD's approval on the proposed increase in authorized capital stock (for which a deposit was received by the corporation);
- There is stockholders' approval of said proposed increase; and
- The application for the approval of the proposed increase has been filed with the SEC.

As at December 31, 2021, the Company has not met the requirements provided above and, as a result, the deposit for future stock subscription is classified as noncurrent liability, under "Advances from stockholder", in the statement of financial position.

Capital Stock

Capital stock is classified as equity. Incremental costs directly attributable to the issuance of capital stock and share options are recognized as deduction from equity, net of any tax effects.

Preferred share capital is classified as equity if it is non-redeemable, or redeemable only at the option of the Company, or if the dividend payments are discretionary. Dividends thereon are recognized as distributions within equity upon approval by the BOD of the Company.

Retained Earnings

Retained earnings include accumulated results of operations as reported in the statement of profit or loss and other comprehensive income (loss) less any dividends declared. Dividends are recorded in the period in which the dividends are approved by the BOD.

Unappropriated retained earnings represent that portion which is free and can be declared as dividends to stockholders. Appropriated retained earnings represent that portion which has been restricted and, therefore, not available for dividend declaration.

Treasury Stock

The Company's shares which are reacquired and held by the Company are deducted from equity and accounted for at weighted average cost. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's shares. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Dividends

Dividends are recognized as liability and deducted from equity when approved by the BOD of the Company. Dividends for the year that are approved after the reporting date are not obligations and are dealt with as an event after the reporting period which requires disclosures in the notes to the financial statements.



Revenue Recognition

Under PFRS 15, *Revenue from Contracts with Customers*, revenue is recognized on trade execution date when customer order and payment are sent by the client.

Commission Income

Commissions are recorded on a transaction date basis as securities transaction occurs. Service fees are recognized when earned.

Dividend Income

Dividend income is recognized in profit or loss when the Company's right to receive payment is established.

Interest Income

Interest income on cash and cash equivalents, short-term investments and interest-bearing financial assets is recorded taking into account the effective yield of the asset.

Rent Income

Rent income from operating lease is recognized on a straight-line basis over the lease term.

Other Income

Other income is recognized in profit or loss when earned.

Determination of whether the Company is Acting as a Principal or an Agent

The Company assesses its revenue arrangements against the following criteria to determine whether it is acting as a principal or an agent:

- whether the Company has primary responsibility for providing the goods and services; and
- whether the Company has discretion in establishing prices.

If the Company has determined it is acting as a principal, the Company recognizes revenue on a gross basis with the amount remitted to the other party being accounted as part of costs and expenses. If the Company has determined it is acting as agent, only the net amount retained is recognized as revenue.

The Company assessed its revenue arrangements and concluded that it is acting as principal in all arrangements.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss upon utilization of the service or at the date they are incurred. Interest expense is recognized in profit or loss in the period in which they are incurred using the effective interest method.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefit obligations, such as those for salaries and wages, social security contributions, short-term compensated absences, bonuses and non-monetary benefits, among others, are measured on an undiscounted basis and are expensed as the related service is provided.

Retirement Benefits Costs

The Company's net obligation in respect of the defined benefit plan is calculated by estimating the amount of the future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of DBO is performed on a periodic basis by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and presented under retirement benefits reserves. The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the DBO at the beginning of the annual period to the then net defined benefit liability, taking into account any changes in the net defined liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the defined benefit plan are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Leases

The Company has applied PFRS 16, *Leases* using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under PAS 17, *Leases* and IFRIC 4, *Determining Whether an Arrangement Contains a Lease*.

The Company as Lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its IBR by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term Leases

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Company as Lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies PFRS 15, *Revenue from Contracts with Customers*, to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in PFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognizes lease payments received under operating leases as rent income on a straight-line basis over the lease term.

Income Taxes

Income taxes comprise current and deferred tax. Current and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized in OCI or directly in equity, in which case they are recognized respectively therein.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*.

Current Tax

Current tax assets and liabilities for the current periods 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 at the end of each reporting period.

Current tax relating to items recognized directly in equity is recognized in equity and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Final Tax

Final tax is a kind of withholding tax which is prescribed on certain income payments and is not creditable against the income tax due of the payee on other income subject to regular rates of tax for the taxable year. Tax withheld constitutes the full and final payment of the tax due from the payee on the particular income subjected to final withholding tax.

Deferred Tax

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

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 profit or loss nor taxable profit or loss.

Deferred tax liabilities are not provided on nontaxable temporary differences associated with investments in domestic subsidiaries, associates and interest in joint ventures. With respect to investments in other subsidiaries, associates and interests in joint ventures, deferred tax liabilities are recognized except when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax assets to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that sufficient future taxable profits will allow the deferred tax asset to be recovered. It is probable that sufficient future taxable profits will be available against which a deductible temporary difference can be utilized when there are sufficient taxable temporary difference relating to the same taxation authority and the same taxable entity which are expected to reverse in the same period as the expected reversal of the deductible temporary difference. In such circumstances, the deferred tax asset is recognized in the period in which the deductible temporary difference arises.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rate and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized in OCI or directly in equity is recognized in the statement of other comprehensive income (loss) and statement of changes in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if there is a legally enforceable right to offset current income tax assets against current income tax liabilities and they relate to income taxes levied by the same tax authority and the Company intends to settle its current income tax assets and liabilities on a net basis.

Foreign Currency Transactions and Translation

Transactions in foreign currencies are initially recorded at the functional rate of exchange at the date of transaction.

Foreign currency-denominated monetary assets and liabilities of the Company are translated based on the prevailing Bloomberg Valuation Reference Rates of the Bankers Association of the Philippines at the reporting date. Income and expenses are translated based on exchange rates prevailing at transaction dates. Gains or losses arising from foreign currency transactions and translation of foreign currency-denominated assets and liabilities are credited to or charged against profit or loss.

Foreign exchange differences arising from revaluation and translation of foreign currency-denominated assets and liabilities are credited to profit or loss 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.

Provisions and Contingencies

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that a transfer of economic benefits will be required to settle the obligation.

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

Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities.

Events After the Reporting Period

Post year-end events that provide additional information about the Company's financial position at reporting date (adjusting events) are reflected in the financial statements when material. Post year-end events that are not adjusting events, if any, are disclosed in the notes to the financial statements when material.

Amendments to Standards Issued but Not Yet Adopted

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2021. However, the Company has not early adopted the following new or amended standards in preparing these financial statements. Unless otherwise stated, none of these are expected to have a significant impact on the Company's financial statements.

To be Adopted January 1, 2022

- **Property, Plant and Equipment - Proceeds before Intended Use** (Amendments to PAS 16, *Property, Plant and Equipment*). The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment the proceeds from selling items produced before that asset is available for use. The proceeds before intended use should be recognized in profit or loss, together with the costs of producing those items which are identified and measured in accordance with PAS 2, *Inventories*.

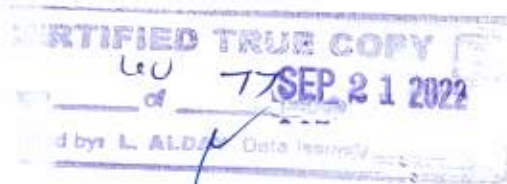
The amendments also clarify that testing whether an item of property, plant and equipment is functioning properly means assessing its technical and physical performance rather than assessing its financial performance.

For the sale of items that are not part of a company's ordinary activities, the amendments require the company to disclose separately the sales proceeds and related production cost recognized in profit or loss and specify the line items in which such proceeds and costs are included in the statement of comprehensive income. This disclosure is not required if such proceeds and cost are presented separately in the statement of comprehensive income.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted. The amendments apply retrospectively, but only to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented in the financial statements in which the company first applies the amendments.

- **Onerous Contracts - Cost of Fulfilling a Contract** (Amendment to PAS 37). The amendments clarify that the cost of fulfilling a contract when assessing whether a contract is onerous includes all costs that relate directly to a contract - i.e. it comprises both incremental costs and an allocation of other direct costs.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as appropriate. The comparatives are not restated. Earlier application is permitted.



- Annual Improvements to PFRSs 2018-2020. This cycle of improvements contains amendments to four standards. Below is applicable to the Company.
 - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to PFRS 9, *Financial Instruments*). The amendment clarifies that for the purpose of performing the '10 per cent' test for derecognition of financial liabilities, the fees paid net of fees received included in the discounted cash flows include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are effective for annual reporting periods beginning on or after January 1, 2022. Earlier application is permitted.

To be Adopted January 1, 2023

- Classification of Liabilities as Current or Noncurrent (Amendments to PAS 1, *Presentation of Financial Statements*). To promote consistency in application and clarify the requirements on determining whether a liability is current or noncurrent, the amendments:
 - removed the requirement for a right to defer settlement of a liability for at least 12 months after the reporting period to be unconditional and instead requires that the right must have substance and exist at the end of the reporting period;
 - clarified that a right to defer settlement exists only if the company complies with conditions specified in the loan agreement at the end of the reporting period, even if the lender does not test compliance until a later date; and
 - clarified that settlement of a liability includes transferring a company's own equity instruments to the counterparty, but conversion options that are classified as equity do not affect classification of the liability as current or noncurrent.

The amendments apply retrospectively for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted.

In November 2021, the International Accounting Standards Board issued the Exposure Draft, Noncurrent Liabilities with Covenants, after considering stakeholder feedback on the December 2020 tentative agenda decision issued by the IFRS Interpretations Committee about the amendments. The exposure draft proposes to again amend PAS 1 as follows:

- Conditions which the entity must comply within twelve months after the reporting period will have no effect on the classification as current or noncurrent.
- Additional disclosure requirements will apply to noncurrent liabilities subject to such conditions to enable the assessment of the risk that the liability could become repayable within twelve months.
- Separate presentation in the statement of financial position will be required for noncurrent liabilities for which the right to defer settlement is subject to conditions within 12 months after the reporting period.
- The effective date of the amendments will be deferred to no earlier than January 1, 2024.

Comments on the Exposure Draft was due on March 21, 2022.

- Definition of Accounting Estimates (Amendments to PAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*). To clarify the distinction between changes in accounting policies and changes in accounting estimates, the amendments introduce a new definition for accounting estimates, clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty. The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that an accounting estimate is developed to achieve the objective set out by an accounting policy. Developing an accounting estimate includes both selecting a measurement technique and choosing the inputs to be used when applying the chosen measurement technique. The effects of changes in such inputs or measurement techniques are changes in accounting estimates. The definition of accounting policies remains unchanged. The amendments also provide examples on the application of the new definition.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023, with earlier application permitted, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the amendments are applied.

- Disclosure of Accounting Policies (Amendments to PAS 1 and PFRS Practice Statement 2, *Making Materiality Judgments*). The amendments are intended to help companies provide useful accounting policy disclosures. The key amendments to PAS 1 include:
 - requiring companies to disclose their material accounting policies rather than their significant accounting policies;
 - clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
 - clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The amendments to PFRS Practice Statement 2 include guidance and additional examples on the application of materiality to accounting policy disclosures.

The amendments are effective from January 1, 2023. Earlier application is permitted.

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to PAS 12, *Income Taxes*). The amendments clarify that the initial recognition exemption does not apply to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning obligations. The amendments apply for annual reporting periods beginning on or after January 1, 2023. Earlier application is permitted. For leases and decommissioning liabilities, the associated deferred tax assets and liabilities will be recognized from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other appropriate component of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented.

23. Supplementary Information Required Under RR No. 15-2010 of the BIR

In addition to the disclosures mandated under PFRSs, and such other standards and/or conventions as may be adopted, companies are required by the BIR to provide in the notes to the financial statements, certain supplementary information for the taxable year. The amounts relating to such information may not necessarily be the same with those amounts disclosed in the financial statements which were prepared in accordance with PFRSs.

The following is the tax information required for the taxable year ended December 31, 2021:

A. VAT

1. Output VAT	P2,322,617
Basis of the Output VAT: Commission	
2. Input VAT	
Beginning of the year	P -
Current year's domestic purchases:	
Purchases related condominium units	1,221,388
Services lodged under other accounts	-
Claims for tax credit and other adjustment	(1,221,388)
Balance at the end of the year	P -

B. Withholding Taxes

Tax on compensation and benefits	P111,415
Expanded withholding taxes	481,750
Final withholding taxes	1,152,263
	P1,745,428

C. All Other Taxes (Local and National)

Other Taxes During the Year recognized under "Taxes and licenses" Account under Expenses

The Company paid license and permit fees amounting to P0.12 million for both the years ending December 31, 2021 and 2020.

D. Tax Cases

As at December 31, 2021, the Company has no deficiency tax assessments and/or any tax cases.





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Internet www.home.kpmg/ph
Email ph-inquiry@kpmg.com

**REPORT OF INDEPENDENT AUDITORS
TO ACCOMPANY SUPPLEMENTARY INFORMATION FOR FILING
WITH THE SECURITIES AND EXCHANGE COMMISSION**

The Board of Directors and Stockholders
R. Coyiuto Securities, Inc.
5th Floor, Corinthian Plaza
121 Paseo de Roxas
Legaspi Village, Makati City

We have audited the accompanying financial statements of R. Coyiuto Securities, Inc. (the Company), as at December 31, 2021 and 2020 on which we have rendered our report dated August 15, 2022.

Our audit was made for the purpose of forming an opinion on the financial statements of the Company taken as a whole. The supplementary information included in the Schedules I to VI is the responsibility of the Company's management.

Firm Regulatory Registration & Accreditation:

PRC-BOA Registration No. 0003, valid until November 21, 2023

SEC Accreditation No. 0003-SEC, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by SEC Accreditation No. 0004-FR-5)

IC Accreditation No. 0003-IC, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by IC Circular Letter (CL) No. 2019-39, Transition clause)

BSP Accreditation No. 0003-BSP, Group A, valid for five (5) years covering the audit of 2020 to 2024
financial statements (2019 financial statements are covered by BSP Monetary Board Resolution No. 2019-13, Transition clause)

R.G. Manabat & Co., a Philippine partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee





The above supplementary information is presented for purposes of complying with the Securities Regulation Code Rule 52.1 and is not a required part of the Company's financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the Company's basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements of the Company taken as a whole.

R.G. MANABAT & CO.

Tireso Randy F. Lapidez
TIRESO RANDY F. LAPIDEZ

Partner

CPA License No. 0092183

SEC Accreditation No. 92183-SEC, Group A, issued on July 15, 2021,
valid for one (1) year covering the audit of 2021 financial statements

SEC Accreditation No. 92183-SEC, Group A, issued on April 12, 2022,
valid for five (5) years covering the audit of 2022 to 2026 financial statements

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-034-2020

Issued July 20, 2020; valid until July 19, 2023

PTR No. MKT 8854069

Issued January 3, 2022 at Makati City

August 15, 2022

Makati City, Metro Manila



SCHEDULE I

R. COYIUTO SECURITIES, INC.
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
DECEMBER 31, 2021

There are no liabilities subordinated to claims of general creditors.



SCHEDULE II

R. COYIUTO SECURITIES, INC.
RISK-BASED CAPITAL ADEQUACY WORKSHEET
PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16
DECEMBER 31, 2021

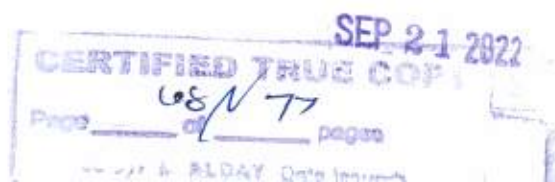
	December 31, 2021
Assets	P337,552,316
Liabilities	234,162,307
Equity as per books	103,390,009
Adjustments to Equity per books	
Add (Deduct):	
Allowance for market decline	-
Subordinated liabilities	-
Unrealized gain/(loss) in proprietary accounts	-
Deferred income tax	(1,376,233)
Revaluation reserves	-
Deposit for future stock subscription (No application with SEC)	(12,500,000)
Minority interest	-
Total Adjustments to Equity per books	(13,876,233)
Equity Eligible for Net Liquid Capital	89,513,776
Contingencies and Guarantees	
Deduct:	
Contingent Liability	-
Guarantees or indemnities	-
Ineligible Assets	
a. Trading right and all other intangible assets (net)	25,000
b. Intercompany Receivables	-
c. Fixed Assets, net of accumulated and excluding those used as collateral	6,165,773
d. All Other Current Assets	2,556,211
e. Securities Not Readily Marketable	-
f. Negative Exposure (SCCP)	-
g. Notes Receivable (non-trade related)	-
h. Interest and Dividends Receivables outstanding for > 30 days	-
i. Ineligible Insurance claims	-
j. Ineligible Deposits	-
k. Short Security Differences	-
l. Long Security Differences not resolved prior to sale	-
m. Other Assets including Equity Investment in PSE	56,436,319
Total Ineligible Assets	65,183,303
Net Liquid Capital (NLC)	24,330,473
Less:	
Operational Risk Reqt (Schedule ORR-1)	4,149,556
Position Risk Reqt (Schedule PRR-1)	1,919,591
Counterparty Risk (Schedule CRR-1 and detailed schedules)	79
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)	6,069,226
Net RBCA Margin (NLC-TRCR)	P18,261,246

Forward



December 31, 2021

Liabilities	P234,162,307
Add: Deposit for Future Stock Subscription (No application with SEC)	12,500,000
Less: Exclusions from Aggregate Indebtedness	-
Subordinated Liabilities	-
Loans secured by securities	-
Loans secured by fixed assets	-
Others	86,307,070
Total Adjustments to AI	(73,807,070)
Aggregate Indebtedness	P160,355,237
5% of Aggregate Indebtedness	P8,017,762
Required Net Liquid Capital (> of 5% of AI or P5M)	8,017,762
Net Risk-based Capital Excess / (Deficiency)	P16,312,711
Ratio of AI to Net Liquid Capital	659%
RBCA Ratio (NLC / TRCR)	401%



SCHEDULE III

R. COYIUTO SECURITIES, INC.
INFORMATION RELATING TO THE POSSESSION OR
CONTROL REQUIREMENTS UNDER SRC RULE 49.2
DECEMBER 31, 2021

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

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

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

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



SCHEDULE IV

R. COYIUTO SECURITIES, INC.
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER SRC RULE 49.2
DECEMBER 31, 2021

Particulars	Credit	Debit
1. Free credit balance and other credit balance in customers' security accounts	P48,118,120	
2. Monies borrowed collateralized by the securities carried for the account of customers	-	
3. Monies payable against customers' securities loaned.	-	
4. Customers' securities failed to receive	80,318,360	
5. Customer 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		P98,231,392
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver		-
12. Failed to deliver customers' securities not older than 30 calendar days.		2,698,647
13. Others		-
Total	P128,436,480	P100,930,039
Net Credit (Debit)	27,506,440	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	P27,506,440	

SCHEDULE V

R. COYIUTO SECURITIES, INC.
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES
FOUND TO EXIST OR FOUND TO HAVE EXISTED
SINCE THE DATE OF THE PREVIOUS AUDIT
DECEMBER 31, 2021

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

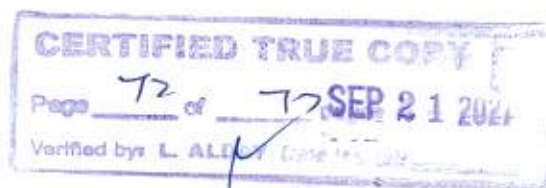


SCHEDULE VI

R. COYIUTO SECURITIES, INC.

**RESULTS OF MONTHLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED,
AS OF THE DATE OF THE STATEMENT OF THE FINANCIAL CONDITION
IN THE ANNUAL AUDITED FINANCIAL REPORT
DECEMBER 31, 2021**

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



SCHEDULE VII

R. COYIUTO SECURITIES, INC.
INVENTORY REPORT BY LOCATION -SUMMARIZED
DECEMBER 31, 2021

CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
2GO	2GO GROUP, INC.	-	-	-	133,401	133,401	7.61	1,015,182
8990B	8990 HOLDINGS - SERIES B PREF	-	-	-	47,600	47,600	99.60	4,740,960
8990P	8990 HOLDINGS - SERIES A PREF	-	-	-	20,000	20,000	101.00	2,020,000
AAA	ASIA AMALGAMATED HLDGS	-	-	-	175,500	175,500	1.61	282,555
AB	ATOK BIG WEDGE CO.	-	-	-	105,660	105,660	6.05	639,243
ABA	ABACORE CAPITAL HLDGS., INC.	-	-	-	5,256,200	5,256,200	0.92	4,835,704
ABG	ASIABEST GROUP	-	-	-	631,000	631,000	5.90	3,722,900
ABS	ABS-CBN CORPORATION	-	-	-	281,171	281,171	12.60	3,542,755
ABSP	ABS-CBN HLDGS CORP "P"	-	-	-	36,500	36,500	11.92	435,080
AC	AYALA CORPORATION	-	-	220	169,204	169,424	831.00	140,791,344
ACE	ACESITE (PHILS.) HOTEL CORP.	-	-	-	586,350	586,350	1.66	973,341
ACEN	AC ENERGY CORPORATION	-	-	-	9,180,177	9,180,177	11.00	100,981,947
ACEX	ACE ENEXOR, INC.	-	-	-	139,512	139,512	40.00	5,580,480
ACPB1	AYALA CORP. PREF. B-1	-	-	-	445,760	445,760	512.00	228,229,120
ACR	ALSONS CONS. RES., INC.	-	-	-	13,142,000	13,142,000	1.20	15,770,400
ACVP	AYALA CORP. VOTING PREF.	24,527	-	-	-	24,527	0.00	0
AEV	ABOITIZ EQUITY VENTURES, INC.	-	-	-	521,031	521,031	54.45	28,370,138
AGI	ALLIANCE GLOBAL, INC.	-	-	-	1,369,600	1,369,600	11.80	16,161,280
ALCO	ARTHALAND CORPORATION	-	-	-	2,375,693	2,375,693	0.64	1,520,444
ALCPD	ARTHALAND CORP. SERIES D PREF	-	-	-	6,400	6,400	513.00	3,283,200
ALHI	ANCHOR LAND HLDGS. INC.	-	-	-	69,900	69,900	5.51	385,149
ALI	AYALA LAND, INC.	-	-	119,707	891,500	1,011,207	36.70	37,111,297
ALIVP	AYALA LAND, INC. VOTING PREF.	227,027	-	-	-	227,027	0.00	-
ALLDY	ALLDAY MARTS, INC.	-	-	-	18,015,000	18,015,000	0.61	10,989,150
ALLHC	AYALALAND LOGISTICS HLDGS CORP.	-	-	-	3,018,900	3,018,900	6.73	20,317,197
ANI	AGRINURTURE, INC.	-	-	-	503,400	503,400	4.98	2,506,932
ANS	A. SORIANO CORP.	-	-	-	582,143	582,143	7.95	4,628,037
AP	ABOITIZ POWER CORP.	-	-	-	396,500	396,500	29.70	11,776,050
APB2R	AYALA CORP. CLASS B-PREF	-	-	-	804,820	804,820	514.00	413,677,480
APC	APC GROUP, INC.	-	-	-	12,001,470	12,001,470	0.22	2,640,323
APL	APOLLO GLOBAL CAPITAL, INC.	-	-	-	154,507,800	154,507,800	0.08	12,360,624
APD	ANGLO PHIL. HLDGS. CORP.	-	-	-	1,320,036	1,320,036	0.90	1,188,032
APVI	ALTUS PROPERTY VENTURES, INC.	-	-	-	95,061	95,061	19.34	1,838,480
APX	APEX MINING CO., INC.	-	-	-	3,678,155	3,678,155	1.61	5,821,830
AR	ABRA MNG & IND. CORP.	-	-	-	1,155,330,000	1,155,330,000	0.00	5,314,516
ARA	ARANETA PROP., INC.	-	-	-	485,509	485,509	0.97	470,944
AREIT	AREIT, INC.	-	-	-	28,500	28,500	48.60	1,385,100
AT	ATLAS CONS. MNG. & DEVT.	-	-	-	3,981,539	3,981,539	6.17	24,566,096
ATI	ASIAN TERMINALS, INC.	-	-	-	123,564	123,564	14.00	1,729,896
ATN	ATN HOLDINGS, INC. "A"	-	-	-	1,281,200	1,281,200	0.39	499,668
ATNB	ATN HOLDINGS, INC. "B"	-	-	-	616,800	616,800	0.41	249,804
AUB	ASIA UNITED BANK CORP.	-	-	-	51,415	51,415	43.25	2,223,699
AXLM	AXELUM RESOURCES CORP.	-	-	-	2,365,000	2,365,000	3.00	7,095,000
BC	BENGUET CORP. "A"	-	-	-	305,524	305,524	5.10	1,558,172
BCB	BENGUET CORP. "B"	-	-	-	22,437	22,437	4.84	108,595
BCOR	BERJAYA PHIL., INC.	-	-	-	42,600	42,600	7.00	298,200
BDO	BDO UNIBANK, INC.	-	-	-	196,785	196,785	120.70	23,751,950
BEL	BELLE CORPORATION	-	-	-	3,544,493	3,544,493	1.35	4,785,066
BF	BANCO FIL SAVINGS & MORTGAGE	-	-	-	3,064	3,064	0.00	-
BFC	BANCO FILIPINO - CONVERTIBLE PREF.	-	-	-	58	58	0.00	-
BHI	BOULEVARD PROP. HLDGS., INC.	-	-	-	196,920,000	196,920,000	0.06	12,405,960
BKR	BRIGHT KINDLE RES. & INV. INC.	-	-	-	255,500	255,500	1.68	429,240
BLFI	BDO LEASING AND FINANCE, INC.	-	-	-	721,720	721,720	3.16	2,280,635
BLOOM	BLOOMSBERRY RESORTS CORP.	-	-	-	1,631,500	1,631,500	6.30	10,278,450
BMM	BOGO MEDELLIN MILLING CO., INC.	-	-	-	990	990	61.00	60,390
BPI	BANK OF THE PHIL. ISLANDS	-	-	-	683,434	683,434	92.15	62,978,443
BRN	A BROWN COMPANY, INC.	-	-	-	5,021,375	5,021,375	0.79	3,966,886
BRNP	A BROWN CO., INC. SERIES A PREF	-	-	-	10,000	10,000	105.00	1,050,000
BSC	BASIC ENERGY CORP.	-	-	-	20,392,292	20,392,292	0.63	12,847,144
C	CHELSEA LOGISTICS HLDGS CORP	-	-	-	3,151,000	3,151,000	1.66	5,230,660
CA	CONCRETE AGGREGATES CORP.	-	-	-	1,950	1,950	41.75	81,413
CAB	CONCRETE AGGREGATE-B	-	-	-	5,500	5,500	55.00	302,500
CAL	CALATA CORPORATION	-	-	-	3,819,320	3,819,320	2.04	7,791,413
CAT	CENTRAL AZUCARERA DE TARLAC, INC.	-	-	-	36,120	36,120	13.00	469,560
CBC	COSMOS BOTTLING CORP.	-	-	4,400	-	4,400	0.00	0

Forward



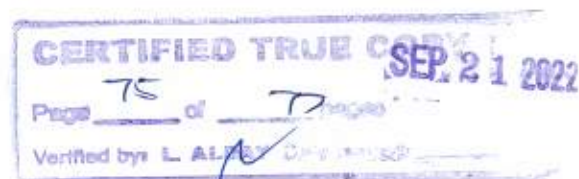
CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
CDC	CITYLAND DEV. CORP.	-	-	-	596,856	596,856	0.73	435,705
CEB	CEBU AIR, INC.	-	-	-	58,020	58,020	42.15	2,445,543
CEBCP	CEBU AIR, INC. CONVERTIBLE PREF	-	-	-	6,880	6,880	44.80	308,224
CEI	CROWN EQUITIES, INC.	-	-	-	42,328,936	42,328,936	0.11	4,444,538
CEU	CENTRO ESCOLAR UNI., INC.	-	-	-	908	908	6.52	5,920
CHI	CEBU HOLDINGS, INC.	-	-	-	633,618	633,618	6.12	3,877,742
CHB	CHINA BANKING CORP.	-	-	-	2,495,282	2,495,282	26.00	64,877,332
CHP	CEMEX HOLDINGS PHILS., INC.	-	-	-	8,304,352	8,304,352	1.05	8,719,570
CIC	CONCEPCION INDUSTRIAL CORP.	-	-	-	25,300	25,300	20.45	517,385
CLI	CEBU LANDMASTERS, INC.	-	-	-	1,108,275	1,108,275	3.00	3,324,825
CNPF	CENTURY PACIFIC FOOD, INC.	-	-	-	110,100	110,100	29.25	3,220,425
CNVRG	CONVERGE INFO AND COMM TECH	-	-	-	485,500	485,500	31.90	15,487,450
COAL	COAL ASIA HOLDINGS, INC.	-	-	-	14,696,000	14,696,000	0.27	3,894,440
COL	COL FINANCIAL GROUP, INC.	-	-	-	70,000	70,000	4.15	290,500
COSCO	COSCO CAPITAL, INC.	-	-	-	7,070,307	7,070,307	5.20	36,765,596
CPG	CENTURY PROPERTIES GROUP, INC.	-	-	-	14,337,871	14,337,871	0.40	5,735,148
CPM	CENTURY PEAK HLDGS. CORP.	-	-	-	3,201,000	3,201,000	2.94	9,410,940
CROWN	CROWN ASIA CHEMICALS CORP.	-	-	-	1,012,000	1,012,000	1.69	1,710,280
CSB	CITYSTATE SAVINGS BANK	-	-	-	8,540	8,540	7.32	62,513
CYBR	CYBER BAY CORPORATION	-	-	-	34,447,600	34,447,600	0.33	11,367,708
DD	DOUBLEDORAGON PROPERTIES CORP.	-	-	-	896,750	896,750	7.26	6,510,405
DDMPR	DDMP REIT, INC.	-	-	-	10,245,000	10,245,000	1.79	18,338,550
DOPR	DOUBLEDORAGON PROP. -PREF.SHS	-	-	-	89,700	89,700	100.70	9,032,790
DELM	DEL MONTE PACIFIC LIMITED	-	-	-	61,609	61,609	15.52	956,172
DFNN	DIVERSIFIED FINL. NETWORK, INC.	-	-	-	305,600	305,600	2.45	748,720
DGTL	DIGITAL TELECOM PHIL. INC.	-	-	-	16,000	16,000	0.00	0
DITO	DITO CME HOLDINGS CORP.	-	-	-	9,912,628	9,912,628	5.05	50,058,771
DIZ	DIZON COPPER SILVER MINES, INC.	-	-	-	907,690	907,690	4.89	4,438,604
DMC	DMCI HOLDINGS, INC.	-	-	-	3,763,900	3,763,900	7.71	29,019,669
DMV	D.M. WENCESLAO AND ASSO. INC.	-	-	-	1,065,500	1,065,500	6.78	7,224,090
DNA	PHILAB HOLDINGS CORP.	-	-	-	779,080	779,080	2.86	2,228,169
DNL	D & L INDUSTRIES, INC.	-	-	-	775,000	775,000	9.45	7,323,750
DWC	DISCOVERY WORLD CORP.	-	-	-	625,000	625,000	1.80	1,125,000
EAGLE	EAGLE CEMENT CORPORATION	-	-	-	37,050,000	37,050,000	14.60	540,930,000
ECP	EASYCALL COMM. PHILS. INC. "COMMON"	-	-	-	118,610	118,610	4.20	498,162
EEI	EEI CORPORATION	-	-	-	718,075	718,075	6.50	4,667,488
EEIPA	EEI CORPORATION SERIES A PREF	-	-	-	6,000	6,000	101.00	606,000
EEIPB	EEI CORPORATION SERIES B PREF	-	-	-	10,000	10,000	107.50	1,075,000
EG	IP E-GAME VENTURES INC.	-	-	-	339,200,000	339,200,000	0.01	3,188,480
EIBA	EXPORT & IND. BANK, INC.	-	-	-	3,484,832	3,484,832	0.00	0
EIBB	EXPORT & IND BANK "B"	-	-	-	700,000	700,000	0.00	0
ELI	EMPIRE EAST LAND HLDGS., INC.	-	-	-	6,687,157	6,687,157	0.26	1,705,225
EMP	EMPERADOR INC	-	-	-	118,800	118,800	20.80	2,471,040
EURO	EURO-MED LAB., PHILS.	-	-	-	1,183,032	1,183,032	1.40	1,656,245
EVER	EVER-GOTESCO RES. & HLDGS. INC.	-	-	-	11,598,000	11,598,000	0.33	3,827,340
EW	EAST WEST BANKING CORP.	-	-	-	4,213,914	4,213,914	9.60	40,453,574
FAF	FIRST ABACUS FIN. HLDGS	-	-	-	100,000	100,000	0.72	72,000
FB	SAN MIGUEL FOOD AND BEVERAGE, INC.	-	-	-	106,520	106,520	71.40	7,605,528
FDC	FILINVEST DEVT. CORP.	-	-	-	215,444	215,444	7.70	1,658,919
FERRO	FERRONDUK HOLDINGS, INC.	-	-	-	8,935,713	8,935,713	3.32	29,668,567
FEU	FAR EASTERN UNIVERSITY	-	-	-	9,974	9,974	540.00	5,385,960
FFI	FILIPINO FUND, INC.	-	-	-	17,112	17,112	6.52	111,570
FGEN	FIRST GEN CORP.	-	-	-	1,027,452	1,027,452	27.85	28,614,538
FGENG	FIRST GEN CORP. SERIES G PREF.	-	-	-	1,016,260	1,016,260	103.00	104,674,780
FHC	FIL-HISPANO CORP.	35,000	-	-	-	35,000	0.00	0
FILRT	FILINVEST REIT CORP.	-	-	-	441,000	441,000	7.40	3,263,400
FJP	F & J PRINCE HLDGS CORP.	-	-	-	165,000	165,000	2.60	429,000
FJPB	F & J PRINCE HLDGS CORP. "B"	-	-	-	38,000	38,000	2.61	99,180
FLI	FILINVEST LAND INC.	-	-	-	3,520,145	3,520,145	1.10	3,872,160
FMETF	FIRST METRO PHIL. EQUITY EXCHANGE	-	-	-	22	22	108.30	2,383
FMIC	FIRST METRO INVST. CORP.	-	-	-	11,500	11,500	80.00	920,000
FNI	GLOBAL FERRONICKEL HLDGS, INC	-	-	-	1,529,729	1,529,729	2.15	3,288,917
FOOD	ALLIANCE SELECT FOODS INTL., INC.	-	-	-	797,797	797,797	0.59	470,700
FPH	FIRST PHIL. HOLDINGS	-	-	-	965,524	965,524	70.05	67,634,956
FPI	FORUM PACIFIC, INC.	-	-	-	3,732,075	3,732,075	0.27	989,000
FRUIT	FRUITAS HOLDINGS, INC.	-	-	-	1,940,000	1,940,000	1.22	2,366,800
FYN	FILSYN CORP. "A"	-	-	-	365	365	0.00	0
GEO	GEOGRACE RES. PHILS., INC.	-	-	-	24,011,283	24,011,283	0.18	4,370,054
GERI	GLOBAL-ESTATE RESORTS, INC.	-	-	-	886,117	886,117	1.01	894,978
GLO	GLOBE TELECOM, INC.	-	-	-	6,284	6,284	3,322.00	20,875,448
GMA7	GMA NETWORK, INC.	-	-	-	2,663,100	2,663,100	13.84	36,857,304
GMAP	GMA HOLDINGS, INC. "PDR"	-	-	-	132,100	132,100	13.14	1,735,794
GO	GOTESCO LAND, INC. "A"	-	-	-	654,927	654,927	0.00	0
GOB	GOTESCO LAND, INC. "B"	-	-	-	359,984	359,984	0.00	0
GREEN	GREENERGY HOLDINGS, INC.	-	-	-	1,678,973	1,678,973	2.28	3,828,058

Forward



CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
GSMI	GINEBRA SAN MIGUEL INC.	-	-	-	32,100	32,100	113.80	3,652,980
GTCAP	GT CAPITAL HOLDINGS, INC.	-	-	-	23,989	23,989	540.00	12,954,060
GTCAPVP	GT CAPITAL HOLDINGS - VOTING PREF	8,840	-	-	-	8,840	0.00	0
GTPPA	GT CAPITAL HLDGS., INC.S-A	-	-	-	100	100	995.00	99,500
GTPPB	GT CAPITAL HLDGS., INC.S-B	-	-	-	47,495	47,495	1,000.00	47,495,000
HI	HOUSE OF INVESTMENT	-	-	-	63,000	63,000	3.48	219,240
HLCM	HOLCIM PHILIPPINES, INC.	-	-	-	574,957	574,957	5.52	3,173,763
HOME	ALL HOME CORP.	-	-	-	326,000	326,000	8.39	2,735,140
HOUSE	8990 HOLDINGS, INC.	-	-	-	35,000	35,000	11.28	394,800
HVN	GOLDEN MV HOLDINGS, INC.	-	-	-	2,100	2,100	540.00	1,134,000
I	I-REMIT, INC.	-	-	-	1,448,625	1,448,625	0.83	1,202,359
ICT	INTL. CONTAINER TERML. SERV.	-	-	213,045	184,039	397,084	200.00	79,416,800
IDC	ITALPINAS DEVELOPMENT CORP.	-	-	-	1,042,743	1,042,743	1.21	1,261,719
IMI	INTEGRATED MICRO- ELECTRONICS, INC.	-	-	-	107,766	107,766	8.40	905,234
IMP	IMPERIAL RES., INC. "A"	-	-	-	902,500	902,500	1.41	1,272,525
ION	IONICS, INC.	-	-	-	2,852,700	2,852,700	0.72	2,053,944
IPM	IPM HOLDINGS, INC.	-	-	-	43,600	43,600	7.05	307,380
IPO	IPEOPLE, INC.	-	-	-	129,197	129,197	6.99	903,087
IRC	PHIL. INFRADEV HOLDINGS INC.	38,000	-	-	47,129,095	47,167,095	1.12	52,827,146
IS	ISLAND INFORMATION & TECH. INC.	-	-	-	30,455,000	30,455,000	0.14	4,385,520
ISM	ISM COMMUNICATIONS	-	-	-	-	-	1.70	0
JAS	JACKSTONES, INC.	-	-	-	222,000	222,000	1.74	386,280
JFC	JOLLIBEE FOODS CORP.	-	-	-	232,747	232,747	216.40	50,366,451
JFCPA	JOLLIBEE FOODS CORP.PREF-A	-	-	-	2,400	2,400	1,000.00	2,400,000
JFCPB	JOLLIBEE FOODS CORP.PREF-B	-	-	-	38,170	38,170	1,003.00	38,284,510
JGS	JG SUMMIT HOLDINGS, INC.	-	-	-	317,307	317,307	53.00	16,817,271
JOH	JOLLIVILLE HLDGS. CORP.	-	-	-	8,600	8,600	5.45	46,870
KEEPR	THE KEEPERS HOLDINGS, INC.	-	-	-	4,584,560	4,584,560	1.32	6,051,619
KEP	KEPPEL PHILPROP., INC.	-	-	-	122,446	122,446	3.01	368,562
KPH	KEPPEL PHIL. HLDGS. "A"	-	-	-	5,684	5,684	6.10	34,672
KPHB	KEPPEL PHIL. HLDGS. "B"	-	-	-	2,016	2,016	6.12	12,338
KPPI	KEPWEALTH PROPERTY PHILS. INC.	-	-	-	134,300	134,300	2.83	380,069
LAND	CITY AND LAND DEVELOPERS, INC.	-	-	-	748,943	748,943	0.85	636,602
LBC	LBC EXPRESS HOLDINGS, INC.	-	-	-	400	400	24.95	9,980
LC	LEPANTO CONS. MNG. "A"	-	-	-	311,902,843	311,902,843	0.14	43,666,358
LCB	LEPANTO CONS. MNG. "B"	-	-	-	20,967,140	20,967,140	0.13	2,809,597
LFM	LIBERTY FLOUR MILLS, INC.	-	-	-	28,980	28,980	20.65	598,437
LIB	LIBERTY TELECOMS, INC.	-	-	200,000	-	200,000	1.56	312,000
LMG	LMG CHEMICALS CORP.	-	-	-	83,000	83,000	4.00	332,000
LODE	LODESTAR INV.HLDGS.CORP.	-	-	-	6,248,000	6,248,000	0.63	3,936,240
LOTO	PACIFIC ONLINE SYSTEMS	-	-	-	1,037,200	1,037,200	1.74	1,804,728
LPZ	LOPEZ HOLDINGS CORP.	-	-	-	2,520,265	2,520,265	2.91	7,333,971
LR	LEISURE & RESORTS CORP.	-	-	-	2,753,770	2,753,770	1.49	4,103,117
LSC	LORENZO SHIPPING CORP.	-	-	-	144,250	144,250	0.90	129,825
LTG	LT GROUP, INC.	-	-	-	961,710	961,710	9.90	9,520,929
MA	MANILA MINING CORP. "A"	-	-	-	920,368,454	920,368,454	0.01	10,124,053
MAB	MANILA MINING CORP. "B"	-	-	-	336,012,681	336,012,681	0.01	3,360,127
MAC	MACROASIA CORP.	-	-	-	314,757	314,757	5.30	1,668,212
MACAY	MACAY HOLDINGS, INC.	-	-	-	185,301	185,301	0.00	0
MAH	METRO ALLIANCE HLDGS "A"	-	-	-	116,492	116,492	0.00	0
MAHB	METRO ALLIANCE HLDGS "B"	-	-	-	129,097	129,097	0.00	0
MARC	MARCVENTURES HLDGS., INC.	-	-	-	1,881,622	1,881,622	1.17	2,201,498
MAXS	MAX'S GROUP, INC.	-	-	-	388,000	388,000	6.48	2,514,240
MB	MANILA BULLETIN PUB. CORP.	-	-	-	389,606	389,606	0.42	161,686
MBC	MANILA BROADCASTING COMPANY	-	-	-	3,700	3,700	9.51	35,187
MBT	METROPOLITAN BANK AND TRUST CO.	-	-	41,270	2,434,161	2,475,431	55.70	137,881,507
MED	MEDCO HOLDINGS, INC.	-	-	-	4,683,000	4,683,000	0.30	1,404,900
MEDIC	MEDILINES DISTRIBUTORS INC.	-	-	-	1,775,000	1,775,000	1.29	2,289,750
MEG	MEGAWORLD PROPERTIES	-	-	-	9,618,207	9,618,207	3.15	30,297,352
MER	MANILA ELECTRIC COMPANY	-	-	90,827	342,632	433,459	295.20	127,957,097
MFC	MANULIFE FINANCIAL CORP.	-	-	-	4,270	4,270	946.50	4,041,555
MFIN	MAKATI FINANCE CORP.	-	-	-	53,968	53,968	2.50	134,920
MG	MILLENNIUM GLOBAL HLDGS., INC.	-	-	-	20,983,000	20,983,000	0.16	3,336,297
MGH	METRO GLOBAL HLDGS. CORP.	-	-	-	212,100	212,100	0.00	0
MHC	MABUHAY HOLDINGS CORP.	-	-	-	3,995,304	3,995,304	0.38	1,498,239
MJC	MANILA JOCKEY CLUB, INC.	-	-	-	230,815	230,815	1.82	420,083
MJIC	MJC INVESTMENT CORP.	-	-	-	99,900	99,900	1.15	114,885
MM	MERRYMART CONSUMER CORP.	-	-	-	1,672,300	1,672,300	2.51	4,197,473
MON	MONDRAGON INTL. PHIL., INC.	-	-	-	5,701,656	5,701,656	0.00	0
MONDE	MONDE NISSIN CORP.	-	-	-	397,400	397,400	16.20	6,437,880
MPC	METRO PACIFIC CORP.	-	-	-	299	299	0.00	0
MPI	METRO PACIFIC INVS. CORP.	-	-	-	14,924,709	14,924,709	3.90	58,206,365
MRC	MRC ALLIED, INC.	-	-	-	21,790,860	21,790,860	0.26	5,556,669
MREIT	MREIT, INC.	-	-	-	4,846,700	4,846,700	19.70	95,479,990
MRSGL	METRO RETAIL STORES GROUP, INC.	-	-	-	1,003,000	1,003,000	1.44	1,444,320
MVC	MABUHAY VINYL CORP.	-	-	-	236,024	236,024	4.28	1,010,183
MWC	MANILA WATER CO., INC.	-	-	-	483,200	483,200	24.75	11,950,200

Forward



CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	P C D	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
MWIDE	MEGAWIDE CONSTRUCTION CORP.	-	-	-	307,412	307,412	5.18	1,582,394
MWP2B	MEGAWIDE CONS CORP. SERIES 2B	-	-	-	46,870	46,870	99.50	4,663,565
MWP4	MEGAWIDE CONS CORP. SERIES 4	-	-	-	20,060	20,060	100.90	2,024,054
NI	NIHAO MINERAL RES. INC.	-	-	-	2,802,400	2,802,400	1.03	2,886,472
NIKL	NICKEL ASIA CORPORATION	-	-	-	5,492,924	5,492,924	5.35	29,387,143
NN	NEGROS NAVIGATION CO., INC.	-	-	-	203,387	203,387	0.00	0
NOW	NOW CORPORATION	-	-	-	9,471,100	9,471,100	1.29	12,217,719
NRCF	NATIONAL REINSURANCE CORP.	-	-	-	1,640,000	1,640,000	0.60	984,000
NXGEN	NEXTGENESIS CORPORATION	-	-	-	408,000	408,000	0.00	0
OM	OMICO CORPORATION	-	-	-	3,490,200	3,490,200	0.35	1,204,119
OPM	ORIENTAL PET. & MIN. "A"	-	-	-	4,308,045,286	4,308,045,286	0.01	47,388,498
OPMB	ORIENTAL PET. & MIN. "B"	-	-	-	5,013,191,942	5,013,191,942	0.01	55,145,111
ORE	ORIENTAL PENINSULA RES.	-	-	-	3,294,700	3,294,700	0.78	2,569,866
OV	THE PHLODRILL CORP.	-	-	-	259,008,497	259,008,497	0.01	2,590,085
PA	PACIFICA HOLDINGS, INC.	-	-	-	381,950	381,950	3.20	1,222,240
PAL	PAL HOLDINGS, INC.	-	-	-	511,355	511,355	6.05	3,093,698
PAX	PAXYS, INC.	-	-	-	172,600	172,600	1.63	281,338
PBB	PHILIPPINE BUSINESS BANK	-	-	-	244,942	244,942	10.00	2,449,420
PBC	PHIL. BANK OF COMM.	-	-	-	8,260	8,260	17.48	144,385
PCOR	PETRON CORPORATION	-	-	6,000	12,075,810	12,081,810	3.17	38,299,338
PCP	PICOP RESOURCES, INC.	-	-	-	17,054,694	17,054,694	0.00	0
PECB	PNOC EXPLORATION CORP. B	-	-	-	2,500	2,500	40.00	100,000
PERC	PETROENERGY RES CORP.	-	-	-	727,877	727,877	4.00	2,911,508
PGOLD	PUREGOLD PRICE CLUB, INC.	-	-	-	126,600	126,600	39.30	4,975,380
PHA	PREMIERE HORIZON ALLIANCE CORP.	-	-	-	3,486,000	3,486,000	0.56	1,952,160
PHC	PHILCOMSAT HLDG CORP.	-	-	-	221,968	221,968	0.00	0
PHES	PHIL. ESTATES CORP.	-	-	-	7,275,000	7,275,000	0.51	3,710,250
PHN	PHINMA CORPORATION	-	-	-	45,122	45,122	20.15	909,208
PHR	PH RESORTS GROUP HLDGS, INC.	-	-	-	2,309,060	2,309,060	0.78	1,801,067
PIZZA	SHAKEYS PIZZA ASIA VENTURES INC.	-	-	-	187,900	187,900	10.10	1,897,790
PLC	PREMIUM LEISURE CORP.	-	-	-	8,865,000	8,865,000	0.43	3,811,950
PMPC	PANASONIC MFG. PHILS. CORP.	-	-	-	142,600	142,600	6.00	855,600
PMT	PRIMETOWN PROP. INC.	-	-	-	3,217,480	3,217,480	0.00	0
PNB	PHIL. NATIONAL BANK	-	-	-	986,321	986,321	20.10	19,825,052
PNC	PHIL. NATL. CONST. CORP.	-	-	-	301,948	301,948	0.00	0
PNX	PHOENIX PET. PHILS.	-	-	-	811,907	811,907	10.86	8,817,310
PNX3B	PHOENIX PET. PHILS.-SERIES 3B	-	-	-	5,700	5,700	102.40	583,680
PNX4	PHOENIX PET. PHILS.-SERIES 4	-	-	-	5,700	5,700	998.00	5,688,600
PORT	GLOBALPORT 900, INC.	-	-	-	6,700	6,700	7.30	48,910
PPC	PRYCE CORPORATION	-	-	-	141,970	141,970	0.00	0
PPI	PHILTOWN PROPERTIES, INC.	-	-	6,200	-	6,200	0.00	0
PRC	PHIL RACING CLUB, INC.	-	-	-	10,700	10,700	7.80	83,460
PRF3A	PETRON CORP-PERP. PREF S-3A	-	-	-	260,700	260,700	1,000.00	260,700,000
PRF3B	PETRON CORP-PERP. PREF S-3B	-	-	-	280,550	280,550	1,119.00	313,935,450
PRIM	PRIME MEDIA HOLDINGS	-	-	-	593,996	593,996	1.17	694,975
PRMX	PRIMEX CORPORATION	-	-	-	417,000	417,000	2.15	896,550
PSB	PHILIPPINE SAVINGS BANK	-	-	-	120,586	120,586	56.50	6,813,109
PSE	THE PHIL. STOCK EXCHANGE, INC.	-	-	-	34,871	34,871	215.00	7,497,265
PTC	PHIL. TRUST COMPANY	-	-	-	640	640	118.00	75,520
PTT	PHIL. TELEGRAPH & TEL. CORP.	-	-	1,000	11,531,261	11,532,261	0.00	0
PX	PHILEX MINING CORP.	-	-	-	4,290,914	4,290,914	5.45	23,385,481
PXP	PXP ENERGY CORPORATION	-	-	-	2,656,563	2,656,563	6.15	16,337,862
RCB	RIZAL COMM. BANKING CORP.	-	-	-	243,245	243,245	20.00	4,864,800
RCI	ROXAS & COMPANY, INC.	-	-	-	1,683,036	1,683,036	0.65	1,093,973
RCR	RL COMMERCIAL REIT, INC.	-	-	-	280,000	280,000	7.61	2,130,800
REG	REPUBLIC GLASS HLDGS CORP.	-	-	-	44,967	44,967	3.00	134,901
RFM	RFM CORPORATION	-	-	-	2,541,710	2,541,710	4.57	11,615,615
RLC	ROBINSONS LAND CORP.	-	-	-	637,802	637,802	19.20	12,245,798
RLT	PHIL. REALTY & HLDGS CORP.	-	-	-	5,482,025	5,482,025	0.20	1,107,369
ROCK	ROCKWELL LAND CORP.	-	-	-	512,964	512,964	1.48	759,187
ROX	ROXAS HOLDINGS, INC.	-	-	-	358,148	358,148	1.04	372,474
RPC	REYNOLDS PHILS. CORP.	-	-	-	2,227,831	2,227,831	0.00	0
RRHI	ROBINSONS RETAIL HLDGS., INC.	-	-	-	62,310	62,310	65.40	4,075,074
RWM	TRAVELLERS INTL. HOTEL GROUP, INC.	-	-	-	10,000	10,000	5.42	54,200
SBS	SBS PHILIPPINES CORP.	-	-	-	44,646	44,646	3.91	174,566
SCC	SEMIARA MINING AND POWER CORP.	-	-	-	706,920	706,920	21.35	15,092,742
SECB	SECURITY BANK CORP.	-	-	-	137,947	137,947	119.00	16,415,883
SEVN	PHIL. SEVEN CORPORATION	-	-	-	3,146	3,146	88.00	276,848
SFI	SWIFT FOODS, INC.	-	-	-	38,162,040	38,162,040	0.10	3,968,852
SHIP	SWIFT FOODS, INC. CONVERTIBLE	-	-	-	24,822	24,822	1.50	37,233
SGI	SOLID GROUP, INC.	-	-	-	3,631,000	3,631,000	1.08	3,921,480
SGP	SYNERGY GRID & DEVT. PHILS. INC.	-	-	2,500,000	37,610,980	40,110,980	13.12	526,256,058
SHLPH	PIUPINAS SHELL PETROLEUM CORP.	-	-	-	260,070	260,070	19.88	5,170,192
SHNG	SHANG PROPERTIES, INC.	-	-	-	1,083,318	1,083,318	2.61	2,827,460
SILF	SUN LIFE FINANCIAL INC.	-	-	-	1,382	1,382	2,788.00	3,853,016
SLI	STA. LUCIA LAND, INC.	-	-	-	984,000	984,000	2.88	2,833,920

Forward



CODE	STOCK NAME	VAULT	CLEARING HOUSE	TRANSFER OFFICE	PCD	TOTAL SHARES	MARKET VALUE	TOTAL MARKET VALUE
SM	SM INVESTMENTS CORP.	-	-	-	39,977	39,977	943.00	37,698,311
SMB	SAN MIGUEL BREWERY, INC.	-	-	-	19,700	19,700	29.30	577,210
SMC	SAN MIGUEL CORP.	-	-	51,455	6,990,218	7,041,673	114.90	809,088,228
SMC2F	SMC SERIES2 PREF S-2F	-	-	-	398,600	398,600	78.30	31,210,380
SMC2H	SMC SERIES2 PREF S-2H	-	-	-	184,600	184,600	76.00	14,029,600
SMC2I	SMC SERIES2 PREF S-2I	-	-	-	256,300	256,300	79.65	20,414,295
SMC2J	SMC SERIES2 PREF S-2J	-	-	-	785,700	785,700	76.50	60,106,050
SMC2K	SMC SERIES2 PREF S-2K	-	-	-	1,451,300	1,451,300	0.00	0
SMPH	SM PRIME HOLDINGS, INC.	-	-	-	2,133,364	2,133,364	33.90	72,321,040
SOC	SOCRESOURCES, INC.	-	-	-	2,843,000	2,843,000	0.62	1,762,660
SPC	SPC POWER CORPORATION	-	-	-	96,600	96,600	13.96	1,348,536
SPM	SEAFRONT RES. CORP.	-	-	-	522,221	522,221	2.01	1,049,664
SPNEC	SOLAR PHILS NUEVA ECUA CORP.	-	-	-	1,094,000	1,094,000	1.28	1,400,320
SSI	SSI GROUP, INC.	-	-	-	1,193,600	1,193,600	1.12	1,336,832
SSP	SFA SEMICON PHILS. CORP.	-	-	-	1,644,000	1,644,000	1.10	1,808,400
STI	STI EDUCATION SYSTEMS HLDGS., INC.	-	-	-	4,713,400	4,713,400	0.34	1,602,556
STN	STENIEL MFG. CORP.	-	-	-	1,189,905	1,189,905	0.00	0
STR	VISTAMALLS, INC.	-	-	-	1,375,650	1,375,650	3.72	5,117,418
SUN	SUNTRUST HOME DEVELOPERS	-	-	-	2,625,685	2,625,685	1.12	2,940,767
SWM	SANITARY WARES MFG. CORP.	-	-	-	1,522,300	1,522,300	0.00	0
T	TKC METALS CORP.	-	-	-	1,761,000	1,761,000	0.78	1,373,580
TBGI	TRANSPACIFIC BROADBAND	-	-	-	3,755,000	3,755,000	0.30	1,126,500
TCB2D	CIRTEK HLDGS PHILS. SUBSERIES 2D	-	-	-	22,000	22,000	53.40	1,174,800
TECH	CIRTEK HOLDINGS PHILS. CORP	-	-	-	3,509,423	3,509,423	3.77	13,230,525
TECHW	CIRTEK HLDGS PHILS. "WARRANT"	-	-	-	498,504	498,504	0.86	428,713
TEL	PHIL. LONG DIS. TEL. CO.	-	-	-	80,747	80,747	1,812.00	146,313,564
TFH	TOP FRONTIER INV. HLDGS., INC.	-	-	-	431,364	431,364	127.70	55,085,183
TUGS	HARBOR STAR SHIPPING SRVCS., INC.	-	-	-	2,240,000	2,240,000	0.91	2,038,400
UBP	UNION BANK OF THE PHILS.	-	-	42,592	155,705	198,297	99.50	19,730,552
UNI	UNIOIL RES & HLDGS, INC.	-	-	-	8,414,500	8,414,500	0.25	2,069,967
UP	UNIVERSAL RIGHTFIELD PROP.	-	-	-	19,797,776	19,797,776	0.00	0
UPM	UNITED PARAGON MNG. CORP.	-	-	-	181,513,650	181,513,650	0.01	1,252,444
URC	UNIVERSAL ROBINA CORP.	-	-	-	350,547	350,547	128.00	44,870,016
V	VANTAGE EQUITIES, INC.	-	-	-	4,807,372	4,807,372	0.82	3,942,045
VITA	VITARICH CORPORATION	-	-	-	3,603,000	3,603,000	0.74	2,666,220
VLL	VISTA LAND & LIFESCAPES, INC.	-	-	-	1,333,875	1,333,875	3.53	4,708,579
VMC	VICTORIAS MILLING CO., INC.	-	-	-	228,644	228,644	2.40	548,746
VUL	VULCAN INDL. & MNG. CORP.	-	-	-	5,559,673	5,559,673	0.96	5,337,288
VVT	VIVANT CORPORATION	-	-	-	20,900	20,900	14.50	303,050
WEB	PHILWEB CORPORATION	-	-	-	1,410,422	1,410,422	1.96	2,764,427
WHI	WISE HOLDINGS, INC.	-	-	509	84,345	84,854	0.00	0
WIN	WELLEX INDUSTRIES, INC.	-	-	-	6,691,100	6,691,100	0.23	1,538,953
WLCON	WILCON DEPOT, INC.	-	-	-	65,900	65,900	30.50	2,009,950
WPI	WATERFRONT PHILS., INC.	-	-	-	6,121,100	6,121,100	0.46	2,815,706
X	XURPAS INC.	-	-	-	12,653,300	12,653,300	0.55	6,959,315
ZHI	ZEUS HOLDINGS, INC.	-	-	-	-	-	-	-
ZHI	ZEUS HOLDINGS, INC.	-	-	-	11,275,000	11,275,000	0.18	2,029,500.00
		333,394		3,277,225	14,136,910,006	14,140,520,625		6,351,453,628.65

Number of Shares in Vault	333,394
Number of Shares in Clearing House	0
Number of Shares in Transfer Office	3,277,225
Number of Shares in PCD	14,136,910,006
Total Number of Shares	14,140,520,625

