

COVER SHEET

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S.E.C. Registration Number

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(Company's Full Name)

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(Business Address: No. Street City / Town / Province)

Anna Francesca C. Respicio

Contact Person

8632-0905

Company Telephone Number

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Month	Day	Fiscal Year	

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FORM TYPE

	N	/	A	
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Secondary License Type, If Applicable

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Dept. Requiring this Doc.

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Amended Articles Number/Section

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Total No. of Stockholders

Total Amount of Borrowings

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Domestic

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Foreign

To be Accomplished by SEC Personnel concerned

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Document I.D.

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NOTICE OF ANNUAL STOCKHOLDERS' MEETING

TO: ALL STOCKHOLDERS

NOTICE is hereby given that there will be an annual meeting of the stockholders of **FIRST ABACUS FINANCIAL COPORATION** (the "Corporation") on **Thursday, 24 September 2020 at 10:00 A.M.**, to consider the following:

AGENDA

1. Call to Order
2. Proof of Notice of Meeting
3. Certification of Quorum
4. Approval of the Minutes of the Previous Annual Stockholders' Meeting
5. President's Report and Presentation of 2019 Financial Statements
6. Ratification of all Acts of the Board of Directors and Officers
7. Election of Directors
8. Appointment of External Auditor
9. Other Matters
10. Adjournment

In light of the COVID-19 pandemic resulting in the imposition of government regulations limiting mobility and mass gatherings, the meeting will be conducted virtually, and can be accessed at the link which will be provided to stockholders after successful registration.

In accordance with the rules of the Philippine Stock Exchange, the close of business on **25 August 2020** has been fixed as the record date for the determination of the stockholders entitled to notice of and vote at said meeting and any adjournment thereof.

Stockholders may attend the meeting and/or cast their vote in absentia by registering via e-mail at corporatesecretary@abacus-sec.com on or before 5:00 p.m. on 18 September 2020. Upon verification of their registration credentials, an e-mail from the Corporation will be sent containing instructions on how the registered online participants may access and watch the live stream of the annual stockholders' meeting and/or cast their votes on matters to be taken up during the meeting using the e-voting platform to be set up for the purpose. The e-voting platform will be accessible until 8:00 A.M. of 24 September 2020. Participants may send in questions or remarks via e-mail. Please see attached Guidelines for Participating via Remote Communication and Voting *in absentia*.

Stockholders may also send their duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by sending an e-mail to corporatesecretary@abacus-sec.com on or before 5:00 P.M. on 18 September 2020. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.

Validation of proxies is set on 21 September 2020. The votes already cast using the e-voting platform by that time will also be verified on said date.

City of Pasig, Metro Manila, 18 August 2020.



ANNA FRANCESCA C. RESPICIO
Corporate Secretary

RATIONALE FOR AGENDA ITEMS

Agenda Item No. 4. Approval of the Minutes of the Previous Meeting of Stockholders held on 26 September 2019

Copies of the Minutes of the 26 September 2019 Annual Stockholders' Meeting is currently posted on the Corporation's website (<http://firstabacusfinancial.com.ph>) and can be viewed at any time. Stockholders will be asked to approve the Minutes of the 2019 Annual Stockholders' Meeting.

Agenda Item No. 5. Approval of 2019 Operations and Results

A report on the highlights of the financial performance of the Corporation for the year ended 2019 will be presented to the stockholders. The same was reviewed by the Audit Committee and the Board of Directors, and have been audited by the external auditors who declared an unqualified opinion on the Audited Financial Statements (AFS). A summary of the 2019 AFS shall also be presented to the stockholders. Stockholders, after identifying themselves, will be given an opportunity to raise questions regarding the operations and report of the Corporation.

Agenda Item No. 6. Ratification of all Acts of the Board of Directors and Management from the date of the last Annual Stockholders' Meeting to the date of this meeting

All actions, proceedings and contracts entered into, as well as resolutions made and adopted by the Board of Directors and of Management from the date of the Stockholders Meeting held on 26 September 2019 to the date of this meeting shall be presented for confirmation, approval, and ratification. The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business.

Agenda Item No. 7. Election of Directors for 2020 to 2021

The current members of the Board of Directors, as reviewed, qualified and recommended by the Corporate Governance Committee, have been nominated for re-election. Their proven expertise and qualifications, based on current regulatory standards and the Corporation's own criteria, will help sustain the Company's solid performance that will result to its stockholders' benefit. The profiles of the Directors are available in the Company website as well as in this Information Statement. If elected, they shall serve as such for one (1) year from 24 September 2020 or until their successors shall have been duly elected and qualified.

Agenda Item No. 8. Appointment of External Auditors

The Audit Committee has pre-screened and recommended, and the Board has endorsed for consideration of the stockholders, the re-appointment of Punongbayan & Araullo as the Corporation's External Auditor for 2019-2020. Punongbayan & Araullo is one of the most reputable auditing firms in the country and is duly accredited by the Securities and Exchange Commission. The stockholders will also be requested to delegate to the Board the authority to approve the appropriate audit fee for 2020.

PROXY FORM

The undersigned stockholder of First Abacus Financial Holdings Corporation (the “Company”) hereby appoints the Chairman of the meeting, as attorney and proxy, with power of substitution, to represent and vote all shares registered in his/her/its name as proxy of the undersigned stockholder, at the Annual Meeting of Stockholders of the Company on 24 September 2020 and at any of the adjournments thereof for the purpose of acting on the following matters:

1. Election of Directors.

1.1. Vote for all nominees listed below:

- 1.1.1.1. Paulino S. Soo
- 1.1.1.2. Jack T. Huang
- 1.1.1.3. Vicente Co Chien Jr.
- 1.1.1.4. Jimmy S. Soo
- 1.1.1.5. Maria Cristina B. Encarnacion
- 1.1.1.6. Ma. Theresa G. Santos (Independent Director)
- 1.1.1.7. Jimmy Chua Alabanza (Independent Director)

1.2. Withhold authority for all nominees listed above

1.3 Withhold authority to vote for the nominees listed below:

2. Approval of minutes of previous Annual Stockholders’ Meeting.

Yes No Abstain

3. Approval of 2019 Operations and Results

Yes No Abstain

4. Ratification of all acts and resolutions of the Board of Directors and Management from date of last Stockholders’ Meeting to 24 September 2020.

Yes No Abstain

5. Election of Punongbayan & Araullo as external auditor.

Yes No Abstain

6. At their discretion, the proxies named above are authorized to vote upon such other matters as may be properly come before the meeting.

Yes No Abstain

Printed Name of Stockholder

Signature of Stockholder / Authorized
Signatory

Date

THIS PROXY FORM SHOULD BE RECEIVED BY THE CORPORATE SECRETARY AT LEAST THREE (3) DAYS BEFORE THE DATE SET FOR THE ANNUAL MEETING AS PROVIDED IN THE BY-LAWS.

WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.

SECRETARY'S CERTIFICATE

I, _____, Filipino, of legal age and with office address at _____, do hereby certify that:

1. I am the duly elected and qualified Corporate Secretary of _____ (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at _____;

2. Based on the records, during the lawfully convened meeting of the Board of Directors of the Corporation held on _____, the following resolution was passed and approved:

“RESOLVED, That the Chairman of the Stockholders’ Meeting of First Abacus Financial Holdings Corporation (“FAFHC”) be authorized and appointed, as he is hereby authorized and appointed, as the Corporation’s Proxy (the “Proxy”) to attend all meetings of the stockholders of FAFHC whether the meeting is regular or special, or at any meeting postponed or adjourned therefrom, with full authority to vote the shares of stock of the Corporation held in FAFHC and to act upon all matters and resolution that may come before or presented during meetings, or any adjournments thereof, in the name, place and stead of the Corporation.

“RESOLVED, FINALLY, That FAFHC be furnished with a certified copy of this resolution and FAFHC may rely on the continuing validity of this resolution until receipt of written notice of its revocation.”

3. The foregoing resolution has not been modified, amended or revoked in accordance with the records of the Corporation presently in my custody.

IN WITNESS WHEREOF, I have signed this instrument in _____ on _____..

Printed Name and Signature of
the Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME on _____ in _____, Affiant exhibited to me his Competent Evidence of Identity by way of _____ issued on _____ at _____.

Doc. No. _____;
Page No. _____;
Book No. _____;
Series of 2020.

Guidelines for Participating via Remote Communication and Voting in Absentia

The 2020 Annual Stockholders' Meeting (ASM) of First Abacus Financial Holdings Corporation (the "Corporation") will be held on 24 September 2020 at 10:00 am. and the Board of Directors of the Corporation has fixed the end of trading hours of the Philippine Stock Exchange, Inc. on 25 August 2020 ("Record Date") as the record date for the determination of stockholders entitled to notice of, to attend, and to vote at such meeting and any adjournment thereof. In view of the continuing mobility restrictions and prohibition on mass gatherings due to the public health emergency, the Board of Directors of the Company has approved and authorized stockholders to participate in the ASM via remote communication and to exercise their right to vote in absentia or by proxy

REGISTRATION

The conduct of the meeting will be streamed live, and stockholders may attend the meeting by registering until 18 September 2020, 5:00 p.m. by submitting the following requirements and documents to corporatesecretary@abacus-sec.com subject to verification and validation:

1. Individual Stockholders

1.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholder

1.2. Stock certificate number

1.3. Active e-mail address/es

1.4. Active contact number/s, with area and country codes

2. Multiple Stockholders or with joint accounts

2.1. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others in order to validate the registration of the shareholders

2.2. Stock certificate number/s

2.3. Active e-mail addresses of the stockholders

2.4. Active contact numbers, with area and country codes

2.5. Digital copy of an authorization letter executed by all named holders, authorizing a holder to vote for and on behalf of the account

3. Corporate Stockholders

3.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the corporation

3.2. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative

3.3. Active e-mail address/es of the authorized representative

3.4. Active contact number of an authorized representative, with area and country codes

4. PCD Participants/Brokers

- 4.1. Digital copy of the Secretary's Certificate (or equivalent for non-resident) attesting to the authority of the representative to vote for and on behalf of the PCD participant/broker
- 4.2. Digital copy of the certificate of shareholdings issued by the PCD/broker
- 4.3. Clear digital copy of the front and back portion of a valid government-issued identification card/s (ID/s), which include the passport, driver's license, SSS ID, senior citizen ID, among others to validate the registration of the authorized representative
- 4.4. Active e-mail address/es of the authorized representative
- 4.5. Active contact number of the authorized representative, with area and country codes

ONLINE VOTING

1. Log-in to the voting portal by clicking the link, and using the log-in credentials, sent to the email address of the shareholder to the Company.
2. Upon accessing the portal, the stockholder can vote on each agenda item. A brief description of each item for stockholders' approval are appended to the Notice of Meeting.
 - 2.1 A stockholder has the option to vote "Yes", "No", or "Abstain" on each agenda item for approval.
 - 2.2 For the election of directors, the stockholder has the option to vote for all nominees, withhold vote for any of the nominees, or vote for certain nominees only.
3. Once the stockholder has finalized his vote, he can proceed to submit his vote by clicking the "Submit" button.
4. The stockholder can still change and re-submit votes, provided, such new votes are submitted within the Voting Period using the same log-in credentials. Previous votes will be automatically overridden and replaced by the system with the new votes cast.

Note: A stockholder may vote such number of his/her shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected (7 directors) multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided, that the total number of votes cast shall not exceed the number of shares owned by the stockholder.

ASM LIVESTREAM

The ASM will be broadcasted live and stockholders who have successfully registered will be provided access to participate via remote communication. Instructions on how to access the livestream will be sent to their emails upon registration.

OPEN FORUM

During the virtual meeting, after all items in the agenda have been discussed, the Company will have the Question and Answer Portion, during which, the meeting's moderator will read and where representatives of the Company shall answer questions and comments received from stockholders, as time will allow. Stockholders may send their questions in advance by sending an email bearing the subject "Questions for ASM 2020" to corporatesecretary@abacus-sec.com on or before 10:00 am on 24 September 2020. Questions/comments received but not entertained during the Open Forum due to time constraints will be addressed separately by the Company via email.

**SECURITIES AND EXCHANGE COMMISSION
SEC FORM 20-IS**

**INFORMATION STATEMENT PURSUANT TO SECTION 20 OF THE
SECURITIES REGULATION CODE**

1. Check the appropriate box:
 Preliminary Information Statement
 Definitive Information Statement
2. Name of Registrant as specified in its charter: **FIRST ABACUS FINANCIAL HOLDINGS CORPORATION**
3. Province, country or other jurisdiction of incorporation or organization: **METRO MANILA**
4. SEC Identification Number : **ASO94-001420**
5. BIR Tax Identification No: **043-003-507-219**
6. Address of Principal Office : **Unit 2901A East Tower, PSE Centre, Exchange Road, Pasig City**
7. Registrant's telephone number, including area code: **(+632) 8667-8900**
8. Date, time and place of the meeting of security holders:

Date - 24 September 2020
Time - 10:00 AM
Place - Video conferencing in accordance with SEC Memorandum Circular No. 6, Series of 2020
9. Approximate date on which the Information Statement is first to be sent or given to security holders: **27 August 2020**
10. Securities registered pursuant to Sections 8 and 12 of the Code

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding as of 31 July 2020</u>
Common stock, ₱1.00 par value	1,193,200,000

11. Are any or all of these securities listed on a stock exchange

Yes (X) **No ()**

If yes, disclose the name of such Stock Exchange and Class of Securities listed therein:

Philippine Stock Exchange Common Stock

GENERAL INFORMATION

Date, time and place of meeting of security holders:

- A. **Date and Day** - 24 September 2020, Thursday
 Time - 10:00 AM
 Place - Video conferencing in accordance with SEC Memorandum
 Circular No. 6, Series of 2020
- B. The approximate date on which this Information Statement will be sent or given to security holders is on **27 August 2020**.

The complete mailing address of First Abacus Financial Holdings Corporation (referred to herein alternatively as the “Registrant”, the “Company” or the “Corporation”) is:

Unit E-2901A East Tower, PSE Center, Exchange Road, Ortigas Complex, Pasig City.

Dissenters’ Appraisal Right

The Revised Corporation Code of the Philippines, specifically Sections 41 and 80 thereof, gives to a dissenting stockholder who votes against certain corporate actions specified by law, the right to demand payment of the fair market value of their shares, commonly referred to as Appraisal Right.

The following are the instances provided by law when dissenting stockholders can exercise their Appraisal Right:

1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those outstanding shares of any class, or of extending or shortening the term of corporate existence;
2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
3. In case of investment of funds by the Company in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized; and
4. In case of merger or consolidation.

Under Section 81 of the Revised Corporation Code, the appraisal right may be exercised by any stockholder who shall have voted against the proposed corporate action, by making a written demand on the Company within thirty (30) days after the date on which the vote was taken for payment of the fair value of his shares. However, failure to make the demand within such period shall be deemed a waiver of the appraisal right. If the proposed corporate action is implemented or effected, the Company shall pay to such stockholder, upon surrender of the certificate or certificates of stock representing his shares, the fair value thereof as of the day prior to the date on which the vote was taken, excluding any appreciation or depreciation in anticipation of such corporate action.

If within a period of sixty (60) days from the date the corporate action was approved by the stockholders, the withdrawing stockholder and the Company cannot agree on the fair value of the shares, it shall be determined and appraised by three (3) disinterested persons, one of whom shall be named by the stockholder, another by the Company, and the third by the two thus chosen. The

findings of the majority of the appraisers shall be final, and their award shall be paid by the Company within thirty (30) days after such award is made, provided that no payment shall be made to any dissenting stockholder unless the Company has unrestricted retained earnings in its books to cover such payment, and that upon payment by the Company of the agreed or awarded price, the stockholder shall forthwith transfer his shares to the Company.

There is no matter or item to be submitted to a vote or acted upon in the Annual Stockholders' Meeting of the Company which falls under the instances provided by law when dissenting stockholders can exercise their Appraisal Right.

Interest of Certain Persons in or Opposition to Matters to be Acted Upon

None of the present directors and officers, nominees for election as director of the Company and any associates thereof has any substantial interest, direct or indirect, in any matter to be acted upon, other than their election as director for the year 2020-2021.

None of the directors of the Company has informed the Company in writing that he intends to oppose any action to be taken by the Company at the meeting.

CONTROL AND COMPENSATION INFORMATION

A. Voting Securities and Principal Holders Thereof

Number of Shares Outstanding

The Company has 1,193,200,000 outstanding common shares as of **31 July 2020**. A total of 1,142,196,999 common shares were issued to Filipino stockholders and 51,003,001 common shares were issued to foreign stockholders.

Each common share shall be entitled to one vote with respect to all matters to be taken up during the annual stockholders' meeting on **24 September 2020**.

Record Date

The record date fixed for determining the stockholders entitled to notice of and to vote during the annual stockholders' meeting is on **25 August 2020**.

Voting Rights

During the Annual Stockholders' Meeting, stockholders shall be entitled to elect seven (7) directors. In accordance with Section 23 of the Revised Corporation Code, each stockholder may vote such number of shares for as many as seven (7) persons he or she may choose to be elected from the list of nominees, or he or she may cumulate said shares and give one candidate as many votes as the number of his or her shares multiplied by seven (7) shall equal, or he or she may distribute his or her votes on the same principle among as many candidates as he or she shall see fit, provided that the total number of votes cast shall not exceed the number of shares owned by him or her multiplied by seven (7).

Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership of Certain Beneficial Owners

As of **30 June 2020**, the Company knows of no one who beneficially owns more than 5% of its common stock except as set forth in the table below:

Securities and Principal Holders

CLASS	NAME & ADDRESS OF RECORD OWNER AND RELATIONSHIP WITH ISSUER	NAME & ADDRESS OF BENEFICIAL OWNER AND RELATIONSHIP WITH RECORD OWNER	CITIZENSHIP	NUMBER OF SHARES	<u>% HELD</u>
Common	PCD Nominee Corp.* 2 nd Floor Makati Stock Exchange, Ayala Avenue, Makati City; stockholder		Filipino	845,868,000	70.89
Common	Paulino S. Soo (record and beneficial) Chairman and President of Issuer 29 th Floor East Tower, PSE Center, Exchange Road, Pasig City;	(same as record owner)	Filipino	133,000,000	11.15
Common	Abacus Capital and Inv. Corp. ** (record and beneficial); Subsidiary and Stockholder 29 th Floor East Tower PSE Centre, Exchange Road, Pasig City	(same as record owner)	Filipino	59,644,000	4.99

*PCD Nominee Corporation ("PCDNC") is a wholly-owned subsidiary of the Philippine Central Depository Inc. ("PCD"). The beneficial owners of such shares registered under the name of PCDNC are PCD's participants, who hold the shares in their behalf or on behalf of their clients. No single PCD participant currently owns more than 5% of the Corporation's shares forming part of the PCDNC account except **Abacus Securities Corporation**, the holder of 532,244,000 common shares of the Corporation, equivalent to about 44.6% of the Corporation's outstanding capital stock and **Quality Investments & Securities**, the beneficial owner of 93,718,000 common shares of the Corporation equivalent to about 7.85% of the Corporation's outstanding capital stock.

**Mr. Paulino S. Soo, Chairman of Abacus Capital and Investment Corporation, directs the voting/disposition of shares held by Abacus Capital and Investment Corporation and First Abacus Financial Holding Company.

2. Security Ownership of Directors and Executive Officers

The following table shows the shares beneficially owned by the directors and executive officers of the Company as of **31 July 2020**:

TITLE OF CLASS	NAME AND ADDRESS OF BENEFICIAL OWNER	AMOUNT AND NATURE OF BENEFICIAL OWNERSHIP		CITIZENSHIP	% OF CLAS S
		[record (r) or beneficial (b)]			
Common	Paulino S. Soo 29 th Floor East Tower, PSE Center, Exchange Road, Pasig City	133,000,000	r/b	Filipino	11.15
Common	Jack T. Huang 29 th Floor East Tower, PSE Center, Exchange Road, Pasig City	500,000	r/b	Filipino	0.04
Common	Jimmy S. Soo 5 th Floor Sage House V.A. Rufino St., Legaspi Village, Makati City	10,010,000	r/b	Filipino	0.84
Common	Vicente Co Chien, Jr. 555 Muelle de Binondo, Manila	6,130,000	r/b	Filipino	0.51
Common	Ms. Maria Cristina B. Encarnacion 2008 Madison Suites, Pioneer Highlands, Mandaluyong City	0	r/b	Filipino	0.00
Common	Ma. Theresa G. Santos 29 th Floor East Tower, PSE Center, Exchange Road, Pasig City	10,000	r/b	Filipino	0.00
Common	Jimmy Chua Alabanza 29 th Floor East Tower, PSE Center, Exchange Road, Pasig City	10,000	r/b	Filipino	0.00
Common	All directors and executive officers as group	149,660,000	r/b	Filipino	12.54

3. Voting Trust Holders of 5% or More

The Company is not aware of any party holding any voting trust or similar arrangement for 5% or more of the Company's voting securities.

4. Changes in Control

The Company is not aware of any arrangements that may result in a change of control of the Company. There have been no changes in control since the beginning of the last fiscal year.

B. Directors and Executive Officers

Director, Executive Officers, Promoters and Control Persons

The following are the incumbent directors and executive officers of the Company:

Name	Age	Office	Period of Service	Citizenship
Paulino S. Soo	69	Chairman /CEO	1994 to present	Filipino
Jack T. Huang	66	President/ Director	1995 to present	Filipino
Vicente Co Chien, Jr.	65	Treasurer/ Director	1995 to present	Filipino
Jimmy S. Soo	62	Director	1995 to present	Filipino
Maria Cristina Encarnacion	62	Director	2017 to present	Filipino
Ma. Theresa G. Santos	62	Independent Director	2006 to present	Filipino
Jimmy Chua Alabanza	75	Independent Director	2008 to present	Filipino
Anna Francesca C. Respicio	34	Corporate Secretary	2017 to present	Filipino

Board of Directors

The present members of the Board of Directors (“BOD”) were elected during the annual stockholders’ meeting held on 26 September 2019. The term of the current members of the BOD shall be until the next stockholders’ meeting on 24 September 2020.

Upon recommendation of the Company’s Corporate Governance Committee (composed of Mr. Paulino S. Soo [Chairman], Mr. Jimmy Chua Alabanza and Ms. Marie Therese G. Santos) as required by the Company’s Manual of Corporate Governance, the following persons are nominated for election as directors for the year 2020-2021, to hold office as such for one year or until their successors shall have been duly elected and qualified. Their respective backgrounds indicating their business experiences over the past five years are likewise provided below:

Mr. Paulino S. Soo

Mr. Soo holds a Master in Business Administration degree from the University of Pittsburgh Graduate School of Business and Bachelor of Science degree in Industrial Management Engineering from the De La Salle College. He is the President of Philippine Gaming Management Corporation, Berjaya Pizza Phils. Inc., Perdana Land Philippines Inc., Perdana Hotel Philippines Inc., Cosway Philippines Inc., and Bagan Resources PTE Inc.

Mr. Soo is a Director of Bermaz Auto Philippines Inc. He is the Treasurer of Kailash PMN Management Corporation.

He is Chairman of Abacus Securities Corporation and Abacus Capital & Investment Corporation (1994-present), and Vista Holdings Corporation (1994 - present).

Mr. Jack T. Huang

Mr. Huang is the incumbent President of the Company. He holds a Bachelor of Arts degree in Economics from the Ateneo de Manila University. He is concurrently a director of Abacus Capital & Investment Corporation (1995-present) and Abacus Securities Corporation (1995-present). He is the President of Cebu Business Continuous Forms. (1994-present).

Mr. Vicente Co Chien, Jr.

Mr. Co Chien is the Treasurer of the Corporation. He holds a Bachelor's degree in Business Economics from Hongkong Shue Yan University. He is the President of South Sea Realty and Development Corporation and Providence HealthCare Consultants (1999-present). He is concurrently director of Abacus Capital and Investment Corporation (1995-present), Abacus Securities Corporation (1995-present), Vista Holdings Corporation (1995-present). He is director of JWC Manpower Resources, Inc., Globalbridge Resources Corporation and Mavic Development, Inc.

Atty. Jimmy S. Soo

Atty. Soo is a Director of the Company. He obtained his Bachelor of Laws degree from the University of the Philippines and was admitted to the Philippine Bar in 1985. He is the Managing Partner of Soo Gutierrez Leogardo and Lee Law Offices (1992-present). He is currently the Corporate Secretary and a Director of Abacus Capital & Investment Corporation (1995-present) and Vista Holdings Corporation. He is also a Director of Berjaya Pizza Philippines, Inc. He is also an Executive Officer, and/or Director and/or Corporate Secretary of various companies.

Ms. Maria Cristina B. Encarnacion

Ms. Maria Cristina B. Encarnacion, is an incumbent Director of the Company. She has been Chairman and President of Where At Freezines, Inc. since 2010. She is an Editor and/or Writer, and Contributor of several lifestyle books. She is Editor of WhereAt Cebu, and a Contributor to Metro Society and lifestyle publications. She has been a Director of AsiaPhil Manufacturing Industries, Inc. since 1980, and was Chairman from 1993 to 2008. She was Governor of the Society of Philippine Electrical Contractors & Suppliers, Inc. (SPECS) from 1990-2002, and was Executive Vice President of SPECS in 2002. She was Secretary General of the ASEAN Federation of Electrical Engineering Contractors from 2004 to 2007. Ms. Encarnacion received her Bachelor of Science (Statistics) degree from the University of the Philippines, Diliman (1978).

Independent Directors

Pursuant to the requirements of Section 38 of the SRC, the Company's Board of Directors and stockholders approved the amendment of the Company's By-Laws adopting the requirement on the nomination and election of independent directors. In line with this, Ms. Ma. Therese G. Santos and Mr. Jimmy Chua Alabanza were elected as the Company's independent directors. The Company's By-Laws were amended last 14 January 2005 to provide for the procedures for the nomination and election of independent directors.

In compliance with the requirements of the Code of Corporate Mr. Jimmy Soo Governance, the Corporate Governance Committee (composed of Messrs. Paulino S. Soo, [Chairman], and Jimmy C. Alabanza, and Ms. Maria Therese G. Santos) endorsed the respective nominations given in favor of Ms. Ma. Therese G. Santos (by Mr. Vicente Co Chien, Jr.) and Mr. Jimmy Chua Alabanza (by Mr. Jimmy Soo). None of the nominees for independent directors are related to any member of the Board of Directors of the Company.

Ms. Ma Therese G. Santos

Ms. Santos sits as Independent Director of the Company. She is concurrently a director, stockholder, and administrator of Gravitas Prime. She is likewise an independent director of Crown Asia Chemicals Corporation. She previously served as CFO, and after her resignation, as Independent Director and Chairman of the Audit Committee of Music Semiconductors Corporation. She also served as Director and Chairman of the Risk Management Committee of both Rural Bank of Solano (Nueva Vizcaya), Inc. and Cordillera Savings and Loan Association.

Ms. Santos holds a Masters Degree in Business Administration and Bachelor of Science degree in Chemical Engineering from the University of the Philippines Diliman. She is a licensed Chemical Engineer.

Mr. Jimmy Chua Alabanza

Mr. Jimmy Chua Alabanza, is an incumbent independent director of the Corporation. He was the Chairman of Insular Construction and Supply Co., and was a Consultant of Seaboard Insurance Company. He received a Bachelor of Science Degree in Management from the Ateneo de Manila University in 1967.

Other Principal Officers

Ms. Anna Francesca C. Respicio

Ms. Anna Francesca C. Respicio is the Company's Corporate Secretary. She is the incumbent Corporate Secretary or Assistant Corporate Secretary of the following listed companies: I-Remit, Inc., Jolliville Holdings Corporation, and Discovery World Corporation, as well as the following registered corporations: Sterling Bank of Asia, Inc. (A Savings Bank), Tagaytay Highlands International Golf Club, Inc, and The Spa and Lodge at Tagaytay Highlands, Inc.,

Ms. Respicio obtained her Bachelor of Arts degree (major in Philosophy) in 2007 and her Juris Doctor degree in 2011 from the Ateneo de Manila University. She is currently a Senior Associate at Tan Venturanza Valdez. She was admitted to the Philippine Bar in April 2012.

Significant Employees

The Company has no significant employees.

Family Relationships

Paulino S. Soo and Jimmy S. Soo are brothers. No other family relationships are known to the registrant aside from Mr. Paulino Soo and Jimmy Soo.

Involvement in Certain Legal Proceedings

The Corporation is not aware of any of the following events wherein any of its directors, nominees for election as director, executive officers, underwriter or control person were involved during the past five (5) years:

- (a) any bankruptcy petition filed by or against any business of which any of the above persons was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (b) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above persons in any type of business, securities, commodities or banking activities; and,
- (c) any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self-regulatory organization, that any of the above persons has violated a securities or commodities law, and the judgment has not been reversed, suspended or vacated.

The Company and its major subsidiaries and associates are not involved in, nor are any of their properties subject to, any material legal proceedings that could potentially affect their operations and financial capabilities.

Certain Relationships and Related Transactions

Related party transactions are transfers of resources, services or obligations between the Company and its related parties, regardless whether a price is charged.

Except as provided below, during the last two years, there are no related transactions either direct or indirect with the Company's Board of Directors.

The summary of the Company's significant transactions with its related parties are as follows:

a. Granting (collection) and obtaining (payment) of Advances

In the normal course of business, the Company grants to and obtains advances from its affiliates. These advances earn interest at rates to the weighted average of the interest rates of the outstanding loans payable to the banks.

The Group grants unsecured loans to employees with interest rates ranging from 4.00% to 6.00% in 2018. Receivables from employees, which are unsecured and noninterest-bearing, amount to ₱7,728,098 and ₱6,783,713 as at December 31, 2019 and 2018, respectively.

Accounts receivable also include a receivable from Kestrel Resources Philippines, Inc. (Kestrel) (a third party engaged in purchasing receivables) amounting to ₱90,467,026 and ₱95,467,026 as of December 31, 2019 and 2018, respectively, which arose from an Assignment of Receivables Agreement (the Agreement) executed between the Group and Kestrel on April 12, 2002. Under the Agreement, the amount collected by Kestrel, including accrued interest, shall be payable to the Group on or before December 31, 2006, which date was subsequently extended to December 31, 2021. These receivables represent the balance of an equity margin loan of a previous customer after deducting a

partial settlement through a *dacion en pago* arrangement, whereby the original debtor transferred to the Group certain condominium units valued at ₱65,280,000 (see Note 13.3).

Under the terms of the assignment, Kestrel granted the Group a call option on all but not part of the receivables, including uncollected but accrued interest earnings, which had not been collected at the time of the exercise of the call option. The call option was exercisable by the Group any time prior to November 30, 2016. The exercise price of the call option was equal to the uncollected principal of the receivables. The portion of the receivables already collected prior to the exercise of the call option constituted the remaining obligation of Kestrel to the Group which was payable on or before December 31, 2021. The call option was considered closely related to its host contract since the exercise price on each exercise date was equivalent to the carrying amount of the host contract.

Management is confident that the receivables will be realized, and Kestrel will eventually be able to settle its obligations. The Group's management also estimated that the proceeds of the receivables including interest and other charges will be sufficient to recover the carrying amount of the receivables for each year. In 2019 and 2018, the Group collected ₱5,000,000 of these receivables. As at December 31, 2019 and 2018, the Group has provided allowance for impairment on Kestrel's account amounting to ₱48,199,062 and ₱80,467,026, respectively.

b. Management Fees

The Company earns management fees from Philippine Gaming Management Corporation (PGMC, an entity under common key management personnel) by virtue of the Management Service Agreement between the Group and PGMC. A key management personnel of the Company is a director of PGMC.

Management fees in 2018 and 2017 amounted to ₱30,000,000 for each year, and are presented as Management Fees in the consolidated statements of profit or loss. There was no similar transaction in 2019 because PGMC did not renew its contract with the Parent Company. Management fees receivable amounted to ₱21,250,000 and ₱25,500,000 as at December 31, 2019 and 2018, respectively, and are unsecured, noninterest-bearing and collectible in cash upon demand. These receivables are presented as part of Receivables in the consolidated statements of financial position.

c. Lease of Properties

The Group has a lease agreement with a related party under common key management personnel, covering certain office spaces. Rent income recognized by the Group from this transaction amounted to ₱1,305,967 in 2019, ₱1,362,485 in 2018, and ₱2,492,842 in 2017, and is included as part of Others under the Revenues section in the consolidated statements of profit or loss. The outstanding receivable from this transaction amounts to ₱7,042,679 and ₱5,763,587 as at December 31, 2019 and 2018, respectively, and is included as part of Others under the Receivables account in the consolidated statements of financial position. The outstanding balance of receivable is unsecured, noninterest-bearing and collectible in cash upon demand.

d. Key Management Personnel Compensation

Short-term benefits and post-employment benefits given to key management personnel amounted to ₱24,294,219, ₱24,229,398, and ₱22,004,623 in 2019, 2018, and 2017, respectively, and is presented as part Salaries and employee benefits account in the consolidated statements of profit and loss.

e. Cost- Sharing and Sale of Acquisition of Equipment

In previous years, the Group acquired certain transportation equipment through finance lease arrangements. The capitalized cost of the acquired transportation equipment is only up to certain limit in accordance with the car executive plan policy of the Group while the remaining difference is

recorded as Receivables from employees, which is presented as part of Other Receivables in the statements of financial position

In 2019, the Group sold certain transportation equipment to certain key management personnel with a carrying amount of ₱990,382. The Group received cash settlement arising from this transaction equal to the carrying amount of the assets transferred; hence, no gain or loss recognized. No similar transaction occurred in 2018.

f. Retirement Plan

The Group's plan assets are maintained and consolidated under a multi-employer retirement plan which is administered and managed under a trust agreement with a trustee bank.

Disagreement with Director

None of the Company's directors has resigned or declined to stand for re-election to the board of directors since the last annual stockholders' meeting of the security holders because of a disagreement with the Company or any matter relating to the Company's operations, policies or practices.

Compensation of Executive Officers and Directors

The following is a summary of the aggregate compensation paid or accrued during the last two (2) fiscal years, i.e. 2019 and 2018, as well as compensation to be paid in the ensuing fiscal year 2020, to the company's Chief Executive Officer and three (3) most highly compensated executive officers who are individually named, and to all other officers and directors of the Company as a group:

Name and Principal Function	Fiscal Year*	Salary	Bonus	Other Annual Compensation
Paulino S. Soo Chairman and CEO	2018			
	2019			
	2020			
Jack T. Huang President	2018			
	2019			
	2020			
Sheila Marie Aguilar Vice President- Operations	2018			
	2019			
	2020			
Melanio C. Dela Cruz Vice President- Finance	2018			
	2019			
	2020			
Total for the Group	2018	7,851,789	2,259,634	-0-
	2019	7,844,702	1,687,317	-0-
	2020	7,375,293	1,437,450	-0-
All Officers as a Group Unnamed	2018	9,233,390	2,665,690	-0-
	2019	9,387,991	2,025,468	-0-
	2020	8,778,715	1,959,745	-0-

* The figures indicated for Fiscal Year 2020 are estimates.

Except as provided above, there are no standard arrangements, employment contracts or any other arrangements by which the directors and officers of the Company receive compensation. In addition, there are no compensatory plans or arrangement with respect to named executive officers that resulted in or will result from the resignation, retirement or termination of such executive director or from a change-in-control in the Company.

The directors do not receive any compensation or per diem for each Board meeting. The Company only distributes directors' fee amounting to ₱100,000.00 annually for each director.

There is no outstanding price or stock warrants or options held by the Company's officers and directors.

Independent Public Accountants

The auditing firm of Punongbayan & Araullo ('Punongbayan') will be nominated and recommended to stockholders for reappointment as external auditor for the year 2020-2021. Representatives of the said firm are expected to be present at the upcoming Annual Stockholders' Meeting to respond to appropriate questions and to make a statement if they so desire.

For the years 2019, 2018, and 2017, the auditing firm of Punongbayan and Araullo was re-nominated and re-appointed by the Board of Directors to conduct the examination of the financial statements of the Company and its Subsidiaries.

In compliance with the SEC Memorandum Circular No. 8 Series of 2003, the assignment of Mr. Christopher M. Ferarez, the engagement's partner, shall not exceed five (5) consecutive years.

Changes in and Disagreements with Accountants on Accounting or Financial Disclosure

No independent accountants have resigned, were dismissed or otherwise ceased performing services during the two most recent fiscal years or any subsequent interim period.

There have been no changes in or disagreements with accountants on accounting and financial disclosure.

The audit and audit-related fees paid by the Company in the last two (2) years are as follows:

	2019	2018
A. Audit and Audit-related Fees		
1. Audit of the registrant's annual financial statements or services that are normally provided by the external auditor in connection with the statutory and regulatory filings or engagements	₱2,880,000	₱2,350,000
2. Other assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the registrant's financial statements	-0-	-0-
B. Tax fees	-0-	-0-
C. All other fees	-0-	-0-

The Company's Board of Directors reviews and approves the engagement of services of the Company external auditors, who are appointed upon the recommendation of the Audit and Risk Committee composed of Ms. Ma. Therese G. Santos as Chairman and Messrs. Vicente Co Chien, Jr, Jack T. Huang, Atty. Jimmy S. Soo and Paulino S. Soo as members. Engagement Agreements are executed for every type of engagement, which provides for the scope of the work, timetable, fees, engagement team, etc. for each project.

OTHER MATTERS

Action with Respect to Reports

The following are to be proposed for approval during the Annual Stockholders' Meeting:

1. Approval of the Minutes of the Previous Meeting of Stockholders
2. President's Report and Presentation of Financial Statements
3. Ratification of all Acts of the Board of Directors and Officers
4. Appoint an External Auditor
5. Election of Directors
6. Other Matters

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business, with those of significance having been covered by appropriate disclosures such as:

1. Election of Board Committee Members
2. Appointment of Principal Officers at the Organizational Board Meeting;
3. Amendment of Authorized Bank Signatories and
4. Approval of Financial Reports;

Management reports which summarize the acts of management for the year 2019 are included in the Company's Annual Report to be sent to the stockholders together with this Information Statement and shall be submitted for approval by the stockholders at the meeting. Approval of the Management Report will constitute approval and ratification of the acts of Management and of the Board of Directors for the past year.

Matters Not Required to be Submitted

No action is to be taken with respect to any matter which is not required to be submitted to a vote of the stockholders.

Amendment of Charter, By-Laws or Other Documents

There are no matters to be voted upon by the stockholders of the Company pertaining to any amendment of the Company Charter, By-laws and other documents.

Other Proposed Action

The items covered with respect to the ratification of the acts of the Board of Directors and officers for the past year up to the date of the meeting are those items entered into in the ordinary course of business.

Voting Procedures

- a. Actions to be taken at the Annual Stockholders' Meeting shall require the vote of the stockholders representing at least a majority of the Company's outstanding capital stock.
- b. Three inspectors shall be appointed by the Board of Directors before or at each meeting of the stockholders, at which an election of directors shall take place; if no such appointment shall have been made or if the inspectors appointed by the Board of Directors refused to act or fail to attend then the appointment shall be made by the presiding officer of the meeting. For purposes of the Annual Stockholders' Meeting on 24 September 2020, the Corporate Secretary and/or her representative together with the

Audit Partner of the External Auditor and/or his representative, have been designated as inspectors who have been tasked to oversee the counting of votes.

- c. Stockholders may vote at all meetings either in person or by proxy duly given in writing in favor of any person of their confidence and each stockholder shall be entitled to one vote for each share of stock standing in his name in the books of the corporation; provided, however, that in the election of Directors, each stockholder shall be entitled to cumulate his votes in the manner provided for by law. For the purpose of this year's annual stockholders' meeting, which will be held only in virtual format, the stockholders may only vote through proxies or by remote communication (in absentia). The stockholders are encouraged to participate in the meeting by either of the following:
 1. By submitting duly accomplished proxies to the Office of the Corporate Secretary at 2704 East Tower, Philippine Stock Exchange Centre, Ortigas Center, Pasig City or via electronic copy by emailing corporatesecretary@abacus-sec.com on or before 5:00 p.m. on 18 August 2020. For corporate stockholders, the proxies should be accompanied by a Secretary's Certification on the appointment of the corporation's authorized signatory.
 2. By registering your votes on the matters to be taken up during the meeting through the e-voting platform set up for the purpose which can be accessed at <http://firstabacusfinancial.com.ph/>. The e-voting portal will be open until 8:00 in the morning of 24 September 2020.
- d. With respect to the election of seven (7) directors, each stockholder may vote such number of shares for as many as seven (7) persons he may choose to be elected from the list of nominees, or he may cumulate said shares and give one candidate as many votes as the number of his shares multiplied by seven (7) shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by seven (7).
- e. Upon confirmation by the inspectors that there is a mathematical impossibility for certain nominees to be elected into office based on proxies held and votes present/represented in the meeting, the actual casting and counting of votes for the election of Directors may be dispensed with.

Omitted Items

Items 9, 10, 11, 12, 13, and 14 are not responded to in this report, the Company having no intention to take any action with respect to the information required therein.

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this report is true, complete and correct. Pursuant to the requirement of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized in the City of Pasig on 18 August 2020.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION

By:



ANNA FRANCESCA C. RESPICIO
Corporate Secretary

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION ANNUAL REPORT

General Nature and Scope of Business

First Abacus Financial Holdings (FAFHC) traces its roots from the Seven Seas Oil Exploration and Resources, Inc. (SSOERI). Seven Seas was incorporated on February 15, 1994 and became a publicly listed company on November 21, 1994. It was primarily engaged in the business of oil exploration and development. Presently, FAFHC is engaged in, through its wholly subsidiaries, stockbroking activities, investment banking, real estate business and other financial services.

Realizing that the local capital and equities markets have a pivotal role in the long-term development of the national economy, the board of directors decided to change SSOERI's primary purpose from being an oil exploration company into a financial holding company. Thus, on October 26, 1996, the SSOERI's stockholders approved the recommendations of the board to transform the firm. Consequently, on January 25, 1996, the Securities and Exchange Commission (SEC) approved the Company's change of name from Seven Seas Oil Exploration and Resources, Inc. to First Abacus Financial Holdings Corporation. The SEC likewise approved on January 25, 1996 the change on par value of FAFHC's capital stock from ₱0.01 to ₱1.00 a share to remove the issue's speculative characteristic and reflect the stock's shift into a full-fledged commercial/industrial issue.

The Company's first strategic corporate re-alignment move was to acquire the Abacus Capital & Investment Corporation (ACIC) – an operating investment house- via a cash and stock swap. ACIC effectively became a wholly owned subsidiary. ACIC, in turn, owned 100% of Abacus Securities Corporation (ASC), one of the leading members of the Philippine Stock Exchange, and Vista Holdings Corporation (VHC), a real estate holding company.

The Company, through ASC, also acquired 25% of Prosperity Properties and Management Corporation (PPMC), used to own a 16-storey building at the Ayala Business Park in Cebu City. In 1996, the Company acquired from its subsidiaries – ACIC and ASC- interests in VHC and PPMC. This resulted in a direct investment in these companies. In 1999, upon approval by the Securities and Exchange Commission of the increase in authorized capital stock of ASC from ₱50 million divided into 500,000 shares with a par value of ₱100 per share to ₱400 million divided into 4 million shares with ₱100 par value per share, the Company subscribed to 3.5 million shares representing 87.525% ownership interest. The remaining 12.475% remained with ACIC. Accordingly, the Company's ownership over ASC was changed from 100% indirect to 87.525% direct and 12.475% indirect.

On December 18, 2002, the Board of Directors approved the conversion of advances to Abacus Capital & Investment Corporation (ACIC) as deposit for future stock subscription amounting to ₱100,000,000.00. In 2008, the Company applied ₱90,000,000.00 of its deposit for future stock subscription to paid in capital as payment for the remaining subscriptions for the same amount.

Subsidiaries

Abacus Capital and Investment Corp (ACIC). ACIC was incorporated on January 6, 1995. ACIC is engaged in investment banking activities, management services, and treasury and other financial services.

Abacus Securities Corporation (ASC). ASC was incorporated on December 27, 1991. A member of the Philippine Stock Exchange, ASC is engaged in stock brokering services. It engages in buying and selling stocks in Philippine stock market for the accounts of the clients as a broker and for its own account as a dealer.

Vista Holdings Corporation (VHC). VHC was incorporated on January 21, 1993. Presently, Vista Holdings Corporation is engaged in buying and leasing out condo units primarily to its affiliated companies.

FAFHC's Vision

FAFHC's vision is to provide best value integrated financial services to its clients. In the process, Filipinos from all walks of life are enabled to become a part of the capital and equities market. Toward this end, progress and prosperity have stronger prospects of being shared by all.

Abacus Capital and Investment Corporation (ACIC)

ACIC is financially secure, with capital resources of over 400 million; complemented by a core of investment managers providing highly ethical, professional, and client-oriented investment management services.

ACIC provides the following financial services:

a) Corporate Finance

Equity Underwriting Transactions

- Initial Public Offerings
- Stock Rights Offerings
- New Tranche Offerings
- Private Placements of Listed Companies

Financial Advisory

- Share or corporate acquisitions, Buy-Ins/Mergers/Divestments
- Financial review and Restructuring
- Project Development

Debt Underwriting and Loan Arrangements

- Short, Medium, or Long Term Loan Arrangements
- Short and Long Term Commercial Papers Underwriting
- On-going oversight, issue management, agency functions

b) Treasury sales

- Government Securities
- Treasury Bills
- Long and Short Term Commercial Papers
- Preferred Notes
- Promissory Notes
- Money Market Placements`

c) Financing

- Share Margin
- Working Capital Credit Facilities

Abacus Securities Corporation (ASC)

Due to its commitment for quality service, ASC was awarded the Best Local Brokerage House in the Philippines Award from 1990-2008 granted by the Asiamoney.

ASC was the recipient of the Best Securities House in the Philippines Award granted by the EuroMoney International Awards for Excellence for the past two consecutive years, 1998 and 1999. Likewise, the Fund Managers Association of the Philippines honored ASC with a number of citations including Best in Institutional Sales/ Execution and in Settlements in 1998. The awards put ASC in an enviable position as it proved that local stockbrokerages could prove equal to international stockbroker houses.

ASC started operations in March 1992. In five years, ASC established itself as a top Filipino brokerage firm in PSE. The key factors for ASC's successes are: professional management, sound investment advisory, strong research team, real-time market information, and commitment to technology and training.

All these resulted in a strong retail franchise, a top tier domestic institutional sales organization, and growing foreign institutional sales based. Thus, ASC is now positioned to best serve the expanding domestic equities market. Strategically located branches in Binondo, Cebu and Davao support ASC's Head Office operations.

Abacus Securities Corporation was the second ranking stock brokerage house among the top ten PSE brokers. In the past years, the large foreign stockbrokerage houses dominated the top ten list of brokers. ASC believes that it can effectively compete with other brokers because of its strong sales groups, the Retail and Institutional Teams. At present, the firm has one of the most extensive based of retail clients driven by the number of branches established and envisioned to be established. Its Institutional Sales Team, on the other hand, has managed to obtain accreditation and establish active working relationships with a number of domestic institutional investors and foreign fund management companies. ASC also has a Research Group that comes out with action-driven reports and recommendations, a quality admired by most of its clients, and even the other stockbrokers. The registrant has an excellent customer service to service its clients. The company established a website to keep its clients abreast of the new developments in stock market.

For the year ended 2015, Abacus Securities Corporation ranked 20th in terms of total value traded.

Vista Holdings Corporation (VHC)

The primary purpose of the Company is to invest in, purchase, or otherwise acquire and own, hold, use, sell (without engaging in retail trade), assign, transfer, mortgage, pledge, exchange, or otherwise dispose of real and personal property of every kind and description.

VHC continues with its investment program through the acquisition of condominium units. At present, VHC leases its condominium units its affiliated companies.

Vista is not involved in real estate development. VHC continues to lease its condominium units to its affiliates.

DIRECTORS AND EXECUTIVE OFFICERS

The list of directors and executive officers of the Company are found on pages 10-12 of the Information Statement (SEC Form 20-IS) to which this report is attached.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Second Quarter of 2020

The Performance of the Company

Most of the companies are experiencing severe financial difficulties as a result of mandated closure of almost all businesses due to COVID 19. The Gross Domestic Product (GDP) growth rate declined by 16.5 percent in the second quarter of 2020, the lowest recorded quarterly growth since 1981. The economic collapse was mainly the result of the stringent lockdown measures imposed across the country to supposedly prevent the spread of the COVID-19 in the past months. The conditions in the operating environment were mirrored in the performance of the company. The Company and its subsidiaries were not spared from the slowdown of almost all economic activities during the quarter.

During the quarter under review, broker's commission was noted at ₱30.6 million, representing a slight increase of ₱2.9 million from the ₱27.8 million generated last year. The company realized ₱34.1 million on sale investments in financial assets at fair value through profit and loss, an increase of ₱12.4 million as compared to the ₱21.7 million registered for the same period last year. Total revenues stood at ₱65.8 million, representing an increase of ₱12.6 million or 23.65% over the ₱53.2 million revenues generated over the same period last year.

Consolidated revenues for the first half of the year amounted to ₱123.3 million, a slight increase of ₱7.9 million as compared to the ₱115.4 million made year on year.

Total costs and expenses for the second quarter was noted at ₱121 million from the ₱131 million reported last year. The decrease was brought about by the effect of the limited operating activities of the Company and its subsidiaries during the quarter.

Consolidated cost and expenses during the first half of the year amounted to ₱258.2 million, an increase of ₱14.6 million from last year's ₱243.6 million. The increase in the total cost and expenses was brought by the temporary decline in value of our financial assets amounting to ₱36.4 million as result of worldwide scare of COVID 19. As in the past, a large bulk of operating expenses was allocated for debt servicing in keeping with the company's commitment to honor its obligations.

Summing up the Company's performance for the second quarter of the year, the company is reporting a consolidated net loss of ₱30.1 million, an improvement as compared to the ₱50.6 million net loss reported for the same period last year. During the first half of the year, the company is reporting a consolidated net loss of ₱79.6 million, a slight improvement of ₱1.9 million from previous year's ₱81.5 million net loss.

During the period under review, there was a decrease noted in the total assets amounting to ₱330 million, from ₱5,720 million in December 2019 to P5,390 million in June 2020. The decrease was brought about by collection of our trade receivables, the temporary market decline of our investment in financial assets through profit and loss, partially offset by additional recognition of other assets.

There was a decrease in total liabilities noted during the period amounting to ₱250 million bringing total liabilities to ₱4,801 million from ₱5,051 million in December 2019. The decrease was brought about by the payments of short- term borrowings and other non-trade accounts payable amounting to ₱416 million, partially offset by the increase in trade payable to customers at the end of the period amounting to ₱166 million.

The decrease noted in stockholders' equity amounting to ₱79.6 million was due to the net result of the operation at the end of second quarter of the year.

Aside from the discussions above, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

	Unaudited June 30, 2020	Audited December 31, 2019
LIQUIDITY:		
Current Ratio	1.04:1	1.14:1
Coverage / Solvency Ratios:		
Assets to Equity	9.34:1	8.55:1
Debt to Equity Ratio	8.34:1	7.55:1
OPERATING EFFICIENCY:	June 30, 2020	June 30, 2019
Revenue Growth – Increase (Decrease)	6.83%	(19%)
Profitability – Increase (Decrease)	2.30%	(67%)

2019

General Business Environment

Although the country's gross domestic product (GDP) grew by 6.4% in the fourth quarter of 2019, it was not enough to propel the whole year's average to within the targeted range set by government of 6% to 6.5%. In the end, the country posted its slowest growth in eight years, exacerbated by a rapid deceleration in investment growth due to contraction in public spending and a weaker global economy caused by the US-China trade war. A mild El Nino, the spread of the African swine fever in Luzon, and concerns about an increasingly restrictive regulatory environment triggered by the government's decision to revoke the extension of the water concessions of Maynilad and Manila Water were factors that contributed to the slowdown. The same pattern was noted in the local equities market. The generally bullish sentiments at the start of the year eventually dissipated as the impact of the risk factors became worse than expected, eventually hurting foreign fund inflows and general optimism. As a result, the PSEi ended the year with 7,815.26, representing a very modest 4.7% increase over the previous year level.

Performance of the Company

The Company's performance for the year was greatly affected by the general slowdown. The Company's finance income for the year reached ₱237 million, representing an increase of ₱146 million from the ₱91 million it made in 2018. The increase in finance income was brought about by the additional gain realized on the sale of group's investments in financial assets amounting to ₱92.1 million, further helped by the valuation gains recorded on the group's financial assets amounting to ₱145 million at year end. On the other hand, there was no management fees recorded during the year, as compared to the ₱30 million recorded last year. Moreover, the Company's brokerage business reported a decrease in total commissions during the year from ₱144 million to ₱121.4 million.

All considered, consolidated revenues for the year stood at ₱364 million, an increase of ₱79 million from last year's ₱286 million.

Total costs and expenses for the year was noted at ₱513 million, representing a decrease of ₱119 million from last year's ₱632 million. The decrease in total costs and expenses was brought about by

fair value losses recorded last year which amounted to ₱106 million, a recorded impairment of receivable last year amounting to ₱49 million to comply with the new accounting standard, and reduced commission expense by ₱14.1 million due to the decrease in our value turnover during the year from ₱39.9 million to ₱26.2 million, partially offset by the ₱29 million increase in finance cost recognized from our borrowings due to the series of interest rate adjustments during the year from ₱267.5 million last year to this year's ₱297.5 million. Debt servicing continued to comprise a large chunk of the operating expenses in keeping with the Company's commitment to honor its obligations.

In summary, the company is reporting a consolidated net loss of ₱181 million for the year, lower than the ₱394 million net loss of the previous year.

There was an increase in total assets noted for the year amounting to ₱553 million, from ₱5,167 million in December 2018 to ₱5,720 million in December 2019. The significant increase in total assets was brought about by the change in valuation of financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income with total increase value of ₱570 million, partially offset by the net decrease in receivables due collections amounting to ₱32 million, and derecognition of Deferred Tax Assets(DTA).

A corresponding increase in total liabilities amounting to ₱513 million was also noted during the period under review bringing total liabilities from ₱4,538 million to ₱5,051 million due to increases in short term borrowings and additional non-trade obligations, partially offset by decrease in due to trade customers.

The increase in total assets had a direct effect on the group's stockholders equity at the end of the period from last year's ₱628 million to this year's ₱669 million. The increase in valuation of available for sale financial assets increases the comprehensive income of the group and revaluation reserves in stockholders equity amounting to ₱40 million.

Aside from the discussions above, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

2018

General Business Environment

Although the growth of the Philippine economy remained among the fastest in Asia, the country's GDP grew at a slower pace in 2018. The year's fourth quarter GDP was noted at 6.1%, slightly higher than the 6% rate in the third quarter, but weaker than the 6.5% pace marked in the same period in 2017. Full-year economic expansion was at 6.2%, slower than the 6.7% made in the previous year, and way below the government's revised target of 6.5 to 6.9%. Runaway inflation, most significantly the unprecedented rise to a decade-high 6.7% in the third quarter, was a major aggravating factor as it pushed up prices and, consequently, reduced household consumption and other related spending. Agriculture posted the slowest growth as a string of typhoons and structural problems in irrigation and importation triggered a steep drop from 4% annual growth in 2017 to less than 1% in 2018. Manufacturing likewise posted a slowdown as business sentiment remained bearish. On the plus side, the service sector sustained its momentum at 6.6% growth, accelerated by the government's Build, Build, Build Program. The weaker performance of the economy, exacerbated by other external factors such as the US/China trade dispute and increasing US interest rates, weighed heavily on the performance of the local capital market. The Philippine Stock Exchange composite index fell 12.76% in 2018, and the exodus of foreign money continued unabated until the last month of the year.

Performance of the Company

The Company's gain on sale of financial assets for 2018 was noted at ₱90.8 million, representing a decrease of ₱193 million from the ₱284 million it made in 2017. The decrease in gain on sale of financial assets was partly due to the adoption of new standard requiring that gain on sale of financial assets through other comprehensive income goes directly to the retained earnings or the equity section of the balance sheet and not to be presented in the profit and loss. A total gain on sale on financial assets totaling to ₱83.7 million was reclassified to the company retained earnings to conform to the new standards. The company generated a total of P30 million in management fees in 2018. In addition, the Company's brokerage business reported a total commission of ₱144 million during the year, representing a decline of ₱12.3 million as compared to the ₱156 million recorded last year.

All considered, consolidated revenues for the year stood at ₱286 million, a decrease of ₱188 million from last year's ₱474 million.

Total costs and expenses for the year was noted at ₱632 million, representing an increase of ₱180 million from last year's ₱452 million. The increase in total costs and expenses was brought about by increased finance costs during the year amounting to ₱267 million, up by ₱24 million from last year's ₱243 million, the effect of the lower valuation of financial assets through profit and loss amounting to ₱103 million, and additional provisions to comply with the adoption of new standard amounting to ₱40 million. Our newly established online trading platform for our stockbroking business contributed directly to the increase in the company's cost and expenses. Debt servicing continued to comprise a large chunk of the Company's operating expenses in keeping with our commitment to honor obligations. Since the Company is managing for the long term, additional costs and expenses were made towards strengthening the online stock trading system platform which was launched in 2017. The Company is very optimistic that the cost and effort it has put into strengthening its digital presence, initially by expanding its online trading platform, will yield rewards in a very near term, in addition to ensuring its long-term sustainability.

In summary, the company is reporting a consolidated net loss of ₱394 million for the year, representing a decline from the ₱19.4 million noted in the previous year.

For the period under review, there was a decrease in total assets amounting to ₱918 million, from ₱6,084 million in December 2017 to ₱5,167 million in December 2018. The decrease in total assets can be attributed to the decrease in the group's accounts receivable amounting to ₱305 million from last year's ₱2,876 million to this year's ₱2,570 million, and the decrease in valuation of Financial Assets at Fair Value Through Profit and Financial Assets at Fair Value Through Other Comprehensive Income amounting to ₱584 million. The decrease in accounts receivable was brought about by the collections and provisions of trade receivables at our cut-off date.

There was a slight decrease noted in total liabilities during the period amounting to ₱102 million was also noted during the period under review bringing total liabilities from ₱4,640 million to ₱4,537 million. The decrease in total liabilities was brought about by the payments in trade customers payables, partially offset by the increase in short term borrowings and other payables.

The decrease in our investment in Financial Assets amounting to ₱584 million and the result of the Company's operations during the period under review had a direct effect on the group's stockholders equity at the end of the period. Total equity at the end of the year amounted to ₱630 million as compared to the ₱1,444 million in 2017.

The possibilities of an upside for the local equities market remain very high on account of the solid economic fundamentals of the Philippines and the continuing popularity of the current administration. The midterm elections in 2019 is expected to trigger an upswing in the domestic economy. Given the Company's strong potentials and the expanded market reach brought about by its reinforced online presence, better financial performance is anticipated moving forward. Operationally, the Company

shall continue to be lean without sacrificing ability to provide the best value to customers. As it has continued to do so in the last four years, the Company will keep an eye on outstanding loans, and subsequently, interest cost and expenses. And as in the past, the Company shall continue to draw strength and inspiration from the support and commitment of its various stakeholders.

Aside from the discussions above, there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations), and other relationships of the company with unconsolidated entities or other persons created during the reporting period.

FINANCIAL RATIOS (SRC Rule 68, as amended October 2011).

The following are the Company's financial soundness indicators in two comparative periods:

		31-Dec 2018	31-Dec 2017
CURRENT/LIQUITY RATIO			
	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	= 1.14:1	1.31:1
	$\frac{\text{Quick Assets}}{\text{Current Liabilities}}$	= 1.07:1	1.24:1
The ratio is used to give an idea of the company's ability to pay back its short term liabilities with its short term assets.			
DEBT TO EQUITY RATIO	$\frac{\text{Debt}}{\text{Equity}}$	= 7.21:1	3.21:1
ASSETS TO EQUITY RATIO	$\frac{\text{Assets}}{\text{Equity}}$	= 8.21:1	4.21:1
INTEREST RATE COVERAGE RATIO	$\frac{\text{Earnings before interest and taxes}}{\text{Interest expense}}$	= -0.30:1	1.09:1
Interest rate coverage ratio is a measure on how well a company can meet its interest payment obligations.			

2017

General Business Environment

The year 2017 ended with lower-than-expected economic growth figures. The country's gross domestic product grew 6.7% in 2017, slightly below the 6.9% growth recorded in 2016. The decline was attributed to a number of factors including a drop in private construction spending, post-election impact, and the plateauing of the business process outsourcing industry. Notwithstanding the decline, the country maintained its stature as among the fastest growing emerging economies in the Region, ranking third behind China and Vietnam. In addition, improvements in the agricultural sector as well as in exports and imports, and a reinvigorated and accelerated infrastructure spending in line with the government's Build, build, build program, and the continuing popularity of the President, were factors that sustained general optimism about the country and its economic prospects.

The Philippine stock market surfed through 14 record highs in 2017, buoyed by renewed and sustained interest among investors, eventually ending the year by surging to 8,558.42 levels. The PSE index gained 25.11% for the year 2017. The growth leaders were the financial, property and the service sectors which outperformed the broad market all-share index.

Performance of the Company

The Company's performance for the year mirrored conditions in the larger business environment. Improvements were noted in a number of areas although overall results were lower than expected mainly due to investments in the long-term sustainability of the Company. The Company's finance income for 2017 reached ₱285 million, representing an increase of ₱55 million from the ₱230 million it made in 2016. This was brought about by additional gain realized on the sale of group's investments in financial assets amounting to ₱284 million. There was a decrease of ₱10 million in management fees recorded year-on-year from ₱40 million to ₱30 million. In addition, the Company's brokerage business reported an increase in total commissions during the year from ₱146 million to ₱156 million. All considered, consolidated revenues for the year stood at ₱474 million, an increase of ₱58 million from last year's ₱416 million.

However, total costs and expenses for the year was noted at ₱453 million, representing an increase of ₱48 million from last year's ₱405 million. The increase in total costs and expenses was brought about by increased debt servicing during the year amounting to ₱241 million, up by ₱24 million from last year's ₱217 million. Debt servicing continued to comprise a large chunk of the Company's operating expenses in keeping with our commitment to honor obligations. Since the Company is managing for the long term, additional costs and expenses were made towards strengthening the online stock trading system platform which was launched in 2017. The Company is very optimistic that the cost and effort it has put into expanding its online trading platform will yield rewards in a very near term, in addition to ensuring its long-term sustainability.

In summary, the company is reporting a consolidated net loss of ₱19.4 million for the year, representing a decline from the ₱3.5 million noted in the previous year.

There was a slight increase in total assets noted for the year amounting to ₱28 million, from ₱6,056 million in December 2016 to ₱6,084 million in December 2017. The slight increase of ₱28 million in total assets was brought about by the increase in the group's accounts receivable amounting to ₱599 million from last year's ₱2,277 million to this year's ₱2,876 million, partially offset by the decrease in Financial Assets at Fair Value Through Profit and Loss and Available For Sale Financial Assets amounting to ₱582. The increase in accounts receivable was brought about by the uncollected trade of clients currently due at our cut-off date while the decrease in value of Financial Assets at Fair Value Through Profit and Loss and Available For Sale Financial Assets was brought about by the temporary decline in value due to the sluggish closing at year end.

A corresponding increase in total liabilities amounting to ₱832 million was also noted during the period under review bringing total liabilities from ₱3,808 million to ₱4,640 million due to increases in short term borrowings and due to customers on trading transactions.

The decrease in our investment in Available For Sale Financial Assets amounting to ₱568 had a direct effect on the group's stockholders equity at the end of the period, but we consider the decline as temporary in nature.

The possibilities of an upside for the local equities market remains very high on account of the solid economic fundamentals of the Philippines and the continuing positive sentiments about the country. Given the Company's strong potentials and the expanded market reach brought about by its reinforced online presence, better financial performance is anticipated moving forward. Operationally, the Company shall continue to be lean without sacrificing ability to provide the best value to customers. As it has continued to do so in the last four years, the Company will keep an eye on outstanding loans, and subsequently, interest cost and expenses. And as in the past, the Company shall draw strength and inspiration from the support and commitment of its various stakeholders.

DISAGREEMENT WITH ACCOUNTANTS

No principal accountant or independent accountants of the Company has resigned, was dismissed or has ceased to perform services during the two (2) most recent fiscal years or any subsequent interim period.

The Company has no disagreement with its accountant with regard to any matter relating to accounting principles or practices, financial statements disclosure or auditing scope or procedure.

MARKET PRICE OF AND DIVIDENDS ON COMMON EQUITY

Market Information

The shares of the Company are listed in and traded on the Philippine Stock Exchange. The high and low closing prices for each quarter within the last two (2) fiscal years are as follows:

Applicable Quarter	2020		2019		2018	
	High	Low	High	Low	High	Low
First Quarter	0.68	0.50	0.70	0.58	0.72	0.64
Second Quarter	0.58	0.47	0.69	0.52	0.69	0.62
Third Quarter	-	-	0.69	0.52	0.68	0.61
Fourth Quarter	-	-	0.72	0.52	0.72	0.54

As of the close of trading hours of 31 July 2019, the price at which the registrant's shares were traded at ₱0.56 per share.

Holder

The number of *common shares* issued and outstanding as of **31 July 2020** was 1,193,200,000. As of 30 June 2020, Registrant had **100 shareholders**. On the said date, the following were the top 20 shareholders:

	Stockholder	Nationality	No. of Shares	%
1	PCD Nominee Corp. – Filipino	Filipino	845,868,000	70.89
2	Paulino S. Soo	Filipino	133,000,000	11.15
3	Abacus Capital & Investment Corp.	Filipino	59,644,000	5.00
4	ACIC FAO 20001	Filipino	32,361,000	2.71
5	Edgardo Limtong	Filipino	28,527,000	2.39
6	Phee Bon Kang	Malaysian	20,000,000	1.68
7	Vista Holdings Corp.	Filipino	14,095,000	1.18
8	Cecilio Pedro	Filipino	12,260,000	1.03
9	Quality Investment & Securities Corp.	Filipino	10,720,000	0.90
10	Jimmy S. Soo	Filipino	10,010,000	0.84
11	Vicente Co Chien Jr.	Filipino	6,130,000	0.51
12	Elizabeth K. Soo	Filipino	6,000,000	0.50
13	Solar Securities, Inc.	Filipino	4,000,000	0.34
14	Abacus Capital & Investment Corp.	Filipino	2,547,000	0.21
15	Uy Louis	Filipino	2,000,000	0.17
16	George Q. Go & Shirley D. Go	Filipino	1,443,000	0.12

17	Jack T. Huang	Filipino	500,000	0.04
18	Quality Invt. & Sec. Corp(001117)	Filipino	500,000	0.04
19	Vicente Co Chien, Jr.	Filipino	400,000	0.03
20	Lim, Francisco &/or Dulce	Filipino	304,000	0.03
	Total		1,190,309,000	99.76

Dividends

No dividends, neither in cash nor stock were declared on the shares for the last two (2) fiscal years, i.e. 2019 and 2018. There are no restrictions that limit the ability to pay dividends of common equity but the Company, as a general rule, shall only declare from surplus profit as determined by the Board of Directors as long as such declaration will not impair the capital of the Company.

Recent Sales of Unregistered or Exempt Securities

No unregistered securities or shares of the Company were sold during the last three (3) years (2019, 2018, and 2017).

CORPORATE GOVERNANCE

The Company remains focused on insuring the adoption of systems and practices of good corporate governance in enhancing value for its shareholders. The Company has been monitoring compliance with the Corporate Governance Code and the Corporation's Manual on Corporate Governance. The Company has complied with the appropriate performance self-rating assessment and performance evaluation system to determine and measure compliance with the Manual of Corporate Governance.

The Company is unaware of any non-compliance with or deviation from its Manual of Corporate Governance. The Company will continue to monitor compliance with the SEC Rules on Corporate Governance, and shall remain committed in insuring the adoption of other systems and practices of good corporate governance to enhance its value for its shareholders.

FINANCIAL STATEMENTS

Please refer to Annexes "A" and "B" for the Company's audited financial statements as of the period ended 31 December 2019 and the interim financial statements for the second quarter of calendar year 2020, respectively.

UPON WRITTEN REQUEST OF ANY SHAREHOLDER OF RECORD ENTITLED TO NOTICE OF AND VOTE AT THE MEETING, THE COMPANY SHALL FURNISH SUCH SHAREHOLDER WITH A COPY OF THE COMPANY'S ANNUAL REPORT ON SEC FOR 17-A WITHOUT CHARGE.

ANY SUCH WRITTEN REQUEST SHALL BE ADDRESSED TO:

**THE CORPORATE SECRETARY
FIRST ABACUS FINANCIAL HOLDINGS CORPORATION
Unit 2901-A East Tower, PSE Centre, Exchange Road
Pasig City**

Pursuant to the requirements of the Securities Regulations Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: 18 August 2020