

**SECURITIES AND EXCHANGE COMMISSION**

Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, 1307 Metro Manila Philippines
Tel: (632) 818-0921 Fax: (632) 818-5293 Email: mis@sec.gov.ph

Securities and Exchange Commission
206062346387035
PHILIPPINES

Barcode Page

The following document has been received:

Receiving John Boy Dolan Redido
Receiving Branch: SEC Head Office
Receipt Date and Time: May 23, 2023 01:02:00 PM
Received From: Head Office

Company Representative

Doc Source

Company Information

SEC Registration No. 0000171302
Company Name TOWER SECURITIES INC.
Industry Classification
Company Type Stock Corporation

Document Information

Document ID 206062346387035
Document Type ANNUAL AUDITED FINANCIAL REPOR
Document Code 52AR
Period Covered December 31, 2022
No. of Days Late
Department
Remarks



COVER SHEET

FOR

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

					1	7	1	3	0	2
--	--	--	--	--	---	---	---	---	---	---

COMPANY NAME

[illegible][illegible][illegible][illegible]**PRINCIPAL PLACE** (No./Street/Barangay/City/Town/Province)[illegible]

1 8 0 2 C P S E C E N T R E , E X C H A N G E R D .

O	R	T	I	G	A	S		C	E	N	T	E	R	,		P	A	S	I	G		C	I	T	Y				
---	---	---	---	---	---	---	--	---	---	---	---	---	---	---	--	---	---	---	---	---	--	---	---	---	---	--	--	--	--

[illegible]

Form Type

	A	F	S	
--	----------	----------	----------	--

Department Requiring the Report

C	R	M	D
---	---	---	---

Secondary License Type, If Applicable

	N	A	
--	----------	----------	--

COMPANY INFORMATION

Company's Email Address

tower_sec@yahoo.com

Company's Telephone Number/s

8635-4448

Mobile Number

--

No. of Stockholders

7

**Annual Meeting
Month/Day**

May 26

Fiscal Year
Month/Day

DECEMBER 31

CONTACT PERSON INFORMATION

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

Name of Contact Person

RAYMOND PETER L. UNLAY

Email Address

tower_sec@yahoo.com

Telephone No/s

8635-4448

Mobile Number

CONTACT PERSON'S ADDRESS

UNIT 1802C TEKTITE EAST TOWER EXCHANGE ROAD, PASIG CITY

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

Note 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.

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

ANNUAL AUDITED FINANCIAL REPORT

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

Report for the Period Beginning January 1, 2022 and December 31, 2022.

IDENTIFICATION OF BROKER

<i>Name of Broker:</i> Tower Securities, Inc.	
<i>Address of Principal Place of Business:</i> 1802C PSE Centre, Exchange Rd. Ortigas Center, Pasig City	
<i>Name and Phone Number of Person to Contact in Regard to this Report</i>	
<i>Name:</i> Amado Reyes	<i>Tel. No.</i> 8635-4448 to 49
	<i>Fax No.</i> _____

IDENTIFICATION OF ACCOUNTANT

<i>Name of Independent Certified Public Accountant whose opinion is contained in this report:</i>	
<i>Name:</i> Maria Antoniette V. Mariano-Cruz	<i>Tel No.</i> 8893-8291
	<i>Fax No.</i> _____
<i>Address:</i> Suite 507 Cityland 10 Tower 1 6815 Ayala Avenue, Makati City	
<i>Certificate Number</i> 109720	
<i>PTR Number</i> 4497387	<i>Date Issued</i> January 04, 2023

TOWER SECURITIES, INC.
ANNUAL AUDITED FINANCIAL REPORT
TABLE OF CONTENTS
DECEMBER 31, 2022

Cover Page

Statement of Management's Responsibility for Financial Statements

Independent Auditors' Report

Statement of Financial Position

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows

Notes to Financial Statements

Supplemental Written Statement of Independent Auditors

Independent Auditors' Report on Supplementary Schedules

Schedule I - Statement of Changes in Liabilities Subordinated
to Claims of General Creditors

Schedule II - Computation of Risk-Based Capital Adequacy (RBCA) Ratio
Under SRC Rule 49.1

Schedule III - Information Relating to the Possession or Control
Requirements Under Annex 49.2-A of SRC Rule 49.2

Schedule IV - Computation for Determination of Reserve Requirements
Under Annex 49.2-B of SRC Rule 49.2

Schedule V - A Report Describing Any Material Inadequacies Found to
Exist or Found to have Existed Since the Date of The Previous Audit

Schedule VI - Results of Quarterly Securities Count Conducted pursuant
to SRC Rule 52.1-10, as amended

Schedule VII - Financial Soundness Indicators in Two Comparative
Periods Under SRC Rule 68, as Amended

Schedule VIII - Reconciliation of Retained Earnings Available for
Dividend Declaration

TOWER SECURITIES, INC.

AUDITED FINANCIAL STATEMENTS

December 31, 2022 and 2021

and Report of Independent Auditors



TOWER SECURITIES, INC.
STATEMENT OF MANAGEMENT RESPONSIBILITY
FOR FINANCIAL STATEMENTS

Securities and Exchange Commission
The SEC Headquarters
7907 Makati Avenue, Salcedo Village
Barangay Bel-Air, Makati City

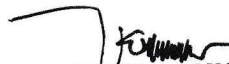
The management of Tower Securities, Inc. (the 'Company') is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2022 and 2021 in accordance with the prescribed financial reporting framework indicated 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 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 shareholders.

Mariano Caguete & Co. CPAs (*Formerly: N.A. Calderon & Co., CPA's*), the independent auditors appointed by the shareholders, has audited the financial statements of the Company in accordance with Philippine Standards on Auditing, and in its reports to the shareholders, has expressed its opinion on the fairness of presentation upon completion of such audit.


RAYMOND PETER L. UNLAY
Chairman and President


SHERRY UNLAY MAGAM
Treasurer

Signed this 4th day of April 2023





REPORT OF INDEPENDENT AUDITORS

The Shareholders and Board of Directors
Tower Securities, Inc.
1802C PSE Centre, Exchange Rd.
Ortigas Center, Pasig City

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tower Securities, Inc. (the 'Company') which comprise the statements of financial position as at December 31, 2022 and 2021, and the related statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Tower Securities, Inc. as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

Basis for Opinion

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

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

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

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



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

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 misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves the 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.



Mariano Caguete & Co.

Report on Other Legal and Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information for the year ended December 31, 2022 required by the Bureau of Internal Revenue as disclosed in Note 27 to the financial statements is presented for purposes of additional analysis and is not a required part of the basic financial statements prepared in accordance with PFRS. Such supplementary information is the responsibility of management. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MARIANO CAGUETE & CO. CPAs

(Formerly: N.A. Calderon & Co. CPA's)

Tax Identification No. 008-837-788-000

Firm's BOA Accreditation/PRC Cert. of Reg. No. 5612

Issued on October 09, 2020; Valid until August 8, 2023

Firm's SEC Accreditation No. 5612-SEC Group B

Issued on February 23, 2023; valid for Financial Period 2022

BIR Accreditation No. 08-006268-000-2022

Issued on September 28, 2022; valid until September 27, 2025

By:

MARIA ANTONIETTE V. MARIANO-CRUZ

Partner

CPA License No. 109720

Tax Identification No. 924-998-281-001

SEC Accreditation No. 109720-SEC Group B

Issued on February 23, 2023; valid for Financial Period 2022

BIR Accreditation No. 08-006268-005-2023

Issued on January 31, 2023; valid until January 30, 2026

P.T.R. No. 4497387, issued on January 04, 2023, Tarlac City

April 04, 2023

Makati City, Metro Manila

TOWER SECURITIES, INC.
STATEMENTS OF FINANCIAL POSITION

	Note	December 31, 2022			December 31, 2021		
			Security Valuation			Security Valuation	
		Money Balance	Long	Short	Money Balance	Long	Short
ASSETS							
Current assets							
Cash	6,24	P 153,789,251			P 192,707,182		
Financial assets at fair value through profit or loss (FVPL)	7,25	12,958,903	P 12,958,903		16,100,719	P 16,100,719	
Trade receivables	8,24	655,139,573	3,259,222,703		631,401,742	4,234,974,471	
Other receivables	9	715,326			821,640		
Total Current Assets		822,603,053			841,031,283		
Noncurrent assets							
Financial assets at fair value through other comprehensive income (FVOCI)	10,24,25	8,547,800	8,547,800		11,631,500	11,631,500	
Property and equipment	11	343,836			1,338,033		
Trading right	12	8,000,000			9,000,000		
Deferred tax assets	22	11,259,113			6,265,183		
Other assets	13	3,913,947			439,592		
Total Noncurrent Assets		32,064,696			28,674,308		
TOTAL ASSETS		P 854,667,749			P 869,705,591		
Securities in Vault, Transfer Office and Philippine Central Depository, Inc.							
			P 9,497,861,191			P 11,086,678,278	
LIABILITIES AND EQUITY							
Current liabilities							
Trade payables	14	P 738,301,630	6,217,131,785		P 741,636,059	6,823,971,588	
Income tax payable		-			977,618		
Other current liabilities	15	983,048			1,027,445		
Total current liabilities		739,284,678			743,641,122		
Noncurrent Liabilities							
Notes payable	18	1,000,000			1,000,000		
Retirement benefit obligation	16	7,970,971			7,323,148		
Total noncurrent liabilities		8,970,971			8,323,148		
EQUITY							
Share Capital	17	30,000,000			30,000,000		
Retained earnings	17	66,880,693			75,147,139		
Unrealized gain on financial assets at FVOCI	10	5,804,892			8,117,667		
Revaluation surplus	12	4,944,000			5,694,000		
Accumulated remeasurement loss	16	(1,217,485)			(1,217,485)		
Total Equity		106,412,100			117,741,321		
TOTAL LIABILITIES AND EQUITY		P 854,667,749	P 9,497,861,191	P 9,497,861,191	P 869,705,591	P 11,086,678,278	P 11,086,678,278

See Accompanying Notes to Financial Statements.

TOWER SECURITIES, INC.
STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31	
	Note	2022	2021
REVENUES			
Commissions	2	₱ 35,200,173	₱ 67,781,123
Others:			
Dividend income	7	810,454	819,554
Trading losses - net	7	(3,416,338)	(1,784,818)
		32,594,289	66,815,859
COST OF SERVICES	19	20,303,825	36,365,337
GROSS PROFIT		12,290,464	30,450,522
OTHER INCOME (CHARGES)	21	(9,276,952)	(14,686,051)
OPERATING EXPENSES	20	15,006,170	19,495,578
LOSS BEFORE INCOME TAX		(11,992,658)	(3,731,107)
BENEFIT FROM INCOME TAX	22	(3,726,212)	(896,058)
NET LOSS FOR THE YEAR		(8,266,446)	(2,835,049)
OTHER COMPREHENSIVE INCOME (LOSS) - NET OF TAX			
<i>Items that will be reclassified to profit or loss</i>			
Changes in fair value of trading right, net of tax	12	(750,000)	375,000
Effect of change in tax rate in revaluation surplus	22	-	354,600
		(750,000)	729,600
<i>Items that will not be reclassified to profit or loss:</i>			
Changes in fair value of financial assets at FVOCI, net of tax	10	(2,312,775)	2,479,133
Remeasurement loss on retirement benefit - net of tax	16	-	(1,217,485)
Effect of change in tax rate in:			
Unrealized gain on financial assets at FVOCI	22	-	483,604
		(2,312,775)	1,745,252
OTHER COMPREHENSIVE (LOSS) INCOME		(3,062,775)	2,474,852
TOTAL COMPREHENSIVE (LOSS) INCOME		₱ (11,329,221)	₱ (360,197)
LOSS PER SHARE	23		
Basic and diluted		₱ (0.28)	₱ (0.09)

See Accompanying Notes to Financial Statements.

TOWER SECURITIES, INC.
STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2022							
	Share Capital (Note 17)	Retained Earnings		Unrealized Gain on Financial Asset at FVOCI (Note 10)	Revaluation Surplus (Note 12,17)	Accumulated Remeasurement Loss (Note 16)	Total
		Appropriated (Note 17)	Unappropriated (Note 17)				
Balances, January 01	P 30,000,000	P 22,943,322	P 52,203,817	P 8,117,667	P 5,694,000	P (1,217,485)	P 117,741,321
Net loss	-	-	(8,266,446)	-	-	-	(8,266,446)
Other comprehensive loss	-	-	-	(2,312,775)	(750,000)	-	(3,062,775)
Total comprehensive loss for the year	-	-	(8,266,446)	(2,312,775)	(750,000)	-	(11,329,221)
Appropriation for the year	-	2,466,711	(2,466,711)	-	-	-	-
Balances, December 31	P 30,000,000	P 25,410,033	P 41,470,660	P 5,804,892	P 4,944,000	P (1,217,485)	P 106,412,100

For the year ended December 31, 2021							
	Share Capital (Note 17)	Retained Earnings		Unrealized Gain on Financial Asset at FVOCI (Note 10)	Revaluation Surplus (Note 12,17)	Accumulated Remeasurement Loss (Note 16)	Total
		Appropriated (Note 17)	Unappropriated (Note 17)				
Balances, January 01	P 30,000,000	P 22,943,322	P 55,435,630	P 6,770,457	P 4,964,400	P 607,323	P 120,721,132
As previously reported							
Prior period adjustment (Note 17)	-	-	(2,012,291)	-	-	(607,323)	(2,619,614)
Balances, As restated	30,000,000	22,943,322	53,423,339	6,770,457	4,964,400	-	118,101,518
Net loss	-	-	(2,835,049)	-	-	-	(2,835,049)
Other comprehensive loss	-	-	-	2,962,737	729,600	(1,217,485)	2,474,852
Transfer of gain on disposal of equity investments at fair value through OCI to retained earnings	-	-	1,615,527	(1,615,527)	-	-	-
Total comprehensive income for the year	-	-	(1,219,522)	1,347,210	729,600	(1,217,485)	(360,197)
Appropriation for the year	-	-	-	-	-	-	-
Balances, December 31	P 30,000,000	P 22,943,322	P 52,203,817	P 8,117,667	P 5,694,000	P (1,217,485)	P 117,741,321

See Accompanying Notes to Financial Statements.

TOWER SECURITIES, INC.
STATEMENT OF CASH FLOWS

		Years Ended December 31	
	Note	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		₱ (11,992,658)	₱ (3,731,107)
Adjustments for:			
Depreciation	11	994,197	1,075,149
Provision for expected credit losses	8	9,285,908	14,897,958
Interest expense	18	99,996	99,996
Unrealized loss on financial assets at FVPL	7	3,149,297	1,781,564
Dividend income	7	(810,454)	(819,554)
Interest income	6	(108,952)	(311,903)
Retirement expense	16	647,823	652,377
Operating income before working capital changes		1,265,157	13,644,480
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Financial assets at FVPL	7	(7,481)	(2,041,522)
Trade receivables	8	(33,023,739)	(95,662,275)
Other receivables	9	106,314	(416,361)
Other assets	13	(3,699,358)	(101,809)
Increase (decrease) in:			
Trade payables	14	(3,334,429)	99,242,310
Other current liabilities	15	(44,397)	(542,522)
Cash (used in) generated from operations		(38,737,933)	14,122,302
Dividends received	7	810,454	819,554
Interest paid	18	(99,996)	(99,996)
Interest received	6	108,952	311,903
Income tax paid		(999,408)	(3,457,718)
Net cash (used in) provided by operating activities		(38,917,931)	11,696,045
CASH FLOWS FROM INVESTING ACTIVITY			
Proceeds from disposal of financial asset at FVOCI	10	-	2,385,450
CASH FLOWS FROM FINANCING ACTIVITY			
Payment of advances from related party	18	-	(606,550)
NET (DECREASE) INCREASE IN CASH		(38,917,931)	13,474,945
CASH, JANUARY 01		192,707,182	179,232,237
CASH, DECEMBER 31	6	₱ 153,789,251	₱ 192,707,182

See Accompanying Notes to Financial Statements.

TOWER SECURITIES, INC.

NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

Tower Securities, Inc. (the 'Company') was incorporated in the Philippines on November 29, 1989 and was licensed by the Securities and Exchange Commission (SEC) to engage in the business of dealing, purchasing or otherwise acquiring, owning, holding, managing, using or obtaining an interest, alone or in conjunction with any person natural or juridical, domestic or foreign, in all kinds of securities, including but not limited to, shares of stock, bonds, debentures, warrants, notes and other debt securities.

The Company's registered office address is at 1802C PSE Centre, Exchange Rd., Ortigas Center, Pasig City.

The accompanying financial statements as at and for the year ended December 31, 2022, including its comparatives for 2021, were approved and authorized for issue by the Board of Directors (BOD) on April 04, 2023.

2. Financial Reporting Framework and Basis of Preparation and Presentation

Basis of Preparation

The accompanying financial statements have been prepared under the historical cost basis except for financial assets at fair value through profit or loss (FVPL) and financial assets at fair value through other comprehensive income (FVOCI) that have been measured at fair value. The financial statements are presented in Philippine peso (₱), which is the Company's functional and presentation currency. All amounts are rounded to the nearest peso unless otherwise indicated.

Security Valuation

The security position of customers classified as long position pertains to shares of stock that a customer bought with the expectation that the shares will rise in value whereas customers with short position pertains to the sale of shares of borrowed stocks in the open market with the expectation that the price thereof will decrease over time, at which point the customers will purchase the shares and return the shares to the broker (to the Company or other brokers) which the customers borrowed from.

Statement of Compliance with Philippine Financial Reporting Standards

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS). The term PFRS includes all applicable PFRS, Philippine Accounting Standards (PAS) and interpretation, which have been approved by the Financial Reporting Standards Council (FRSC) and adopted by the Securities and Exchange Commission (SEC), including SEC pronouncements.

3. Summary of Changes in Accounting Policies

Adoption of Amendments to PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following relevant amendments to PFRS which the Company adopted effective for annual periods beginning on or after January 1, 2022:

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

The amendments updated the reference to the "Conceptual Framework" and an exception to its requirement for an entity to refer to the "Conceptual Framework" to determine what constitutes an asset or liability. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should instead refer to PAS 37, *"Provisions, Contingent Liabilities and Contingent Assets"*.

This exception is to avoid an unintended consequence of updating the reference. Without the exception, an entity would have recognized some liabilities on the acquisition of a business that is not recognize in other circumstances. Immediately after the acquisition, the entity would have had to derecognize such liabilities and recognize a gain that did not depict an economic gain.

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

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

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

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

- *Annual Improvements to PFRSs 2018-2020 Cycle*

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

The amendment permits a subsidiary that measures the assets and liabilities at the carrying amounts that would be included in the parent's consolidated financial statements, based on the parent's date of transition to PFRSs, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary, to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to PFRSs.

- Amendments to PFRS 9, *Financial Instruments, Fees in the '10 per cent' test for Derecognition of Financial Liabilities*

The amendments clarify the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

- Amendment to PFRS 16, *Leases - Lease Incentives*

The amendment removes reimbursement relating to leasehold improvements. PFRS 16 does not contain explicit guidance on how to account for leasehold improvements made by the lessee or when reimbursements made by the lessor in respect of those leasehold improvements can be regarded as lease incentives. Thus, created some confusion on how a lessee should account for such reimbursement by stating that the lessee should apply the appropriate standard and should not account for the reimbursement as a lease incentive.

The standard had not clearly explained the conclusion as to whether the reimbursement would meet the definition of a lease incentive in PFRS 16.

- Amendments to PAS 41, *Taxation in Fair Value Measurements*

The amendment removes the requirement for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in PFRS 13.

The adoption of the foregoing amendments to PFRS did not have any material effect on the financial statements. Additional disclosures were included in the notes to financial statements, as applicable.

Amendments to PFRS in Issue but Not Yet Effective

Relevant amendments to PFRS which are not yet effective as at December 31, 2022 and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2023

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies*
- Amendments to PAS 8, *Definition of Accounting Estimates*
- Amendments to PAS 12, *Deferred Tax related Assets and Liabilities from a Single Transaction*

Effective for annual periods beginning on or after January 1, 2024

- Amendments to PAS 1, *Presentation of Financial Statements – Classification of Liabilities as Current or Noncurrent*
- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure of Accounting Policies*
- Amendment to PFRS 16, *Lease Liability in a Sale and Leaseback*

Effective for annual periods beginning on or after January 1, 2025

- Amendments to PFRS 17, *Insurance Contracts*

Deferred effectivity

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

Under prevailing circumstances, the adoption of the foregoing amended PFRS is not expected to have any material effect on the financial statements of the Company. Additional disclosures will be included in the financial statements, as applicable.

4. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These have been consistently applied in all the years presented.

Current versus Non-current Classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve (12) months after reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve (12) months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in a normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve (12) months after the reporting period.

The Company classifies all other liabilities as non-current.

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

Fair Value Measurement

Fair value is the estimated 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.

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

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

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

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

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers 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 each end of the reporting period.

Financial Instruments – Initial Recognition and Subsequent Measurement

Date of Recognition

Financial instruments are any contracts that give rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments are recognized in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the trade date.

Initial Recognition of Financial Assets and Financial Liabilities

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

Classification

The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at amortized cost, (b) financial assets at FVOCI, and (c) financial assets at FVPL. The classification of a financial asset at initial recognition largely depends on the Company's business model and its contractual cash flow characteristics. Financial liabilities, on the other hand, are classified under the following categories: (a) financial liabilities at amortized cost, (b) financial liabilities at FVPL.

Financial Assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- 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 on the principal amount outstanding.

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest rate (EIR) method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are integral part of the EIR. The amortization is included in 'Interest' in the profit or loss and is calculated by applying the EIR to the gross carrying amount of the financial asset. The losses arising from impairment are recognized in 'Provision for credit losses' under profit or loss in the statement of comprehensive income.

As at December 31, 2022 and 2021, the Company's cash, trade receivables, and deposit are classified under this category.

Financial assets at FVPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVOCI are classified under this category. Specifically, financial assets at FVPL include financial assets that are (a) held for trading, (b) designated upon initial recognition at FVPL, or (c) mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose selling or repurchasing in the near term.

After initial recognition, financial assets at FVPL are subsequently measured at fair value. Gains or losses arising from the fair valuation of financial assets at FVPL are recognized in profit or loss.

As at December 31, 2022 and 2021, the Company's investments in other securities are classified under this category.

Financial assets at FVOCI

Equity securities designated as at FVOCI are those that the Company made an irrevocable election to present in other comprehensive income the subsequent changes in fair value. The designation is made on instrument-by-instrument basis. Equity securities at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value, with no deduction for sale or disposal costs. Gains and losses arising from changes in fair value are recognized in other comprehensive income. When the asset is disposed of, the cumulative gain or loss previously recognized in other comprehensive income is not reclassified to profit or loss, but is reclassified directly within equity. Equity securities at FVOCI are not subject to impairment assessment.

Dividends earned on holding these equity instruments are recognized in the statement of comprehensive income when the Company's right to receive the dividends is established, unless the dividends clearly represent recovery of a part of the cost of the investment. Dividends earned are recognized in the statement of comprehensive income under other revenues.

As at December 31, 2022 and 2021, the Company irrevocably designated its listed PSE equity shares as financial assets at FVOCI.

Reclassification

The Company reclassifies its financial assets when, and only when, it changes its business model for managing those financial assets. The reclassification is applied prospectively from the first day of the first reporting period following the change in the business model (reclassification date).

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVPL, any gain or loss arising from the difference between the previous amortized cost of the financial asset and fair value is recognized in profit or loss.

For a financial asset reclassified out of the financial assets at amortized cost category to financial assets at FVOCI, any gain or loss arising from a difference between the previous amortized cost of the financial asset and fair value is recognized in OCI.

Impairment of Financial Assets at Amortized Cost

The Company recognizes an allowance for expected credit loss (ECL) for all debt instruments not held at FVPL. ECL is based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Company has applied the simplified approach and has calculated ECL based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

The ECL for other debt instruments measured at amortized cost is based on the 12-month ECL, which pertains to the portion of lifetime ECL that result from default events on a financial instrument that are possible within 12 months after the reporting date. However, when there has been a significant increase in credit risk since initial recognition, the allowance will be based on the lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. The Company also considers reasonable and supportable information, that is available without undue cost or effort that is indicative of significant increases in credit risk since initial recognition.

The Company considers a financial asset in default when contractual payments are 30 days past due unless it is demonstrated that the non-payment was an administrative oversight rather than resulting from financial difficulty of the borrower. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Other Financial Liabilities

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

The Company's other financial liabilities include 'Trade payables' and 'Notes Payable'.

Derecognition of Financial Assets and Liabilities

Financial asset

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

- The right to receive cash flows from the asset has expired;
- The Company retains the right to receive cash flows from the financial 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 right to receive cash flows from the financial 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.

Financial liability

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

Classification of Financial Instrument between Liability and Equity

A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or

- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

If the Company does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

Offsetting of Financial Assets and Liabilities

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

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and allowance for impairment loss. When assets are sold or retired, their cost, accumulated depreciation and any allowance for impairment are eliminated from the accounts and any gain or loss resulting from the disposal is included in the statements of comprehensive income.

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

Depreciation is computed on a straight-line basis over the following estimated useful lives of the assets:

<u>Category</u>	<u>Number of Years</u>
Office condominium	5 years
Office furniture and fixtures	2-5 years
Transportation equipment	3-5 years

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

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

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

Intangible Asset

Exchange Trading right Exchange Trading right is initially measured at cost and is subsequently carried at revalued amount (Fair value). The fair value of the asset can be determined by reference to an active market a subsequent measurement date, the revaluation model is applied from that date. If an intangible asset's carrying amount is increased as a result of a revaluation, the increase shall be credited directly to equity under the heading of revaluation surplus. However, the increase shall be recognized in profit or loss to the extent that it reverses a revaluation decrease of the same asset previously recognized in profit or loss.

Gains or losses arising from the derecognition of exchange trading right are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and are recognized in profit or loss in the period the asset is derecognized.

Impairment of Nonfinancial Assets

The Company assesses at each end of the reporting period whether there is an indication that its prepayments, property and equipment, intangible and other assets may be impaired. If any such indication exists or when the annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of the asset's value-in-use (VIU) or its fair value less costs to sell. The fair value less costs to sell is the amount obtainable from the sale of an asset at an arm's-length transaction, while VIU is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An impairment loss is recognized by a charge against current operations for the excess of the carrying amount of an asset over its recoverable amount in the year in which it arises. Intangibles with indefinite useful lives are tested for impairment annually at end of the reporting period either individually or at the cash generating unit level, as appropriate.

Intangibles with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. A previously recognized impairment loss is reversed by a credit to current operations to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of any accumulated depreciation and amortization) had no impairment loss been recognized for the asset in prior years.

Equity

Share capital are recognized at par value and classified as share capital in equity.

Retained earnings are accumulated profits realized out of normal and continuous operations of the business after deducting therefrom distributions to stockholders and transfers to capital or other accounts. Cash and stock dividends are recognized as a liability and a deduction from equity when they are approved by the BOD and stockholders, respectively. Dividends for the year that are approved after the end of the reporting period are dealt with as an event after the end of the reporting period.

Retained earnings may also include retrospective effect of changes in accounting policy as may be required by the transitional provisions of the new or revised accounting policy.

Unappropriated retained earnings represent the accumulated profits and gains realized out of the normal and continuous operations of the Company after deducting therefrom distributions to stockholders and transfers to capital stocks or other accounts, and which is:

- Not appropriated by its BOD for corporate expansion projects or programs;
- Not covered by a restriction for dividend declaration under a loan agreement;
- Not required under special circumstances obtaining in the Company such as when there is a need for a special reserve for probable contingencies.

Appropriated retained earnings represent that portion which has been restricted and, therefore, not available for dividend declaration.

Other comprehensive income comprises of income and expense that are not recognized in profit or loss in accordance with PFRS. There include cumulative unrealized gains on financial assets at FVOCI and cumulative remeasurement gains on retirement benefit obligation that are not to be reclassified to statements of comprehensive income.

Revenue Recognition

Revenue from contract with customers is recognized when the performance obligation in the contract has been satisfied, either at a point in time or over time. Revenue is recognized over time if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits as the Company perform its obligations; (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date. Otherwise, revenue is recognized at a point in time.

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as agent in its brokerage transactions. The Company acts as a principal in its income from other sources. Commissions are recorded on a trade date basis as trade transactions occur.

The following are the specific recognition criteria for other revenues outside the scope of PFRS 15, *Revenue from Contracts with Customers*:

Trading Gains or Losses on Financial Assets at FVPL. Trading gains or losses on financial assets at FVPL include all gains and losses from changes in fair value and disposal of financial assets at FVPL. Unrealized gains or losses are recognized in profit or loss upon remeasurement of the financial assets at FVPL at each reporting date. Gains or losses from sale of financial assets at FVPL are recognized in profit or loss upon confirmation of trade deals.

Dividends. Dividend income is recognized when Company's right to receive payment is established.

Interests. Interest income is recognized in recognized in profit or loss as it accrues taking into account the effective yield on the asset.

Costs and Expenses

Cost and expenses are recognized in statements of comprehensive income when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Cost of Services. Cost of services is recognized as expense when the related services are rendered.

Operating Expenses. Operating expenses constitute costs of administering the business and costs incurred to sell and market the services. These are expensed as incurred.

Interests. Interest expense is recognized in profit or loss using the effective interest method.

Retirement Expense

Short-term employee benefits and compensation absences

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits are recognized as employee benefit expense and accrued when the associated services are rendered by the employee of the Company. Other employee benefits include Social Security System, Philhealth and other contributions.

Defined benefit plan

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

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

Defined benefit cost comprises the following:

- Service cost
- Net interest on the defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service costs, past service cost and gains or losses on non-routine settlements are recognized as expense in the statement of comprehensive income. Past service costs are recognized when amendment or curtailment occurs.

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

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

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

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

Termination benefit

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as result of either an entity's decision to terminate an employee's employment before the normal retirement date or an employee's decision to accept an offer of benefits in exchange for the termination of employment.

A liability and expense for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of those benefits and when the entity recognizes the related restructuring costs. Initial recognition and subsequent changes to terminate benefits are measured in accordance with the nature of the employee benefit, as either post-employment benefits, short-term employee benefits, or other long-term employee benefits.

Employee leave entitlement

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

Leases

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

Short-term leases

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

Income Taxes

Current income tax

Current tax assets and liabilities for the current and prior 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 or substantively enacted as of the financial position date.

Deferred income tax

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

Deferred income tax liabilities are recognized for all deductible temporary differences, carryforward benefit of unused tax credits (minimum corporate income tax or MCIT) and unused tax losses (net operating loss carry over or NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward benefit of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each financial position date and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred income tax to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or settled, based on tax rate (and tax laws) that has been enacted or substantively enacted at the financial position date.

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

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

Value-Added Tax (VAT)

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

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

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities represent possible obligations whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. They are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Basic and Diluted Earnings (Loss) Per Share

Basic and diluted earnings (loss) per share (EPS/LPS) is computed by dividing net income (loss) for the year by the weighted average number of common shares issued and outstanding during the year, after giving retroactive effect to stock dividends declared, stock rights exercised and stock split, if any, declared during the year. The Company does not have any potential dilutive common shares, hence, basic and diluted EPS/LPS are the same.

Related Entities and Related Party Transactions

Related party relationships exist when one party has the ability to control, directly, or indirectly through one or more intermediaries, the other party or exercise significant influence over the other party in making financial and operating decisions. Such relationships also exist between and/or among entities which are under common control with the reporting enterprise, or between and/or among the reporting enterprise and its key management personnel, directors, or its stockholders. Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

Events after Financial Reporting Period

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

5. Significant Accounting Judgments and Estimates

PAS 1, *Presentation of Financial Statements*, requires disclosures about key sources of estimation uncertainty and judgments that management has made in the process of applying accounting policies. The following are critical judgments and key estimates and assumptions that have a significant risk of material adjustment to the carrying amount of assets and liabilities within the next financial year and/or in future periods.

Critical Accounting Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimations that have the most significant effect on the amounts recognized in the financial statements:

Financial Assets and Liabilities

Where fair values of financial assets and liabilities recorded on the statements of financial position cannot be derived from the active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input of these models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Determination of ECL on Trade and Other Receivables

The Company uses a provision matrix, which is based on the Company's historical observed default rates, to calculate ECL for trade and other receivables. The provision rates are based on days past due. Management regularly calibrates (i.e., on annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions).

Financial Assets Not Quoted in an Active Market

The Company classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily available, and whether those prices represent actual and regular occurring market transactions on an arm's length basis.

Realizability of Deferred Tax Assets

The Company reviews the carrying amount of deferred income taxes at each financial position date and reduces deferred tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred tax assets to be utilized. However, there is no assurance that the Company will generate sufficient taxable income to allow all or part of deferred tax assets to be utilized. The Company looks at its project performance in assessing the sufficiency of future taxable income.

Estimates

The key assumptions concerning the future and other sources of estimation uncertainty at the financial position date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of Financial Assets

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

Impairment of Non-Financial Assets

The Company assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. 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.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell. The fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if it is not possible, for the cash-generating unit to which the asset belongs.

In determining the present value of estimated future cash flows expected to be generated from the continued use of the assets, the Company is required to make estimates and assumptions that can materially affect the financial statements.

No indications of impairment were noted on the Company's property and equipment and exchange trading right in 2022 and 2021.

Estimated Useful Lives of Property and Equipment

The Company reviews on an annual basis the estimated useful lives of property and equipment based on expected asset utilization as anchored on business plans and strategies that also consider expected future technological development and market behavior. It is possible that future results of operation could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives of property and equipment would increase the recorded depreciation expense and decrease noncurrent assets. The estimated useful lives of property and equipment are disclosed in Note 4.

Present Value of Retirement Obligation

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

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

Further details about the assumptions used are provided in Note 16.

6. Cash

This account consists of:

	2022	2021
Cash on hand	₱ 10,000	₱ 10,000
Cash in banks	153,779,251	192,697,182
	₱ 153,789,251	₱ 192,707,182

Cash in banks earn interest at prevailing bank deposit rates ranging from 1.0% to 1.3% in 2022 and 2021. Interest income earned from cash in banks amounted to ₱108,952 and ₱311,903 in 2022 and 2021, respectively (see Note 21).

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 its customers amounting to ₱658,843 and ₱658,514 as at December 31, 2022 and 2021, respectively. The Company's reserve requirement is determined based on SEC's prescribed computations. As at December 31, 2022 and 2021, the Company's reserve accounts are adequate to cover its reserve requirements.

7. Financial Assets at FVPL

Financial assets at FVPL amounting to ₱12,958,903 and ₱16,100,719 as at December 31, 2022 and 2021, respectively, represent quoted equity securities held by the Company for trading purposes.

The Company's financial assets at FVPL as at December 31, 2022 and 2021 are carried at fair values based on sources classified under Level 1 category. The fair values of financial assets at FVPL are based on quoted market prices or bidding dealer price quotations from active market as at reporting date (Note 4).

Details of net trading gains on financial assets at FVPL are as follows:

	2022	2021
Realized loss on sale	₱ 267,041	₱ 3,254
Unrealized losses on fair value changes	3,149,297	1,781,564
	₱ 3,416,338	₱ 1,784,818

Dividend income earned from financial assets at FVPL amounted to ₱810,454 and ₱819,554 in 2022 and 2021, respectively.

8. Trade Receivables

This account consists of:

	2022	2021
Receivable from:		
Customers	P 643,445,565	P 665,773,316
Clearing house	55,351,490	-
	698,797,055	665,773,316
Less allowance for expected credit losses on customers	(43,657,482)	(34,371,574)
	P 655,139,573	P 631,401,742

Receivables from customers consists of amounts due within one (1) year from reporting date as follows:

	2022		2021	
	Money Balance	Security Valuation-Long	Money Balance	Security Valuation-Long
Over 250%	P273,727,615	P2,753,601,952	P306,561,148	P3,752,597,826
Between 200%-250%	22,845,905	53,115,191	15,260,983	32,398,114
Between 150%-200%	144,295,882	237,720,592	165,578,656	261,021,363
Between 100%-150%	169,633,689	196,452,739	115,142,361	150,653,608
Below 100%	31,326,966	18,332,229	61,173,507	38,303,560
Unsecured accounts	1,615,508	-	2,056,661	-
	643,445,565	3,259,222,703	665,773,316	4,234,974,471
Less allowance for expected credit losses	43,657,482	-	34,371,574	-
	P599,788,083	P3,259,222,703	P631,401,742	P4,234,974,471

Collaterals related to receivables from customers and brokers pertain to quoted equity securities amounting to P3,259,222,703 and P4,234,974,471 as at December 31, 2022 and 2021, respectively. The fair values of these securities are based on prevailing quoted market prices, which is usually the closing prices, from active markets as at reporting date.

Receivable from clearing house is due and collectible after three (3) business days from the transaction date. Accordingly, balances as at December 31, 2022 and 2021 were collected in January 2023 and 2022, respectively.

Provision for expected credit losses pertains to specific provisions on past due receivables. Balance and movement in the allowance for expected credit losses are as follows:

	2022	2021
Balance beginning of year	P 34,371,574	P 19,473,616
Provision for ECL (Note 21)	9,285,908	14,897,958
Balance end of year	P 43,657,482	P 34,371,574

9. Other Receivables

This account consists of:

		2022		2021
Advances to officers and employees	₱	473,807	₱	470,161
Others		241,519		351,479
	₱	715,326	₱	821,640

Advances to officers and employees refer to loans of officers and amounts for liquidation that the Company expects to collect within the next financial year.

Others pertain to various customer subscriptions.

10. Financial Asset at FVOCI

This account consists of Philippine Stock Exchange (PSE) equity securities amounting to ₱8,547,800 and ₱11,631,500 in 2022 and 2021, respectively.

The Company's financial assets at FVOCI as at December 31, 2022 and 2021 are carried at fair value based on sources classified under Level 1 category. The fair values of financial assets at FVOCI are based on quoted market prices or bidding dealer price quotations from active markets as at reporting date (Note 4).

The balances and movements of cumulative unrealized gains on financial assets at FVOCI included as part of "Equity" in the statement of financial position as at December 31 are as follows:

	2022		
	Unrealized Gains on Financial Assets at FVOCI	Deferred Tax	Total
Balance at beginning of year	₱10,823,556	₱4,750,115	₱8,117,667
Changes in fair value of financial assets at FVOCI recognized during the year	(3,083,700)	(770,925)	(2,312,775)
Effect of change in tax rate	-	-	-
Balance at end of year	₱7,739,856	₱3,979,190	₱5,804,892

	2021		
	Unrealized Gains on Financial Assets at FVOCI	Deferred Tax	Total
Balance at beginning of year	₱9,672,081	₱2,901,624	₱6,770,457
Changes in fair value of financial assets at FVOCI recognized during the year	3,305,511	826,378	2,479,133
Disposal	(2,154,036)	538,509	(1,615,527)
Effect of change in tax rate	-	483,604	483,604
Balance at end of year	₱10,823,556	₱4,750,115	₱8,117,667

11. Property and Equipment

The roll forward analysis of this account is as follows:

	2022			
	Office condominium	Office furniture and fixtures	Transportation equipment	Total
Cost				
At January 1	P 13,418,452	P 1,296,277	P 15,282,887	P 29,997,616
Addition	-	-	-	-
At December 31	13,418,452	1,296,277	15,282,887	29,997,616
Accumulated Depreciation				
At January 1	13,418,452	1,296,277	13,944,854	28,659,583
Depreciation	-	-	994,197	994,197
At December 31	13,418,452	1,296,277	14,939,051	29,653,780
Net book value	P -	P -	P 343,836	P 343,836

	2020			
	Office condominium	Office furniture and fixtures	Transportation equipment	Total
Cost				
At January 1	P 13,418,452	P 1,296,277	P 15,282,887	P 29,997,616
Additions	-	-	-	-
At December 31	13,418,452	1,296,277	15,282,887	29,997,616
Accumulated Depreciation				
At January 1	13,418,452	1,296,277	12,869,705	27,584,434
Depreciation	-	-	1,075,149	1,075,149
At December 31	13,418,452	1,296,277	13,944,854	28,659,583
Net book value	P -	P -	P 1,338,033	P 1,338,033

As at December 31, 2022 and 2021, property and equipment with an aggregate cost of ₱24,365,088 are fully depreciated but still used in business.

The Company did not recognize any impairment losses on its property and equipment in 2022 and 2021 since there are no observable indications that the assets' values have significantly declined during the period.

12. Trading Right

Trading right represents the Company's privilege in trading securities at the PSE floor. Under the PSE rules, the Company's trading right (previously the exchange membership seat) are pledged at its full value to the PSE to secure the payment of all debts due to other members of the exchange arising out of or in connection with the present or future contracts relating to Securities.

In 2001, the demutualization or conversion of PSE into a stock corporation was approved by the Securities and Exchange Commission (SEC) effective August 8, 2001. Each membership seat will be exchanged for shares of stock of PSE. In accordance with the conversion, PSE will issue 9.2 million shares with a par value of ₱1 per share out of the members' contribution of ₱286.6 million. Thus, each of the 184 members/brokers will subscribe to a total of 50,000 shares of stocks with a par value of P1 per share. The balance of members' contribution of ₱277.4 million will be treated as additional paid-in surplus in the financial statements of PSE.

In addition to the shares, each member will receive a Certificate of Trading Right to maintain their continued access to the trading floor of PSE. The Right can be assigned and transferred by the members.

The effects of the conversion plan specifically on the separate valuation of the ownership of the exchange seat and the trading right have been recognized in the Company's financial statements.

The carrying value of the trading right was determined using the higher of value in use and fair market value. As at December 31, 2022 and 2021, the latest selling price of the membership stock exchange seat, as provided by the PSE amounts to ₱8,000,000 and ₱9,000,000, respectively.

Movements in exchange trading right follow:

2022				
	Cost	Revaluation Surplus		Total
Balance at beginning of year	₱ 1,408,000	₱ 7,592,000	₱	9,000,000
Net changes in fair value	-	(1,000,000)		(1,000,000)
Balance at end of year	₱ 1,408,000	₱ 6,592,000	₱	8,000,000

2021				
	Cost	Revaluation Surplus		Total
Balance at beginning of year	₱ 1,408,000	₱ 7,092,000	₱	8,500,000
Net changes in fair value	-	500,000		500,000
Balance at end of year	₱ 1,408,000	₱ 7,592,000	₱	9,000,000

13. Other Assets

This account consists of:

	2022	2021
Deposits	₱ 3,764,374	₱ 436,473
Creditable income tax	149,573	3,119
	₱ 3,913,947	₱ 439,592

Deposits pertains to cash collateral bond required for broker/dealer.

Creditable income tax are excess tax credits that can be applied in the succeeding years against income tax due as tax credit or can be claimed as tax refund from the BIR.

14. Trade Payables

This account consists of:

	2022		2021
Customers	P 738,301,630	P	729,161,100
Clearing house	-		12,474,959
	P 738,301,630	P	741,636,059

The Company's trade payables to customers and their security valuation follow:

	2022		2021
	Account Balances	Security Valuation	Account Balances Security Valuation
With money balance	P738,301,630	P4,613,456,510	P729,151,100 P3,906,026,120
Without money balance	-	1,603,675,275	- 2,917,945,468
	P738,301,630	P6,217,131,785	P729,151,100 P6,823,971,588

Trade payable to clearing house as at December 31, 2022 and 2021 were subsequently paid in January 2023 and 2022, respectively. These are noninterest-bearing and are settled on two (2) trading days' term and three (3) trading days' term following the settlement convention of Philippines clearing houses, respectively.

15. Other Current Liabilities

This account consists of:

	2022		2021
Stock transaction payable	P 553,147	P	519,181
Withholding taxes payable	218,372		216,874
VAT payable	175,294		268,217
SSS, HDMF, PHIC premiums and loans	36,235		23,173
	P 983,048	P	1,027,445

Withholding taxes payable consists of expanded and compensation withholding taxes.

SSS, HDMF and PHIC premiums and loans payables are due to be settled within the next financial year.

16. Retirement Benefit Obligation

The Company has an unfunded defined benefit pension plan covering all regular and permanent employees. The latest actuarial valuation was made on March 21, 2022. The management believe that there is no significant movement on the valuation from December 31, 2022.

Under the plan, the normal retirement age is 60 but a participant may opt to retire at age 50 after rendering 10 years of continuous service to the Company. Retirement benefit for both normal and early retirement is equivalent to one-month average basic salary for each year of service rendered.

Under the existing regulatory framework, Republic Act 7641 requires companies with at least ten (10) employees to pay retirement benefits to qualified private sector employees in the absence of any retirement plan in the equity, provided however that the employee's retirement benefits under any collective bargaining and other agreement shall not be less than those provided under the law. The law does not require minimum funding of the plan.

The amounts included in 'Operating expenses' in the statement of comprehensive income are as follows:

	2022		2021
Current service cost	₱ 294,115	₱	286,941
Net interest expense	353,708		365,436
Expense recognized during the year	₱ 647,823	₱	652,377

Retirement benefit obligation recognized in the statement of financial position is as follows:

	2022		2021
Present value of defined benefit obligation	₱ 7,970,971	₱	7,323,148
Fair value of plan assets	-		-
Retirement benefit obligation	₱ 7,970,971	₱	7,323,148

Changes in the present value of the defined benefit obligation as of December 31, 2022 and 2021 recognized in the statement of financial position follow:

	2022		2021
Balance at beginning of year	₱ 7,323,148	₱	5,047,458
Current service cost	294,115		286,941
Interest cost	353,708		365,436
Remeasurement loss	-		1,623,313
Balance at end of year	₱ 7,970,971	₱	7,323,148

Movement of accumulated remeasurement losses (gains) recognized in 'Other Comprehensive income' are as follows:

	2022		2021
Balance at beginning of year	₱ 1,623,313	₱	(867,604)
Adjustment	-		867,604
Remeasurement (gains) losses:			
Experience adjustments	-		488,895
Change in assumptions	-		1,134,418
Balance at end of year	₱ 1,623,313	₱	1,623,313

The cost of defined benefit retirement plans as well as the present value of the benefit obligation is determined using actuarial valuations. The actuarial valuation involves making various assumptions.

The principal assumptions used are shown below:

	2022	2021
Discount rate	4.83%	4.83%
Future salary increase rate	2.50%	2.50%
Average remaining working life	10.2	10.2

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the retirement benefit obligation as at December 31, 2022 and 2021 assuming if all other assumptions were held constant:

	2022	2021
Discount rate		
Decrease in DBO +100 basis points (bps)	(546,468) ; (6.90%)	(502,055) ; (6.90%)
Increase in DBO -100 basis points (bps)	603,478 ; 7.60%	554,432 ; 7.60%
Salary increase rate		
Decrease in DBO +100 basis points (bps)	611,636 ; 7.70%	561,927 ; 7.7%
Increase in DBO -100 basis points (bps)	(563,509) ; (7.10%)	(517,711) ; (7.1%)
Increase in DBO, no attrition rates	19,394 ; 0.2%	17,818 ; 0.2%

The weighted average duration of defined benefit obligation is 7.2 years. The Company does not expect to contribute to the fund next year. The expected future benefit payments are as follows:

<i>Financial Year</i>	Expected benefit payments
2022	P 335,455
2023-2026	1,939,765
2027-2031	6,538,743

The Company did not make a contribution to the fund in 2022 and 2021, respectively.

17. Equity

Share Capital

The Company has an authorized share capital of P100,000,000 divided into 100,000,000 shares at P1 par value per share. As at December 31, 2022 and 2021, 30,000,000 share were issued and outstanding amounting to P30,000,000.

The Company has seven (7) shareholders, five (5) of which owning 100 shares or more each of the Company's share capital as at the date of financial position.

Capital Management

The Company's objective in managing capital is to ensure that a stable capital base is maintained in accordance with industry regulations, while maintaining investor, creditor and market confidence to sustain the future development of the business.

The Company's BOD has the overall responsibility for monitoring capital proportion to risks. The Associated Person designated by the Company monitors compliance with minimum net capital requirements imposed by the PSE and the SEC.

The Company, being a broker/dealer in securities, is regulated by the PSE and the SEC, and is subject to the following capital requirements in accordance with the SRC.

Required Capitalization for Broker/Dealers

On May 28, 2009, the SEC approved PSE's Rules Governing Trading Rights and Trading Participants which provides that t

ading participants should have a minimum unimpaired capital (defined as the trading participant's total paid up capital less any deficiency in the retained earnings account) of ₱20,000,000 effective December 31, 2009, provided further that effective December 31, 2010 and onwards, the minimum unimpaired paid up capital shall be ₱30,000,000.

As at December 31, 2022 and 2021, the Company is compliant with PSE's Rules Governing Trading Rights and Trading Participants.

Reserve Fund

The Company shall annually appropriate a certain minimum percentage of its audited net income and transfer the same to "Appropriated Retained Earnings" as prescribed by SC Rule 49.1 (B).

Appropriation amounting to ₱2,466,711 and nil or the equivalent to 10% of net income was made in 2022 and 2021, respectively. Cumulative retained earnings appropriated for the reserve fund amounted to ₱25,410,033 and ₱22,943,322 as at December 31, 2022 and 2021, respectively.

Net Liquid Capital (NLC)

The Company is required, at all times, to have and maintain NLC of ₱5,000,000 or 5% of its Aggregate Indebtedness (AI), whichever is higher.

In computing for NLC, all non-allowable assets/equities, and collateralized liabilities will be deducted, and allowable liabilities and equities are added to equity per books. The equity eligible for NLC pertains to the sum of the following:

- (a) Equity per books;
- (b) Liabilities subordinated to the claims of credit conformity with SRC Rule 49.1 and in accordance with a prescribed schedule; and
- (c) Deposits for future stock subscription for which an application for increase in capital stock or request for exemption for registration has been filed with the SEC.

The eligible equity for NLC shall exclude deferred income tax, revaluation reserves and minority interest and any outside investment in affiliates and associates.

In computing for NLC, the equity eligible for NLC is adjusted by the following.

- (a) Adding unrealized gains (or deducting unrealized losses) in the accounts of the Company;
- (b) Deducting fixed assets and assets which cannot be readily converted into cash (less any AI in accordance with SRC Rule 49 1);
- (c) Deducting general guarantees and indemnities for loans and indebtedness other than those incurred by the Company, unless otherwise permitted by SEC; and
- (d) Deducting long and short securities differences.

AI shall mean the total money liabilities of a broker/dealer arising in connection with any transaction whatsoever and includes, among other things, money borrowed, money payable against securities loaned and securities failed to receive, 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' accounts having short positions in securities, but excluding the items set out in SRC Rule 49.1 (1) (D).

The Company's NLC met the minimum prescribed amounts as at December 31, 2022 and 2021 as shown below:

	2022	2021
NLC:		
Equity eligible for NLC	P95,152,987	P111,476,138
Less ineligible assets	20,805,583	22,409,125
	P74,347,404	P89,067,013
Required NLC:		
Higher of:		
5% of AI	37,412,782	37,598,214
Minimum amount	5,000,000	5,000,000
	37,412,782	37,598,214
Net risk based capital excess	P36,934,622	P51,468,799

Ratio of AI to NLC

The Company shall not permit its AI to all other persons to exceed 2,000 percent of its NLC. The Company's AI consisted of 1,006% and 844% of its NLC as at December 31, 2022 and 2021, respectively.

RBCA Requirement/Ratio

The RBCA requirement/ratio refers to the minimum levels of capital to be maintained by firms which are licensed, or securing a broker/dealer license, taking into consideration the firm size, complexity and business risk. Such risks that are considered in determining the capital requirement include, among others, operational, position, counterparty large exposure, underwriting and margin financing risks. The RBCA ratio should be greater than or equal to 1:1. The RBCA ratio is the ratio linking the NLC of the Company to its Total Risk Capital Requirement (TRCR), calculated as the Company's NLC divided by its TRCR.

The TRCR is the sum of;

- (a) Operational Risk Requirement (ORR);
- (b) Credit Risk Requirement which include requirements for Counterparty Risk, Settlement Risk, Large Exposure Risk, and Margin Lending/Financing Risk; and
- (c) Position or Market Risk Requirement.

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

	2022	2021
NLC	P74,347,404	P89,067,013
TRCR:		
Operational risk	12,257,678	10,274,792
Position risk	4,392,023	5,492,030
Counterparty risk	1,059,237	3,897,156
Total Risk Capital Requirement (TRCR)	P17,708,938	P19,663,978
RBCA ratio (NLC/TRCR)	420%	453%

As at December 31, 2022 and 2021, the Company is in compliance with the required RBCA ratio.

Ratio of Core Equity to ORR

The Company's core equity shall be at all times greater than its ORR.

Core equity refers to the sum of paid-up capital stock, capital stock dividends distributable, additional paid-in capital, surplus reserves excluding revaluation reserves or appraisal capital, and opening retained earnings adjusted for all current year movements. Core equity shall exclude treasury stock and unbooked valuation reserves and other capital adjustments (such as unrealized gain in value of financial assets at FOCI).

The Company's ratio of core equity to OR is as follows:

	2022	2021
Capital stock	₱30,000,000	₱30,000,000
Beginning retained earnings	75,147,139	78,378,952
Core equity	105,147,139	108,378,952
ORR	12,257,678	10,274,792
Ratio of Core Equity to ORR	858%	1055%

Revaluation Surplus

As at December 31, 2022 and 2021, the Company's revaluation surplus amounted to ₱4,944,000 and ₱5,694,000 which is the excess of fair value over carrying amount of trading right as revalued and is presented in the Company's statements of changes in equity, net of related deferred tax liability of ₱1,648,000 and ₱1,898,000, respectively.

Prior Period Adjustment

This pertains to adjustment in accumulated remeasurement gains on retirement benefit obligation recognized in 2021 as result of the actuarial valuation report.

18. Related Party Transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries are related entities of the Company. Key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related entities.

Transactions between related parties are accounted for at arm's length prices or on terms similar to those offered to non-related entities in an economically comparable market. In considering each possible related entity relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The amounts and balances arising from the significant related party transactions of the Company are as follows:

Classification of Related Party/ Transactions	Year	Amount	Outstanding Balance	Terms and Conditions
<i><u>Shareholders</u></i>				
Notes Payable	2022	-	1,000,000	No definite terms of repayment; Unsecured; 10.0% interest rate per annum; Unimpaired
	2021	-	1,000,000	
Advances	2022	-	-	Normal credit terms
	2021	(606,550)	-	Unsecured; unimpaired
<i><u>Officers and employees</u></i>				
Advances	2022	3,646	473,807	Normal credit terms
	2020	252,393	470,161	Unsecured; unimpaired
<i><u>Key Management Personnel</u></i>				
Salaries	2022	2,368,000	-	Normal credit terms
	2021	2,368,000	-	Unsecured; non-interest bearing

Advances from related parties which consists of advances and notes payable are obtained mainly to finance the Company's working capital requirements. These advances are unsecured and no guarantees have been given. As of December 31, 2022 and 2021, outstanding notes payable amounted to ₱1,000,000. Interest expense incurred amounted to ₱99,996 in 2022 and 2021.

19. Cost of Services

This account consists of:

	2022	2021
Commissions	₱ 17,034,053	₱ 31,131,495
PSE, PCD and SCCP dues and other fees	3,269,772	5,233,842
	₱ 20,303,825	₱ 36,365,337

20. Operating Expenses

This account consists of:

	2022		2021
Salaries and employee benefits	P 6,362,725	P	6,047,397
Communication, light and water	2,100,708		4,316,479
Taxes and licenses	1,363,751		924,053
Depreciation (Note 12)	994,197		1,075,149
Transportation and travel	849,258		3,345,529
Repairs and maintenance	680,042		552,776
Retirement expense (Note 16)	647,823		652,377
Professional fees	411,344		320,413
SSS,PHIC and HDMF contributions	336,349		289,850
Association dues	260,610		264,010
Stationeries and office supplies	233,969		311,868
Representation and entertainment	200,000		-
Insurance	153,251		419,582
Bank charges	20,000		23,800
Rental (Note 27)	13,800		41,010
Miscellaneous	378,343		911,285
	P 15,006,170	P	19,495,578

21. Other Income (Charges)

This account consists of:

	2022		2021
Interest income (Note 6)	P 108,952	P	311,903
(Provision for) recovery from ECL (Note 8)	(9,285,908)		(14,897,958)
Interest expense (Note 18)	(99,996)		(99,996)
	P (9,276,952)	P	(14,686,051)

22. Provision for Income Tax

The components of tax expense as reported in the profit or loss section of statement of comprehensive income are as follows:

	2022		2021
Current:			
Current income tax	P 225,003	P	3,126,738
Final tax	21,790		62,380
Effect of change in enacted rate	-		(225,687)
Deferred:			
Deferred income tax	(3,973,005)		(4,701,372)
Effect of change in enacted rate	-		841,883
	P (3,726,212)	P	(896,058)

A reconciliation of income tax computed at the statutory income tax rate to net provision for income tax shown in the statements of income follows:

	2022	2021
Income tax at statutory income tax rate	P (2,998,165)	P (932,777)
Effect of items not subject to statutory income tax rate:		
Change in enacted tax rate	-	616,196
Income subject to final tax	(5,448)	(15,595)
Income not subject to tax	(202,614)	(204,889)
Nondeductible expenses	3,453,019	4,342,379
Movement of deferred tax	(3,973,005)	(4,701,372)
	P (3,726,212)	P (896,058)

Details of the deferred tax assets (liabilities) follow:

	2022	2021
Deferred tax asset on:		
Allowance for ECL	P 10,914,370	P 8,592,894
Retirement obligation	1,992,743	1,830,787
Unrealized loss on financial assets at FVPL	787,324	445,391
	13,694,437	10,869,072
Deferred tax liability on:		
Unrealized gain on financial assets at FVOCI	(787,324)	(2,705,889)
Revaluation surplus on trading right	(1,648,000)	(1,898,000)
	(2,435,324)	(4,603,889)
Deferred tax asset, net	P 11,259,113	P 6,265,183

23. Loss Per Share

This figure is computed as follows:

	2022	2021
Net loss	P (8,266,446)	P (2,835,049)
Weighted average number of shares outstanding	30,000,000	30,000,000
Basic loss per share	P (0.28)	P (0.09)

Basic loss per share is computed based on weighted average number of common shares outstanding during each year adjusted for any stock dividends declared, if any. No stock options, warrants and debenture bonds were offered, exercised nor converted for this fiscal year. Hence, the basic and diluted loss per share is the same.

24. Financial Risk Management Objectives and Policies

The Company's principal financial instruments consist mainly of cash and cash equivalents, financial assets at FVPL, trade and other receivables (excluding advances to officers and employees), financial assets at FVOCI, trade payables and other current liabilities (excluding nonfinancial liabilities).

The main risks arising from the Company's use of financial instruments include credit risk, liquidity risk and equity price risk. The Company's overall risk management process focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance. The BOD regularly reviews and approves the appropriate policies for managing these financial risks, as summarized below.

Credit Risk

The Company's exposure to credit risk arises from the failure of a counterparty in fulfilling its financial commitments to the Company under the prevailing contractual terms. Financial instruments that potentially subject the Company to credit risk consist primarily of trade receivables and other financial assets at amortized cost.

The Company's maximum amount of credit risk exposure without taking into account any collateral, other credit enhancement or credit risk mitigating features is shown below:

2022				
	12-month ECL	Lifetime ECL - non credit- impaired	Lifetime ECL - credit- impaired	Total
Financial assets at amortized cost				
Cash in bank	₱153,779,251	₱-	₱-	₱153,779,251
Trade receivables				
Receivable from customers	-	643,445,565	-	643,445,565
Receivable from clearing house	55,351,490	-	-	55,351,490
Deposit	3,764,374	-	-	3,764,374
	₱212,895,115	₱643,445,565	₱-	₱856,340,680

2021				
	12-month ECL	Lifetime ECL - non credit- impaired	Lifetime ECL - credit- impaired	Total
Financial assets at amortized cost				
Cash in bank	₱192,697,182	₱-	₱-	₱192,697,182
Trade receivables				
Receivable from customers	-	665,773,316	-	665,773,316
Receivable from clearing house	-	-	-	-
Deposits	436,473	-	-	436,473
	₱193,133,655	₱665,773,316	₱-	₱858,906,971

The Company limits its exposure to credit risk by depositing its cash with highly reputable and pre-approved financial institutions. In addition, customers are initially assessed for creditworthiness based on their profile. The Company mitigates its credit risk by transacting with recognized and creditworthy counterparties. The Company also monitors receivable balances regularly.

In accordance with the Risk-Based Capital Adequacy (RBCA) requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular issuer company or group of companies. Furthermore, credit exposures are minimized by collateral held in the form of securities purchased.

The Company has no significant concentration of credit risk with any single counterparty or Company of counterparties having similar characteristics.

Trade Receivables. The Company limits its exposure to credit risk on receivables from stock brokering by transacting mainly with recognized and creditworthy customers based on their profile (i.e. financial capacity, reputation, collateral). The Company also monitors receivable balances regularly. In accordance with the RBCA requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular Issuer company or group of companies. Furthermore, credit exposures are minimized by collateral held in the form of securities purchased.

The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and offsetting arrangements. The provision matrix is based on the Company's historical default rates, which are adjusted for forward-looking information if forecast of economic conditions (i.e., stock market index) are expected to improve over the next year which can lead to a decreased number of defaults in the stock trading industry. At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

As at December 31, 2022 and 2021, the exposure to credit risk for trade receivables by type of counterparty is as follows:

2022				
	Neither Past Due nor Impaired	Past due but not Impaired	Impaired	Total
Receivable from customers	P142,272,566	P501,172,999	P-	P643,445,565
Receivable from clearing house	55,351,490	-	-	55,351,490
	P197,624,056	P501,172,999	P-	P698,797,055

2021				
	Neither Past Due nor Impaired	Past due but not Impaired	Impaired	Total
Receivable from customers	P251,620,327	P414,152,989	P-	P665,773,316
Receivable from clearing house	-	-	-	-
	P251,620,327	P414,152,989	P-	P665,773,316

The aging analysis of the Company's receivables from customers and brokers as at December 31, 2022 and 2021 is as follows:

2022			
Days from Transaction Date of Counterparty	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1-3 days	P18,672,305	P941,920,872	P-
4-14 days	92,292,069	581,097,890	-
15-31 days	31,308,192	31,608,192	1,845,841
Over 31 days	501,172,999	642,308,354	39,965,800
	P643,445,565	P2,196,935,308	P41,811,641

Days from Transaction Date of Counterparty	2021		
	Amount	Collateral (Net of Haircut)	Counterparty Exposure
1-3 days	₱82,067,961	₱1,753,009,291	₱-
4-14 days	104,474,149	552,666,417	-
15-31 days	118,159,644	118,159,644	4,935,608
Over 31 days	361,071,562	417,835,624	29,435,966
	₱665,773,316	₱2,841,670,976	₱34,371,574

SRC requires broker/dealers to maintain a stock record for each cash and margin account of every customer regardless of the frequency of transactions. The stock record is a record of accountability reflecting all securities for which the Company has custodial responsibility or proprietary ownership. Transactions in the customer accounts cover both money balances and security positions, with the security transaction and related money generally recorded on the settlement date.

On a regular basis, collateral valuations of customers' accounts are analyzed to ensure that these are sufficient to cover the outstanding balances due to the Company.

As at December 31, 2022 and 2021, the Company's total gross receivables from customers and brokers amounting to ₱610,503,091 and ₱602,43,148 in 2022 and 2021, respectively, are secured by collateral comprising of quoted equity securities with a total market value of ₱3,240,890,474 and ₱4,196,670,912, respectively (see Note 8).

Other Financial Assets at Amortized Cost

The Company's other financial assets at amortized cost consist of cash in bank and other receivables. The Company limits its exposure to credit risk by investing its cash and short-term placements only with banks that have good credit standing and reputation in the local and international banking industry. These instruments are graded in the top category by an acceptable credit rating agency and, therefore, are considered to be low credit risk investments.

For other receivables, credit risk is low since the Company only transacted with reputable counterparties with respect to these financial assets.

It is the Company's policy to measure ECL on other financial assets at amortized cost on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

When determining if there has been a significant increase in credit risk, the Company considers reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed such as, but not limited to, the following factors:

- actual or expected external and internal credit rating downgrade;
- existing or forecasted adverse changes in business, financial or economic conditions; and
- actual or expected significant adverse changes in the operating results of the counterparty.

The Company also considers financial assets that are more than 30 days past due to be the latest point at which lifetime ECL should be recognized unless it can demonstrate that this does not represent significant credit risk such as when non-payment arising from administrative oversight rather than resulting from financial difficulty of the borrower.

No provision for credit losses on other financial assets at amortized cost was recognized in 2022 and 2021.

Liquidity Risk

Liquidity risk arises from the possibility that the Company may encounter difficulties in raising adequate funds to meet its financial commitments at a reasonable cost. The Company's objectives in effectively managing its liquidity are (a) to ensure that adequate funding is

available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

The Company monitors its cash flows, particularly the receivable from customers' collections and the funding requirements of operations, to ensure an adequate balance of inflows and outflows. Further, special reserve requirements for the customers of the Company are maintained in the bank (see Note 6).

The table below summarizes the maturity profile of financial liabilities of the Company based on remaining contractual undiscounted cash flows as at December 31, 2022 and 2021:

	2022			Total
	On Demand	Within One (1) Year	Over One (1) Year	
Trade payables	P-	P738,301,630	P-	P738,301,630

	2022			Total
	On Demand	Within One (1) Year	Over One (1) Year	
Trade payables	P-	P741,636,059	P-	P741,636,059

Equity Price Risk

Equity price risk is the risk that the fair values of quoted equity securities would decrease as the result of the adverse changes in the quoted equity prices as affected by both rational and irrational market forces. The equity price risk exposure of the Company arises mainly from its financial assets at FVPL and FVOCI.

The Company's policy is to maintain the risk to an acceptable level. Movement in share price is monitored regularly to determine the impact on its financial position.

The table below sets forth the impact of changes in PSE index (PSEi) in the Company's unrealized gain or loss on its financial assets at FVPL and PSE shares (included under "Financial assets at FVOCI" account in the statements of financial position) in 2022 and 2021:

	2022		2021	
Change in PSEi	7.81%	(7.81%)	24.87%	(24.87%)
Change in profit or loss	P5,533	(P5,533)	P4,262	(P4,262)
Change in other comprehensive	193,607	193,607	245,944	(245,944)

The sensitivity rates used for reporting equity price risk represents management's assessment of the reasonably possible change in equity pricing per PSEi. The sensitivity analysis includes the Company's stock portfolio with amounts adjusted by its specific beta for their valuation at the reporting date.

25. Fair Value Measurement

The following table presents the carrying amounts and fair values of the Company's assets measured at fair value (recurring measurements) and for which fair value is disclosed, and the corresponding fair value hierarchy:

		2022			
		Carrying	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Note	Amount			
<i>Asset measured at fair value:</i>					
Financial asset at FVPL	7	₱ 12,958,903	₱ 12,958,903	₱ -	₱ -
Financial asset at FVOCI	10	8,547,800	8,547,800	-	-
		₱ 21,506,703	₱ 21,506,703	₱ -	₱ -

		2021			
		Carrying	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	Note	Amount			
<i>Asset measured at fair value:</i>					
Financial asset at FVPL	7	₱ 16,100,719	₱ 16,100,719	₱ -	₱ -
Financial asset at FVOCI	10	11,631,500	11,631,500	-	-
		₱ 27,732,219	₱ 27,732,219	₱ -	₱ -

The Company used the following techniques to determine fair value measurements:

Financial Assets at FVPL and FVOCI. The Company's financial assets at FVPL and FVOC as at December 31, 2022 and 2021 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL and FVOCI are based on quoted market prices or bidding dealer price quotations from active markets as at the reporting date.

There were no transfers between Level 1, Level 2 and Level 3, in 2022 and 2021.

The table below presents the financial assets and liabilities as at December 31, 2022 and 2021 whose carrying amount approximates their fair value:

	2022	2021
Financial assets at amortized cost:		
Cash in bank	₱153,779,251	₱192,697,182
Receivable from customers	599,788,083	631,401,742
Receivable from clearing house	55,351,490	-
	₱808,918,824	₱824,098,924
Financial liabilities at amortized cost:		
Trade payables	₱738,301,630	₱741,636,059

Current Financial Assets and Liabilities. The carrying amounts of cash and cash equivalents, trade receivables and other receivables (excluding advances to officers and employees), trade payables, and other current liabilities (excluding statutory payables) approximate their fair values due to their short-term nature.

The management believes that the effect of discounting the future receipts from these financial instruments using the prevailing market rates is not significant.

As at December 31, 2022 and 2021, there are no transfers among levels 1, 2 and 3 of fair value measurements.

26. Commitments

Operating lease – Company as lessee

The Company leases its parking space under operating lease agreement, renewable annually under such terms and conditions that may be agreed by the parties.

Rent expense arising from this agreement amounted to ₱13,800 and ₱41,010 in 2022 and 2021, respectively and was recognized as part of operating expense in the statement of comprehensive income (see Note 20).

27. Supplementary Information Required by the Bureau of Internal Revenue

Presented below and in the succeeding pages is the supplementary information which is required by the BIR under Revenue Regulation (RR) No. 15-2010 and RR No. 34-2020 to be disclosed as part of the notes to the financial statements. This supplementary information is not a required disclosure under PFRS.

Under Revenue Regulation 15-2010

In compliance with the requirements set forth by Revenue Regulations 15-2010, hereunder are the information on taxes, duties and license fees paid or accrued for the year ended December 31, 2022:

Value-Added Tax (VAT)

The Company's sales are subject to output VAT while its purchases from other VAT-registered individuals or corporations are subject to input VAT. The VAT rate is 12%.

Output VAT

The following table shows the Company's Sales and VAT output declared as of December 31, 2022:

	2022	Output VAT
Vatable receipts	₱ 35,200,173	₱ 4,224,021

Input VAT

The amount VAT Input taxes claimed are broken down as follows:

	2022
Input tax carried over from previous period	₱ -
Current year's purchases	
Domestic purchase of services	1,443,571
Total allowable input tax	1,443,571
Input tax applied against output tax	(1,443,571)
Balance at end of year	₱ -

Withholding Taxes

Withholding taxes for 2022 which are either paid or accrued are as follows:

	Paid	Accrued	Total
Expanded withholding tax	P 1,489,565	P 159,286	P 1,648,851
Withholding taxes on compensation and benefits	385,000	49,086	434,086
	P 1,874,565	P 208,372	P 2,082,937

Taxes and Licenses

The details of taxes and licenses are shown as part of expenses follows:

	2022
Included in operating expenses	
BIR	P 650,841
Permits and licenses	518,738
SEC licenses	96,142
Real property tax	47,943
Registration fee	500
	P 1,314,164

Deficiency tax assessments and tax cases

As at December 31, 2022, the Company had not received any other final tax assessment from Bureau of Internal Revenue and is not currently involved in any tax case.

Requirements Under RR No. 34-2020

RR No. 34-2020 prescribes the guidelines and procedures on the submission of BIR Form No. 1709, transfer pricing documentation and other supporting documents for related party transactions. The Company is not covered by these requirements as the Company did not fall in any of the categories identified under Section 2 RR No. 34-2020.



Mariano Caguete & Co.

507 Cityland 10 Tower 1
1209 H.V. Dela Costa
Makati City, Philippines
+(63)2-88938291
+(63)2-88040867
www.mccpasph.com

**SUPPLEMENTAL WRITTEN STATEMENT
OF INDEPENDENT AUDITORS**

The Shareholders and Board of Directors
Tower Securities, Inc.
1802C PSE Centre, Exchange Rd.
Ortigas Center, Pasig City

We have audited the financial statements of Tower Securities, Inc. (the 'Company') for the year ended December 31, 2022, on which we have rendered the attached report dated April 04, 2023.

In compliance with Revised Securities Regulation Code Rule 68, we are stating that the Company has five (5) shareholders owning one hundred (100) or more shares each as at December 31, 2022.

MARIANO CAGUETE & CO. CPAs

(Formerly: N.A. Calderon & Co. CPAs)

Tax Identification No. 008-837-788-000

Firm's BOA Accreditation/PRC Cert. of Reg. No. 5612

Issued on October 09, 2020; Valid until August 8, 2023

Firm's SEC Accreditation No. 5612-SEC Group B

Issued on February 23, 2023; valid for Financial Period 2022

BIR Accreditation No. 08-006268-000-2022

Issued on September 28, 2022; valid until September 27, 2025

By:

MARIA ANTONIETTE V. MARIANO-CRUZ

Partner

CPA License No. 109720

Tax Identification No. 924-998-281-001

SEC Accreditation No. 109720-SEC Group B

Issued on February 23, 2023; valid for Financial Period 2022

BIR Accreditation No. 08-006268-005-2023

Issued on January 31, 2023; valid until January 30, 2026

P.T.R. No. 4497387, issued on January 04, 2023, Tarlac City

April 04, 2023

Makati City, Metro Manila



Mariano Caguete & Co.

507 Cityland 10 Tower 1
1209 H.V. Dela Costa
Makati City, Philippines
+(63)2-88938291
+(63)2-88040867
www.mccpasph.com

**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY SCHEDULES**

The Shareholders and Board of Directors
Tower Securities, Inc.
1802C PSE Centre, Exchange Rd.
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Tower Securities, Inc. as at December 31, 2022 and have issued our report thereon dated April 04, 2023. Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. Schedules I to VIII are the responsibility of the Company's management. These schedules are presented for purpose of complying with Securities Regulation Code Rule 52.1-5 and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly stated in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

MARIANO CAGUETE & CO. CPAs

(Formerly: N.A. Calderon & Co. CPA's)

Tax Identification No. 008-837-788-000

Firm's BOA Accreditation/PRC Cert. of Reg. No. 5612

Issued on October 09, 2020; Valid until August 8, 2023

Firm's SEC Accreditation No. 5612-SEC Group B

Issued on February 23, 2023; valid for Financial Period 2022

BIR Accreditation No. 08-006268-000-2022

Issued on September 28, 2022; valid until September 27, 2025

By:

MARIA ANTONIETTE V. MARIANO-CRUZ

Partner

CPA License No. 109720

Tax Identification No. 924-998-281-001

SEC Accreditation No. 109720-SEC Group B

Issued on February 23, 2023; valid for Financial Period 2022

BIR Accreditation No. 08-006268-005-2023

Issued on January 31, 2023; valid until January 30, 2026

P.T.R. No. 4497387, issued on January 04, 2023, Tarlac City

April 04, 2023

Makati City, Metro Manila

SCHEDULE I

**TOWER SECURITIES, INC.
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS
DECEMBER 31, 2022**

There are no liabilities subordinated to claims of general creditors.

SCHEDULE II

TOWER SECURITIES, INC.
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY RATIO
UNDER SRC RULE 49.1
DECEMBER 31, 2022

Assets	₱854,667,749
Liabilities	748,255,649
Equity as per books	106,412,100
Adjustment to equity per books	
Add (Deduct):	
Allowance for market decline	
Subordinated liabilities	
Unrealized Gain/Loss in Proprietary Accounts	
Deferred income tax	(11,259,113)
Revaluation Reserve	
Deposit for Future Stock Subscription	
Minority Interest	
Total Adjustments to Equity per books	(11,259,113)
Equity Eligible for Net Liquid Capital	95,152,987
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or Indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets	8,000,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	343,836
d. All Other Current Assets	3,913,947
e. Securities Not Readily Marketable	
f. Negative Exposure (SCCP)	
g. Notes Receivables (non-trade related)	
h. Interest and Dividend Receivables outstanding for more than 30 days	
i. Ineligible Insurance claims	
j. Ineligible Deposits	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investments in PSE	8,547,800
Total ineligible assets	20,805,583
Net Liquid Capital (NLC)	74,347,404
Less:	
Operation Risk Requirement	12,257,678
Position Risk Requirement	4,392,023
Counterparty Risk	1,059,237
Large Exposure Risk	
LERR to a single client	
LERR to a single debt	
LERR to a single issuer and group of companies	
Total Risk Capital Requirement (TRCR)	17,708,938

Net RBCA Margin (NLC-TRCR)	56,638,466
Liabilities	748,255,649
Add: Deposit for Future Stock Subscription	
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans and Secured Liabilities	
Loans Secured by Fixed Assets	
Others	
Total Adjustment to AI	-
Aggregate Indebtedness	748,255,649
5% of Aggregate Indebtedness	37,412,782
Required Net Liquid Capital (> of 5% of AI or P5M)	5,000,000
Net Risk-based Capital Excess/(Deficiency)	₱36,934,622
Ratio of AI to Net Liquid Capital	1,006%
RBCA Ratio (NLC/TRCR)	420%

SCHEDULE III

**TOWER SECURITIES, INC.
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS
UNDER ANNEX 49.2-A OF SRC RULE 49.2
DECEMBER 31, 2022**

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

Market Valuation	NIL
Number of Items	NIL

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

Market Valuation	NIL
Number of Items	NIL

SCHEDULE IV

TOWER SECURITIES, INC.
COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS
UNDER ANNEX 49.2-B OF SRC RULE 49.2
DECEMBER 31, 2022

Particulars	Credits	Debits
1. Free credit balances and other credit balance in customers' security accounts.	₱497,841,974	
2. Monies borrowed collateralized by securities carried for the account of customers.		
3. Monies payable against customers' securities loaned.		
4. Customers' securities failed to receive.		
5. Credit balances in firm accounts which are attributable to principal sales to customer.		
6. Market value of stock dividends, stock splits and similar distributions receivable outstanding over 30 calendar days old,		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱599,485,216
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to deliver.		
12. Failed to deliver customers' securities not older than 30 calendar days.		
13. Others:		
Total		
Net Credit (Debit)	(₱101,642,241)	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)		

SCHEDULE V

**TOWER 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, 2022**

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

SCHEDULE VI

**TOWER SECURITIES, INC.
RESULTS OF QUARTERLY SECURITIES COUNT
CONDUCTED PURSUANT TO SRC 52.1-10, AS AMENDED
DECEMBER 31, 2022**

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

TOWER SECURITIES, INC.
SECURITIES POSITION REPORT
DECEMBER 31, 2022

STOCK CODE	MARKET PRICE	NAME OF STOCKS	CUSTOMERS' ACCOUNT No. of Shares	Market Value	DEALER'S ACCOUNT No. of Shares	Market Value	PHIL. CENTRAL DEPOSITORY No. of Shares	Market Value	TRANSFER OFFICE No. of Shares	Market Value	IN VAULT No. of Shares	Market Value	UPLIFTMENT No. of Shares	Market Value
2GO	7.250	2GO GROUP, INC.	216,587	1,570,256	-	-	216,587	1,570,256	-	-	-	-	-	-
8990B	98.000	8990 Holdings Inc. Pref. Series B	-	-	-	-	-	-	-	-	-	-	-	-
8990P	-	8990 Holdings Inc. Pref. Series P	-	-	-	-	-	-	-	-	-	-	-	-
AAA	-	ASIA AMALGAMATED HOLDINGS CORPORAT	571,700	-	-	-	571,700	-	-	-	-	-	-	-
AB	7.350	ATOK-BIG WEDGE CO., INC. - "A"	8,051,163	59,176,048	2,700	19,845	8,053,863	59,195,893	-	-	-	-	-	-
ABA	2.080	ABACORE CAPITAL HLDGS., INC.	21,209,449	44,115,654	-	-	21,209,449	44,115,654	-	-	-	-	-	-
ABG	3.530	Asiabest Group	94,830	334,750	355	1,253	95,185	336,003	-	-	-	-	-	-
ABS	7.390	ABS-CBN Broadcasting Corporation	5,880,118	43,454,072	50	370	5,280,168	39,020,442	-	-	-	-	600,000	4,434,000
ABSP	7.530	ABS Holding PDR	13,405	100,940	25	188	13,430	101,128	-	-	-	-	-	-
AC	695.000	Ayala Corporation	122,659	85,248,005	84	58,380	122,743	85,306,385	-	-	-	-	-	-
ACE	1.320	Acesite Phils., Hotel Corp.	1,301,250	1,717,650	-	-	1,301,250	1,717,650	-	-	-	-	-	-
ACEN	7.620	AC ENERGY PHILIPPINES, INC.	26,736,880	203,735,026	1,079	8,222	26,737,959	203,743,248	-	-	-	-	-	-
ACEX	-	ACE ENEXOR, INC.	-	-	24,796	-	24,796	-	-	-	-	-	-	-
ACPB1	477.000	Ayala Corp. Class B Series 1 Pref.	39,710	18,941,670	-	-	39,710	18,941,670	-	-	-	-	-	-
ACPB2	-	Ayala Corp. class B series 2Pref.	-	-	-	-	-	-	-	-	-	-	-	-
ACR	0.780	Alsons Consolidated Resources, Inc.	15,397,000	12,009,660	-	-	15,397,000	12,009,660	-	-	-	-	-	-
AEV	57.700	Aboitiz Equity Ventures, Inc.	421,647	24,329,032	227	13,098	421,874	24,342,130	-	-	-	-	-	-
AGF	-	AG Finance, Incorporated	-	-	-	-	-	-	-	-	-	-	-	-
AGI	11.900	Alliance Global Group, Inc.	9,750,900	116,035,710	-	-	9,750,900	116,035,710	-	-	-	-	-	-
ALCO	0.560	Arthaland Corporation	71,663,000	40,131,280	130,000	72,800	71,793,000	40,204,080	-	-	-	-	-	-
ALCPB	-	Arthaland Corp. Preferred B Shares	-	-	-	-	-	-	-	-	-	-	-	-
ALCPD	430.200	Arthaland Corp. Preferred D Shares	3,000	1,290,600	-	-	3,000	1,290,600	-	-	-	-	-	-
ALHI	5.170	Anchorland Corp Hldgs., Inc.	275,700	1,425,369	-	-	275,700	1,425,369	-	-	-	-	-	-
ALI	30.800	Ayala Land, Inc.	5,163,349	159,031,149	179	5,513	5,162,328	158,999,702	-	-	1,200	36,960	-	-
ALLDY	0.225	Allday Marts, Inc.	38,635,100	8,692,898	-	-	38,635,100	8,692,898	-	-	-	-	-	-
ALLHC	2.970	Ayala Land Logistics Holdings Corp.	9,752,700	28,965,519	50,000	148,500	9,802,700	29,114,019	-	-	-	-	-	-
ANI	7.090	Agrinulture, Inc.	467,000	3,311,030	-	-	467,000	3,311,030	-	-	-	-	-	-
ANS	9.040	A. Soriano Corporation	2,337,702	21,132,826	-	-	2,337,702	21,132,826	-	-	-	-	-	-
APB2R	470.000	Ayala Corp. Pref Class -B Reissuance	-	-	-	-	-	-	-	-	-	-	-	-
AP	34.050	Aboitiz Power	1,582,071	53,869,518	-	-	1,579,371	53,777,583	-	-	-	-	2,700	91,935
APC	0.196	APC Group, Inc.	34,712,000	6,803,552	-	-	34,712,000	6,803,552	-	-	-	-	-	-
APL	0.033	Apollo Global Capital, Inc.	2,200,652,800	72,621,542	1,700	56	2,200,654,500	72,621,599	-	-	-	-	-	-
APO	0.620	Anglo-Philippines Holdings Corporation	11,425,143	7,083,589	17,600	10,912	11,442,303	7,094,228	-	-	440	273	-	-
APVI	12.500	Altus Property Ventures Inc.	786,157	9,826,963	36	-	786,193	9,827,413	-	-	-	-	-	-
APX	1.840	Apex Mining Company, Inc. - "A"	127,413,776	234,441,348	-	-	127,413,776	234,441,348	-	-	-	-	-	-
AR	-	Abra Mining & Industrial Corporation "A"	3,279,100,000	-	10,000,000	-	3,289,100,000	-	-	-	-	-	-	-
ARA	1.020	Araneta Properties, Inc.	1,563,948	1,595,227	38,400	39,168	1,602,348	1,634,395	-	-	-	-	-	-
AREIT	35.400	AREIT, Inc.	12,000	424,800	-	-	6,000	212,400	-	-	-	-	6,000	212,400
ASLAG	1.660	Raslag Corporation	100	166	-	-	100	166	-	-	-	-	-	-
AT	3.630	Atlas Cons. Mining	4,891,792	17,757,205	333	1,209	4,892,125	17,758,414	-	-	-	-	-	-
ATTI	13.760	Asian Terminals, Inc.	3,705,299	50,984,914	55,666	765,964	3,760,965	51,750,878	-	-	-	-	-	-
ATN	0.355	ATN Holdings, Inc. -"A"	4,106,000	1,457,630	-	-	4,106,000	1,457,630	-	-	-	-	-	-
ATNB	0.350	ATN Holdings, Inc. -"B"	13,514,000	4,729,900	-	-	13,514,000	4,729,900	-	-	-	-	-	-
AUB	-	Asia United Bank Corporation	199,210	-	-	-	199,210	-	-	-	-	-	-	-
AXLM	2.520	Axelum Resources Corp.	867,310	2,185,621	-	-	867,310	2,185,621	-	-	-	-	-	-
BALAI	0.580	Bala ni Fruitas	8,327,000	4,829,660	-	-	8,327,000	4,829,660	-	-	-	-	-	-
BC	4.100	Benguet Corp "A"	38,957	159,724	-	-	30,245	124,005	8,712	35,719	-	-	-	-
BCB	4.080	Benguet Corp "B"	2,179,953	8,894,208	-	-	2,179,953	8,894,208	-	-	-	-	-	-
BCOR	7.150	Berjaya Phils., Inc.	911,000	6,513,650	-	-	911,000	6,513,650	-	-	-	-	-	-
BDO	105.700	Banco de Oro Universal Bank	538,119	56,879,178	12	1,268	538,131	56,880,447	-	-	-	-	-	-
BEL	1.220	Belle Corporation	10,796,969	13,172,302	1,708	2,084	10,798,677	13,174,386	-	-	-	-	-	-
BHI	-	Boulevard Holdings, Inc.	411,540,000	-	-	-	411,540,000	-	-	-	-	-	-	-
BKR	1.500	Bright Kindle Res. & Inv	16,270,000	24,405,000	700	1,050	16,270,700	24,406,050	-	-	-	-	-	-
BLFI	-	BDO Leasing and Finance, Inc.	-	-	-	-	-	-	-	-	-	-	-	-
BLOOM	7.650	Bloomerry Resorts Corp.	7,126,800	54,520,020	-	-	7,126,800	54,520,020	-	-	-	-	-	-
BNCOM	7.890	Bank of Commerce	112,400	886,836	-	-	112,400	886,836	-	-	-	-	-	-
BPI	102.000	Bank of the Philippine Islands	179,816	18,341,232	893	91,086	180,709	18,432,318	-	-	-	-	-	-
BRN	0.730	A. Brown Company, Inc.	21,608,566	15,774,253	318	232	21,604,954	15,771,616	-	-	3,930	2,869	-	-
BRNP	100.000	A. Brown Company, Inc. Series A Pref.	-	-	-	-	-	-	-	-	-	-	-	-
BSC	0.280	Basic Energy Corp	17,471,293	4,891,962	1,309,202	366,577	18,779,495	5,258,259	-	-	1,000	280	-	-
C	1.200	Chelsea Logistics Holdings Corp.	4,364,310	5,237,172	-	-	4,364,310	5,237,172	-	-	-	-	-	-
CA	30.200	Concrete Aggregates Corp. "A"	6,340	191,468	-	-	6,340	191,468	-	-	-	-	-	-
CAB	32.300	Concrete Aggregates Corp. "B"	43,970	1,420,231	-	-	43,970	1,420,231	-	-	-	-	-	-
CAT	8.950	Cntrl Azucarera	245,100	2,193,645	-	-	245,100	2,193,645	-	-	-	-	-	-
CDT	0.680	Cityland Development Corporation	5,396,372	3,669,533	-	-	5,396,372	3,669,533	-	-	-	-	-	-
CEBCP	38.500	Cebu Air, Inc. Convertible Pref. Shares	745,540	28,703,290	-	-	745,540	28,703,290	-	-	-	-	-	-
CEB	38.300	Cebu Air, Inc	1,585,625	60,729,438	-	-	1,585,625	60,729,438	-	-	-	-	-	-
CEI	0.079	Crown Equities, Inc.	390,353,800	30,837,950	-	-	390,353,800	30,837,950	-	-	-	-	-	-
CEU	6.500	Central escolar	105,592	686,348	-	-	105,592	686,348	-	-	-	-	-	-
CHI	-	Cebu Holdings, Inc.	1,198,882	-	246,446	-	1,445,328	-	-	-	-	-	-	-
CHIB	27.450	Chinabank	25,970,758	712,897,307	228	6,259	25,970,986	712,903,566	-	-	-	-	-	-
CHP	0.610	Cemex Hldgs Phils. Inc.	128,726,093	78,522,917	-	-	128,726,093	78,522,917	-	-	-	-	-	-
CIC	15.360	Concepcion Industrial Corp.	36,720	564,019	-	-	36,720	564,019	-	-	-	-	-	-
CIP	105.000	Chemical Industries	-	-	-	-	-	-	-	-	-	-	-	-

TOWER SECURITIES, INC.
SECURITIES POSITION REPORT
DECEMBER 31, 2022

STOCK CODE	MARKET PRICE	NAME OF STOCKS	CUSTOMERS' ACCOUNT No. of Shares	Market Value	DEALER'S ACCOUNT No. of Shares	Market Value	PHIL. CENTRAL DEPOSITORY No. of Shares	Market Value	TRANSFER OFFICE No. of Shares	Market Value	IN VAULT No. of Shares	Market Value	UPLIFTMENT No. of Shares	Market Value
CLC	-	Chelsea Logistics Holdings Corp.	-	-	-	-	-	-	-	-	-	-	-	-
CLI	2.800	Cebu Landmasters Inc.	4,786,009	13,400,825	-	-	4,786,009	13,400,825	-	-	-	-	-	-
CNPF	25.800	Century Pacific Food, Inc.	284,800	7,347,840	-	-	284,800	7,347,840	-	-	-	-	-	-
CNVRG	15.880	Converge Info. & Comm Tech Solution	2,780,703	44,157,564	-	-	2,780,703	44,157,564	-	-	-	-	-	-
COAL	0.200	Coal Asia Holdings Incorporated	1,830,000	366,000	-	-	1,830,000	366,000	-	-	-	-	-	-
COL	3.130	COL Financial	421,000	1,317,730	-	-	421,000	1,317,730	-	-	-	-	-	-
COSCO	4.670	COSCO Capital, Inc.	4,512,020	21,071,133	-	-	4,512,020	21,071,133	-	-	-	-	-	-
CPG	0.385	Century Properties Group Inc.	44,412,337	17,098,750	72,397	27,873	44,484,734	17,126,623	-	-	-	-	-	-
CPGP	98.100	Century Properties Group, Inc. Pref	35,000	3,433,500	-	-	35,000	3,433,500	-	-	-	-	-	-
CPM	3.450	Century Peak Metals Holdings Corp.	675,236	2,329,564	9,720	33,534	684,956	2,363,098	-	-	-	-	-	-
CPV	-	Cebu Property - A	-	-	-	-	-	-	-	-	-	-	-	-
CPVB	-	Cebu Property - B	-	-	-	-	-	-	-	-	-	-	-	-
CROWN	1.550	Crown Asia Chemicals Corporation	1,332,000	2,064,600	-	-	1,332,000	2,064,600	-	-	-	-	-	-
CTS	0.960	CTS Global Equity Group, Inc.	4,299,000	4,127,040	-	-	4,299,000	4,127,040	-	-	-	-	-	-
CYBR	-	Cyber Bay Corporation	12,157,950	-	13,790	-	12,171,740	-	-	-	-	-	-	-
DAVIN	-	Davinci Capital	-	-	-	-	-	-	-	-	-	-	-	-
DD	6.720	DoubleDragon Properties Corp.	860,840	5,784,845	-	-	860,840	5,784,845	-	-	-	-	-	-
DDMPR	1.290	DDMP REIT, INC.	100,000	129,000	-	-	100,000	129,000	-	-	-	-	-	-
DDPR	98.000	DoubleDragon Prop. Corp. -Pref	131,700	12,906,600	-	-	131,700	12,906,600	-	-	-	-	-	-
DELM	14.000	Del Monte Pacific Limited	1,980,179	27,722,506	-	-	1,980,179	27,722,506	-	-	-	-	-	-
DFNN	3.590	Diversified Fin. Network	369,000	1,324,710	-	-	369,000	1,324,710	-	-	-	-	-	-
DHI	-	Dominion Holdings, Inc.	22,699,955	-	73,365	-	22,773,320	-	-	-	-	-	-	-
DITO	2.790	DITO CME Holdings Corp.	7,258,473	20,251,140	-	-	7,258,473	20,251,140	-	-	-	-	-	-
DIZ	3.530	Dizon Copper Silver Mines, Inc.	3,845,130	13,573,309	342	1,207	3,845,472	13,574,516	-	-	-	-	-	-
DMC	12.000	DMCI Holdings, Inc.	27,057,650	324,691,800	-	-	27,057,650	324,691,800	-	-	-	-	-	-
DMW	6.700	DM Wenceslao & Associates, Inc.	327,510	2,194,317	-	-	327,510	2,194,317	-	-	-	-	-	-
DNA	-	Philab Holdings Corp	301,044	-	-	-	301,044	-	-	-	-	-	-	-
DNL	7.900	DNL Industry Inc.	769,800	6,081,420	-	-	769,800	6,081,420	-	-	-	-	-	-
DWC	1.370	Discovery World Corporation	4,023,000	5,511,510	-	-	4,023,000	5,511,510	-	-	-	-	-	-
EAGLE	-	Eagle Cement Corporation	-	-	-	-	-	-	-	-	-	-	-	-
ECF	3.290	EASycall COMM Phils. Inc. -COM	22,185	72,989	25	82	22,210	73,071	-	-	-	-	-	-
EDC	-	Energy Dev't. Corp	-	-	-	-	-	-	-	-	-	-	-	-
EEL	2.800	EEL Corporation	38,622,025	108,141,670	-	-	38,622,025	108,141,670	-	-	-	-	-	-
EEIPA	100.000	EET Preferred A	2,000	200,000	-	-	2,000	200,000	-	-	-	-	-	-
EEIPB	102.000	EET Preferred B	138,200	14,096,400	-	-	138,200	14,096,400	-	-	-	-	-	-
EG	-	IP E-Game Ventures, Inc.	32,059,211	-	-	-	32,059,211	-	-	-	-	-	-	-
EIBA	-	Export and Industry Bank "A"	43,454,389	-	-	-	43,454,389	-	-	-	-	-	-	-
EIBB	-	Export and Industry Bank "B"	8,160,000	-	-	-	8,160,000	-	-	-	-	-	-	-
ELI	0.188	Empire East Land Holdings, Inc.	97,039,229	18,243,375	2,161	406	97,041,390	18,243,781	-	-	-	-	-	-
EMI	20.600	Emperador, Inc.	220,200	4,536,120	-	-	220,200	4,536,120	-	-	-	-	-	-
ENEX	14.040	Enex Energy Corp.	5,656,998	79,424,252	-	-	5,656,998	79,424,252	-	-	-	-	-	-
EURO	0.870	Euro-med Laboratories Phils.	196,000	170,520	-	-	196,000	170,520	-	-	-	-	-	-
EVER	0.255	Ever-Gotesco Resources & Holdings Inc.	37,394,000	9,535,470	-	-	37,394,000	9,535,470	-	-	-	-	-	-
EW	6.670	East West Banking Corp.	6,230,509	41,557,495	-	-	6,230,509	41,557,495	-	-	-	-	-	-
FAF	0.720	First Abacus Financial Hldgs.	1,019,000	733,680	-	-	1,019,000	733,680	-	-	-	-	-	-
FB	38.700	San Miguel Foods & Beverage, Inc.	73,090	2,828,583	-	-	73,090	2,828,583	-	-	-	-	-	-
FBP2	-	San Miguel Foods & Beverage, Inc. PRF2	-	-	-	-	-	-	-	-	-	-	-	-
FCG	0.630	Figaro Coffee Group, Inc.	3,038,000	1,913,940	-	-	3,038,000	1,913,940	-	-	-	-	-	-
FDC	6.420	Fillinvest Development Corporation	15,319,893	98,353,713	-	-	15,319,893	98,353,713	-	-	-	-	-	-
FERRO	2.040	Ferronoux Holdings, Inc.	373,000	760,920	-	-	373,000	760,920	-	-	-	-	-	-
FEU	530.500	Far Eastern University	1,534	813,787	-	-	1,534	813,787	-	-	-	-	-	-
FFI	3.710	Filipino Fund, Inc.	2,389,820	8,866,232	-	-	2,389,820	8,866,232	-	-	-	-	-	-
FGEN	16.940	First Gen. Corporation	480,880	8,146,107	-	-	480,880	8,146,107	-	-	-	-	-	-
FGENG	-	First Gen. Corporation Series G	-	-	-	-	-	-	-	-	-	-	-	-
FILRT	5.500	Fillinvest REIT Corp.	-	-	-	-	-	-	-	-	-	-	-	-
FJP	2.100	F & J Prince Holding - A	927,800	1,948,380	20,000	42,000	947,800	1,990,380	-	-	-	-	-	-
FJPB	1.880	F & J Prince Holding - B	88,000	165,440	-	-	88,000	165,440	-	-	-	-	-	-
FLI	0.900	Fillinvest Land, Inc.	40,194,381	36,174,943	63	57	40,194,444	36,175,000	-	-	-	-	-	-
FMETF	101.000	First Metro Phil. Equity ETF, Inc.	4,030	407,030	-	-	4,030	407,030	-	-	-	-	-	-
FNI	2.510	Global Ferronickel Holdings, Inc.	2,779,583	6,976,753	-	-	2,779,583	6,976,753	-	-	-	-	-	-
FOOD	0.550	Alliance Select Foods Intl., Inc.	10,466,671	5,756,669	-	-	10,466,671	5,756,669	-	-	-	-	-	-
FPH	60.550	First Phil. Holdings Corp.	1,688,899	102,262,834	7	424	1,688,906	102,263,258	-	-	-	-	-	-
FPI	0.207	Forum Pacific, Inc.	5,221,000	1,080,747	-	-	5,221,000	1,080,747	-	-	-	-	-	-
FRUIT	1.120	FRUITAS HOLDINGS, INC.	2,474,010	2,770,891	-	-	2,474,010	2,770,891	-	-	-	-	-	-
GEO	0.174	Geograce Resources Phils., Inc.	55,555,001	9,666,570	698	121	55,555,699	9,666,692	-	-	-	-	-	-
GERI	0.930	Global Estate Resorts, Inc.	32,365,201	30,099,637	13,360	12,425	32,378,561	30,112,062	-	-	-	-	-	-
GLO	2,180.000	Globe Telecom., Inc.	26,749	58,312,820	3	6,540	26,752	58,319,360	-	-	-	-	-	-
GLOPP	-	GLOBE - SERIES A PERPETUAL PREF	-	-	-	-	-	-	-	-	-	-	-	-
GMA7	11.220	GMA Network, Inc.	8,783,826	98,554,528	-	-	8,783,826	98,554,528	-	-	-	-	-	-
GMAP	10.600	GMA HLDG. "PDR"	3,454,258	36,615,135	-	-	2,706,658	28,690,575	-	-	-	-	747,600	7,924,560
GO	-	Gotesco Land, INC. A	7,408,617	-	210,000	-	7,618,617	-	-	-	-	-	-	-
GOB	-	Gotesco Land, INC. B	9,952,199	-	334	-	9,952,533	-	-	-	-	-	-	-
GPH	8.560	Grand Plaza Hotel Corp. -COMM	47,700	408,312	-	-	47,700	408,312	-	-	-	-	-	-
GREEN	1.460	Greenery Holdings Inc.	8,526,516	12,448,713	135,800	198,268	8,662,316	12,646,981	-	-	-	-	-	-

TOWER SECURITIES, INC.
SECURITIES POSITION REPORT
DECEMBER 31, 2022

STOCK CODE	MARKET PRICE	NAME OF STOCKS	CUSTOMERS' ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		TRANSFER OFFICE		IN VAULT		UPLIFTMENT	
			No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
GSMI	105.000	Ginebra San Miguel, INC.	1,925,430	202,170,150	-	-	1,925,430	202,170,150	-	-	-	-	-	-
GTCP	435.000	GT Capital Hldgs. Inc.	150,235	65,352,225	-	-	150,235	65,352,225	-	-	-	-	-	-
GTPPA	963.000	GT Capital Perpetual Pref. A Shares	1,600	1,540,800	-	-	1,600	1,540,800	-	-	-	-	-	-
GTPPB	950.000	GT Capital Perpetual Pref. B Shares	84,485	80,260,750	-	-	84,485	80,260,750	-	-	-	-	-	-
H2O	-	Philippine H2O Ventures Corp.	-	-	-	-	-	-	-	-	-	-	-	-
HI	3.550	House Of Investment, INC.	12,212,720	43,355,156	-	-	12,212,720	43,355,156	-	-	-	-	-	-
HLCM	3.900	Holcim Phils., Inc.	3,114,332	12,145,895	107,557	419,472	3,221,889	12,565,367	-	-	-	-	-	-
HOME	1.650	ALLHOME CORP.	48,367,506	79,806,385	-	-	48,367,506	79,806,385	-	-	-	-	-	-
HOUSE	9.860	8990 HOLDINGS, INC.	646	6,370	-	-	646	6,370	-	-	-	-	-	-
HTI	1.080	Haus Talk, Inc.	11,187,000	12,081,960	-	-	11,187,000	12,081,960	-	-	-	-	-	-
HVN	650.000	Golden Haven Memorial Park, Inc.	-	-	-	-	-	-	-	-	-	-	-	-
I	0.740	I-Remit, Inc.	342,432	253,400	-	-	342,432	253,400	-	-	-	-	-	-
ICT	200.000	International Container Terminal Svs, Inc.	440,803	88,160,600	157	31,400	440,960	88,192,000	-	-	-	-	-	-
IDC	0.800	ITALPINAS Development CORPORATION	1,638,980	1,311,184	-	-	1,638,980	1,311,184	-	-	-	-	-	-
IMI	4.870	Integrated Micro-Electronics Inc	1,841,885	8,969,980	-	-	1,841,885	8,969,980	-	-	-	-	-	-
IMP	1.070	Imperial Resources, Inc. - "A"	1,643,950	1,759,027	-	-	1,643,950	1,759,027	-	-	-	-	-	-
INFR	0.920	Philippine Infradev Holdings, Inc.	11,982,500	11,023,900	400,000	368,000	12,382,500	11,391,900	-	-	-	-	-	-
ION	0.560	Ionics Circuits, Inc.	1,159,150	649,124	200	112	1,159,350	649,236	-	-	-	-	-	-
IPM	6.620	IPM Holdings, Inc.	785,000	5,196,700	-	-	785,000	5,196,700	-	-	-	-	-	-
IPO	5.950	iPeople, Inc. - "A"	329,941	1,963,149	187,162	1,113,614	517,103	3,076,763	-	-	-	-	-	-
IRC	-	Interport Resources Corporation - "A"	-	-	-	-	-	-	-	-	-	-	-	-
IS	-	Island Information and Technology, Inc.	40,470,000	-	-	-	40,470,000	-	-	-	-	-	-	-
ISM	-	ISM Communications	-	-	-	-	-	-	-	-	-	-	-	-
JAS	1.190	Jackstone, INC.	530,100	630,819	-	-	530,100	630,819	-	-	-	-	-	-
JFC	230.000	Jollibee Foods Corporation	1,066,839	245,372,970	162	37,260	1,066,591	245,315,930	-	-	-	-	410	94,300
JFCPA	925.000	Jollibee Foods Corporation Pref Shares A	3,920	3,626,000	-	-	3,920	3,626,000	-	-	-	-	-	-
JFCPB	916.500	Jollibee Foods Corporation Pref Shares B	19,090	17,495,985	-	-	19,090	17,495,985	-	-	-	-	-	-
JGS	50.300	JG Summit Holdings, Inc.	296,425	14,910,178	-	-	296,425	14,910,178	-	-	-	-	-	-
JOH	6.110	Jollville Hldg	1,402,600	8,569,886	-	-	1,402,600	8,569,886	-	-	-	-	-	-
KEEPR	1.270	The Keepers Holding, Inc.	208,213,906	264,431,661	-	-	208,213,906	264,431,661	-	-	-	-	-	-
KEP	3.970	Keppel Phil. Prop, INC	103,323	410,192	-	-	103,323	410,192	-	-	-	-	-	-
KPH	4.710	Keppel Phils. Holdings, INC A	4,578	21,562	-	-	4,578	21,562	-	-	-	-	-	-
KPHB	4.330	Keppel Phils. Holdings, INC B	8,600	37,238	-	-	8,600	37,238	-	-	-	-	-	-
KPPI	1.520	KEPWEALTH PROPERTY PHILS., INC.	73,415	111,591	-	-	73,415	111,591	-	-	-	-	-	-
LAND	0.830	City & Land Dev't., Inc.	1,356,350	1,125,771	-	-	1,356,350	1,125,771	-	-	-	-	-	-
LBC	16.500	LBC Express Holdings, Inc.	17,970,798	296,518,167	-	-	17,970,798	296,518,167	-	-	-	-	-	-
LC	0.108	Lepanto Consolidated Mining Co.	117,064,346	12,642,949	6,611	714	117,070,943	12,643,662	-	-	14	2	-	-
LCB	0.107	Lepanto Consolidated Mining Co. - "B"	50,379,791	5,390,638	606,041	64,846	50,985,720	5,455,472	-	-	112	12	-	-
LFM	19.480	Liberty Flour Mills, INC.	196,392	3,825,716	-	-	196,392	3,825,716	-	-	-	-	-	-
LIHC	-	Lodestar Investment Hldg., Corp.	17,047,000	-	-	-	17,047,000	-	-	-	-	-	-	-
LMG	3.480	LMG Chemicals Corporation	6,570,300	22,864,644	-	-	6,570,300	22,864,644	-	-	-	-	-	-
LOTO	1.650	Pacific Online	498,350	822,278	-	-	498,350	822,278	-	-	-	-	-	-
LPC	0.130	LFM Properties Corporation	91,149	11,849	-	-	91,149	11,849	-	-	-	-	-	-
LPZ	2.950	Lopez Holding Corporation	52,345,206	154,418,358	-	-	52,345,206	154,418,358	-	-	-	-	-	-
LR	2.410	Leisure & Resorts World Corporation	32,830,618	79,121,789	8,748	21,083	32,839,366	79,142,872	-	-	-	-	-	-
LRP	-	Leisure & Resorts Preferred	-	-	-	-	-	-	-	-	-	-	-	-
LRW	-	Leisure & Resorts -Warrants	-	-	-	-	-	-	-	-	-	-	-	-
LSC	0.580	Lorenzo Shipping	37,333,250	21,653,285	-	-	37,333,250	21,653,285	-	-	-	-	-	-
LTG	9.200	LTG Group, Inc.	22,217,800	204,403,760	-	-	22,217,800	204,403,760	-	-	-	-	-	-
MA	0.010	Manila Mining Corporation - "A"	2,840,992,284	27,273,526	208,803	2,005	2,841,201,087	27,275,530	-	-	-	-	-	-
MAB	0.010	Manila Mining Corporation - "B"	1,502,699,834	14,275,648	1,080,758	10,267	1,503,780,592	14,285,916	-	-	-	-	-	-
MAC	4.900	Macroasia Corporation	1,844,016	9,035,678	-	-	1,844,016	9,035,678	-	-	-	-	-	-
MACAY	5.010	Macay Holdings, Inc.	50,115,757	251,079,943	-	-	50,115,757	251,079,943	-	-	-	-	-	-
MAH	0.660	Metroalliance Hldg.	485,488	320,422	167,000	110,220	652,488	430,642	-	-	-	-	-	-
MAHB	0.640	Metroalliance Hldg. B	301,561	192,999	360,500	230,720	662,061	423,719	-	-	-	-	-	-
MARC	1.190	Marventures Holdings Inc.	32,307,455	38,445,871	-	-	32,307,455	38,445,871	-	-	-	-	-	-
MAXS	4.880	Max's Group, INC.	1,403,600	6,849,568	-	-	1,403,600	6,849,568	-	-	-	-	-	-
MB	0.275	Manila Bulletin Publishing Corporation	12,820,033	3,525,509	-	-	12,820,033	3,525,509	-	-	-	-	-	-
MBT	54.000	Metropolitan Bank and Trust Co.	3,370,822	182,024,388	18	972	3,370,840	182,025,360	-	-	-	-	-	-
MED	0.163	MEDCO Holdings, Inc.	15,411,000	2,511,993	5,000	815	15,416,000	2,512,808	-	-	-	-	-	-
MEDIC	0.690	Medilines Distributors, Inc.	532,000	367,080	-	-	532,000	367,080	-	-	-	-	-	-
MEG	2.000	Megaworld Corp.	42,944,917	85,889,834	37,247	74,494	42,982,164	85,964,328	-	-	-	-	-	-
MER	298.800	Meralco	516,571	154,351,415	414	123,703	516,377	154,293,448	-	-	608	181,670	-	-
MFC	920.000	Manulife Financial Corporation	3,223	2,965,160	-	-	3,223	2,965,160	-	-	-	-	-	-
MFN	2.350	Makati Finance	1,180,370	2,773,870	-	-	1,180,370	2,773,870	-	-	-	-	-	-
MG	-	Millenium Global Holding, Inc.	27,643,000	-	-	-	27,643,000	-	-	-	-	-	-	-
MGH	-	Metro Global Holdings Corporation	1,589,400	-	60,000	-	1,649,400	-	-	-	-	-	-	-
MHC	0.226	Mabuhay Holdings Corporation - "A"	19,885,000	4,494,010	30,000	6,780	19,915,000	4,500,790	-	-	-	-	-	-
MJC	1.130	Manila Jockey Club, Inc.	5,789,165	6,541,756	-	-	5,789,165	6,541,756	-	-	-	-	-	-
MJC	1.100	MJC Investments, Corp.	147,800	162,580	-	-	147,800	162,580	-	-	-	-	-	-
MM	1.210	Merrymart Consumer Corp.	6,637,400	8,031,254	-	-	6,637,400	8,031,254	-	-	-	-	-	-
MONDE	11.080	Monde Nissin Corporation	6,099,405	67,581,407	-	-	6,099,405	67,581,407	-	-	-	-	-	-
MPI	3.420	Metro Pacific Inv., Corporation	51,333,568	175,560,803	708	2,421	51,334,276	175,563,224	-	-	-	-	-	-
MRC	0.195	MRC Allied Industries, Inc.	38,475,000	7,502,625	5,000	975	38,480,000	7,503,600	-	-	-	-	-	-
MREIT	14.480	MREIT, Inc.	-	-	-	-	-	-	-	-	-	-	-	-

TOWER SECURITIES, INC.
SECURITIES POSITION REPORT
DECEMBER 31, 2022

STOCK CODE	MARKET PRICE	NAME OF STOCKS	CUSTOMERS' ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		TRANSFER OFFICE		IN VAULT		UPLIFTMENT	
			No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
MRP	-	Melco Resorts And Entertainment	-	-	-	-	-	-	-	-	-	-	-	-
MRSGL	1.400	Metro Retail Stores Group, Inc.	8,162,000	11,426,800	-	-	8,162,000	11,426,800	-	-	-	-	-	-
MVC	4.910	Mabuhay Vinyl Corp.	78,600	385,926	-	-	78,600	385,926	-	-	-	-	-	-
MWC	19.100	Manila Water Company, Inc.	6,327,300	120,851,430	-	-	6,327,300	120,851,430	-	-	-	-	-	-
MWIDE	3.110	Megawide Construction Corp.	5,810,839	18,071,709	-	-	5,810,839	18,071,709	-	-	-	-	-	-
MWP	-	Megawide Cons. Corp. Pref Shares	-	-	-	-	-	-	-	-	-	-	-	-
MWP2B	95.000	MWIDE Corp. Pref. Series 2-B	-	-	-	-	-	-	-	-	-	-	-	-
MWP4	97.850	Megawide Series 4 Pref Shares	43,000	4,207,550	-	-	43,000	4,207,550	-	-	-	-	-	-
NAS	-	NASIPIT Lumber Company A	-	-	50	-	50	-	-	-	-	-	-	-
NI	0.730	Nihao Minerals	1,720,500	1,255,965	-	-	1,720,500	1,255,965	-	-	-	-	-	-
NIKL	5.800	Nickel Asia Corporation	22,556,598	130,828,268	-	-	22,556,598	130,828,268	-	-	-	-	-	-
NOW	2.240	Now Corp.	3,261,300	7,305,312	-	-	3,261,300	7,305,312	-	-	-	-	-	-
NRCP	0.580	National Reinsurance Corp	6,588,000	3,821,040	-	-	6,588,000	3,821,040	-	-	-	-	-	-
NXGEN	-	Next Genesis Corporation	731,178	-	100	-	731,064	-	-	-	214	-	-	-
OM	0.330	Omico Corporation	25,512,335	8,419,071	-	-	25,512,335	8,419,071	-	-	-	-	-	-
OPM	0.010	Oriental Petroleum and Mineral Corp - "A"	801,138,589	8,011,386	20,000,090	200,001	821,138,679	8,211,387	-	-	-	-	-	-
OPMB	0.011	Oriental Petroleum and Mineral Corp - "B"	2,618,315,025	28,801,465	30,300,000	333,300	2,648,615,025	29,134,765	-	-	-	-	-	-
ORE	0.710	ORNTL Peninsula	7,620,600	5,410,626	-	-	7,620,600	5,410,626	-	-	-	-	-	-
OV	0.010	The Philodrill Corporation - "A"	1,839,809,133	18,030,130	99,000	970	1,839,908,133	18,031,100	-	-	-	-	-	-
PA	1.900	Pacifica, Inc. - "A"	291,100	553,090	-	-	288,600	548,340	-	-	2,500	4,750	-	-
PAL	5.900	PAL Holdings, Inc.	269,913	1,592,487	6,975	41,153	276,888	1,633,639	-	-	-	-	-	-
PAX	1.510	PAXY'S, Inc.	10,191,400	15,389,014	-	-	10,191,400	15,389,014	-	-	-	-	-	-
PBB	10.200	Philippine Business Bank	971,470	9,908,994	-	-	971,470	9,908,994	-	-	-	-	-	-
PBC	13.040	Phil. Bank of Comm. - "A"	307,602	4,011,130	-	-	307,602	4,011,130	-	-	-	-	-	-
PCOR	2.400	Petron Corp.	26,522,785	63,654,684	-	-	26,520,441	63,649,058	-	-	2,344	5,626	-	-
PCP	-	Picop Res. Inc.	69,553,965	-	-	-	69,553,965	-	-	-	-	-	-	-
PERC	4.800	Petro Energy Resources Corp.	7,514,180	36,068,064	25,658	123,158	7,539,838	36,191,222	-	-	-	-	-	-
PF	-	Purefoods, Inc.	-	-	-	-	-	-	-	-	-	-	-	-
PFP2	-	SMC Pure Foods Co., Inc. Pref. 2	-	-	-	-	-	-	-	-	-	-	-	-
PGOLD	34.800	Puregold Price Club, Inc.	1,221,670	42,514,116	-	-	1,221,670	42,514,116	-	-	-	-	-	-
PHA	0.285	Premiere Horizon Alliance	29,839,000	8,504,115	-	-	29,839,000	8,504,115	-	-	-	-	-	-
PHC	-	Philcomsat Holdings - A	-	-	70,000	-	70,000	-	-	-	-	-	-	-
PHEN	-	Phinma Energy Corporation	-	-	-	-	-	-	-	-	-	-	-	-
PHES	0.370	Phil Estates Corporation	6,183,000	2,287,710	-	-	6,183,000	2,287,710	-	-	-	-	-	-
PHN	19.060	Phinma Corporation	441,283	8,410,854	5,617	107,060	446,900	8,517,914	-	-	-	-	-	-
PHR	0.820	PH Resorts Group Holdings, Inc.	29,572,654	24,249,576	-	-	29,572,654	24,249,576	-	-	-	-	-	-
PIP	-	PEPSI-COLA Products Phils.	-	-	-	-	-	-	-	-	-	-	-	-
PIZZA	7.650	Shakey's Pizza Ventures, Inc.	4,121,800	31,531,770	-	-	4,121,800	31,531,770	-	-	-	-	-	-
PLC	0.475	Premium Leisure Corporation	53,707,000	25,510,825	-	-	53,707,000	25,510,825	-	-	-	-	-	-
PMPC	5.370	Panasonic Mfg., Phils., Corp.	122,290	656,697	13,915	74,724	136,205	731,421	-	-	-	-	-	-
PMT	-	Primetown Property Group, Inc.	572,100	-	-	-	572,100	-	-	-	-	-	-	-
PNB	19.000	Philippine National Bank	4,505,624	85,606,856	-	-	4,505,624	85,606,856	-	-	-	-	-	-
PNC	-	Philippine National Cons. Corp.	110,700	-	1,800	-	112,500	-	-	-	-	-	-	-
PNX	8.600	Phoenix Petroleum Phils.	509,097	4,378,234	-	-	509,097	4,378,234	-	-	-	-	-	-
PNX3A	-	Phoenix Petroleum Phils. Series 3-A	-	-	-	-	-	-	-	-	-	-	-	-
PNX3B	65.300	Phoenix Petroleum Phils. Series 3-B	13,000	848,900	-	-	13,000	848,900	-	-	-	-	-	-
PNX4	374.000	Phoenix Petroleum Phils. Series 4 Pref	11,375	4,254,250	-	-	11,375	4,254,250	-	-	-	-	-	-
POPI	-	Prime Orion Philippines, Inc.	-	-	-	-	-	-	-	-	-	-	-	-
PORT	-	Global Port 900, Inc.	1,000	-	-	-	1,000	-	-	-	-	-	-	-
PPC	5.050	PRYCE Properties Corporation	667,550	3,371,128	4,050	20,453	671,600	3,391,580	-	-	-	-	-	-
PPG	-	Phinma Petroleum and Geothermal Inc.	-	-	-	-	-	-	-	-	-	-	-	-
PPI	-	Philtown Properties, Inc.	-	-	-	-	-	-	-	-	-	-	-	-
PRC	7.890	Phil. Racing Club, Inc.	230,910	1,821,880	2,091	16,498	233,001	1,838,378	-	-	-	-	-	-
PRF2A	-	PCOR- Perpetual Pref. Series 2-A	-	-	-	-	-	-	-	-	-	-	-	-
PRF2B	-	PCOR- Perpetual Pref. Series 2-B	-	-	-	-	-	-	-	-	-	-	-	-
PRF3A	1,015.000	PCOR- Perpetual Pref. Series 3-A	500	507,500	-	-	500	507,500	-	-	-	-	-	-
PRF3B	1,030.000	PCOR- Perpetual Pref. Series 3-B	11,800	12,154,000	-	-	11,800	12,154,000	-	-	-	-	-	-
PRIM	2.080	Prime Media Holdings, Inc.	987,531	2,054,064	102,000	212,160	1,089,531	2,266,224	-	-	-	-	-	-
PRMX	2.110	PRIMEX Corporation	16,141,000	34,057,510	-	-	16,141,000	34,057,510	-	-	-	-	-	-
PSB	56.500	PS Bank	86,567	4,891,036	1,467	82,886	88,034	4,973,921	-	-	-	-	-	-
PSE	158.000	Philippine Stock Exchange	26,612	4,204,696	54,100	8,547,800	80,712	12,752,496	-	-	-	-	-	-
PTC	119.000	Philippine Trust Company	730	86,870	-	-	730	86,870	-	-	-	-	-	-
PTT	-	Philippine Telegraph & Telephone Co.	1,766,330	-	257,660	-	2,023,990	-	-	-	-	-	-	-
PX	3.010	Philex Mining Corporation	32,452,754	97,682,790	46	138	32,452,800	97,682,928	-	-	-	-	-	-
PXP	7.670	PXP Energy Corporation	25,254,987	193,705,750	8,137	62,411	25,262,152	193,760,706	-	-	972	7,455	-	-
RCB	23.700	Rizal Commercial Banking Corporation	1,244,419	29,492,730	656	15,547	1,245,075	29,508,278	-	-	-	-	-	-
RCR	5.850	RL Commercial REIT, Inc.	-	-	-	-	-	-	-	-	-	-	-	-
RCI	0.465	Roxas & Company, Inc.	2,619,339	1,217,993	-	-	2,619,239	1,217,946	-	-	-	-	100	47
REG	3.100	Republic Glass Holdings Corporation	651,951	2,021,048	750	2,325	652,701	2,023,373	-	-	-	-	-	-
RFM	3.600	RFM Corporation "A"	7,212,926	25,966,534	180,000	648,000	7,392,926	26,614,534	-	-	-	-	-	-
RLC	14.960	Robinson's Land Corporation	4,178,990	62,517,690	1,903	28,469	4,180,893	62,546,159	-	-	-	-	-	-
RLT	0.186	Philippine Realty & Holdings Corp.	6,327,489	1,176,913	3,720	692	6,331,209	1,177,605	-	-	-	-	-	-
ROCK	1.400	Rockwell Land Corporation	6,958,900	9,742,460	1,147	1,606	6,960,047	9,744,066	-	-	-	-	-	-
ROX	0.710	Roxas Holdings, Inc.	900,678	639,481	-	-	900,678	639,481	-	-	-	-	-	-
RRHI	53.750	Robinsons Retail Holdings, Inc.	90,890	4,885,338	-	-	90,890	4,885,338	-	-	-	-	-	-

TOWER SECURITIES, INC.
SECURITIES POSITION REPORT
DECEMBER 31, 2022

STOCK CODE	MARKET PRICE	NAME OF STOCKS	CUSTOMERS' ACCOUNT		DEALER'S ACCOUNT		PHIL. CENTRAL DEPOSITORY		TRANSFER OFFICE		IN VAULT		UPLIFTMENT	
			No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
RWM	-	Travellers Int'l Hotel Group, Inc.	-	-	-	-	-	-	-	-	-	-	-	-
SBS	3.510	SBS Philippine Corporation	102,046	358,181	-	-	102,046	358,181	-	-	-	-	-	-
SCC	34.500	Semirara Mining Corporation	2,079,180	71,731,710	-	-	2,079,180	71,731,710	-	-	-	-	-	-
SECB	87.000	Security Bank Corporation	1,140,711	99,241,857	-	-	1,140,711	99,241,857	-	-	-	-	-	-
SEVN	71.000	Phil. Seven Corp. "Common"	56	3,976	43,863	3,114,273	43,919	3,118,249	-	-	-	-	-	-
SFI	0.075	Swift Foods, Inc.	19,806,888	1,485,517	44,800	3,360	19,851,688	1,488,877	-	-	-	-	-	-
SFTP	-	Swift Foods, Inc. Conv. Pref.	979,273	-	7,913	-	987,186	-	-	-	-	-	-	-
SGI	0.870	Solid Group, Inc.	16,698,000	14,527,260	3,000	2,610	16,701,000	14,529,870	-	-	-	-	-	-
SGP	11.100	Synergy Grid & Dev't., Inc.	8,628,510	95,776,461	-	-	8,628,510	95,776,461	-	-	-	-	-	-
SHLPH	16.900	Pilipinas Shell Petroleum Corporation	926,830	15,663,427	-	-	926,830	15,663,427	-	-	-	-	-	-
SHNG	2.540	Shang Properties, Inc.	1,310,099	3,327,651	436	1,107	1,310,535	3,328,759	-	-	-	-	-	-
SLF	2,600.000	Sun Life Financial Services, Inc.	1,199	3,117,400	7	18,200	1,206	3,135,600	-	-	-	-	-	-
SLI	3.250	Sta. Lucia Land, Inc.	7,307,000	23,747,750	-	-	7,307,000	23,747,750	-	-	-	-	-	-
SM	900.000	SM Investments Corporation	19,648	17,683,200	-	-	19,648	17,683,200	-	-	-	-	-	-
SMC	92.950	San Miguel Corporation - "A"	209,205	19,445,605	3	279	209,208	19,445,884	-	-	-	-	-	-
SMC2B	-	SMC Pref Shares 2-B	-	-	-	-	-	-	-	-	-	-	-	-
SMC2C	-	SMC Pref Shares 2-C	-	-	-	-	-	-	-	-	-	-	-	-
SMC2D	-	SMC Series Pref Shares 2-D	-	-	-	-	-	-	-	-	-	-	-	-
SMC2E	-	SMC Series Pref Shares 2-E	-	-	-	-	-	-	-	-	-	-	-	-
SMC2F	75.000	SMC Series Pref Shares 2-F	54,610	4,095,750	-	-	54,610	4,095,750	-	-	-	-	-	-
SMC2G	-	SMC Series Pref Shares 2-G	-	-	-	-	-	-	-	-	-	-	-	-
SMC2H	-	SMC Series Pref Shares 2-H	-	-	-	-	-	-	-	-	-	-	-	-
SMC2I	75.000	SMC Series Pref Shares 2-I	-	-	-	-	-	-	-	-	-	-	-	-
SMC2J	72.850	San Miguel Corp. Pref Series 2-J	250,000	18,212,500	-	-	250,000	18,212,500	-	-	-	-	-	-
SMC2K	71.000	San Miguel Corp. Pref Series 2-K	80,000	5,680,000	-	-	80,000	5,680,000	-	-	-	-	-	-
SMPH	35.500	SM Prime Holdings, Inc.	1,796,035	63,759,243	2,961	105,116	1,798,996	63,864,358	-	-	-	-	-	-
SOC	0.460	SOC Resources, Inc.	6,048,000	2,782,080	100,000	46,000	6,148,000	2,828,080	-	-	-	-	-	-
SPC	9.460	Salcon Power Corporation	3,940,800	37,279,968	-	-	3,940,800	37,279,968	-	-	-	-	-	-
SPM	1.680	Seafont Resources Corporation	4,070,146	6,837,845	55,325	92,946	4,125,471	6,930,791	-	-	-	-	-	-
SPNEC	1.200	Solar Philippines Nueva Ecija Corp.	113,273,089	135,927,707	-	-	113,273,089	135,927,707	-	-	-	-	-	-
SSI	1.550	SSI Group, Inc.	20,933,600	32,447,080	-	-	20,933,600	32,447,080	-	-	-	-	-	-
SSP	1.490	SFA Semicon Philippines Corporation	3,176,000	4,732,240	-	-	3,176,000	4,732,240	-	-	-	-	-	-
STI	0.345	STI Education Systems Holdings, Inc.	248,906,060	85,872,591	-	-	248,906,060	85,872,591	-	-	-	-	-	-
STN	-	Steniel Manufacturing Corporation	3,691,971	-	9,960	-	2,016,598	-	-	-	1,685,333	-	-	-
STR	2.840	Starmalls, Inc.	153,700	436,508	-	-	153,700	436,508	-	-	-	-	-	-
SUN	0.940	Suntrust Home Developers, Inc.	31,262,622	29,386,865	47,000	44,180	31,309,622	29,431,045	-	-	-	-	-	-
SWM	-	Sanitary Wares Mfg. Corp.	982,100	-	-	-	982,100	-	-	-	-	-	-	-
T	0.550	TCC Metals Corp.	1,775,000	976,250	-	-	1,775,000	976,250	-	-	-	-	-	-
TCB2D	50.700	Cirtek Holding Phils., Corp. Series 2-D	16,000	811,200	-	-	16,000	811,200	-	-	-	-	-	-
TBGI	0.220	Transpacific Broadband Group, Int'l	10,843,000	2,385,460	-	-	10,843,000	2,385,460	-	-	-	-	-	-
TECH	2.710	Cirtek Holding Phils., Corp.	2,332,179	6,320,205	-	-	2,332,179	6,320,205	-	-	-	-	-	-
TECHV	0.580	Cirtek Holding Warrant	924,926	536,457	-	-	924,926	536,457	-	-	-	-	-	-
TEL	1,317.000	PLDT, INC.	67,516	88,918,572	9	11,853	67,525	88,930,425	-	-	-	-	-	-
TFC	43.250	Phil Tobacco Flue Curing & RE	1,690	73,093	-	-	1,690	73,093	-	-	-	-	-	-
TFHI	95.000	Top Frontier Investment Hldgs.	12,511	1,188,545	-	-	12,511	1,188,545	-	-	-	-	-	-
TUGS	0.970	Harbor Star Shipping Services, Inc.	5,970,000	5,790,900	-	-	5,970,000	5,790,900	-	-	-	-	-	-
UBP	86.100	Union Bank of the Philippines	2,108,882	181,574,740	205	17,651	2,109,087	181,592,391	-	-	-	-	-	-
UNI	-	UNIOIL Resources. & Hldgs., Corp.	6,206,000	-	1,950,500	-	8,156,500	-	-	-	-	-	-	-
UP	-	Universal Rightfield Prop. & Holdings	35,097,000	-	4,000	-	35,101,000	-	-	-	-	-	-	-
UPM	0.005	United Paragon Mining Corporation	309,985,000	1,611,922	1,320,000	6,864	306,305,000	1,592,786	-	-	5,000,000	26,000	-	-
URC	136.000	Universal Robina Corporation	559,626	76,109,136	6,146	835,856	565,772	76,944,992	-	-	-	-	-	-
UW	-	Uniwide Holdings, Inc.	15,000,000	-	-	-	15,000,000	-	-	-	-	-	-	-
V	0.830	Vantage Equities	8,810,624	7,312,818	150,874	125,225	8,961,498	7,438,043	-	-	-	-	-	-
VITA	0.600	Vitarich Corporation	915,000	549,000	300	180	915,300	549,180	-	-	-	-	-	-
VLL	1.650	Vista Land & Lifescapes, Inc.	8,840,942	14,587,554	-	-	8,840,942	14,587,554	-	-	-	-	-	-
VMC	2.590	Victorias Milling Company, Inc.	35,018,708	90,698,454	70	181	35,018,778	90,698,635	-	-	-	-	-	-
VUL	0.800	Vulcan Industrial and Mining Corporation	55,857,000	44,685,600	100	80	55,857,100	44,685,600	-	-	-	-	-	-
VVT	12.840	Vivant Corporation	2,812	36,106	-	-	2,812	36,106	-	-	-	-	-	-
WEB	2.600	Philweb Corp. - Warrants	25,469,582	66,220,913	240	624	25,469,822	66,221,537	-	-	-	-	-	-
WHI	-	Wise Holdings, Inc.	1,254	-	-	-	627	-	-	-	-	-	627	-
WIN	0.230	Wellex Industries, Inc.	8,586,400	1,974,872	-	-	8,586,400	1,974,872	-	-	-	-	-	-
WLCON	29.000	WLCON DEPOT INC.	365,400	10,596,600	-	-	365,400	10,596,600	-	-	-	-	-	-
WPI	0.460	Waterfront Philippines, Inc.	9,476,600	4,359,236	-	-	9,476,600	4,359,236	-	-	-	-	-	-
X	0.265	XURPAS, Inc.	8,555,300	2,267,155	-	-	8,555,300	2,267,155	-	-	-	-	-	-
ZHI	0.127	Zeus Holdings, Inc.	60,576,000	7,693,152	-	-	60,576,000	7,693,152	-	-	-	-	-	-
		TOTAL	19,770,696,968	9,478,357,962	70,595,532	19,503,229	19,833,227,684	9,484,802,334	8,712	35,719	6,698,667	265,896	1,357,437	12,757,242

SCHEDULE VII

TOWER SECURITIES, INC.
SCHEDULE SHOWING FINANCIAL SOUNDNESS INDICATORS
IN TWO COMPARATIVE PERIODS
UNDER SRC RULE 68, AS AMENDED
DECEMBER 31, 2022

Ratio	Formula	2022		2021	
Current ratio	$\frac{\text{Current assets}}{\text{Current liabilities}}$	822,603,053	1.11	841,031,283	1.13
		739,284,682		743,641,122	
Acid test ratio	$\frac{\text{Cash and cash equivalents} + \text{Current receivables} + \text{Marketable securities}}{\text{Current liabilities}}$	821,887,727	1.11	840,209,643	1.13
		739,284,682		743,641,122	
Solvency ratio	$\frac{\text{Total liabilities}}{\text{Total assets}}$	748,255,653	0.88	751,964,270	0.86
		854,667,749		869,705,591	
Debt to equity ratio	$\frac{\text{Total Liabilities}}{\text{Equity}}$	748,255,653	7.03	751,964,270	6.39
		106,412,100		117,741,321	
Asset to equity ratio	$\frac{\text{Total assets}}{\text{Equity}}$	854,667,749	8.03	869,705,591	7.39
		106,412,100		117,741,321	
Interest rate coverage ratio	$\frac{\text{Earnings before tax}}{\text{Interest expense}}$	(11,892,662)	(118.93)	(3,631,111)	(36.31)
		99,996		99,996	
Return on assets	$\frac{\text{Net income}}{\text{Total assets}}$	(8,266,446)	(0.01)	(2,835,049)	(0.00)
		854,667,749		869,705,591	
Return on equity	$\frac{\text{Net income}}{\text{Total equity}}$	(8,266,446)	(0.08)	(2,835,049)	(0.02)
		106,412,100		117,741,321	
Net profit margin	$\frac{\text{Net income}}{\text{Revenue}}$	(8,266,446)	(0.03)	(2,835,049)	(0.05)
		32,594,289		51,917,901	

SCHEDULE VIII

**TOWER SECURITIES, INC.
RECONCILIATION OF RETAINED EARNINGS AVAILABLE
FOR DIVIDEND DECLARATION
DECEMBER 31, 2022**

Unappropriated Retained Earnings, as Previously Reported in the Audited Financial Statements		₱52,203,817
Prior period adjustment		-
Unappropriated Retained Earnings, as Adjusted		₱52,203,817
Add: Net Profit Actually Earned during the Period		
Net loss per Audited Financial Statements	(8,266,446)	
Less: Non-actual/unrealized income		
Unrealized gain on financial asset at FVPL		-
Deferred tax liability		-
Sub-total:		-
Add: Non-actual losses		
Unrealized loss on financial asset at FVPL		-
Deferred tax asset		11,259,113
Net income actually earned during the period		2,992,667
Less: Appropriation for the year		2,466,711
Retained Earnings Available for Dividend Declaration at the End of the Period		<u>₱52,729,773</u>