COVER SHEET

A	S	O	9	4	0	0	1	4	2	0

S.E.C. Registration Number

FIRST ABACUS FINANCIAL
HOLDINGS CORPORATION AND
SUBSIDIARIES

(Company's Full Name)

E-2904A EAST TOWER PSE CENTER
EXCHANGE ROAD PASIG CITY

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

ATTY. BAYANI K. TAN

Contact Person

+632-667-8900

Company Telephone Number

1	2		3	1

Month Day

Fiscal Year

SEC FORM SEC 17-A

Form Type

Dec. 31, 2014

Month Day

Annual Meeting

Secondary License Type, if Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. use black ink for scanning purposes

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-A (Annual Report)

1. For the year : **December 31, 2014**

2. SEC Identification Number : **ASO94-001420**

3. BIR Tax Identification Number: **043-003-507-219**

4. Exact name of the registrant as specified in its charter:
   FIRST ABACUS FINANCIAL HOLDINGS CORPORATION

5. **Pasig City, Philippines**
   Province, Country or other jurisdiction of incorporation

6. (SEC Use Only)
   Industry Classification Code

7. **Unit –E2901 PSE Center, Exchange Road, Pasig City** — 1605
   Address of the principal office — Postal Code

8. Registrant's telephone number, including area code
   (+632)-6678900

9. Former name, former address, and former fiscal year, if changed since last report
   Not Applicable

10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code:

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common Stock, P1.00 par value	**1,193,200,000 shares**

11. Are any or all these securities listed on the Philippine Stock Exchange?

    Yes (x) No ( )

12. Check whether the registrant

(a) Has filed all reports required to be filed by Section 17 of the Securities Regulation Code(SRC) and Sections 26 and 141 of The Corporation Code of the Philippines during the preceding 12 months (or for such shorter period that the registrant was required to file such reports);

    Yes (x) No ( )

(b) Has been subject to such filing requirements for the past 90 days.

    Yes (x) No ( )

13. Aggregate market value of the voting stock held by non-affiliates of the registrant as of April 16, 2015 **₱561,916,761.00 :**

a) Total number of shares held by non-affiliates as of April 16, 2015 : **802,738,230** shares

b) Closing price of the Registrant's shares on the Exchange
As of April 16, 2015 : P0.70

c) Aggregate market price (a x b) as of
As of April 16, 2015 : **₱561,916,761.00**

APPLICABLE ONLY TO REGISTRANTS INVOLVED IN INSOLVENCY/SUSPENSION OF PAYMENT PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

14. Check whether the registrant has filed all documents and reports required to be filed by Section 17 of the SRC subsequent to the distribution of securities under a plan confirmed by a court or the SEC.

Yes ( ) No ( ) (Not Applicable)

DOCUMENTS INCORPORATED BY REFERENCE

None

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PART I – BUSINESS AND GENERAL INFORMATION

Item 1. 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 primary 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 SSOERIS'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 like wise approved on January 25, 1996 the change on par value of FAFHC's capital stock from Php0.01 to Php 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 Php50 million divided into 500,000 shares with a par value of Php100 per share to Php400 million divided into 4 million shares with Php100 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 Php100,000,000. In 2008, the Company applied P90,000,000 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 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 **2014,** Abacus Securities Corporation ranked 17th 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. The acquisition of condominium units was put on hold, as property market has not significantly improved.

The Contribution of each services or line of business

		Amounts (In mio)
Finance Income	₱	396.2
Commissions		158.7
Management fees		40.0
Other revenues		1.5
	₱	**596.4**

Competition

The direct competitors of the Company and its subsidiaries are companies engaged in stock brokering business and are members of the Philippine Stock Exchange; companies engaged in investment banking, financial and management services, and treasury operations; companies and individual owners of condominium units within the area of Ortigas Center, as properties are located in the Philippine Stock Exchange Center Condominium. The indirect competitors of the Company and its subsidiaries are Financing Institution, Growth Funds, Pension and Pre-need companies.

As to the stock brokerage business segment, the Company and its competitors cater the requirements of both institutional and retail clients of our local stock and financial market. In 2013, a total of Php926.4 trillion were traded or done through the local bourse which were divided among the foreign and local brokers. The total value turnover or total amount of value traded are considered the total size of the registrant and its competitors which broker commissions are generated.

The registrant and its competitors almost offering the same services and strengths. Most of the brokerage and financial houses are fully capitalized, offering services for the needs of the institutional and retail clients, they all have created and established a good backroom support, established a good internal and financial control systems. Just recently, numbers of stock brokerage houses have launched an online trading facility to attract more investors and to give investors the easy access of the trading facility, and to keep them abreast with the local and financial market. Long before competitors have applied, focused and established themselves to catch up with the requirements to be a full-fledged financial and brokerage company, the registrant has long pioneered and can rightfully say was the first to institute those strengths.

The consistent exemplary performance comes as a result of the company's steadfast commitment to deliver the best value to customers through professional management, sound investment advisory, strong research team, real-time market information, and commitment to technology and training.

The Company is now positioned to best serve the expanding domestic equities market. Its branches are now strategically located in Binondo, Cebu and Davao to support the Company's Head Office operations.

Customers

The Company's market for its financial products and services include both retail and institutional customer base. No data is available for brokers commission contributed by foreign nationalities as to the regional market. It must be noted that brokers commissions derived from the marketable securities were all transacted through the Philippine Stock Exchange.

The market for the Company's property development and leasing is primarily the upper income level market.

The Company and its wholly owned subsidiaries are not dependent upon a single customer or few customers. The Company and its subsidiaries do not have a customer that has over 20% or more of the Company's turnover.

Distribution methods of the product services

The Company and its subsidiaries distribute its services to its clientele by or through:

- Certified Sales Representatives (CSRs) are licensed by the Securities and Exchange Commission to transact for the accounts of the clients of our stock broking business.

- Corporate Finance Group is composed of our top caliber professionals in charge in our investment banking, management and financing activities.

- Our brokerage house has just opened its online trading facility to its new and existing clients. With the new online trading scheme, our customers can already view their portfolios online and trade their accounts using their personal phones, tablets and terminals.

Patents, Trademarks, Licenses, Franchises, Concessions, Royalty Agreements or Labor Contracts.

- License granted by the Securities and Exchange Commission (SEC) to Abacus Capital & Investment Corp. as an Investment House.
- License granted to Abacus Securities as a broker and dealer of Securities which is renewable every year

Aside from the above licenses granted, the registrant and its subsidiaries have no pending applications that need for any government approval.

Employees

As of December 31, 2014, the Company and it operating subsidiaries employ 65 permanent employees.

Type Employees	# of Employees	No. of Additional Employees for Ensuing 12 Mos. *	Collective Bargaining Agreement(CBA)	Supplemental Benefits or other incentives
Operations	25	1	N/A	None
Corporate Finance	6	0	N/A	None
Administrative	8	None	N/A	None
Sales	15	0	N/A	None
Accounting & Finance	10	None	N/A	None
Total	64	1		

For the past three years, the Company and its subsidiaries have not experienced any strike or threat of strike from its employees.

Government Approval of Principal products or Services

No existing application needs for government approval

Amount Spent for Research and Development Activities

None

Cost and effects of Compliance with Environmental Laws

Not Applicable

Risk Management Objectives and Policies

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The risk management activities at the level of each Company in the Group is coordinated with the Parent Company, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short-to-medium cash flows by minimizing the exposure to financial markets. Long-term financial instruments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant risks to which the Group is exposed to are described in the Company's Notes to Consolidated Financial Statements.

Item 2. Properties

The following properties are in prime condition directly owned by the Company and its subsidiaries:

Approximately 110 square meters of office space located at Federal Towers, Binondo (through Vista Holdings Corporation). The unit is being occupied by a subsidiary, Abacus Securities Corporation. The lease agreement was renewed for two (2) years and will expire December 31, 2015. The monthly rental is Seventy Eight Thousand Seven Hundred Ten and 02/100 (₱78,710.02).

Approximately 940 square meters of office space located at the 29th Floor of the East Tower of the Philippine Stock Exchange Center (through Vista Holdings Corporation). The unit is being leased by a subsidiary, Abacus Securities Corporation, for a period of two (2) years. The lease agreement will end December 31, 2015 with a monthly rental of Six Hundred Seventy Two Thousand Six Hundred Twelve and 86/100 (₱672,612.86).

Approximately 483 square meters of office space located at the 29th Floor of the East Tower of the Philippine Stock Exchange Center (Direct).

All properties, as stated above, are owned by First Abacus Financial and its wholly owned subsidiaries. All of the Condominium Units stated above were used by the registrant and its subsidiaries to secure the group's bank loans. No limitations have been set by the banks on the properties collateralized, except that when the properties are to be disposed of, proper notice has to be sent to the banks prior its disposal.

The company has no intention of acquiring/leasing additional properties.

Item 3. Legal Proceedings

The Company is not aware of any material proceeding involving the issuer and its directors, executive officers, underwriter or control person during the past five (5) years.

Item 4. Submission of Matters to Vote of Security Holders

No matters were submitted to a vote of the security holders of the Company during the fourth quarter of 2014.

PART II – OPERATIONAL AND FINANCIAL INFORMATION

Item 5. Market for Registrant's common equity and related stockholder matters

1) 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	2014		2013		2012	
	High	Low	High	Low	High	Low
First Quarter	0.84	0.78	0.90	0.75	0.95	0.74
Second Quarter	0.92	0.79	0.87	0.74	0.89	0.71
Third Quarter	0.87	0.80	0.84	0.77	0.80	0.68
Fourth Quarter	0.87	0.78	0.84	0.77	0.82	0.69

During the first quarter of 2015, the issue's highest price per share was at ₱0.84 and its lowest was at ₱0.70. As of the close of trading hours of April 16, 2015, the price at which the Registrant's shares were traded at Php0.70 per share.

2) Holders

The number of *common shares* issued and outstanding as of December 31, 2014 was 1,193,200,000. As of December 31, 2014, Registrant had 111 shareholders, on the said date the following were the top 20 shareholders:

Stockholder		Nationality	No. of Shares	%
1	PCD Nominee Corp. – Filipino	Filipino	815,058,000	68.31
2	Paulino S. Soo	Filipino	133,000,000	11.15
3	Abacus Capital & Investment Corp.	Filipino	59,644,000	4.99
4	PCD Nominee Corp. - Non-Filipino	Foreign	35,621,000	2.96
5	ACIC FAO 20001	Filipino	32,361,000	2.71
6	Edgardo Limtong	Filipino	28,527,000	2.39
7	Phee Bon Kang	Malaysian	20,000,000	1.68
8	Vista Holdings Corp.	Filipino	14,095,000	1.18
9	Cecilio Pedro	Filipino	12,260,000	1.03
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	Quality Investments & Securities Corp	Filipino	5,720,000	0.48
14	Solar Securities, Inc.	Filipino	4,000,000	0.34
15	Abacus Capital & Investment Corp	Filipino	2,547,000	0.21
16	Uy Louis	Filipino	2,000,000	0.17
17	George Q. Go & Shirley D. Go	Filipino	1,443,000	0.12
18	Quality Investments and Securities Corp	Filipino	500,000	0.05
19	Jack T. Huang	Filipino	500,000	0.04
20	Co Chien, Vicente T. Jr.	Filipino	400,000	.034

3) Dividends

No dividends, neither in cash nor stock were declared on the shares for the last two (2) fiscal years, i.e. 2014 and 2013. There are no restrictions that limit the ability to pay dividends on 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.

4) Recent sales of Unregistered Securities

No unregistered securities or shares of the Company were sold during the last three (3) years (2014, 2013, and 2012).

Item 6. Management's Discussion and Analysis or Plan of Operation

2014

General Business Environment

Starting the year off with recovery efforts from the previous year's natural disasters, economic growth slowed from 2013's 7.2 per cent to 6.1 per cent - below government targets but still higher than trend growth and the second fastest in Asia, next only to China. The country withstood the external headwinds of the US Fed taper, Euro zone weakness, a slowing China, and uncertainty from global political tensions with a stable banking system, a well-managed currency, improved trade balance, and sustained broad-based growth. This was confirmed by, and led to credit rating upgrades from Moody's and Standard & Poor's during the year to two notches above investment grade and an affirmation of investment grade rating from Fitch Ratings, with the ratings agencies citing the country's greatly improved debt profile, fiscal management, and favorable growth prospects. An improving employment situation contributed to rising incomes and generally positive consumer and business sentiments. However, weak government spending and slightly higher inflation dampened the momentum for economic growth.

The local capital market reflected the same performance, reaping gains from the improvements in the country's economic fundamentals established in previous years, but encountering some resistance and uncertainty along the way. The PSEi climbed steadily during the first half before moving sideways to close at 7,230.57 by the year's end, generating a 23 per cent return. Powered by net foreign buying and supported by the increasing investment appetite of local institutional funds as well as a growing retail trading activity, the Philippines was among the best performing markets in the region during the year.

Performance of the Company

The Company posted significant improvements in terms of its overall performance and in its total core revenues for the year under review. A three-digit 173% increase in finance income was noted - from Php145 million in 2013 to Php396.2 million in 2014. Management fees recorded during the year amounted to Php40 million, up by Php16.9million compared to the Php23.1 million made in the previous year. However, our brokerage house reported a decline in total commission during the year from Php231.1 to Php158.7 million. All considered, consolidated revenues for the year stood at Php596.4 million, an increase of Php196 million from last year's Php401 million. The increase in total revenues was attributed to the additional gain on sale of available for sale financial assets, from Php143.90 million to this year's Php396.1 million, which were included in the finance income during the year.

Total costs and expenses for the year stood at Php480.9million, representing an increase of Php68.7 million from last year's Php412.2 million. The increase in total costs and expenses during the year was brought about by the increase in our finance costs from Php207.8 million to Php283.6 million. Debt servicing comprised a large chunk of operating expenses in keeping with the company's commitment to honor its obligations.

The Company is proud to report a consolidated net income of Php111 million for the year, representing a substantial improvement of Php126.2 million and effectively reversing the Php15.2 million negative income reported in 2013.

There was a decrease in total assets noted for the year amounting to Php143.6 million, from Php5,593 million in December 2013 to Php5,449 million in December 2014. The decrease in total assets was brought about by the disposal through sale and temporary decline in market value of our financial assets at fair value through profit or loss from last year's Php655.8 million to this year Php494.2 million.

A corresponding increase in total liabilities amounting to Php78 million was also noted during the period under review bringing total liabilities from Php3,080 million to Php3,158 million due to increases in short term borrowings, partially offset by increase in due to customers and the payments made to non trade customers and short term payables.

There was a decrease also noted in our stockholders equity at the end of the period from last year's Php2,512.8 million to this year's Php2,291.2 million. The decrease in the revaluation reserves of our available for sale financial assets was due to some disposals through sale and the periodic marked to market valuation of the available for sale shares. 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.

The Company remains highly optimistic that its financial performance will continue to be stable moving forward as it continues to intensify efforts to build a financially sustainable business. The Company will continue to maintain an effective balance between managing risks and opportunities, solidifying its niches while continuing to expand market reach through new platforms. 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.

FINANCIAL RATIOS (SRC Rule 68, as amended October 2011). The following are the Company's financial soundness indicators in two comparative period:

			31-Dec 2014	**31-Dec 2013**
CURRENT/LIQUITY RATIO				
	Current Assets / Current Liabilities	=	1.63:1	1.71:1
	Quick Assets / Current Liabilities	=	1.63:1	1.71:1
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	Debt / Equity	=	1.38:1	1.23:1
ASSETS TO EQUITY RATIO	Assets / Equity	=	2.38:1	2.23:1
INTEREST RATE COVERAGE RATIO	Earnings before interest and taxes / Interest expense	=	0.01:1	0.25:1

Interest rate coverage ratio is a measure on how well a company can meet its interest payment obligations.				
NET INCOME GROWTH (DECREASE)	$\frac{\text{Current year net income}}{\text{Previous year net income}}$	=	828%	-47%
Net income growth is a firm's profit for the period. The growth rate of net income is how much the net income changes from one period to another. Management views growth rate of net income to determine if the firm is growing at a sustainable rate.				

2013

General Business Environment

Resilience characterized the overall performance of the Philippine Economy in 2013. Despite some volatility in the global financial arena and the trilogy of tragedy that occurred towards the end of the year, namely, the destructive earthquake in the Visayas, the crisis in Zamboanga, and super typhoon Yolanda which cut a swath of destruction across Visayas, the country's actual full year growth as measured by real GDP reached 7.2 per cent, even exceeding government's target range of 6-7 % for the year and surpassing market expectations. The growth drivers were broad based, including a supportive environment characterized by macroeconomic stability, comfortable financial cushions, a sound banking system, and generally buoyant sentiments. In addition, benign inflation dynamics sustained a generally low-interest rate environment which further enabled the country to ride out the pockets of turbulence. These developments were mirrored in the performance of the local capital market. The upgrade to investment grade of the country's credit ratings by Fitch Ratings, Standard and Poor's, and Moody's drove the index to historic highs, pushing past the 7,000 barrier and reaching 7,392.2 in May. However, volatilities in the global financial market caused mainly by the tapering of the US Federal Reserve's asset buying program and the impact of the trilogy of tragedy towards the second of the year weighed down heavily on the market. The local bourse closed at 5,889.8 index points in end-December 2013, modestly higher by 1.3 percent than the 5,812.7 index points a year ago.

Performance of the Company

Similarly, the Company turned in improvements in overall performance and in its core revenues. Our brokerage house reported a double-digit (36%) increase in commission, representing a year-on-year increase of Php61.4 million, from Php169.9 million to Php231.3 million. Our finance income registered a significant increase of Php64.7 million, from Php80.4 million to Php145.1 million or 81% increase. These came as a result of the improved volumes and activities in the Philippine stock market. Management fees recorded during the year was noted at Php23.1 million, a decrease of Php45.1 million as compared to the Php68.2 million posted last year.

Consolidated revenues for the year stood at Php400.9 million, a modest increase of 21.6% or Php71.3 million from last year's Php329.6 million.

As can be expected, variable costs from additional volumes of trades resulted in higher costs and expenses. Total costs and expenses for the year stood at Php412.2 million, representing an increase of Php63.8 million from last year's Php348.4 million. During the year, there was a temporary decline in the valuation of our marked to market short term investments amounting to Php20million which was included in our current year's total costs and expenses. Without the temporary decline, costs and expenses should only be Php392.2 million or an increase of only 12.6% from last year. 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 year, there was consolidated net loss registered amounted to Php15.2 million, a decrease of Php4.9 million as compared to the Php10.3 million reported loss last year. Without the temporary decline in the valuation of marked to market short term investments, the company should have reported a consolidated income of almost Php5 million.

There was an increase in total assets noted for the year amounting to Php569 million, from Php5,024 million in December 2012 to Php5,593 million in December 2013. The increase in total assets was due to increase in trade accounts receivable of Php448 million, additional purchases of financial assets of Php105 million, and increase in cash and other assets for the remainder.

A corresponding increase in total liabilities amounting to Php632.8 million was also noted during the period under review bringing total liabilities from Php2,447 million to Php3,080 million due to increases in short term borrowings and bank loans, partially offset by the payments made to trade customers and short term payables.

Due to the sale of our available for sale financial assets, the current year net result, and the temporary decline of our marked to market investment a decrease in the Company's stockholders' equity by Php63.5 million, from Php2,576 million to this year's Php2,513 million is being reported.

2012

General Business Environment

The year 2012 was a rollercoaster ride for the Philippine economy and the local stock market. There was reason for cautious optimism given a backdrop of a reeling global economy brought about by the European fiscal debt crisis, a fragile US economy and the eventual threat of a fiscal cliff, Japan's efforts to recover from a natural disaster, and a looming slowdown in China. But the country's strong fundamentals, fueled by robust domestic consumption, contained inflation, higher government spending, a rebound in exports and a jump in farm outputs, and generally positive perceptions about the Aquino government's efforts to weed out corruption in the public sector prevailed. Towards the end of the year, the crests and troughs eventually culminated on a triumphant note. International agencies upgraded the country's ratings and record growth in the country's gross domestic product was posted. The country ended the year with an economic performance that surpassed expectations.

The country's economic performance was mirrored in the highs and lows of the local capital market. Although the market was propped up by a strong positive bias, externals forces such as the problems in Greece in the middle of the year, forced the market to move within a defined band. Share prices, however, soared to record highs towards the end of the year. The local index posted a hefty 33 percent return and closed the year at 5,812.73 levels earning the distinction of being one of the best performing indices in Asia Pacific.

Performance of the Company

The company likewise encountered a number of challenges during the year. Heightened competition in the market expectedly reduced brokers commissions. However, the company's strong market position and its inherent strengths prevailed and the decline was kept at single digit levels, thus, brokers commission for 2012 was noted at Php169.9 million, a decline of 9% over the Php187.4 million realized in the previous year. There was also a decline in the finance income of the company for the year under review - from Php131.7 million in 2011 to Php80.4 million in 2012. However, a significant increase in management fees was reported during the year. Revenues from management fees rose to Php68 million, up by 72% compared to Php39.7 million reported over the previous year. Consolidated revenues for 2012 was noted at Php329.6 million or Php31.2 million below the consolidated revenues reported in 2011.

The company has managed to keep total costs and expenses within manageable levels despite the increase in trade volumes. For the year 2012, total costs and expenses, at Php348.4 million**,** grew by only1.2% over the previous year's Php344.1 million. 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. Finance cost during the year was at Php154.6 million, an increase of Php4.6 million or 3% from Php150 million incurred in 2011.

Although the company is reporting a net loss of Php10.3 million for the year 2012 it is proud to note that it is closing the year with a total comprehensive income amounting to Php229.2 million, a remarkable feat compared to comprehensive loss of Php552.4 million reported in 2011.

There was an increase in total assets noted at the end of the year amounting to Php447.1 million, from Php4,576.5 million to Php5,023.6 million. This was brought about by increase in trade receivables of Php140.4 million, additional investments at fair value through profit or loss of Php124.7 million, increase in value of available for sale financial assets of Php216.4 million and increase in other assets of Php16.8 million. Correspondingly, total liabilities as of the end of the period increased by Php218.6 million. The increase was brought about by additional short term borrowings, increase in accounts payables and other liabilities, partially offset by the payments and decrease of trade payables as of the reporting period.

There was a large amount of increase in the stockholders' equity as of the reporting period by Php229.2 million from Php2,347 million last year to this year's Php2,576 million. The increase was basically due to the increase in value of our available for sale financial assets reduced by the consolidated loss for the period under review.

Item 7. Financial Statements

The consolidated financial statements and schedules listed in the accompanying Index to Financial Statements and Supplementary Schedules are filed as part of this SEC Form 17- A.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

For the years 2014, 2013, and 2012, the auditing firm of Punongbayan and Araullo was nominated and 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. Romualdo P. Murcia, the engagement's partner, shall not exceed five (5) consecutive years.

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:

	2014	2013
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.	₱2,000,000	₱2,000,000
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 Committee. 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.

PART III – CONTROL AND COMPENSATION INFORMATION

Item 9. Directors and Executive Officers of the Registrant

The names and ages of all incumbent Directors, elected on September 25, 2014 during the Annual Stockholders Meeting and are to serve for a term of one (1) year until their successors shall have been elected and qualified, with their business experiences for the past five (5) years:

Position	Name	Citizenship	Age	Year of Assumption of Office	Number of yrs. as Director
Chairman	Paulino S. Soo	Filipino	63	1994 to present	20
President	Jack T. Huang	Filipino	61	1995 to present	19
Treasurer	Vicente Co Chien, Jr.	Filipino	62	1995 to present	19
Director	Jimmy S. Soo	Filipino	57	1995 to present	19
Corp. Sec.	A. Bayani K. Tan	Filipino	60	1994 to present	20
Independent Director	Ma. Therese G. Santos	Filipino	56	2006 to present	8
Independent Director	Jimmy Chua Alabanza	Filipino	70	2008-present	6

Mr. Paulino. Soo
Chairman and Chief Executive Officer

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 Berjaya Auto Philippines Inc, Friendster Philippines Inc., Uniwiz Trade Sales Inc., and MOL Accessportal Inc. He is the Treasurer of Kailash PMN Management Corporation.

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

Mr. Jack T. Huang
President

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 Continuos Forms.(1994-present).

Mr. Vicente Co Chien, Jr.
Treasurer

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 Oro Peak Inc.

Mr. Jimmy S. Soo
Director

Mr. 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.

Mr. Jimmy Chua Alabanza
Independent Director

Mr. Jimmy Chua Alabanza is a Director of the Company. He is currently the Chairman of Insular Construction and Supply Co (1967 - present) and a Consultant of Seaboard Insurance Company (1990 – present). He received a Bachelor of Science Degree in Management from Ateneo de Manila University in 1967.

Ms. Ma Therese G. Santos
Independent Director

Ms. Ma. Therese G. Santos is a Director of the Company. She is Associate Director/Administrator of Gravitas Prime, Inc. (2007-present). She is an Independent Director, and the Chairman of the Audit and Compliance Committee and Compensation and Remuneration Committee of Music Semiconductors Corporation (2003-present). Ms. Santos has been an independent Management Consultant by profession since 1997. She was the former Vice President for Treasury and Administration of Music Corporation. Ms. Santos was the Director of Finance for United Development Corporation (1991-1993). Ms. Santos received a Bachelor of Science Degree in Chemical Engineering and a Master's in Business Administration degree from the University of the Philippines.

Atty. A. Bayani K. Tan
Director, Corporate Secretary

Mr. A. Bayani K. Tan, 60, Filipino, is a Director and the Corporate Secretary of the Corporation (since May 1994). He is also a Director, Corporate Secretary or both of the following reporting and/or listed companies: Asia United Bank Corporation (since February 2014 as Corporate Secretary*, since June 2014 as Director*, Publicly-Listed), Belle Corporation (since 1994, Publicly-Listed), Coal Asia Holdings, Inc. (since July 2012, Publicly-Listed), Destiny Financial Plans, Inc. (since 2003), Discovery World Corporation (since March 2013 as Director, since July 2003 as Corporate Secretary, Publicly-Listed), I-Remit, Inc. (since May 2007, Publicly-Listed), Pacific Online Systems Corporation (since May 2007, Publicly-Listed), Philequity Balanced Fund, Inc. (since March 2010), Philequity Dividend Yield Fund, Inc. (since January 2013), Philequity Dollar Income Fund, Inc. (since March 1999), Philequity Foreign Currency Fixed Income Fund, Inc. (since March 2010), Philequity Fund, Inc. (since June 1997), Philequity Peso Bond Fund, Inc. (since June 2000), Philequity PSE Index Fund, Inc. (since February 1999), Philequity Resources Fund, Inc. (since March 2010), Philequity Strategic Growth Fund, Inc. (since April 2008), Premium Leisure Corp. (since December 1993, Publicly-Listed), Tagaytay Highlands International Golf Club, Inc. (since November 1993), Tagaytay Midlands Golf Club, Inc. (since June 1997), The Country Club at Tagaytay Highlands, Inc. (since August 1995), The Spa and Lodge at Tagaytay Highlands, Inc. (since December 1999), TKC Steel Corporation (since February 2007, Publicly-Listed), Vantage Equities, Inc. (since January 1993, Publicly-Listed) and Yehey! Corporation (since June 2004, Publicly-Listed). Mr. Tan is also the Corporate Secretary of Sterling Bank of Asia Inc. (since December 2006). He is the Managing Partner of the law offices of Tan Venturanza Valdez (since it was established in 1988), Managing Director/President of Shamrock Development Corporation (since May 1988), Director of Destiny LendFund, Inc. (since December 2005) and Pascual Laboratories, Inc. (since March 2014), President of Catarman Chamber Elementary School Foundation, Inc. (since August 2012), Managing Trustee of SCTan Foundation, Inc. (since 1986), Trustee and Treasurer of Rebisco Foundation, Inc. (since April 2013) and Trustee and Corporate Secretary of St. Scholastica's Hospital, Inc. (since February 2011).

Mr. Tan holds a Master of Laws degree from New York University (Class of 1988) and earned his Bachelor of Laws degree from the University of the Philippines (Class of 1980) where he was a member of the Order of the Purple Feather (U.P. College of Law Honor Society) and ranked ninth in his class. Mr. Tan passed the bar examinations in 1981 where he placed sixth. He has a Bachelor of Arts major in Political Science degree from the San Beda College (Class of 1976) from where he graduated Class Valedictorian and was awarded the medal for Academic Excellence.

*As approved by the BSP on 29 December 2014

FAMILY RELATIONSHIP

Paulino S. Soo, Chairman of the Board, is the brother of Jimmy S. Soo, Director

There are no other significant employees.

Involvement in Certain Legal Proceedings

As a result of the delay in the delivery of the facilities of the Universal Leisure Club, Inc., some of its members initiated a Complaint for Estafa (I.S. No. 08K-19713) against ULC, the Universal Rightfield Property Holdings, Inc. and the Universal Leisure Corp., as well as their respective officers and directors, including their former Corporate Secretary, Atty. A. Bayani K. Tan, an incumbent Director and the Corporate Secretary of the Corporation. The Complaint was submitted for resolution in 2009 and was acted upon and dismissed by the City Prosecutor of Manila (OCP) only on March 18, 2013. Complainants belatedly filed motion for reconsideration for which reason, among others, the OCP denied motion on June 16, 2014. A Petition for Review dated March 31, 2014 was filed by the Complainant before the Department of Justice (DOJ). On August 7, 2014, Atty. Tan filed his Comment to the said Petition. In a Resolution dated April 17, 2015, the Petition for Review was denied and the DOJ dismissed the complaint for estafa.

The Company is not aware of any of the following events wherein any of its directors, executive officers, nominees for election as director, executive officers, underwriter or control persons were involved during the past five (5) years and up to the date of this report:

1. any bankruptcy petition filed by or against any business of which any of the above persons was a general partner or executive office either at the time of the bankruptcy or within two years prior to that time;

2. any conviction by final judgment in a criminal proceeding, domestic or foreign, or being subject to a pending criminal proceeding, domestic or foreign, excluding traffic violations and other minor offenses;

3. any order or 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

4. any findings 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.

Item 10. Executive Compensation

(1) General

All Compensation Covered

Except for executive officers included under the compensation table below, all other executive officers and directors do not receive salaries.

(2) Summary of Compensation Table

The following is a summary of the aggregate compensation paid or accrued during the last two (2) fiscal years, i.e. 2014 and 2013 and to be paid in the ensuing fiscal year 2015 to the Company's Chief Executive Officer and four (4) other mostly highly compensated executive officers who are individually named, and to all other officers and director of the Company as a group:

Name and Principal Function	**Fiscal Year**	**Salary**	**Bonus**	**Other Annual Compensation**
Paulino S. Soo Chairman and CEO	2013 2014 2015			
Jack T. Huang President	2013 2014 2015			
Schubert Caesar C. Austero VicePresident/HRM	2013 2014 2015			
Sheila Marie Aguilar Vice President	2013 2014 2015			
Melanio C. Dela Cruz Vice President	2013 2014 2015			
Total for the Group	2013 2014 2015	7,142,506 7,315,803 7,465,963	1,472,216 1,825,856 1,796,760	-0- -0- -0-
All Officers As A Group Unnamed	2013 2014 2015	8,312,500 8,514,184 8,626,817	1,716,967 2,129,399 2,148,338	-0- -0- -0-

(3) Compensation of Directors

(A) Standard Arrangement

The Member of the Board of Directors are not entitled to receive salaries and bonuses

(B) Other Arrangements.

None

(4) **Employment Contracts and Termination of Employment and Change-in Control Arrangements**.

None

(5) Warrants and Options Outstanding :

None

Item 11. Security Ownership of Certain Beneficial Owners and Management

1. Security Ownership (more than 5%) of Certain Beneficial Owners and Management as of December 31, 2014.

Class	Name and Address record owner and relationship with Issuer	Name of Beneficial Owner and Relationship with Owner	Citizenship	No. of Shares Held	Percentage Of Class
Common	PCD Nominee Corp. 2nd Floor Makati Stock Exchange Bldg. Ayala Avenue Makati City		Filipino	815,058,000	68.31
Common	Paulino S. Soo (record and beneficial) Chairman and President 29th Floor Abacus Securities Corp. East Tower PSE Center, Exchange Road, Pasig City	(Same as owner)	Filipino	133,000,000	11.15
Common	**Abacus Capital and Invt. Corp.(record and beneficial); subsidiary and stockholder 29th Floor East Tower PSE Center, Exchange Road, Pasig City	(Same as owner)	Filipino	62,191,000	5.21
Total				*1,010,249,000*	*84.67*

There is no arrangement that may result in a change in control of the registrant and any voting trust holders

*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 own behalf or in behalf of their clients. Individual or Group owners reported under PCD Nominee Corporation have less than 10% ownership of the outstanding capital stock of the Corporation.

There are no Individuals or Corporate stockholders who own more than 5% of the Company's voting securities under PCD Nominee Corporation.

** Mr. Paulino S. Soo, Chairman and President of Abacus Capital and Investment Corporation, directs the voting/disposition of shares held by both Companies.

1. Security Ownership of Management

The following is a summary of the beneficial holdings of the Company's Directors and Executive Officers as of December 31, 2014:

Class	Beneficial Owner	Citizenship	Amount and Nature of Beneficial Ownership[record (r) or beneficial (b)]		Percent of Class
Common	Paulino S. Soo	Filipino	133,000,000	r / b	11.15
-do-	Jack T. Huang	Filipino	500,000	r / b	0.04
-do-	Jimmy S. Soo	Filipino	10,010,000	r / b	0.84
-do-	Vicente Co Chien	Filipino	6,130,000	r / b	0.51
-do-	A. Bayani K. Tan	Filipino	100,000	r / b	0.01
-do-	Ma. Therese G. Santos	Filipino	10,000	r / b	.000
-do-	Jimmy Chua Alabanza	Filipino	10,000	r / b	.000
-do-	All directors and Executive Officers as group unnamed		149,760,000	r / b	12.55

2. Voting Trust Holders of 5% or More

There is no voting trust or similar arrangement

3. Changes in Control

There are no arrangements that may result in a change of control of the registrant and no change of control occurred during the year.

Item 12. Certain Relationship and Related Transactions

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.

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. For further information of these advances, please to the consolidated financial statements of the company and its subsidiaries.

There are no transactions with any promoter nor are there any assets to be acquired from a promoter. Registrant has no parent.

PART IV – CORPORATE GOVERNANCE

The Company has been monitoring compliance with SEC Memorandum Circular No.2, Series of 2002, as well as other relevant SEC Circulars and rules on good corporate governance. All directors, officers, and employees complied with all the leading practices and principles on good corporate governance as embodied in the Corporation's Manual. The Company 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 not aware 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. **Please refer to the attached 2014 ACGR.**

PART V- EXHIBITS AND SCHEDULES

a) Exhibits

(Please see supplemental financial statements schedules).

SIGNATURE PAGE

Pursuant to the requirements of the Section 17 of the Code and Section 141 of the Corporation Code, this report is signed on behalf of the issuer by the undersigned, thereunto duly authorized, in the City of MANILA on APR 3 0 2015, 2015.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION
Issuer

By:

PAULINO S. SOO
Chairman and Chief Executive Officer

JACK T. HUANG
President

VICENTE CO CHIEN, JR.
Treasurer

ANNA FRANCESCA RESPICIO
Asst. Corporate Secretary

JIMMY S. SOO
Director

REPUBLIC OF THE PHILIPPINES)
PASIG CITY, METRO MANILA) S.S.
MANILA

APR 3 0 2015

SUBSCRIBED AND SWORN TO before me this _____________2015 affiants exhibiting to me their passport number, as follows:

NAMES	**CTC/PASSPORT#**	**DATE OF ISSUE**	**PLACE OF ISSUE**
PAULINO S. SOO	EB2859026	Mar. 20, 2012	Manila
VICENTE CO CHIEN	EC0980214	Apr. 30, 2014	Manila
JACK T. HUANG	N1072027621	Mar. 10, 2012	Cebu City
A. BAYANI K. TAN	XX0650593	June 06, 2012	Manila
JIMMY S. SOO	EB8667237	July 15, 2013	Manila

Doc. No. 34
Page No. 7
Book No. 62
Series of 2015.

ATTY. RICHARD L. ANOLIN
NOTARY PUBLIC until December 31, 2015
COMMISSION NO. 2014-059
FOR CITY OF MANILA PHILIPPINES
IBP LIFETIME NO. 05179/02 25 05/MLA
PTR NO. 3828182 01/05/15/MLA
Roll No. 33596
MCLE COMPLIANCE NO IV-002385018/16/14
RODULFO ANOLIN AND ASSOCIATES LAW OFFICE
2/F YMCA OF MANILA BLDG.
#350 ANOTNIO VILLEGAS ST.,
ERMITA MANILA TEL. 525-05-86
EMAIL ADD: attyrichardanolin@yahoo.com
TIN: 116-095-269

First Abacus Financial Holdings Corp.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **First Abacus Financial Holdings Corporation is** responsible for the preparation and fair presentation of the financial statements for the years ended December 31, 2014 and 2013 in accordance with Philippine Financial Reporting Standards (PFRS), including the Schedule of PFRS and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2014, an additional supplemental information filed separately from the basic financial statements

Management responsibility on the financial statements includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements, and the additional supplementary information, and submits the same to the stockholders.

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has examined the financial statements of the Company in accordance with Philippine Standards on Auditing and, and in its report to the Board of Directors and stockholders, has expressed its opinion on the fairness of presentation upon completion of such examination.

PAULINO S. SOO
Chairman and Chief Executive Officer

VICENTE CO CHIEN JR.
Treasurer

Signed this APR 1 4 2015 day of April 2015.

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PAGE NO. 7
BOOK NO. XV
SERIES OF 2015

ATTY RICHARD L. ANOLIN
NOTARY PUBLIC UNTIL DECEMBER 31 2015
COMMISSION NO 2014-059
FOR THE CITY OF MANILA PHILIPPINES
IBP LIFETIME NO 05179/02 25-05/MLA
PTR NO 3828182 01/05/15/MLA
ROLL NO 33596
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Punongbayan & Araullo
An instinct for growth™

Report of Independent Auditors

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www.punongbayan-araullo.com

The Board of Directors and the Stockholders
First Abacus Financial Holdings Corporation
Unit 2904-A, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

We have audited the accompanying consolidated financial statements of First Abacus Financial Holdings Corporation and subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2014 and 2013, and the consolidated statements of profit or loss, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for each of the three years in the period ended December 31, 2014, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of First Abacus Financial Holdings Corporation and subsidiaries as of December 31, 2014 and 2013, and their consolidated financial performance and their consolidated cash flows for each of the three years in the period ended December 31, 2014, in accordance with Philippine Financial Reporting Standards.

Emphasis of a Matter

Without qualifying our opinion, we draw attention to Note 1 to the consolidated financial statements, which indicates that the Group has accumulated deficit of P534,541,515 and P645,468,257 as of December 31, 2014 and 2013, respectively. The accumulation of a significant deficit indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Management is fully confident, however, that the inherent strengths and potentials of the Group and, consequently, its ability to recover from the deficit incurred in the past years will be fully realized as the country's general business environment further improves. A number of recent key initiatives to aggressively grow and expand the business and a continuing focus on operational efficiency have resulted in sustained improvements in the financials of two subsidiaries, namely, Abacus Securities Corporation and Abacus Capital and Investment Corporation. Moreover, the launch of the Group's online trading facility is expected to further boost these efforts. In connection with our audit, we have performed sufficient audit procedures to evaluate the reasonableness of management's representations with regard to continuance of the Group's operations. Accordingly, the accompanying consolidated financial statements do not include any adjustments on the recoverability and classification of the assets or the amounts and classification of liabilities arising from this material uncertainty.

PUNONGBAYAN & ARAULLO

By: Romualdo V. Murcia III
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 4748317, January 5, 2015, Makati City
SEC Group A Accreditation
Partner - No. 0628-AR-2 (until Sept. 5, 2016)
Firm - No. 0002-FR-3 (until Apr. 30, 2015)
BIR AN 08-002511-22-2013 (until Nov. 7, 2016)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2015)

April 8, 2015

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2014 AND 2013
(Amounts in Philippine Pesos)

	Notes	2014	2013
A S S E T S			
CASH	7	**P 114,400,633**	P 166,640,227
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	8	**494,228,180**	655,782,861
AVAILABLE-FOR-SALE FINANCIAL ASSETS - Net	9	**2,664,770,691**	2,557,207,265
RECEIVABLES - Net	10	**1,859,741,250**	1,879,180,084
PROPERTY AND EQUIPMENT - Net	12	**61,781,088**	77,407,897
OTHER ASSETS - Net	13	**254,534,522**	256,840,665
TOTAL ASSETS		**P 5,449,456,364**	P 5,593,058,999
LIABILITIES AND EQUITY			
INTEREST-BEARING LOANS AND BORROWINGS	14	**P 2,704,294,373**	P 2,605,671,600
DUE TO CUSTOMERS	15	**300,243,157**	220,141,921
ACCOUNTS PAYABLE AND OTHER LIABILITIES	16	**153,766,667**	254,422,393
Total Liabilities		**3,158,304,197**	3,080,235,914
CAPITAL STOCK	17	**1,193,200,000**	1,193,200,000
ADDITIONAL PAID-IN CAPITAL		**3,104,800**	3,104,800
TREASURY SHARES - At Cost	17	**(385,670,581)**	(385,670,581)
REVALUATION RESERVES	17	**2,015,059,463**	2,347,657,123
DEFICIT	1	**(534,541,515)**	(645,468,257)
Total Equity		**2,291,152,167**	2,512,823,085
TOTAL LIABILITIES AND EQUITY		**P 5,449,456,364**	P 5,593,058,999

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

	Notes	2014	2013	2012
INCOME				
Finance income	20	**P 396,223,941**	P 145,083,212	P 80,372,800
Commissions	2	**158,702,503**	231,281,697	169,861,107
Management fees	11	**40,000,000**	23,121,406	68,181,486
Others	11	**1,511,477**	1,460,927	11,207,971
		596,437,921	400,947,242	329,623,364
EXPENSES				
Finance costs	20	**283,638,151**	207,857,959	154,627,538
Employee benefits	18	**50,207,288**	50,884,731	49,628,295
Commissions		**41,953,075**	60,203,145	48,032,627
Depreciation and amortization	12, 13	**20,928,963**	19,658,769	18,600,676
Taxes and licenses		**14,355,761**	17,213,475	16,055,763
Representation and entertainment		**13,070,951**	6,412,999	10,837,796
Exchange fees		**10,028,870**	9,749,947	8,834,664
Communication		**9,455,145**	9,972,383	9,926,425
Transportation and travel		**7,413,873**	1,319,967	2,689,539
Outside services		**5,550,505**	4,089,113	3,839,888
Professional fees		**4,864,907**	5,479,837	5,107,972
Membership fees and dues		**4,424,399**	5,799,825	9,010,298
Others	19	**14,984,828**	13,570,262	11,219,480
		480,876,716	412,212,412	348,410,961
PROFIT (LOSS) BEFORE TAX		**115,561,205**	(11,265,170)	(18,787,597)
TAX INCOME (EXPENSE)	21	**(4,634,463)**	(3,973,278)	8,445,775
NET PROFIT (LOSS)		**P 110,926,742**	(P 15,238,448)	(P 10,341,822)
Basic and Diluted Earnings (Losses) Per Share	22	**P 0.1086**	(P 0.0149)	(P 0.0101)

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

	Notes	2014	2013	2012
NET PROFIT (LOSS)		**P 110,926,742**	(P 15,238,448)	(P 10,341,822)
OTHER COMPREHENSIVE INCOME (LOSS)				
Item that will not be reclassified subsequently to profit or loss –				
Remeasurements of post-employment defined benefit plan, net of tax	18	**695,901**	2,062,576	-
Items that will be reclassified subsequently to profit or loss:				
Unrealized fair value gains (losses) on available-for-sale financial assets	9	**(15,959,758)**	45,154,375	259,847,206
Realized fair value gains on the disposal of available-for-sale financial assets	9	**(317,333,803)**	(95,408,304)	(20,305,204)
Other Comprehensive Income (Loss)		**(332,597,660)**	(48,191,353)	239,542,002
TOTAL COMPREHENSIVE INCOME (LOSS)		**(P 221,670,918)**	(P 63,429,801)	P 229,200,180

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

	Capital Stock (see Note 17)	Additional Paid-in Capital (see Note 17)	Treasury Shares (see Note 17)	Revaluation Reserves (see Note 17)	Deficit (see Note 17)	Total Equity
BALANCE AT JANUARY 1, 2014	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 2,347,657,123	(P 645,468,257)	P 2,512,823,085
Net income for the year	-	-	-	-	110,926,742	110,926,742
Remeasurements of post-employment defined benefit plan	-	-	-	695,901	-	695,901
Available-for-sale financial assets:						
Unrealized fair value losses for the year	-	-	-	(15,959,758)	-	(15,959,758)
Realized fair value gains transferred to profit or loss	-	-	-	(317,333,803)	-	(317,333,803)
Total comprehensive income (loss) for the year	-	-	-	(332,597,660)	110,926,742	(221,670,918)
BALANCE AT DECEMBER 31, 2014	**P 1,193,200,000**	**P 3,104,800**	**(P 385,670,581)**	**P 2,015,059,463**	**(P 534,541,515)**	**P 2,291,152,167**
BALANCE AT JANUARY 1, 2013	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 2,395,848,476	(P 630,229,809)	P 2,576,252,886
Net loss for the year	-	-	-	-	(15,238,448)	(15,238,448)
Remeasurements of post-employment defined benefit plan	-	-	-	2,062,576	-	2,062,576
Available-for-sale financial assets:						
Unrealized fair value gains for the year	-	-	-	45,154,375	-	45,154,375
Realized fair value gains transferred to profit or loss	-	-	-	(95,408,304)	-	(95,408,304)
Total comprehensive loss for the year	-	-	-	(48,191,353)	(15,238,448)	(63,429,801)
BALANCE AT DECEMBER 31, 2013	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 2,347,657,123	(P 645,468,257)	P 2,512,823,085
BALANCE AT JANUARY 1, 2012	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 2,156,306,474	(P 619,887,987)	P 2,347,052,706
Net loss for the year	-	-	-	-	(10,341,822)	(10,341,822)
Available-for-sale financial assets:						
Unrealized fair value gains for the year	-	-	-	259,847,206	-	259,847,206
Realized fair value gains transferred to profit or loss	-	-	-	(20,305,204)	-	(20,305,204)
Total comprehensive income (loss) for the year	-	-	-	239,542,002	(10,341,822)	229,200,180
BALANCE AT DECEMBER 31, 2012	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 2,395,848,476	(P 630,229,809)	P 2,576,252,886

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

	Notes	2014	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit (loss) before tax		**P 115,561,205**	(P 11,265,170)	(P 18,787,597)
Interest expense	20	**184,403,786**	179,213,236	153,269,522
Depreciation and amortization	12, 13	**20,928,963**	19,658,769	18,600,676
Interest income	20	**(123,179)**	(1,138,635)	(996,842)
Operating profit before working capital changes		**320,770,774**	186,468,200	152,085,759
Decrease (increase) in financial assets at fair value through profit or loss		**150,857,012**	(98,025,866)	(124,740,203)
Decrease (increase) in available-for-sale financial assets		**(430,159,318)**	(7,047,378)	23,119,012
Decrease (increase) in receivables		**19,438,834**	(448,512,948)	(140,383,001)
Increase in other assets		**(7,099,926)**	(39,991,315)	(16,788,578)
Increase (decrease) in due to customers		**80,101,236**	(54,673,929)	(104,786,872)
Increase (decrease) in accounts payable and other liabilities		**(101,181,951)**	93,632,231	63,168,251
Cash generated from (used in) operations		**32,726,662**	(368,151,005)	(148,325,632)
Interest received	20	**123,179**	744,109	996,842
Cash paid for taxes		**(62,472)**	(73,636)	(112,720)
Net Cash From (Used in) Operating Activities		**32,787,369**	(367,480,532)	(147,441,510)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	12	**(1,328,075)**	(11,316,095)	(1,900,219)
Proceeds from disposal of property and equipment	12	**860,000**	-	-
Acquisition of computer software	13	**-**	-	(1,126,607)
Net Cash Used in Investing Activities		**(468,075)**	(11,316,095)	(3,026,826)
CASH FLOWS FROM FINANCING ACTIVITIES				
Loan availments	14	**651,067,592**	603,422,080	276,042,978
Loan repayments		**(568,179,219)**	(15,199,122)	(16,608,924)
Interest paid	14	**(167,447,261)**	(173,141,488)	(153,325,283)
Net Cash From (Used in) Financing Activities		**(84,558,888)**	415,081,470	106,108,771
NET INCREASE (DECREASE) IN CASH		**(52,239,593)**	36,284,843	(44,359,565)
CASH AT BEGINNING OF YEAR		**166,640,227**	130,355,384	174,714,949
CASH AT END OF YEAR		**P 114,400,633**	P 166,640,227	P 130,355,384

Supplemental Information on Non-cash Operating and Investing Activity

In 2014, the Group reclassified a certain investment with a carrying amount of P10,697,669 from Financial Asset at Fair Value Through Profit or Loss to Available-for-sale Financial Assets (see Notes 8 and 9).

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION
AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014, 2013 AND 2012
(Amounts in Philippine Pesos)

1. CORPORATE MATTERS

1.01 Corporate Information

First Abacus Financial Holdings Corporation (the Parent Company) was incorporated and registered with the Philippines Securities Exchange Commission on February 15, 1994. The Parent Company wholly owns the following subsidiaries, all of which are incorporated in the Philippines:

Subsidiaries	Nature of Business
Abacus Capital & Investment Corporation (ACIC)	Investment banking
Abacus Securities Corporation (ASC)	Securities brokerage
Vista Holdings Corporation (VHC)	Leasing

The Parent Company's transactions consist mainly of regular financial support granted to related parties to carry out their respective business operations. The Parent Company's shares of stock are listed at the Philippine Stock Exchange (PSE).

The Parent Company's registered office, which is also its principal place of business, is located at Unit 2904-A, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City. The registered offices and principal places of business of ACIC, ASC and VHC are also located at Unit 2904-A, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

The Parent Company and its subsidiaries are herein referred to as the Group.

1.02 Status of Operations

The Group has an accumulated deficit of P534,541,515 and P645,468,257 as of December 31, 2014 and 2013, respectively. The accumulation of significant deficit indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. Management is fully confident, however, that the inherent strengths and potentials of the Group and, consequently, its ability to recover from the deficit incurred in the past years will be fully realized as the country's general business environment further improves. A number of recent key initiatives to aggressively grow and expand the business and a continuing focus on operational efficiency have resulted in sustained improvements in the financials of ASC and ACIC. Moreover, the launch of the Group's online trading facility is expected to further boost these efforts.

1.03 Approval of Financial Statements

The consolidated financial statements of the Group as of and for the year ended December 31, 2014 (including the comparative financial statements for December 31, 2013 and 2012) were authorized for issue by the Parent Company's Chairman of the Board of Directors (BOD) and Chief Executive Officer on April 8, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarized below. The policies have been consistently applied to all years presented, unless otherwise stated.

2.01 Basis of Preparation of Consolidated Financial Statements

(a) Statement of Compliance with Philippine Financial Reporting Standards

The consolidated financial statements of the Group have been prepared in accordance with Philippine Financial Reporting Standards (PFRS). PFRS are adopted by the Financial Reporting Standards Council (FRSC) from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy (BOA).

The financial statements have been prepared using the measurement bases specified by PFRS for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies that follow.

(b) Presentation of Consolidated Financial Statements

The consolidated financial statements are presented in accordance with Philippine Accounting Standards (PAS) 1, *Presentation of Financial Statements*. The Group presents consolidated statements of comprehensive income separate from the consolidated statements of profit or loss.

The Group presents a third statement of financial position as at the beginning of the preceding period when it applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification of items that has a material effect on the information in the consolidated statement of financial position at the beginning of the preceding period. The related notes to the third consolidated statement of financial position are not required to be disclosed.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Philippine pesos, the Group's functional currency, and all values represent absolute amounts except when otherwise indicated.

Items included in the consolidated financial statements of the Group are measured using its functional currency. Functional currency is the currency of the primary economic environment in which the Group operates.

2.02 Adoption of Amended PFRS and Interpretation

(a) Effective in 2014 that are Relevant to the Group

In 2014, the Group adopted for the first time the following amendments and interpretation to PFRS that are relevant to the Group and effective for financial statements for the annual period beginning on or after January 1, 2014:

PAS 32 (Amendment)	:	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities
PAS 36 (Amendment)	:	Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets
PAS 39 (Amendment)	:	Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting
PFRS 10, 12 and PAS 27 (Amendments)	:	Consolidated Financial Statements, Disclosure of Interests in Other Entities and Separate Financial Statements – Exemption from Consolidation for Investment Entities
Philippine Interpretation International Financial Reporting Interpretations Committee (IFRIC) 21	:	Levies

Discussed below and in the succeeding page are the relevant information about these amended standards and interpretation.

(i) PAS 32 (Amendment), *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*. The amendment provides guidance to address inconsistencies in applying the criteria for offsetting financial assets and financial liabilities. It clarifies that an entity must currently have a right of set-off that is not contingent on a future event, and must be legally enforceable in the normal course of business; in the event of default; and, in the event of insolvency or bankruptcy of the entity and all of the counterparties. The amendment also clarifies that gross settlement mechanisms (such as through a clearing house) with features that both eliminate credit and liquidity risks and process receivables and payables in a single settlement process, will satisfy the criterion for net settlement. The amendment has been applied retrospectively in accordance with its transitional provisions. The Group's existing offsetting and settlement arrangements for its financial instruments with its counterparties are not affected by the amendment; hence, such did not have an impact on the presentation of financial assets and financial liabilities on the Group's consolidated financial statements for any periods presented.

(ii) PAS 36 (Amendment), *Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets*. The amendment clarifies that disclosure of information about the recoverable amount of individual asset (including goodwill) or a cash-generating unit is required only when an impairment loss has been recognized or reversed during the reporting period. If the recoverable amount is determined based on the asset's or cash-generating unit's fair value less costs of disposal, additional disclosures on fair value measurement required under PFRS 13, *Fair Value Measurement*, such as, but not limited to, the fair value hierarchy, valuation technique used and key assumptions applied, should be provided in the consolidated financial statements. This amendment did not have a significant impact on the Group's consolidated financial statements as the recoverable amounts of the Group's non-financial assets are determined based on the asset's or cash-generating unit's value in use (see Note 13).

(iii) PAS 39 (Amendment), *Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting*. The amendment provides some relief from the requirements on hedge accounting by allowing entities to continue the use of hedge accounting when a derivative is novated to a clearing counterparty resulting in termination or expiration of the original hedging instrument as a consequence of laws and regulations, or the introduction thereof. As the Group neither enters into transactions involving derivative instruments nor does it apply hedge accounting, the amendment did not have any impact on the Group's consolidated financial statements.

(iv) PFRS 10, 12 and PAS 27 (Amendments) – *Exemption from Consolidation for Investment Entities*. The amendments define the term "investment entity" and provide to such an investment entity an exemption from the consolidation of particular subsidiaries and instead require to measure investment in each eligible subsidiary at fair value through profit or loss in accordance with PAS 39 or PFRS 9, *Financial Instruments*, both in its consolidated or separate financial statements, as the case maybe. The amendments also require additional disclosures about the details of the entity's unconsolidated subsidiaries and the nature of its relationship and certain transactions with those subsidiaries. The Group's current consolidation policies are not affected by these amendments; thus, such did not have an impact on the Group's consolidated financial statements.

(v) Philippine Interpretation IFRIC 21, *Levies*. This interpretation clarifies that the obligating event as one of the criteria under PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, for the recognition of a liability for levy imposed by a government is the activity described in the relevant legislation that triggers the payment of the levy. Accordingly, the liability is recognized in the financial statements progressively if the obligating event occurs over a period of time and if an obligation is triggered on reaching a minimum threshold, the liability is recognized when that minimum threshold is reached. This amendment had no significant impact on the Group's consolidated financial statements.

(b) Effective Subsequent to 2014 but not Adopted Early

There are new amendments and annual improvements to existing standards effective for annual periods subsequent to 2014, which are issued by the FRSC, subject to the approval of the BOA. Management will adopt the following relevant pronouncements in accordance with their transitional provisions and, unless otherwise stated, none of these are expected to have significant impact on the Group's consolidated financial statements:

(i) PAS 19 (Amendment), *Employee Benefits – Defined Benefit Plans – Employee Contributions* (effective from July 1, 2014). The amendment clarifies that if the amount of the contributions from employees or third parties is dependent on the number of years of service, an entity shall attribute the contributions to periods of service using the same attribution method (i.e., either using the plan's contribution formula or on a straight-line basis) for the gross benefit.

(ii) PAS 1 (Amendment), *Presentation of Financial Statements – Disclosure Initiative* (effective from January 1, 2016). The amendment encourages entities to apply professional judgment in presenting and disclosing information in the financial statements. Accordingly, it clarifies that materiality applies to the whole financial statements and an entity shall not reduce the understandability of the financial statements by obscuring material information with immaterial information or by aggregating material items that have different nature or functions. Moreover, the amendment further clarifies that in determining the order of presenting the notes and disclosures, an entity shall consider the understandability and comparability of the financial statements.

(iii) PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 38 (Amendment), *Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortization* (effective from January 1, 2016). The amendment in PAS 16 clarifies that a depreciation method that is based on revenue that is generated by an activity that includes the use of an asset is not appropriate for property, plant and equipment. In addition, amendment to PAS 38 introduces a rebuttable presumption that an amortization method that is based on the revenue generated by an activity that includes the use of an intangible asset is not appropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of an intangible asset are highly correlated. The amendment also provides guidance that the expected future reductions in the selling price of an item that was produced using the asset could indicate an expectation of technological or commercial obsolescence of an asset, which may reflect a reduction of the future economic benefits embodied in the asset.

(iv) PFRS 10 (Amendment), *Consolidated Financial Statements*, and PAS 28 (Amendment), *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associates or Joint Venture* (effective from January 1, 2016). The amendment to PFRS 10 requires full recognition in the investor's financial statements of gains or losses arising on the sale or contribution of assets that constitute a business as defined in PFRS 3, *Business Combinations*, between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale of contribution of assets that do not constitute a business. Corresponding amendment has been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

(v) PFRS 10 (Amendment*), Consolidated Financial Statements - Investment Entities: Applying the Consolidation Exception* (effective from January 1, 2016). This amendment confirms that the exemption from preparing consolidated financial statements continues to be available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures its interest in all its subsidiaries at fair value in accordance with PFRS 10. The amendment further clarifies that if an investment entity has a subsidiary that is not itself an investment entity and whose main purpose and activities are to provide services that are related to the investment activities of the investment entity parent, the latter shall consolidate that subsidiary.

(vi) PFRS 9 (2014), *Financial Instruments* (effective from January 1, 2018). This new standard on financial instruments will eventually replace PAS 39 and PFRS 9 (2009, 2010 and 2013 versions). This standard contains, among others, the following:

- three principal classification categories for financial assets based on the business model on how an entity is managing its financial instruments;

- an expected loss model in determining impairment of all financial assets that are not measured at fair value through profit or loss (FVTPL), which generally depends on whether there has been a significant increase in credit risk since initial recognition of a financial asset; and,

- a new model on hedge accounting that provides significant improvements principally by aligning hedge accounting more closely with the risk management activities undertaken by entities when hedging their financial and non-financial risk exposures.

In accordance with the financial asset classification principle of PFRS 9 (2014), a financial asset is classified and measured at amortized cost if the asset is held within a business model whose objective is to hold financial assets in order to collect the contractual cash flows that represent solely payments of principal and interest (SPPI) on the principal outstanding. Moreover, a financial asset is classified and subsequently measured at fair value through other comprehensive income if it meets the SPPI criterion and is held in a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets. All other financial assets are measured at FVTPL.

In addition, PFRS 9 (2014) allows entities to make an irrevocable election to present subsequent changes in the fair value of an equity instrument that is not held for trading in other comprehensive income.

The accounting for embedded derivatives in host contracts that are financial assets is simplified by removing the requirement to consider whether or not they are closely related, and, in most arrangements, does not require separation from the host contract.

For liabilities, the standard retains most of the PAS 39 requirements which include amortized cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The amendment also requires changes in the fair value of an entity's own debt instruments caused by changes in its own credit quality to be recognized in other comprehensive income rather than in profit or loss.

The Group does not expect to implement and adopt PFRS 9 (2014) until its effective date. In addition, management is currently assessing the impact of PFRS 9 (2014) on the consolidated financial statements of the Group and it will conduct a comprehensive study of the potential impact of this standard prior to its mandatory adoption date to assess the impact of all changes.

(vii) Annual Improvements to PFRS. Annual improvements to PFRS (2010-2012 Cycle) and PFRS (2011-2013 Cycle) effective for annual periods beginning on or after July 1, 2014, and to PFRS (2012-2014 Cycle) effective for annual periods beginning on or after January 1, 2016, made minor amendments to a number of PFRS. Among those improvements, the following amendments are relevant to the Group but management does not expect those to have material impact on the Group's consolidated financial statements:

Annual Improvements to PFRS (2010-2012 Cycle)

(a) PAS 16 (Amendment), *Property, Plant and Equipment*, and PAS 38 (Amendment), *Intangible Assets*. The amendments clarify that when an item of property, plant and equipment, and intangible assets is revalued, the gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.

(b) PAS 24 (Amendment), *Related Party Disclosures*. The amendment clarifies that an entity providing key management services to a reporting entity is deemed to be a related party of the latter. It also clarifies that the information required to be disclosed in the financial statements are the amounts incurred by the reporting entity for key management personnel services that are provided by a separate management entity and not the amounts of compensation paid or payable by the management entity to its employees or directors.

(c) PFRS 3 (Amendment), *Business Combinations*. This amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity in accordance with PAS 32, *Financial Instruments – Presentation*. It also clarifies that all non-equity contingent consideration should be measured at fair value at the end of each reporting period, with changes in fair value recognized in profit or loss.

(d) PFRS 8 (Amendment), *Operating Segments*. This amendment requires disclosure of the judgments made by management in applying the aggregation criteria to operating segments. This includes a description of the segments, which have been aggregated and the economic indicators, which have been assessed in determining that the aggregated segments share similar economic characteristics. It further clarifies the requirement to disclose for the reconciliations of segment assets to the entity's assets if that amount is regularly provided to the chief operating decision maker.

(e) PFRS 13 (Amendment), *Fair Value Measurement*. The amendment in the basis of conclusion of PFRS 13 clarifies that issuing PFRS 13 and amending certain provisions of PFRS 9 and PAS 39 related to discounting of financial instruments did not remove the ability to measure short-term receivables and payables with no stated interest rate on an undiscounted basis, when the effect of not discounting is immaterial.

Annual Improvements to PFRS (2011-2013 Cycle)

(a) PFRS 3 (Amendment), *Business Combinations*. The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of any joint arrangement under PFRS 11, *Joint Arrangement*, in the financial statements of the joint arrangement itself.

(b) PFRS 13 (Amendment), *Fair Value Measurement*. The amendment clarifies that the scope of the exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis (the portfolio exception) applies to all contracts within the scope of and accounted for in accordance with PAS 39 or PFRS 9, regardless of whether they meet the definition of financial assets or financial liabilities as defined in PAS 32.

(c) PAS 40 (Amendment), *Investment Property*. The amendment clarifies the interrelationship of PFRS 3 and PAS 40 in determining the classification of property as an investment property or owner-occupied property, and explicitly requires an entity to use judgment in determining whether the acquisition of an investment property is an acquisition of an asset or a group of asset in accordance with PAS 40, or a business combination in accordance with PFRS 3.

Annnal Improvements to PFRS (2012-2014 Cycle)

(a) PAS 19 (Amendment), *Employee Benefits*. The amendment clarifies that the currency and term of the high quality corporate bonds which were used to determine the discount rate for post-employment benefit obligations shall be made consistent with the currency and estimated term of the post-employment benefit obligations.

(b) PAS 34 (Amendment), *Interim Financial Reporting – Disclosure of Information "Elsewhere in the Interim Financial Report"*. The amendment clarifies the meaning of disclosure of information "elsewhere in the interim financial report" and requires the inclusion of a cross-reference from the interim financial statements to the location of this referenced information. The amendment also specifies that this information must be available to users of the interim financial statements on the same terms as the interim financial statements and at the same time, otherwise the interim financial statements will be incomplete.

(c) PFRS 7 (Amendment), *Financial Instruments – Disclosures*. The amendment provides additional guidance to help entities identify the circumstances under which a contract to "service" financial assets is considered to be a continuing involvement in those assets for the purpose of applying the disclosure requirements of PFRS 7. Such circumstances commonly arise when, for example, the servicing is dependent on the amount or timing of cash flows collected from the transferred asset or when a fixed fee is not paid in full due to non-performance of that asset.

(d) PFRS 7 (Amendment), *Financial Instruments – Applicability of Amendments to PFRS 7 to Condensed Interim Financial Statements*. This amendment clarifies that the additional disclosure required by the recent amendments to PFRS 7 related to offsetting financial assets and financial liabilities is not specifically required for all interim periods. However, the additional disclosure is required to be given in condensed interim financial statements that are prepared in accordance with PAS 34, Interim Financial Reporting, when its inclusion would be necessary in order to meet the general principles of PAS 34.

2.03 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its wholly owned subsidiaries, ACIC, ASC and VHC, after elimination of material intercompany transactions. All intercompany assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities under the Group, are eliminated in full on consolidation. Unrealized profits and losses from intercompany transactions that are recognized in assets are also eliminated in full. Intercompany losses that indicate impairment are recognized in the consolidated financial statements.

The financial statements of the subsidiaries are prepared for the same reporting period as the Parent Company, using consistent accounting principles.

Subsidiaries are entities (including structured entities) over which the Parent Company has control. The Parent Company controls an entity when it is exposed, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date the Parent Company obtains control.

The Parent Company reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of controls indicated above. Accordingly, entities are deconsolidated from the date that control ceases.

The acquisition method is applied to account for acquired subsidiaries. This requires recognizing and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group, if any. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred and subsequent change in the fair value of contingent consideration is recognized directly in profit or loss.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interest in the acquiree, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any existing equity interest in the acquiree over the acquisition-date fair value of identifiable net assets acquired is recognized as goodwill. If the consideration transferred is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly as gain in profit or loss.

2.04 Business Combinations

Business acquisitions are accounted for using the acquisition method of accounting.

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed.

Negative goodwill which is the excess of the Group's interest in the net fair value of net identifiable assets acquired over acquisition cost is charged directly to income.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The cash-generating units or groups of cash-generating units are identified according to operating segment.

Gains and losses on the disposal of an interest in a subsidiary include the carrying amount of goodwill relating to it.

If the business combination is achieved in stages, the acquirer is required to remeasure its previously held equity interest in the acquiree at its acquisition-date fair value and recognize the resulting gain or loss, if any, in the profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the Group is recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized in accordance with PAS 37 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity

2.05 Business Segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's management committee; its chief operating decision-maker. The management committee is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, management generally follows the Group's products and service lines as disclosed in Note 6, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8 are the same as those used in its financial statements. There have been no changes from prior periods in the measurement methods used to determine reported segment profit or loss.

2.06 Financial Assets

Financial assets, which are recognized when the Group becomes a party to the contractual terms of the financial instruments, include cash and other financial instruments. Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories: financial assets at FVTPL, loans and receivables, held-to-maturity investments and available-for-sale (AFS) financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated at every reporting period at which date a choice of classification or accounting treatment is available, subject to compliance with specific provisions of applicable accounting standards.

Regular purchases and sales of financial assets are recognized on their trade date. All financial assets that are not classified as at FVTPL are initially recognized at fair value plus any directly attributable transaction costs. Financial assets carried at FVTPL are initially recorded at fair value and transaction costs related to it are recognized in consolidated profit or loss.

A more detailed description of the categories of financial assets relevant to the Group follows:

(a) Financial Assets at FVTPL

This category includes financial assets that are either classified as held for trading or that meets certain conditions and are designated by the entity to be carried at fair value through profit or loss upon initial recognition. All derivatives fall into this category, except for those designated and effective as hedging instruments. Assets in this category are classified as current if they are either held for trading or are expected to be realized within 12 months from the end of the reporting period.

Financial assets at FVTPL are measured at fair value, and changes therein are recognized in profit or loss. Financial assets (except derivatives and financial instruments originally designated as financial assets at fair value through profit or loss) may be reclassified out of FVTPL category if they are no longer held for the purpose of being sold or repurchased in the near term.

(b) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables.

The Group's financial assets categorized as loans and receivables are presented as Cash and Receivables in the consolidated statement of financial position. Cash is defined as cash on hand and demand deposits which are unrestricted and readily available for use in the operations of the Group.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less impairment loss, if any. Impairment loss is provided when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), discounted at the financial asset's original effective interest rate or current effective interest rate determined under the contract if the loan has a variable interest rate.

The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The amount of the loss shall be recognized in profit or loss.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the profit or loss.

(c) *AFS Financial Assets*

This category includes non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include listed equity securities and golf club shares.

All financial assets within this category are subsequently measured at fair value. Gains and losses from changes in fair value are recognized in other comprehensive income, net of any income tax effects, and are reported as part of the Revaluation Reserves account in equity, except for interest and dividend income, impairment losses and foreign exchange differences on monetary assets, which are recognized in profit or loss. When the financial asset is disposed of or is determined to be impaired, the cumulative fair value gains or losses recognized in other comprehensive income is reclassified from equity to profit or loss and is presented as reclassification adjustment within other comprehensive income even though the financial asset has not been derecognized.

Reversal of impairment loss is recognized in the consolidated other comprehensive income, except for investments that are debt securities which are recognized in the consolidated profit or loss only if the reversal can be objectively related to an event occurring after the impairment loss was recognized.

All income and expenses, including impairment losses, relating to financial assets that are recognized in profit or loss are presented as part of Finance Income (Costs) in the consolidated statement of profit or loss.

For securities that are actively traded in organized financial markets, fair value is determined by reference to stock exchange-quoted market bid prices at the close of business on the reporting period. For investments where there is no quoted market price, fair value is determined by reference to the current market value of another instrument which is substantially the same or is calculated based on the expected cash flows of the underlying net asset base of the investment.

Non-compounding interest, dividend income and other cash flows resulting from holding financial assets are recognized in profit or loss when earned, regardless of how the related carrying amount of financial assets is measured.

The financial assets are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2.07 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets 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 consolidated statement of financial position. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

2.08 Property and Equipment

Property and equipment are carried at cost less accumulated depreciation, amortization and impairment in value.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Condominium units	15-25 years
Building improvements	5 years
Transportation equipment	5 years
Computer equipment	3-5 years
Furniture, fixtures and equipment	3-5 years

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.13).

The residual values, estimated useful lives and method of depreciation of property and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

An item of property and equipment, including the related accumulated depreciation and impairment losses, is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the consolidated profit or loss in the year the item is derecognized.

2.09 Investment Properties

Investment properties (recognized under Other Assets), accounted for under the cost model, are properties held either to earn rental or for capital appreciation or both, but not for sale in the ordinary course of business, use for rendering of services or for administrative purposes.

Investment properties are measured initially at acquisition cost, including transaction costs.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, major improvements and renewals are capitalized; expenditures for repairs and maintenance are charged to expense as incurred. When assets are sold, retired or otherwise disposed of, their cost and related accumulated depreciation and impairment losses are removed from the accounts and any resulting gain or loss is reflected in consolidated profit or loss for the period.

Depreciation is computed on the straight-line basis over the estimated useful lives of the assets of 25 years.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see Note 2.13).

The residual values, estimated useful lives and method of depreciation investment properties are reviewed, and adjusted if appropriate, at the end of each reporting period.

Investment properties are derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in consolidated profit or loss in the year of retirement or disposal.

2.10 Prepayments and Other Assets

Prepayments and other assets pertain to other resources controlled by the Group as a result of past events. They are recognized in the financial statements when it is probable that the future economic benefits will flow to the Group and the asset has a cost or value that can be measured reliably.

2.11 Intangible Assets

Intangible assets include goodwill, trading right and acquired computer software licenses (presented as part of Other Assets account in the consolidated statement of financial position). The cost of the asset is the amount of cash or cash equivalents paid or the fair value of the other considerations given to acquire an asset at the time of its acquisition or production.

(a) Goodwill

Goodwill represents the excess of the acquisition cost of the investment over the fair value of identifiable net assets of a subsidiary at date of acquisition. Goodwill is carried at amortized cost up to the date of transition to PFRS less any impairment in value. Goodwill is subject to annual test for impairment whether there is an objective evidence of impairment or not (see Note 2.13).

(b) Trading Right

Trading right represents the value of the exchange seat which allows the Group to trade in the PSE. Trading right is assessed as having an indefinite useful life and is tested annually for impairment and carried at cost less accumulated impairment losses (see Note 2.13).

(c) Computer Software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software are expensed as incurred. Capitalized costs are amortized on a straight-line basis over the estimated useful life of three years as these intangible assets are considered finite (see Note 2.13).

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset and is recognized in consolidated profit or loss.

2.12 Deferred Oil Exploration Costs

The Group made certain investments in oil exploration projects. The cost of exploration relating to service contract or block area which is still in the exploratory stage are capitalized as Deferred oil exploration costs (shown under the Other Assets account in the consolidated statement of financial position). When a service contract or block area is permanently abandoned, the related deferred oil exploration cost is written off. Service contracts or block areas are considered not permanently abandoned if the service contracts have not yet expired and/or there are ongoing negotiations for further exploration. The carrying amount of the capitalized deferred oil exploration costs is written down to its recoverable amount if the carrying amount is greater than its estimated recoverable amount (see Note 2.13).

2.13 Impairment of Non-financial Assets

The Group's property and equipment, investment properties, deferred oil exploration costs, goodwill, computer software, trading right and other non-financial assets are subject to impairment testing whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Intangible assets with an indefinite useful life such as goodwill and trading right are tested for impairment at least annually.

For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, assets are tested for impairment either individually or at the cash-generating unit level.

Impairment loss is recognized in profit or loss for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amounts which is the higher of its fair value less costs to sell and its value in use. In determining value in use, management estimates the expected future cash flows from each cash-generating unit and determines the suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management's assessment of respective risk profiles, such as market and asset-specific risk factors.

All assets, except goodwill and trading right, are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist and the carrying amount of the asset is adjusted to the recoverable amount resulting in the reversal of the impairment loss. Impairment losses recognized on goodwill are not reversed.

2.14 Financial Liabilities

Financial liabilities include interest-bearing loans and borrowings, due to customers and accounts payable and other liabilities (excluding retirement benefit obligation and taxes-related payable).

Financial liabilities are recognized when the Group becomes a party to the contractual terms of the instrument. All interest-related charges are recognized as expense under the caption Finance Costs in the consolidated statement of profit or loss.

Interest-bearing loans and borrowings are obtained to support the short-term to long-term funding needs of the Group. They are recognized at proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are charged to profit or loss on an accrual basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Accounts payable and other liabilities are recognized initially at their fair value and subsequently measured at amortized cost, using effective interest method for maturities of more than one year, less settlement payments.

Financial liabilities are derecognized from the consolidated statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in the consolidated profit or loss.

2.15 Provisions and Contingencies

Provisions are recognized when present obligations will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the end of the reporting period, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. When time value of money is material, long-term provisions are discounted to their present values using a pre-tax rate that reflects market assessments and the risks specific to the obligation. The increase in provision due to passage of time is recognized as interest expense. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the consolidated financial statements. Similarly, possible inflows of economic benefits to the Group that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the consolidated financial statements. On the other hand, any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset not exceeding the amount of the related provision.

2.16 Related Party Relationships and Transactions

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

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. These parties include: (a) individuals owning, directly or indirectly through one or more intermediaries, control or are controlled by, or under common control with the Parent Company; (b) associates; (c) individuals owning, directly or indirectly, an interest in the voting power of the Parent Company that gives them significant influence over the Parent Company and close members of the family of any such individual; and, (d) the Group's funded retirement plan.

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

2.17 Equity

Capital stock represents the nominal value of shares that have been issued.

Additional paid-in capital includes any premium received on the issuance of capital stock. Any transaction costs associated with the issuance of shares are deducted from additional paid-in capital, net of any related income tax benefits.

Treasury shares are stated at the cost of reacquiring such shares and are deducted from equity attributable to the Group's equity holders until the shares are cancelled, reissued or disposed of.

Revaluation reserves comprise gains and losses due to the revaluation of AFS financial assets and remeasurements of retirement benefit obligation.

Deficit represents all current and prior period results of operations as reported in the consolidated statement of profit or loss, reduced by the amounts of dividends declared.

2.18 Revenue and Expense Recognition

Revenue comprises revenue from rendering of services measured by reference to the fair value of consideration received or receivable by the Group for services rendered, excluding value-added tax (VAT).

Revenue is recognized to the extent that the revenue can be reliably measured; it is probable that the economic benefits will flow to the Group; and, the costs incurred or to be incurred can be measured reliably. In addition, the following specific recognition criteria must also be met before revenue is recognized:

(a) *Rendering of services (commissions, underwriting fees, financial and management advisory fees)* – Revenue is recognized when contractually agreed tasks have been substantially rendered.

(b) *Gain on sale of investments* – Revenue is recognized when the ownership of the securities is transferred to the buyer (at an amount equal to the excess of the selling price over the carrying amount of securities).

(c) *Interest* – Revenue is recognized as the interest accrues taking into account the effective yield on the assets.

(d) *Rental* – Revenue is recognized on a straight line basis over the lease term.

Costs and expenses are recognized in the consolidated profit or loss upon utilization of services or at the date they are incurred. All finance costs are reported in profit or loss on an accrual basis, except for borrowing costs capitalized as part of the cost of any qualifying asset (see Note 2.23).

2.19 Securities Transactions

Securities transactions (and related commission income and expense, if applicable) are recorded on a transaction date basis.

2.20 Leases

(a) *Group as lessee* – Leases, which do not transfer to the Group substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Operating lease payments are recognized as expense in the consolidated profit or loss on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(b) *Group as lessor* – Leases, which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset, are classified as operating leases. Lease income from operating leases is recognized as income in the consolidated profit or loss on a straight-line basis over the lease term.

The Group determines whether an arrangement is, or contains, a lease based on the substance of the arrangement. It makes an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

2.21 Foreign Currency Transactions and Translation

The accounting records of the Group are maintained in Philippine pesos. Foreign currency transactions during the year are translated into the functional currency at exchange rates which approximate those prevailing on transaction dates.

Foreign currency gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated profit or loss.

2.22 Employee Benefits

The Group provides post-employment benefits to employees through a defined benefit plan and defined contribution plans, and other employee benefits which are recognized as follows:

(a) *Post-employment Defined Benefits Plan*

A defined benefit plan is a post-employment plan that defines an amount of post-employment benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and salary. The legal obligation for any benefits from this kind of post-employment plan remains with the Group, even if plan assets for funding the defined benefit plan have been acquired. Plan assets may include assets specifically designated to a long-term benefit fund, as well as qualifying insurance policies. The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax-qualified and non-contributory.

The liability recognized in the statement of financial position for a defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows for expected benefit payments using a discount rate derived from the interest rates of zero-coupon government bonds as published by Philippine Dealing & Exchange Corporation, that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related post-employment liability.

Remeasurements, comprising of actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions and the return on plan assets (excluding amount included in net interest) are reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they arise. Net interest is calculated by applying the discount rate at the beginning of the period, taking account of any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments. Net interest is reported as part of Finance Costs or Finance Income account in the consolidated statement of profit or loss.

Past-service costs are recognized immediately in profit or loss in the period of a plan amendment or curtailment.

(b) Post-employment Defined Contribution Plan

A defined contribution plan is a post-employment plan under which the Group pays fixed contributions into an independent entity. The Group has no legal or constructive obligations to pay further contributions after payment of the fixed contribution. The contributions recognized in respect of defined contribution plans are expensed as they fall due. Liabilities and assets may be recognized if underpayment or prepayment has occurred and are included in current liabilities or current assets as they are normally of a short-term nature.

(c) Compensated Absences

Compensated absences are recognized for the number of paid leave days (including holiday entitlement) remaining at the end of the reporting period. They are included as part of Other under the Accounts Payable and Other Liabilities account (see Note 16) in the consolidated statement of financial position at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

2.23 Borrowing Costs

Borrowing costs are recognized as expenses in the period in which they are incurred, except to the extent that they are capitalized. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (i.e., an asset that takes a substantial period of time to get ready for its intended use or sale) are capitalized as part of cost of such asset. The capitalization of borrowing costs commences when expenditures for the asset and borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization ceases when substantially all such activities are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

2.24 Income Taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity, if any.

Current tax assets or liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting period, that are uncollected or unpaid at the end of the reporting period. They are calculated using the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognized as a component of tax expense in profit or loss.

Deferred tax is accounted for using the liability method, on temporary differences at the end of the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes. Under the liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences and the carryforward of unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will be available to allow such deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled provided such tax rates have been enacted or substantively enacted at the end of the reporting period.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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

2.25 Earnings (Loss) Per Share

Earnings (loss) per share is determined by dividing consolidated net profit (loss) by the weighted average number of common shares issued and outstanding during the year.

Diluted earnings per share is computed by adjusting the weighted average number of ordinary shares outstanding to assume conversion of dilutive potential shares.

2.26 Events After the End of the Reporting Period

Any post-year-end event that provides additional information about the Group's financial position at the end of the reporting period (adjusting event) is reflected in the financial statements. Post-year-end events that are not adjusting events, if any, are disclosed when material to the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in accordance with PFRS requires management to make judgments and estimates that affect the amounts reported in the consolidated financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may ultimately differ from these estimates.

3.01 Critical Management Judgments in Applying Accounting Policies

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

(a) Impairment of AFS Financial Assets

The determination when an investment is other-than-temporarily impaired requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. Future changes in those information and circumstance might significantly affect the carrying amount of the assets.

Allowance for impairment losses on the Group's AFS financial assets amounts to P150.3 million and P144.9 million as of December 31, 2014 and 2013, respectively (see Note 9).

(b) Distinguishing Operating and Finance Leases

The Group has entered into various lease agreements either as a lessor or lessee. Critical judgment was exercised by management to distinguish each lease agreement as either an operating or finance lease by looking at the transfer or retention of significant risk and rewards of ownership of the properties covered by the agreements. Failure to make the right judgment will result in either overstatement or understatement of assets and liabilities.

(c) Distinguishing Investment Properties and Owner-occupied Properties

The Group determines whether a property qualifies as investment property. In making its judgment, the Group considers whether the property generates cash flows largely independent of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to the property but also to other assets used in the production or supply process.

(d) Recognition of Provisions and Contingencies

Judgment is exercised by management to distinguish the difference between provisions and contingencies. Policies on recognition of provision and contingencies are discussed in Note 2.15 and relevant disclosures are presented in Note 23.

3.02 Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Estimating Useful Lives of Property and Equipment, Investment Properties and Computer Software

The Group estimates the useful lives of property and equipment, investment properties and computer software based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment, investment properties and computer software are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical and legal or other limits on the use of the assets.

The carrying amounts of property and equipment, investment properties and computer software are analyzed in Notes 12, 13.03 and 13.06, respectively. Based on management's assessment as at December 31, 2014 and 2013, there is no change in the estimated useful lives of property and equipment, investment properties and computer software during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(b) Impairment of Receivables

Allowance is made for specific and groups of accounts, where objective evidence of impairment exists. The Group evaluates these accounts based on available facts and circumstances, including, but not limited to, the length of the Group's relationship with the customers, the customers' current credit status, average age of accounts, collection experience and historical loss experience. The methodology and assumptions used in estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

The carrying value of receivables and the analysis of allowance for impairment on such financial assets are shown in Note 10.

(c) Valuation of Financial Assets Other Than Receivables

The Group carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. Significant components of fair value measurement were determined using verifiable objective evidence such as foreign exchange rates, interest rates, volatility rates. However, the amount of changes in fair value would differ if the Group utilized different valuation methods and assumptions. Any change in fair value of these financial assets would affect the consolidated profit and loss and other comprehensive income. In 2014, 2013 and 2012, most of the Group's financial assets measured at fair value are valued using price quoted in an active market.

The carrying values of the Group's financial assets at FVTPL and AFS financial assets and the amounts of fair value changes recognized during the years on those assets are disclosed in Notes 8 and 9, respectively.

(d) Determining Realizable Amount of Deferred Tax Assets

The Group reviews its deferred tax assets at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized. The carrying values of recognized and unrecognized deferred tax assets as of December 31, 2014 and 2013 are disclosed in Note 21.

(e) Impairment of Non-financial Assets

In assessing impairment, management estimates the recoverable amount of each asset or a cash-generating unit based on expected future cash flows and uses an interest rate to calculate the present value of those cash flows. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2.13). Though management believes that the assumptions used in the estimation of fair values reflected in the consolidated financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations.

No impairment loss on non-financial assets was recognized in 2014, 2013 and 2012.

(f) Valuation of Post-employment Defined Benefit Obligation

The determination of the Group's retirement benefit obligation is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected rate of return on plan assets and salary rate increase. A significant change in any of these actuarial assumptions may generally affect the recognized expense, other comprehensive income or losses and the carrying amount of the post-employment benefit obligation in the next reporting period.

The amounts of retirement benefit obligation and expense and an analysis of the movements in the estimated present value of post-employment benefit, as well as the significant assumptions used in estimating such obligation are presented in Note 18.02.

(g) Fair Value Measurement for Investment Properties

The Group's investment properties are composed of condominium units carried at cost at the end of the reporting period. The fair value of investment properties as, disclosed in Note 13.03, is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and seller in an arm's length transaction as at the valuation date. Such amount is influenced by different factors including the location and specific characteristics of the property (e.g., size, features, and capacity), quantity of comparable properties available in the market, and economic condition and behaviour of the buying parties. A significant change in these elements may affect prices and the value of the assets.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating, financing and investing activities. The risk management activities at the level of each company in the Group is coordinated with the Parent Company, in close cooperation with the BOD, and focuses on actively securing the Group's short-to-medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The most significant financial risks to which the Group is exposed to are described below and in the succeeding pages.

4.01 Interest Rate Risk

The following table illustrates the sensitivity of the Group's profit before tax and equity to a reasonably possible change in the Group's interest-bearing loans and borrowings' interest rates of +/- 1.48% in 2014 and +/- 1.98% in 2013. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at the end of each reporting period that are sensitive to changes in interest rates. All other variables are held constant.

	Effect on Profit before Tax	
	Positive Change	Negative Change
2014 (+/- 1.48%)	**P 40,023,557**	**(P 40,023,557)**
2013 (+/- 1.98%)	51,592,298	(51,592,298)

4.02 Foreign Currency Risk

Foreign currency risk arises mainly from potential losses from the changes in the exchange rates of the Group's foreign currency-denominated assets.

The Group seeks to mitigate the effect of its foreign currency exposure by limiting its foreign currency transactions to the extent possible. The Group does not enter into forward contracts or hedging transactions.

The Group's United States (US) dollar-denominated financial instruments pertain only to cash in bank, translated into Philippine pesos at the closing rates, amounting to P615,900 in 2014 and P105,453 in 2013.

The exchange rates used was P44.617:US$1 and P44.414:US$1 as of December 31, 2014 and 2013, respectively.

The table below demonstrates the possible impact of the changes in the exchange rates of the Philippines peso and US dollars on the Group's profit before tax and equity. It assumes a +/- 27.87% and +/-23.40% change of the Philippine peso – US dollar exchange rate for the years ended December 31, 2014 and 2013, respectively. These percentages have been determined based on the average market volatility in the exchange rates in the previous 12 months, estimated at 99% confidence level, with all other variables held constant.

	Positive Change	Negative Change
2014 (+/- 27.87%)		
Profit before tax	**P 171,651**	**(P 171,651)**
Equity	**120,156**	**(120,156)**
2013 (+/- 23.40%)		
Profit before tax	P 24,676	(P 24,676)
Equity	17,273	(17,273)

The Group's exposures to changes in foreign exchange rates may differ at various periods each year, depending on the volume of foreign currency-denominated transactions; hence, the foregoing effects should not be construed to be representative of the Group's foreign currency exposure at any particular point in time.

4.03 Credit Risk

Credit risk is the risk that a counterparty may fail to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to customers and placing deposits.

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. In addition, for a significant proportion of sales, advance payments are received to mitigate credit risk.

Generally, the maximum credit risk exposure of financial assets is the carrying amount of the financial assets as shown on the consolidated statements of financial position (or in the detailed analysis provided in the notes to the consolidated financial statements) as summarized below.

	Notes	**2014**	2013
Cash in banks	7	**P 114,314,012**	P 166,553,606
Receivables – net	10	**1,859,741,250**	1,879,180,084
		P 1,974,055,262	P 2,045,733,690

The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Cash presented in the analysis above do not include cash on hand amounting to P86,621 as of December 31,2014 and 2013. It only includes cash in banks and short-term placements which are insured by the Philippine Deposit Insurance Corporation up to a maximum coverage of P500,000 for every depositor per banking institution.

The table below shows the credit quality by class of financial assets as of December 31.

	Neither Past Due Nor Impaired High Grade	Neither Past Due Nor Impaired Standard Grade	Past Due but not Individually Impaired	Total
December 31, 2014				
Cash in bank	P 114,314,012	P -	P -	P 114,314,012
Receivables:				
Customers/brokers	-	1,002,599,946	5,127,887	1,007,727,833
Equity margin loans	-	633,765,644	-	633,765,644
Accounts receivable	6,758,770	167,240,650	187,397,257	194,156,027
Due from clearing house	-	105,689,193	-	105,689,193
Interest receivable	-	65,141,629	-	65,141,629
Management fee receivable	-	25,500,000	-	25,500,000
Notes receivable	-	5,086,574	92,939,251	98,025,825
Others	-	14,144,861	-	14,144,861
Receivables – gross	6,758,770	1,851,927,847	285,464,395	2,144,151,012
Allowance for impairment	-	-	(284,409,762)	(284,409,762)
Receivables – net	6,758,770	1,851,927,847	1,054,633	1,859,741,250
	P 121,072,782	**P1,851,927,847**	**P 1,054,633**	**P 1,974,055,262**
December 31, 2013				
Cash in bank	P 166,553,606	P -	P -	P 166,553,606
Receivables:				
Customers/brokers	26,759,349	1,004,984,073	25,572,306	1,057,315,728
Equity margin loans	-	633,765,644	-	633,765,644
Accounts receivable	3,559,589	208,372,851	-	211,932,440
Notes receivable	-	-	107,739,251	107,739,251
Management fee receivable	-	-	57,854,154	57,854,154
Interest receivable	-	-	29,100,000	29,100,000
Due from clearing house	-	-	-	-
Others	-	-	4,909,141	4,909,141
Receivables – gross	30,318,938	1,847,122,568	225,174,852	2,102,616,358
Allowance for Impairment	-	-	(223,436,274)	(223,436,274)
Receivables – net	30,318,938	1,847,122,568	1,738,578	1,879,180,084
	P 196,872,544	P1,847,122,568	P 1,738,578	P 2,045,733,690

Certain receivables of the Group are partially secured by borrowers' collaterals and customers' stocks traded in the PSE that are held by the Group. Other financial assets are not secured by collateral or other credit enhancements.

Management believes that the amount of past due but not individually impaired receivables are still recoverable as the Group's management has regular communication with the debtors for the settlement of the receivables. In respect of receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

4.04 Liquidity Risk

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash outflows due in a day-to-day business. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a six-month and one-year period are identified monthly.

The Group maintains cash to meet its liquidity requirements for up to 60-day periods. Excess cash are invested in time deposits, mutual funds or short-term marketable securities. Funding for long-term liquidity needs is additionally secured by the Group's ability to sell long-term financial assets.

As at December 31, 2014 and 2013, the Group's financial liabilities have contractual maturities which are presented below.

	Current		**Non-current**	
	Within 6 Months	**6 to 12 Months**	**1 to 5 Years**	**Total**
December 31, 2014				
Interest-bearing loans and borrowings	P 2,353,226,781	P 351,067,592	P -	P 2,704,294,373
Accounts payable and other liabilities (excluding post-employment defined benefit obligation and taxes payable)	24,238,541	69,173,236	-	93,411,777
Due to customers	300,243,157	-	-	300,243,157
	P2,677,708,479	**P 420,240,828**	**P -**	**P3,097,949,307**
December 31, 2013				
Interest-bearing loans and borrowings	P 2,352,488,181	P 252,322,096	P 861,323	P 2,605,671,600
Accounts payable and other liabilities (excluding post-employment defined benefit obligation and taxes payable)	35,400,170	135,224,053	-	206,024,393
Due to customers	220,141,921	-	-	220,141,921
	P 2,608,030,272	P 387,546,149	P 861,323	P3,031,837,914

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the liabilities at the end of the reporting period.

4.05 Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVTPL and AFS financial assets). It manages its risk arising from changes in market price by monitoring the changes in the market price of the investments.

The observed volatility rates using standard deviation of the fair values of the Group's investments held at fair value and their impact on the Group's net profit and other comprehensive income as of December 31, 2014 and 2013 are summarized as follows:

			Impact of Increase		Impact of Decrease	
	Increase	Decrease	Net Profit	Other Comprehensive Income	Net Profit	Other Comprehensive Income
2014						
Financial assets at FVTPL	+40.64%	-40.64%	P 200,854,332	P -	(P 200,854,332)	P -
AFS financial assets						
Berjaya Philippines, Inc. (BCOR)	+85.25%	-85.25%	-	2,247,967,528	-	(2,247,967,528)
Coal Asia Holdings (COAL)	+39.30%	-39.30%	-	495,078	-	(495,078)
Premium Leisure Corp. (PLC)	+115.35%	-115.35%	-	6,142,388	-	(6,142,388)
Cyber Bay Corp. (CYBR)	+37.37%	-37.37%	-	2,695,980	-	(2,695,980)
			P 200,854,332	**P 2,257,300,974**	**(P 200,854,332)**	**(P2,257,300,974)**
2013						
Financial assets at FVTPL	+11.67%	-11.67%	P 65,090,024	P -	(P 65,090,024)	P -
AFS financial assets						
Berjaya Philippines, Inc. (BCOR)	+75.44%	-75.44%	-	1,954,779,583	-	(1,954,779,583)
			P 65,090,024	P 1,954,779,583	(P 65,090,024)	(P 1,954,779,583)

The investments in listed equity securities (classified as AFS financial assets) are considered long term, strategic investments. In accordance with the Group's policies, no specific hedging activities are undertaken in relation to these investments.

The volatility rates of investment in golf club shares were not presented as of December 31, 2014 and 2013 since the impact of these volatility rates using standard deviation of the golf club shares on the consolidated other comprehensive income would not be significant.

5. CATEGORIES AND FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

5.01 Carrying Amounts and Fair Values by Category

The cost and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are shown below and in the succeeding page.

		2014		2013	
	Notes	Carrying Amount	Fair Values	Carrying Amount	Fair Values
Financial assets					
Loans and receivables:					
Cash	7	**P 114,400,633**	**P 114,400,633**	P 166,640,227	P 166,640,227
Receivables – net	10	**1,859,741,250**	**1,859,741,250**	1,879,180,084	1,879,180,084
		1,974,141,883	**1,974,141,883**	2,045,820,311	2,045,820,311
Financial assets at FVTPL	8	**494,228,180**	**494,228,180**	655,782,861	655,782,861
AFS financial assets	9	**2,659,421,856**	**2,659,421,856**	2,557,207,265	2,557,207,265
		3,153,650,036	**3,153,650,036**	3,212,990,126	3,212,990,126
		P 5,127,791,919	**P 5,127,791,919**	P 5,258,810,437	P 5,258,810,437

	Notes	2014 Carrying Amount	2014 Fair Values	2013 Carrying Amount	2013 Fair Values
Financial liabilities					
Financial liabilities at amortized cost:					
Interest-bearing loans and borrowings	14	**P2,704,294,373**	**P2,704,294,373**	P 2,605,671,600	P 2,605,671,600
Due to customers	15	**300,243,157**	**300,243,157**	220,141,921	220,141,921
Accounts payable and other other liabilities	16	**93,411,777**	**93,411,777**	206,024,393	206,024,393
		P3,097,949,307	**P3,097,949,307**	P 3,031,837,914	P 3,031,837,914

5.02 Fair Value Hierarchy

In accordance with PFRS 13, the fair value of financial assets and liabilities and non-financial assets which are measured at fair value on a recurring or non-recurring basis and those assets and liabilities not measured at fair value but for which fair value is disclosed in accordance with other relevant PFRS, are categorized into three levels based on the significance of inputs used to measure the fair value. The fair value hierarchy has the following levels:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that an entity can access at the measurement date;

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,

(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level within which the asset or liability is classified is determined based on the lowest level of significant input to the fair value measurement.

For purposes of determining the market value at Level 1, a market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

5.03 Financial Instrument Measured at Fair Value

The tables below and in the succeeding page show the fair value hierarchy of the Group's classes of financial assets and financial liabilities measured at fair value in the consolidated statements of financial position on a recurring basis as of December 31, 2014 and 2013.

	Level 1	Level 2	Level 3	Total
December 31, 2014				
Financial assets at FVTPL	P 494,228,180	P -	P -	P 494,228,180
AFS financial assets	2,659,421,856	-	-	2,659,421,856
	P 3,153,650,036	**P -**	**P -**	**P 3,153,650,036**

	Level 1	Level 2	Level 3	Total
December 31, 2013				
Financial assets at FVTPL	P 655,782,861	P -	P -	P 655,782,861
AFS financial assets	2,557,207,265	-	-	2,557,207,265
	P 3,212,990,126	P -	P -	P 3,212,990,126

All financial instrument classified as AFS financial assets amounting to P2,659,421,856 and P2,557,207,265 as of December 31, 2014 and 2013, respectively, are classified as Level 1 in fair value hierarchy, except for the investments in unquoted equity securities which are measured at cost amounting to P5,348,835 in 2014 because the fair value cannot be reliably measured and therefore are not included in the schedule above (see Note 9).

There were no financial liabilities measured at fair value as of December 31, 2014 and 2013.

5.04 Financial Instruments Measured at Amortized Cost for which Fair Value is Disclosed

The tables below and in the succeeding page summarize the fair value hierarchy of the Group's financial assets and financial liabilities which are not measured at fair value in the consolidated statements of financial position but for which fair value is disclosed.

	December 31, 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets:				
Cash	P 114,400,633	P -	P -	P 114,400,633
Receivables	-	-	1,859,741,250	1,859,741,250
	P 114,400,633	**P -**	**P 1,859,741,250**	**P 1,974,141,883**
Financial liabilities:				
Interest-bearing loans and borrowings	P -	P -	P 2,704,294,373	P 2,704,294,373
Due to customers		-	300,243,157	300,243,157
Accounts payable and other liabilities	-	-	93,411,777	93,411,777
	P -	**P -**	**P 3,097,949,307**	**P 3,097,949,307**

	December 31, 2013			
	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash	P 166,640,227	P -	P -	P 166,640,227
Receivables	-	-	1,879,180,084	1,879,180,084
	P 166,640,227	P -	P 1,879,180,084	P 2,045,820,311

	December 31, 2013			
	Level 1	Level 2	Level 3	Total
Financial liabilities:				
Interest-bearing loans and borrowings	P -	P -	P 2,605,671,600	P 2,605,671,600
Due to customers		-	220,141,921	220,141,921
Accounts payable and other liabilities	-	-	206,024,393	206,024,393
	P -	P -	P 3,031,837,914	P 3,031,837,914

For cash, with fair value included in Level 1, fair value is based on unadjusted quoted amount from the counterparty banks.

The fair values of the financial assets and financial liabilities included in Level 3 above which are not traded in an active market is determined by reference to the current market value of another instrument which is substantially the same after taking into account the related credit risk of counterparties, or is calculated based on the expected cash flows of the underlying net asset base of the instrument.

When the Group uses valuation technique, it maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to determine the fair value of an instrument are observable, the instrument is included in Level 2. Otherwise, it is included in Level 3.

5.05 Fair Value Measurement of Non-financial Assets

The market value of the Group's investment properties, which consist of condominium units, amounts to P59,969,500 and P27,956,000 as of December 31, 2014 and 2013, respectively, based on the market comparable approach that reflects recent transaction prices for similar properties and adjacent properties.

The Level 3 fair value of the condominium units was derived using the observable recent prices of the reference properties and were adjusted for differences in key attributes such as property size, zoning, and accessibility. The most significant input into this valuation approach is the price per square meter; hence, the higher the price per square meter, the higher the fair value of the properties (see Note 13.03).

6. SEGMENT REPORTING

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organized into the following business segments:

(a) *Securities brokerage* – handles buying and selling of shares of stock, bonds and other securities.

(b) *Investment banking* – provides services which include underwriting of financial instruments and management fees from financial and management advisory services.

(c) *Leasing and others* – includes leasing of condominium units and other segment activities, none of which constitute a separately reportable segment.

Transactions between the business segments are on normal commercial terms and conditions.

Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds ranges from 5.0% to 7.0%, 5.0% to 8.3% and 5.0% to 9.30% in 2014, 2013 and 2012, respectively (see Note 14).

Inter-segment revenues and expenses also include rentals from the operating leases on condominium units managed by certain segments. There are no other material items of income or expense between the business segments.

Segment assets and liabilities comprise operating assets and liabilities including items such as taxation and borrowings.

The following tables below and in the succeeding page present revenue and profit information regarding industry segments for the years ended December 31, 2014, 2013 and 2012 and certain assets and liabilities information regarding industry segments as at December 31, 2014, 2013 and 2012.

	December 31, 2014				
	Securities Brokerage	**Investment Banking**	**Leasing and Others**	**Elimination**	**Group**
Revenues:					
External	P 225,655,569	P 361,181,470	P 9,600,882	P -	P 596,437,921
Inter-segment	846,427	45,572,084	12,365,249	(58,783,759)	-
	226,501,996	406,753,554	21,966,131	(58,783,759)	596,437,921
Expenses:					
External	159,922,235	294,042,119	26,912,361	-	480,876,716
Inter-segment	54,152,849	79,887,984	-	(134,040,833)	-
	214,075,084	373,930,103	26,912,361	(134,040,833)	480,876,716
Profit (loss) before tax	**P 12,426,912**	**32,823,451**	**(P 4,946,230)**	**P 75,257,074**	**P 115,561,205**
Net profit (loss)	**P 8,189,344**	**P 33,149,914**	**(P 5,669,590)**	**P 75,257,074**	**P 110,926,742**
Segment assets	**P 914,179,798**	**P 5,332,852,139**	**P 502,473,153**	**(P 1,301,048,725)**	**P 5,449,456,364**
Segment liabilities	**P 584,268,388**	**P 2,686,118,268**	**P 355,797,729**	**(P 467,880,188)**	**P 3,158,304,197**
Other segment items:					
Capital expenditures	**P 1,328,075**	**P -**	**P -**	**P -**	**P 1,328,075**
Depreciation and amortization	**P 10,721,854**	**P 5,295,924**	**P 4,631,184**	**P 280,000**	**P 20,928,963**

	December 31, 2013				
	Securities Brokerage	Investment Banking	Leasing and Others	Elimination	Group
Revenues:					
External	P 232,907,892	P 154,166,907	P 13,872,443	P -	P 400,947,242
Inter-segment	1,286,322	44,755,148	11,634,079	(57,675,549)	-
	234,194,214	198,922,055	25,506,522	(57,675,549)	400,947,242
Expenses:					
External	165,623,566	241,561,380	21,206,326	-	412,212,412
Inter-segment	53,385,724	4,289,825	-	(73,854,410)	-
	219,009,290	245,851,205	21,206,326	(73,854,410)	412,212,412
Profit (loss) before tax	P 15,184,924	(P 46,929,150)	P 4,300,195	P 16,178,861	(P 11,265,170)
Net loss	P 10,295,956	(P 45,878,510)	P 4,165,245	P 16,178,861	(P 15,238,448)
Segment assets	P 965,458,377	P 5,649,391,788	P 404,853,619	(P 1,426,644,785)	P 5,593,058,999
Segment liabilities	P 643,324,912	P 2,703,168,982	P 253,785,895	(P 520,043,875)	P 3,080,235,914
Other segment items:					
Capital expenditures	P 11,316,095	P -	P -	P -	P 11,316,095
Depreciation and amortization	P 9,463,560	P 5,564,021	P 4,631,191	P -	P 19,658,769

	December 31, 2012				
	Securities Brokerage	Investment Banking	Leasing and Others	Elimination	Group
Revenues:					
External	P 205,877,059	P 96,104,416	P 27,641,889	P -	P 329,623,364
Inter-segment	529,041	396,746,505	16,804,150	(414,079,696)	-
	206,406,100	492,850,921	44,446,039	(414,079,696)	329,623,364
Expenses:					
External	142,226,807	187,327,662	18,856,492	-	348,410,961
Inter-segment	50,656,209	20,436,306	-	(77,092,515)	-
	192,883,016	207,763,968	18,856,492	(77,092,515)	348,410,961
Profit (loss) before tax	P 13,971,048	P 285,076,953	P 25,589,547	(P 336,987,181)	(P 18,787,597)
Net loss	P 7,438,246	P 293,860,510	P 25,346,603	(P 336,987,181)	(P 10,341,822)
Segment assets	P 893,128,590	P 5,344,597,873	P 310,761,456	(P 1,524,857,331)	P 5,023,630,318
Segment liabilities	P 582,614,201	P 2,303,487,907	P 163,311,567	(P 601,036,243)	P 2,447,377,432
Other segment items:					
Capital expenditures	P 1,900,219	P -	P -	P -	P 1,900,219
Depreciation and amortization	P 8,449,160	P 5,240,331	P 4,631,185	P 280,000	P 18,600,676

7. CASH

This account includes the following:

	2014	2013
Cash in banks	**P 114,314,012**	P 166,553,606
Cash on hand	**86,621**	86,621
	P 114,400,633	P 166,640,227

The Group maintains a special reserve bank account with a local bank in compliance with the Securities Regulation Code in relation to the securities brokerage business of the Group. The bank account has a balance of P45,416,264 and P119,354,610 as of December 31, 2014 and 2013, respectively.

Foreign currency-denominated cash amounts to P615,900 (US$13,804) and P105,453 (US$2,374) as of December 31, 2014 and 2013, respectively.

Cash in banks generally earn interest at rates based on daily bank deposit rates.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group's financial assets at FVTPL are composed of equity securities with a total fair value amounting to P494,228,180 and P655,782,861 as of December 31, 2014 and 2013, respectively.

Equity securities include investments in shares of stock of publicly-listed entities which are held solely for trading purposes. These shares are carried at fair value as determined directly by reference to published price quoted in an active market. For investments in shares of stock of publicly-listed entities which are suspended for trading as of the end of the reporting period, the last transacted price before the suspension was used in the determination of their fair value.

In 2014, a certain investment with a carrying amount of P10,697,669 was reclassified from Financial Assets at FVTPL to AFS Financial Assets account as the related shares are no longer held for the purpose of being sold (see Note 9).

The gain on sale of financial assets at FVTPL amounted to P78,766,959 in 2014, P48,536,273 in 2013 and P35,478,265 in 2012. These are presented as part of Gain on Sale of Investments under the Finance Income account in the consolidated statements of profit or loss (see Note 20.01).

The Group recognized changes in fair value of financial assets at FVTPL amounting to P20,727,691 loss in 2014, P19,955,493 loss in 2013 and P23,592,489 gain in 2012. These are presented as part of Finance Income or Finance Costs in the consolidated statements of profit or loss (see Notes 20.01 and 20.02).

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

AFS financial assets pertain to the shares of stock of the following:

	2014	2013
At fair value:		
BCOR	**P 2,636,912,056**	P 2,549,107,265
CYBR	**6,860,000**	-
PLC	**5,325,000**	-
COAL	**1,324,800**	-
Others - club shares	**9,000,000**	8,100,000
Balance carried forward	**P 2,659,421,856**	P 2,557,207,265

	2014	2013
Balance brought forward	**P 2,659,421,856**	P2,557,207,265
At cost:		
Universal Rightfield Properties (URP)	**144,910,130**	144,910,130
Metro Pacific Corporation (MPC)	**10,697,669**	-
Philippine Central Depository (PCD)	**22,800**	22,800
	155,630,599	144,932,930
Allowance for impairment	**(150,281,764)**	(144,932,930)
	5,348,835	-
	P 2,664,770,691	P2,557,207,265

The movements of AFS financial assets follow:

	Note	2014	2013
Balance at beginning of year		**P 2,557,207,265**	P2,598,351,240
Additions		**475,484,978**	25,046,250
Reclassification from FVTPL		**10,697,669**	-
Disposals		**(39,976,826)**	(15,936,296)
Realized fair value gains transferred to profit or loss	20.01	**(317,333,803)**	(95,408,304)
Fair value gains (losses)		**(15,959,758)**	45,154,375
Impairment loss		**(5,348,834)**	-
Balance at end of year		**P 2,664,770,691**	P2,557,207,265

Other AFS financial assets pertain to proprietary membership in golf and country club shares.

The fair values of the listed equity securities were determined directly by reference to quoted prices published by the PSE. On the other hand, the fair values of the club shares were determined using the prices published by an SEC-registered club share broker.

Investments in URP and PCD, publicly listed companies whose shares are suspended for trading, were valued at total cost amounting to P144,932,930, and were fully provided with allowance for impairment.

In 2014, the Group's investment in MPC was reclassified out of the FVTPL category as the shares are no longer held for trading (see Note 8). Accordingly, the investment was transferred to AFS financial assets and was provided with an allowance for impairment amounting to P5,348,834. The provision is presented as part of Impairment loss under the Finance Costs account in the 2014 consolidated statement of profit or loss (see Note 20.02).

Fair value gains (losses) on AFS financial assets amounting to (P15,959,758), P45,154,375 and P259,847,206 in 2014, 2013 and 2012, respectively, are presented in the consolidated statements of comprehensive income as items that will be reclassified subsequently to profit or loss. Accordingly, as a result of investment disposals, the cumulative fair value gains amounting to P317,333,803, P95,408,304 and P20,305,204 in 2014, 2013 and 2012, respectively, were reclassified from equity and are included as part of Gain on sale of investments under the Finance Income account in the consolidated statements of profit or loss (see Note 20.01).

Net cumulative fair value changes on AFS financial assets amount to P2,026,795,476 and P2,360,089,037 as of December 31, 2014 and 2013, respectively, and are presented as part of the Revaluation Reserves account in the consolidated statements of financial position (see Note 17.02).

10. RECEIVABLES

The breakdown of this account follows:

	Notes	**2014**	2013
Customers/brokers	10.02	**P 1,007,727,833**	P 1,057,315,728
Equity margin loans	10.01	**633,765,644**	633,765,644
Accounts receivable	10.03, 11.02	**194,156,027**	211,932,440
Due from clearing house		**105,689,193**	-
Notes receivables	10.04	**98,025,825**	107,739,251
Interest receivables	10.04	**65,141,629**	57,854,154
Management fee	11.01	**25,500,000**	29,100,000
Others	11.03	**14,144,862**	4,909,141
		2,144,151,012	2,102,616,358
Allowance for impairment		**(284,409,762)**	(223,436,274)
		P 1,859,741,250	P 1,879,180,084

All receivables of the Group have been reviewed for indications of impairment. Certain receivables were found to be impaired and provisions have been recorded accordingly.

A reconciliation of the allowance for impairment at the beginning and end of 2014 and 2013 is shown below.

	Note	**2014**	2013
Balance at beginning of year		**P 223,436,274**	P 217,514,424
Impairment losses	20.02	**71,255,837**	5,921,850
Write-off		**(10,282,349)**	-
Balance at end of year		**P 284,409,762**	P 223,436,274

The maturity profile of the Group's receivables follows:

	2014	2013
Within one year	**P 1,151,489,896**	P 1,079,821,035
Beyond one year but less than five years	**708,251,354**	799,359,049
	P1,859,741,250	P1,879,180,084

Management believes that the allowance for impairment is adequate to cover any losses from its receivables. The Group is in constant communication with the debtors for the settlement of the receivables. However, during the year, the Group has written-off accounts receivables from certain customers amounting to P10,282,349 whose collection can no longer be reasonably expected, notwithstanding the efforts of management to do so.

10.01 Equity Margin Loans

Effective January 1, 2007 and until the BOD reverses the resolution, management decided to stop recognizing interest on equity margin loans by virtue of a board resolution after the Group received requests from its customers for a moratorium on interest charges on equity margin loans. These receivables are secured by certain marketable shares of stock (pledged by certain customers) with a total market value of P580,003,645 and P837,090,393 as of December 31, 2014 and 2013, respectively.

10.02 Receivable from Customers/Brokers

Receivables from customers/brokers result from the Group's securities trading transactions and are normally settled within three days from transaction date. Receivables are subjected to impairment testing based on the present value of the estimated future cash flows.

10.03 Accounts Receivable

Accounts receivable include a receivable from Kestrel Resources Philippines, Inc. (Kestrel), a third party engaged in purchasing receivables, amounting to P114,019,882 and P116,019,882 as of December 31, 2014 and 2013, respectively, which arose from an Assignment of Receivables 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, 2016. 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 P65,280,000 (see Note 13.03). Under the terms of the assignment, Kestrel grants the Group a call option on all but not part of the receivables, including uncollected but accrued earnings, which have not been collected at the time of the exercise of the call option. The call option is exercisable by the Group any time prior to November 30, 2016. The exercise price of the call option is equal to the uncollected principal of the receivables. The portion of the receivables already collected prior to the exercise of the call option shall constitute the remaining obligation of Kestrel to the Group which is payable on or before December 31, 2016. The call option is considered closely related to its host contract since the exercise price on each exercise date is equivalent to the carrying amount of the host contract.

Management is confident that the receivables will be realized and the original debtor will eventually be able to settle its obligations. Allowance for impairment on receivable from Kestrel amounts to P35,000,000 and P25,000,000 as of December 31, 2014 and 2013. Kestrel made a partial payment of P2,000,000 in 2014 (nil in 2013).

10.04 Notes and Interest Receivables

Notes and interest receivables represent outstanding claims from an individual which are due upon demand.

11. RELATED PARTY TRANSACTIONS

The summary of the Group's significant transactions with its related parties as of and for the years ended December 31, 2014 and 2013 follows:

		2014		2013	
Related Party Category	Note	**Amount of Transaction**	**Outstanding Balance**	Amount of Transaction	Outstanding Balance
Management fees	11.01	**P 40,000,000**	**P 25,500,000**	P 23,121,406	P 29,100,000
Granting (collections) of advances	11.02	**(1,626,995)**	**4,089,522**	900,000	5,716,517
Lease of properties	11.03	**1,362,485**	**1,956,650**	1,362,485	1,678,580
Key management personnel compensation	11.04	**20,783,033**	**-**	22,692,759	-

All receivables from related parties have been reviewed for indications of impairment. Based on management's assessment, no impairment losses are required to be recognized on these receivables at the end of each reporting period.

11.01 Management Fees

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

Management fees amounted to P40,000,000, P23,121,406 and P68,181,486 in 2014, 2013 and 2012, respectively, and are presented as Management Fees in the consolidated statements of profit or loss. Management fees receivable amounts to P25,500,000 and P29,100,000 as of December 31, 2014 and 2013 and are presented as part of Receivables in the consolidated statements of financial position (see Note 10).

11.02 Granting of Advances

The Group grants unsecured interest-bearing loans to employees with interest rates ranging from 12.0% to 12.5%. Receivables from employees as of December 31, 2014 and 2013 amount to P6,569,027 and P5,716,517, respectively. These are presented as part of Accounts Receivables under the Receivables account in the consolidated statements of financial position (see Note 10.03).

Based on management's assessment, advances to employees are not impaired as of December 31, 2014 and 2013.

11.03 Lease of Properties

The Group has a lease agreement with Berjaya Pizza Philippines, Inc. (BPPI), a related party under common key management personnel, covering certain office spaces. Rent income recognized by the Group from this transaction amounted to P1,362,485 in 2014, 2013 and 2012 and is included as part of the Other Income account in the consolidated statements of profit or loss. The outstanding receivable from this transaction amounts to P1,956,650 and P1,678,580 as of December 31, 2014 and 2013, respectively, and is included as part of Others under the Receivables account in the statements of financial position (see Note 10).

11.04 Key Management Personnel Compensation

Short-term benefits to key management personnel amounted to P17,943,430, P22,692,759 and P21,292,665 in 2014, 2013, and 2012, respectively.

12. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment, at the beginning and end of 2014 and 2013 are shown below.

	Condominium Units	Building Improvements	Transportation Equipment	Computer Equipment	Furniture, Fixtures and Equipment	Total
December 31, 2014						
Cost	P 114,435,714	P 19,300,4411	P 15,782,015	P 17,378,272	P 8,608,296	P 175,504,738
Accumulated depreciation and amortization	(72,374,318)	(9,633,255)	(10,270,583)	(14,478,578)	(6,966,916)	(113,723,650)
Net carrying amount	**P 42,061,396**	**P 9,667,186**	**P 5,511,432**	**P 2,899,694**	**P 1,641,380**	**P 61,781,088**
December 31, 2013						
Cost	P 114,435,714	P 19,080,757	P 16,982,015	P 16,027,158	P 8,284,414	P 174,810,058
Accumulated depreciation and amortization	(66,676,161)	(8,152,737)	(7,395,256)	(9,629,366)	(5,548,641)	(97,402,161)
Net carrying amount	P 47,759,553	P 10,928,020	P 9,586,759	P 6,397,792	P 2,735,773	P 77,407,897
January 1, 2013						
Cost	P 114,435,714	P 52,369,380	P 20,270,493	P 71,896,348	P 26,663,636	P 285,635,571
Accumulated depreciation and amortization	(60,977,999)	(39,887,411)	(16,451,729)	(64,795,117)	(22,606,823)	(204,719,079)
Net carrying amount	P 53,457,715	P 12,481,969	P 3,818,764	P 7,101,231	P 4,056,813	P 80,916,492

A reconciliation of the carrying amounts at the beginning and end of 2014 and 2013, of property and equipment is shown below.

	Condominium Units	Building Improvements	Transportation Equipment	Computer Equipment	Furniture, Fixtures and Equipment	Total
Balance at January 1, 2014, net of accumulated depreciation and amortization	P 47,759,553	P 10,928,020	P 9,586,759	P 6,397,792	P 2,735,773	P 77,407,897
Additions	-	219,684	-	945,623	162,768	1,328,075
Disposals	-	-	(860,000)	-	-	(860,000)
Depreciation and amortization charges for the year	(5,698,157)	(1,480,518)	(3,215,327)	(4,443,721)	(1,257,161)	(16,094,884)
Balance at December 31, 2014, net of accumulated depreciation and amortization	**P 42,061,396**	**P 9,667,186**	**P 5,511,432**	**P 2,899,694**	**P 1,641,380**	**P 61,781,088**
Balance at January 1, 2013, net of accumulated depreciation and amortization	P 53,457,715	P 12,481,969	P 3,818,764	P 7,101,231	P 4,056,813	P 80,916,492
Additions	-	-	8,656,161	2,571,487	88,447	11,316,095
Depreciation and amortization charges for the year	(5,698,162)	(1,553,949)	(2,888,166)	(3,274,926)	(1,409,487)	(14,824,690)
Balance at December 31, 2013, net of accumulated depreciation and amortization	P 47,759,553	P 10,928,020	P 9,586,759	P 6,397,792	P 2,735,773	P 77,407,897

In 2013, the Group has written-off all fully depreciated computer equipment, leasehold improvements, furniture, fixtures and equipment, and transportation equipment with cost amounting to P58,440,677, P33,288,623, P18,647,699 and P11,944,639, respectively. There were no similar write-offs in 2014 and 2012.

As of December 31, 2014, the cost of fully-depreciated assets that are still in use by the Group amounts to P6,198,333.

In 2014, the Group disposed a certain transportation equipment with a carrying value of P860,000. Such transaction did not result in any gain or loss as the proceeds were equal to the net book value of the asset as at the date of disposal.

13. OTHER ASSETS

The breakdown of this account follows:

	Notes	**2014**	2013
Deferred tax assets – net	21	**P 117,361,573**	P 109,960,186
Creditable withholding taxes	13.02	**94,159,407**	83,911,590
Goodwill	13.01	**84,584,951**	84,584,951
Deferred oil exploration costs	13.04	**15,418,003**	15,418,003
Investment properties – net	13.03	**2,007,726**	6,431,150
Trading right	13.05	**1,408,000**	1,408,000
Prepayments		**328,517**	11,153,156
Computer software - net	13.06	**239,573**	650,228
Input VAT		**-**	2,961,061
Others		**3,705,371**	5,040,939
		319,213,121	321,519,264
Allowance for impairment of goodwill		**(49,260,596)**	(49,260,596)
Allowance for non-recoverability of deferred oil exploration costs		**(15,418,003)**	(15,418,003)
		P 254,534,522	P 256,840,665

13.01 Goodwill

Goodwill arose from the acquisition of the three subsidiaries, where the acquisition cost is higher than the fair value of the net assets acquired of each subsidiary. It is subject to annual impairment testing and whenever there is an indication of impairment. The Group did not recognize any impairment loss in 2014, 2013 and 2012.

13.02 Creditable Withholding Taxes

This account represents accumulated income tax credits of the Group that remained unapplied as of December 31, 2014 and 2013. These income tax credits will be applied against future income tax liabilities.

13.03 Investment Properties

The gross carrying amounts and accumulated depreciation and impairment losses of investment properties at the beginning and end of 2014 and 2013 are shown below.

	December 31, 2014	December 31, 2013	January 1, 2013
Cost	**P 72,280,000**	P 72,280,000	P 72,280,000
Accumulated depreciation	**(68,377,596)**	(63,954,172)	(59,530,748)
Accumulated impairment losses	**(1,894,678)**	(1,894,678)	(1,894,678)
Net carrying amount	**P 2,007,726**	P 6,431,150	P 10,854,574

A reconciliation of the carrying amounts at the beginning and end of 2014 and 2013 of investment properties is shown below.

	December 31, 2014	December 31, 2013	January 1, 2013
Balance at beginning of year, net of accumulated depreciation and impairment losses	**P 6,431,150**	P 10,854,574	P 15,277,998
Depreciation for the year	**(4,423,424)**	(4,423,424)	(4,423,424)
Balance at end of year, net of accumulated depreciation and impairment losses	**P 2,007,726**	P 6,431,150	P 10,854,574

There are no direct operating expenses incurred for the investment properties.

The Group's investment properties are consist mostly of condominium units. These condominium units located in Nasugbu and Batulao, Batangas were acquired and capitalized by the Group as a result of the dacion en pago arrangement with a major customer in exchange for a partial settlement of the latter's loans (see Note 10.03).

The total estimated fair values of the investment properties based on the latest available appraisal report obtained by the Group amounted to P59,969,500 as of December 31, 2014 and P27,956,000 as of December 31, 2013 (see Note 5.05).

13.04 Deferred Oil Exploration Cost

Deferred oil exploration costs represent mainly of costs and related expenses incurred in connection with the Group's participation in the exploration of oil under GSEC-57. The Group believes that while the result of the exploration of the first well indicated that the area covered by the first well may no longer be viable, the potential of the remaining areas is still untested and, thus, future prospects and leads remain valid. In this regard, the consortium applied for its third Non-Exclusive Geophysical Permit which was approved by the Department of Energy on October 31, 1995. The Group's management asserts that the project is still viable and no write-offs have been made by the project proponents. Nonetheless, a full allowance for possible non-recoverability of deferred exploration cost is provided.

13.05 Trading Right

Trading right is assessed as having an indefinite useful life and is carried at cost less accumulated impairment loss. It is tested annually for impairment by comparing its recoverable amount, and recognizing any excess of the carrying amount over the recoverable amount as an impairment loss.

As certified by the PSE, the last transacted price of an exchange right is P8,500,000, which was recorded last December 14, 2011; hence, based from the comparison of the trading right's carrying amount of P1,408,000 as of December 31, 2014, and the recoverable amount, the Group's trading right is not impaired.

13.06 Computer Software

The gross carrying amounts and accumulated amortization at the beginning and end of 2014 and 2013 are shown below.

		December 31, 2014		December 31, 2013		January 1, 2013
Cost	**P**	**13,389,323**	P	13,389,323	P	13,389,323
Accumulated amortization	**(**	**13,149,750)**	(	12,739,095)	(	12,328,440)
Net carrying amount	**P**	**239,573**	P	650,228	P	1,060,883

A reconciliation of the carrying amounts at the beginning and end of 2014 and 2013 of computer software is shown below.

		December 31, 2014		December 31, 2013		January 1, 2013
Balance at beginning of year, net of accumulated amortization	**P**	**650,228**	P	1,060,883	P	293,675
Amortization for the year	**(**	**410,655)**	(	410,655)	(	359,399)
Additions		**-**		-		1,126,607
Balance at end of year, net of accumulated amortization	**P**	**239,573**	P	650,228	P	1,060,883

14. INTEREST-BEARING LOANS AND BORROWINGS

As of December 31, this account consists of:

	2014	2013
Notes payable	**P 2,633,537,276**	P 2,541,162,351
Bank loans	**70,757,097**	64,509,249
	P 2,704,294,373	P 2,605,671,600

Notes payable represents short-term unsecured loans from various funders bearing annual interest at rates ranging from 5.0% to 7.0%, 5.0% to 8.3% and 5.0% to 9.30% in 2014, 2013 and 2012, respectively.

Management considers the carrying amounts of interest-bearing loans and borrowings recognized in the consolidated statements of financial position to be reasonable approximation of their fair values due to their short duration.

The fair values of long-term financial liabilities have been determined by calculating their present values at the consolidated statements of financial position date using fixed effective market interest rates applicable to the Group. No fair value changes have been included in the consolidated statements of profit or loss as financial liabilities are carried at amortized cost in the consolidated statements of financial position.

The contractual maturities of these interest-bearing loans and borrowings as of December 31 follow:

	2014	2013
Within one year	**P 2,704,294,373**	P 2,604,813,857
Within two to five years	**-**	857,743
	P 2,704,294,373	P 2,605,671,600

Interest expenses pertaining to these interest-bearing loans and borrowings, which are presented as part of the Finance Costs account in the consolidated statements of profit or loss, amounted to P184,403,786, P179,213,236 and P153,269,552 in 2014, 2013 and 2012, respectively, which include accrued interests of P15,734,400 and P16,144,239, as of December 31, 2014 and 2013, respectively, presented as part of Accounts Payable and Accrued Expenses under the Accounts Payable and Other Liabilities account in the consolidated statements of financial position (see Notes 16 and 20.02).

15. DUE TO CUSTOMERS

Due to customers arise from the Group's securities brokerage activities. These are normally settled within three days after the respective trading dates and are all noninterest-bearing. Management considers the carrying amounts recognized in the consolidated statements of financial position to be the reasonable approximation of their fair values. Outstanding balances as of December 31, 2014 and 2013 amount to P300,243,157 and P220,141,921, respectively.

16. ACCOUNTS PAYABLE AND OTHER LIABILITIES

This account consists of:

	Notes	**2014**	2013
Payable to clearing house		**P 50,000,853**	P 57,796,921
Post-employment defined benefit obligation	18.02	**40,838,226**	45,860,331
Accounts payable and accrued expenses	14	**39,411,154**	130,741,789
Taxes payable		**19,516,664**	2,537,669
Dividend payable		**1,081,508**	5,470,302
Others		**2,918,262**	12,015,381
		P 153,766,667	P 254,422,393

Management considers the carrying amounts of accounts payable and other liabilities recognized in the consolidated statements of financial position to be reasonable approximation of their fair values due to their short duration.

17. EQUITY

17.01 Capital Stock and Treasury Shares

As of December 31, 2014 and 2013, these accounts consist of:

	Shares	Amount
Capital stock – P1 par value		
Authorized – 1,800,000,000 shares		
Issued shares	1,193,200,000	P 1,193,200,000
Treasury shares	171,413,600	P 385,670,581

17.02 Revaluation Reserves

The components and reconciliation of items of other comprehensive income presented in the consolidated statements of changes in equity at their aggregate amount under Revaluation Reserves account, are shown below.

	AFS Financial Assets	**Post-employment Benefit Obligation**	**Total**
Balance as of January 1, 2014	P 2,360,089,037	(P 12,431,914)	P 2,347,657,123
Remeasurements of post-employment defined benefit obligation	-	537,102	537,102
Fair value losses on AFS financial assets	(15,959,758)	-	(15,959,758)
Fair value gains on disposed AFS financial assets reclassified to profit or loss	(317,333,803)	-	(317,333,803)
Tax income	-	158,799	158,799
Other comprehensive gain (loss)	(333,293,561)	695,901	(332,597,660)
Balance as of December 31, 2014	**P 2,026,795,476**	**(P 11,736,013)**	**P 2,015,059,463**
Balance as of January 1, 2013	P 2,410,342,966	(P 14,494,490)	P 2,395,848,476
Remeasurements of post-employment defined benefit obligation	-	2,258,779	2,258,779
Fair value gains on AFS financial assets	45,154,375	-	45,154,375
Fair value gains on disposed AFS financial assets reclassified to profit or loss	(95,408,304)	-	(95,408,304)
Tax expense	-	(196,203)	(196,203)
Other comprehensive gain (loss)	(50,253,929)	2,062,576	(48,191,353)
Balance as of December 31, 2013	P 2,360,089,037	(P 12,431,914)	P 2,347,657,123

17.03 Capital Management Objectives, Policies and Procedures

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return to shareholders.

The Group sets the amount of capital in proportion to its overall financing structure, i.e., equity and financial liabilities. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets to reduce debt.

The Group has existing loans with a local bank and various funders. A reasonable level of debt-to-equity is maintained to properly manage the Group's operations. Presented below is the 2014 and 2013 debt-to-equity ratio of the Group:

	2014	2013
Total liabilities	**P 3,158,304,197**	P 3,080,235,914
Total equity	**2,291,152,167**	2,512,823,085
Debt-to-equity ratio	**1.38:1.00**	1.23:1.00

17.04 Capital Requirements for ASC

17.04.01 Minimum Capital Requirement - SEC

On November 11, 2004, the SEC approved memorandum Circular No. 16 which provides for the guidelines on the adoption in the Philippines of the Risk-Based Capital Adequacy (RBCA) Framework for all registered broker dealers in accordance with the Securities Regulation Code. These guidelines cover the following risks:

(a) Position on market risk;

(b) Credit risks such as counterparty, settlement, large exposure and margin financing risks; and,

(c) Operational risks.

ASC monitors capital on the basis of RBCA ratio and Net Liquid Capital (NLC). RBCA requirement is the minimum level of capital that has 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 and Credit Risk (which include counterparty, large exposure, underwriting, and margin financing risks).

RBCA ratio is the quotient of the NLC and the sum of the requirements for operation risk, credit risk and position or market risk. NLC, on the other hand, represents the equity eligible for NLC adjusted for non-allowable current and non-current assets as described under the circular.

In order to maintain or adjust the capital structure, ASC may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

Under the guidelines set-out by the SEC, all registered brokers dealers should maintain the following RBCA and NLC requirements:

(a) RBCA ratio of greater than or equal to 1:1.1;

(b) NLC should be at least P5.0 million or 5.0% of aggregate indebtedness, whichever is higher;

(c) A dealer who deals only with proprietary shares and does not keep shares in its custody shall maintain a net capital of P2.5 million or 2.5% of aggregate indebtedness, whichever is higher;

(d) In cases where in order to meet an RBCA ratio of at least 1.1, an NLC higher than P5.0 million is required, the higher NLC shall be maintained; and,

(e) No broker dealer shall permit its aggregate indebtedness to exceed 2000% of its NLC.

As of December 31, 2014 and 2013, ASC is in compliance with minimum capital requirement set out by the RBCA framework. The Group's RBCA ratio is 171.0% and 143.0% as of December 31, 2014 and 2013, respectively.

17.04.02 Minimum Capital Requirement – Philippine Stock Exchange's Rules Governing Trading Rights and Trading Participants

On May 28, 2009, the SEC approved PSE's Rules Governing Trading Rights and Trading Participants which provides among others the following provisions:

(a) Trading participants should have a minimum unimpaired paid-up capital (defined as the trading participant's total paid up capital less any deficiency in the retained earnings account) of P20,000,000 effective December 31, 2009, provided further that effective December 31, 2010 and onwards, the minimum unimpaired paid up capital shall be P30,000,000; and,

(b) Each trading participant shall pledge its trading right to the extent of its full value to secure the payment of all of debts and claims due to the trading participant, the government, PSE and to other trading participants of the PSE and to the Securities Clearing Corporation of the Philippines.

As of December 31, 2014 and 2013, the ASC is in compliance with PSE's Rules Governing Trading Rights and Trading Participants.

17.04.03 Retained Earnings Appropriation

Rule 49.1 (B), Reserve Fund of SEC Memorandum Circular No. 16 requires that every broker dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to Appropriated Retained Earnings account. Appropriation shall be 30%, 20% and 10% of profit after tax for broker dealers with unimpaired paid-up capital of between P10,000,000 to P30,000,000; between P30,000,000 to P50,000,000; and above P50,000,000 million, respectively.

No appropriations were made by the Company in 2014 and 2013 since ASC has a deficit amounting to P61,764,403 and P69,653,747 as of December 31, 2014 and 2013, respectively.

17.05 Capital Requirements for ACIC

Under the provisions of Section 8 of RA No. 8366, an Act amending Presidential Decree No. 129, otherwise known as the Investment Houses Law, ACIC is required to maintain a minimum paid-up capital of P300,000,000.

As of December 31, 2014 and 2013, ACIC is in compliance with minimum capital requirement set out by the RA No. 8366.

17.06 Track Record

On November 17, 1994, the SEC approved the listing of the Parent Company's shares totaling 1,193,200,000. The shares were initially issued at an offer price of P1.00 per share. As of December 31, 2014, there are 111 holders of the listed shares equivalent to 100% of the Company's total outstanding shares. Such listed shares closed at P0.85 per share as of December 31, 2014.

18. EMPLOYEE BENEFITS

18.01 Salaries and Employee Benefits

Details of employee benefits are presented below.

	Note	**2014**	2013	2012
Salaries and wages		**P 36,522,107**	P 38,198,908	P 34,858,393
Bonuses		**5,442,845**	5,464,376	4,569,341
Retirement benefits	18.02	**3,612,994**	3,504,551	5,776,435
Staff benefits		**3,416,547**	2,606,945	3,343,460
Social security costs		**1,154,577**	1,006,851	982,166
Other short-term benefits		**58,218**	103,100	98,500
		P 50,207,288	P 50,884,731	P 49,628,295

18.02 Post-Employment Defined Benefit

(a) Characteristics of the Defined Benefit Plan

The Group maintains a tax-qualified and noncontributory retirement plan that is being administered by a trustee bank covering all regular full-time employees. The plan is partially funded as of December 31, 2014 and 2013. Actuarial valuations are made each year to update the post-employment benefit costs and the amount of contributions. The latest actuarial valuation report of the Group's retirement benefit plan as of December 31, 2014 is dated March 24, 2015.

The normal retirement age is 60 with a minimum of 5 years of credited service. Normal retirement benefit is an amount equivalent to 100% of latest monthly salary for every year of credited service, and the manner of payment is lump sum.

(b) *Explanation of Amounts Presented in the Financial Statements*

All amounts presented in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary in 2014. The amounts of post-employment defined benefit obligation recognized and recorded as part of Accounts Payable and Other Liabilities (see Note 16) in the consolidated statements of financial position are determined as follows:

	2014	2013
Present value of the obligation	**P 52,985,861**	P 50,860,331
Fair value of plan assets	**(12,147,635)**	(5,000,000)
	P 40,838,226	P 45,860,331

The movements in present value of the post-employment defined benefit obligation recognized in the books follow:

	2014	2013
Balance at beginning of year	**P 50,860,331**	P 46,847,179
Current service cost	**3,612,994**	3,504,551
Interest cost	**2,267,539**	2,767,380
Benefits paid	**(3,733,672)**	-
Remeasurements:		
Actuarial losses (gains) arising from changes in:		
Experience adjustments	**247,790**	2,357,809
Changes in financial assumptions	**(269,121)**	(4,616,588)
	P 52,985,861	P 50,860,331

The movements in the fair value of plan assets are as follows:

	2014	2013
Balance at beginning of year	**P 5,000,000**	P -
Contributions	**10,000,000**	5,000,000
Benefits paid	**(3,733,672)**	-
Interest income	**365,536**	-
Remeasurement gain	**515,771**	-
Balance at end of year	**P 12,147,635**	P 5,000,000

The composition of the fair value of plan assets at the end of each reporting period by category is shown below.

		2014		2013
Cash and cash equivalents	**P**	**1,104,221**	P	5,000,000
Government bonds		**6,498,985**		-
Unit Investment Trust Funds (UITFs)		**4,521,349**		-
Others		**23,080**		-
	P	**12,147,635**	P	5,000,000

The fair value of the above debt securities were determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy).

The plan assets earned a return amounting to P881,307 in 2014 (nil in 2013). As of December 31, 2014 and 2013, the plan assets do not comprise any of the Group's own financial instruments.

The components of amounts recognized in consolidated statements profit or loss and in other comprehensive income in respect of the post-employment defined benefit plan are as follows:

		2014		2013		2012
Reported in profit or loss:						
Current service cost	**P**	**3,612,994**	P	3,504,551	P	5,776,435
Net interest cost		**1,902,003**		2,767,380		8,308
	P	**5,514,997**	P	6,271,931	P	5,784,743
Reported in other comprehensive income:						
Actuarial gains (losses) arising from changes in:						
Experience adjustments	**(P**	**247,790)**	(P	2,357,809)	P	-
Financial assumptions		**269,121**		4,616,588		-
Remeasurement gain on plan assets		**515,771**		-		-
		537,102		2,258,779		-
Tax income (expense)		**158,799**	(	196,203)		-
	P	**695,901**	P	2,062,576	P	-

Current service cost is recorded as part of Employee Benefits in the consolidated statements of profit or loss (see Note 18.01).

Net interest cost is presented under the Finance Costs account in the consolidated statements of profit or loss (see Note 20.02).

Amount recognized in other comprehensive income is included and is presented as item that will not be reclassified subsequently to profit or loss.

In determining the retirement benefit obligation, the following actuarial assumptions were used:

	2014	2013	2012
Discount rates	**4.32% - 4.92%**	4.13% - 4.85%	5.65% - 6.29%
Expected rates of salary increase	**8.00%**	8.00%	8.00%

Assumptions regarding future mortality are based on published statistics and mortality tables. The average remaining working lives of employees before retirement at the age of 60 is 14.3 years and 17.5 years for males and females, respectively, in 2014, and 13.3 years and 16.5 years for males and females, respectively, in 2013. These assumptions were developed by management with the assistance of an independent actuary. Discount factors are determined close to the end of each reporting period by reference to the interest rates of zero-coupon government bonds with terms to maturity approximating to the terms of the post-employment defined benefit obligation. Other assumptions are based on current actuarial benchmarks and management's historical experience.

(c) Risks Associated with the Retirement Plan

(i) Interest Rate Risk

The present value of the defined benefit obligation is calculated using a discount rate determined by reference to market yields of government bonds. Generally, a decrease in the interest rate of a reference government bonds will increase the plan obligation. However, this will be partially offset by an increase in the return on the plan's investments in debt securities and if the return on plan asset falls below this rate, it will create a deficit in the plan. Currently, the plan has relatively balanced investment in cash and cash equivalents, debt securities, and UITFs. Due to the long-term nature of the plan obligation, a level of continuing debt securities and UITF investments is an appropriate element of the Group's long-term strategy to manage the plan efficiently.

(ii) Longevity and Salary Risks

The present value of the defined benefit obligation is calculated by reference to the best estimate of the mortality of the plan participants both during and after their employment, and to their future salaries. Consequently, increases in the life expectancy and salary of the plan participants will result in an increase in the plan obligation.

(iii) Sensitivity Analysis

The following table summarizes the effects of changes in the significant actuarial assumptions used in the determination of the defined benefit obligation as of December 31:

	2014		
	Impact on Post-employment Defined Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
Discount rate	**+/-1%**	**(P 1,221,697)**	**P 1,044,739**
Salary growth rate	**+/-1%**	**1,232,864**	**(917,242)**

	2013		
	Impact on Post-employment Defined Benefit Obligation		
	Change in Assumption	Increase in Assumption	Decrease in Assumption
Discount rate	+/-1%	(P 1,432,811)	P 1,524,229
Salary growth rate	+/-1%	1,485,677	(1,150,094)

The sensitivity analysis is based on a change in an assumption while holding all other assumptions constant. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation recognized in the consolidated statements of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous years.

(iv) Asset-liability Matching Strategies

To efficiently manage the retirement plan, the Group ensures that the investment positions are managed in accordance with its asset-liability matching strategy to achieve that long-term investments are in line with the obligations under the retirement scheme. This strategy aims to match the plan assets to the retirement obligations by investing in long-term fixed interest securities (i.e., government bonds) with maturities that match the benefit payments as they fall due and in the appropriate currency. The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the retirement obligations.

In view of this, investments are made in reasonably diversified portfolio, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of the plan assets as of December 31, 2014 consists of debt securities, although the Group also invests in UITFs and cash and cash equivalents.

There has been no change in the Group's strategies in managing the related risks from the previous period.

(v) Funding Arrangements and Expected Contributions

The plan is currently underfunded by P40,838,226 based on the latest actuarial valuation. While there are no minimum funding requirement in the country, the size of the underfunding may pose a cash flow risk in about 10 years' time when a significant number of employees is expected to retire.

Management is yet to assess to the amount of contribution for the next reporting period.

The maturity profile of undiscounted expected benefit payments from the plan as of December 31, 2014 and 2013 for the next 20 years are as follows:

	2014	2013
Within one year	**P 981,380**	P 3,787,119
More than one year to five years	**14,475,405**	11,673,973
More than five years to 10 years	**11,526,709**	2,949,271
More than 10 years to 15 years	**-**	-
More than 15 years to 20 years	**-**	11,719,279
Total	**P 26,983,494**	P 30,129,642

The weighted average duration of the post-employment defined benefit obligation at the end of each reporting period is 8.97 years in 2014.

19. OTHER EXPENSES

This account consists of:

	2014	2013	2012
Fines and penalties	**P 5,781,734**	P 4,241,470	P 1,651,918
Repairs and maintenance	**2,220,777**	1,226,161	1,685,304
Insurance	**1,772,866**	1,490,736	1,493,355
Condominium dues	**1,601,944**	2,004,432	1,683,199
Office supplies	**1,397,640**	1,742,450	2,184,926
Bank charges	**208,199**	113,245	101,382
Miscellaneous	**2,001,668**	2,751,768	2,419,396
	P 14,984,828	P 13,570,262	P 11,219,480

20. FINANCE INCOME (COSTS)

The breakdown of this account follows:

20.01 Finance Income

	Notes	**2014**	2013	2012
Gain on sale of investments	8, 9	**P 396,100,762**	P 143,944,577	P 55,783,469
Interest income		**123,179**	1,138,635	996,842
Fair value gains on financial assets at FVTPL	8	**-**	-	23,592,489
		P 396,223,941	P 145,083,212	P 80,372,800

20.02 Finance Costs

	Notes	**2014**	2013	2012
Interest expense	14	**P 184,403,786**	P 179,213,236	P 153,269,522
Impairment loss	9, 10	**76,604,671**	5,921,850	1,349,708
Fair value loss on financial assets at FVTPL	8	**20,727,691**	19,955,493	-
Net interest cost on post-employment defined benefit plan	18.03	**1,902,003**	2,767,380	8,308
		P 283,638,151	P 207,857,959	P 154,627,538

21. TAXES

The components of tax expense (income) reported in the consolidated statements of comprehensive income follow:

	2014	2013	2012
Recognized in profit or loss:			
Regular corporate income tax (RCIT) at 30%	**P 7,684,668**	P 14,580,567	P 8,244,047
Minimum corporate income tax (MCIT) at 2%	**1,856,029**	2,314,831	2,471,612
Final tax at 20%	**1,767,187**	73,636	112,720
Final tax at 0.05%	**569,167**	-	-
Balance brought forward	**P 11,877,051**	P 16,969,034	P 10,828,379

	2014	2013	2012
Balance carried forward	**P 11,877,051**	P 16,969,034	P 10,828,379
Deferred tax income relating to origination and reversal of temporary differences	**(7,242,588)**	(12,995,756)	(19,274,154)
	P 4,634,463	P 3,973,278	(8,445,775)
Recognized in other comprehensive income –			
Deferred tax expense (income) on actuarial losses (gains) on post-employment defined benefit plan	**(P 158,799)**	P 196,203	P -

The reconciliation of tax on pre-tax profit (loss) computed at the applicable statutory rate to tax expense is as follows:

	2014	2013	2012
Tax on pre-tax profit (loss)	**P 34,668,362**	(P 3,379,551)	(P 5,636,279)
Adjustments for income subjected to lower income tax rates	**2,242,646**	(36,818)	(56,361)
Tax effects of:			
Non-taxable income	**(98,753,046)**	(22,054,372)	(17,996,400)
Expiration and write-off of net operating loss carry over (NOLCO)	**57,114,494**	19,763,757	19,920,544
Unrecognized deferred tax asset	**6,184,279**	10,069,098	1,283,855
Non-deductible expenses	**4,049,975**	-	4,620,008
Recognition of previously unrecognized deferred tax assets	**(872,246)**	(8,794,977)	(10,581,142)
Applied MCIT	**-**	459,585	-
	P 4,634,463	P 3,973,278	P 8,445,775

The net deferred tax assets which are presented as part of the Other Assets account in the consolidated statements of financial position as of December 31 relate to the following (see Note 13):

	Statements of Financial Position 2014	Statements of Financial Position 2013
NOLCO	**P 54,984,482**	P 73,590,870
Allowance for impairment	**56,355,296**	38,063,250
Accrued defined benefit obligation	**10,180,809**	9,868,099
Fair value gain on investments at FVTPL	**(4,369,826)**	(10,764,586)
Unamortized past service cost	**1,222,628**	196,855
Actuarial gain (losses)	**(1,135,571)**	(1,118,056)
Accrued short-term employee benefits	**123,754**	123,754
MCIT	**-**	-
Net deferred tax assets	**P 117,361,573**	P 109,960,186

	Statements of Profit or Loss 2014	2013	2012
NOLCO	**P 18,606,388**	(P 3,842,237)	(16,607,236)
Allowance for impairment	**(18,292,046)**	-	-
Accrued defined benefit obligation	**(136,396)**	141,094	(791,657)
Fair value gain on investments at FVTPL	**(6,394,760)**	(9,816,931)	(1,875,261)
Unamortized past service cost	**(1,025,773)**	196,855	-
MCIT	**-**	325,463	-
Deferred tax income	**(P 7,242,588)**	(P 12,995,756)	(P 19,274,154)

	Statements of Other Comprehensive Income 2014	2013	2012
Accrued defined benefit obligation	**(P 176,396)**	P 82,881	P -
Actuarial gain (losses)	**17,515**	113,322	-
Deferred tax expense (income)	**(P 158,799)**	P 196,203	P -

The details of unrecognized deferred tax assets as of December 31 are summarized below.

	2014 Amount	2014 Tax Effect	2013 Amount	2013 Tax Effect
NOLCO	**P 138,470,404**	**P 41,541,121**	P 17,017,036	P 5,105,111
Allowance for impairment losses	**96,558,769**	**28,967,631**	96,558,768	28,967,630
Allowance for non-recoverability of deferred oil exploration costs	**15,418,003**	**4,625,401**	15,418,003	4,625,401
Retirement benefit obligation	**10,687,440**	**3,206,232**	15,318,627	4,595,588
MCIT	**6,201,135**	**6,201,135**	6,965,750	6,965,750
Past service cost	**2,869,237**	**860,771**	689,720	206,916
Accrued short-term employee benefits	**581,750**	**174,525**	581,750	174,525
	P 270,786,738	**P 85,576,816**	P 152,549,654	P 50,640,921

The breakdown of NOLCO, which can be claimed as deductions from future taxable income within three years from the year the taxable loss was incurred, is shown below.

Year Incurred	Parent	Subsidiaries	Balance	End of Availment
2014	P 104,594,961	P 38,024,426	P 142,619,387	2017
2013	78,686,647	22,897,364	101,584,011	2016
2012	56,747,029	20,801,584	77,548,613	2015
2011	45,791,838	44,857,077	-	2014
	P285,820,475	P 126,580,451	P 321,752,011	

The Group is subject to MCIT which is computed at 2% of gross income, as defined under the tax regulations or RCIT at 30%, whichever is higher. MCIT which is available for offset against future income tax payable for income tax purposes follows:

Year Incurred	Parent	Subsidiaries	Balance	End of Availment
2014	P 1,702,835	P 153,194	P 1,856,029	2017
2013	1,894,250	134,122	2,028,372	2016
2012	2,074,778	241,956	2,316,734	2015
2011	2,022,755	156,552	-	2014
	P 7,694,618	P 685,824	P 6,201,135	

In 2014, 2013 and 2012, the Group claimed itemized deductions in computing for its income tax due.

22. EARNINGS (LOSS) PER SHARE

Earnings per share amounts for the years ended December 31, are computed as follows:

	Note	**2014**	2013	2012
Net profit (loss)		**P 110,926,742**	(P 15,238,448)	(P 10,341,822)
Divided by the weighted average number of outstanding shares:				
Issued shares	17.01	**1,193,200,000**	1,193,200,000	1,193,200,000
Treasury shares	17.01	**(171,413,600)**	(171,413,600)	(171,413,600)
Outstanding shares		**1,021,786,400**	1,021,786,400	1,021,786,400
Earnings (losses) per share		**P 0.1086**	(P 0.0149)	(P 0.0101)

As of December 31, 2014, 2013, and 2012, the Group has no outstanding potentially dilutive shares; hence, basic earnings (losses) per share are equal to diluted earnings (losses) per share in the years presented.

23. COMMITMENTS AND CONTINGENCIES

23.01 Legal Claims

The Group is either a defendant or plaintiff in lawsuits and legal actions arising from its various business activities. Management believes that the claims against the Group are either without merit or that the ultimate liability, if any, resulting from lawsuits and legal actions will not materially affect the Group's consolidated financial statements.

23.02 Operating Leases

The Group is a lessor under non-cancellable operating leases covering its condominium units. The leases have terms two years with renewal options. The future minimum rentals receivable under these non-cancellable operating leases as of December 31, 2014 and 2013 amount to P2,724,970.

Total rentals from these operating leases amounted to P1,362,485 in 2014, 2013 and 2012, and are presented as part of the Other Income account in the consolidated statements of profit or loss (see Note 11).

23.03 Others

There are other commitments and contingent liabilities that arise in the normal course of the Group's operations which are not reflected in the accompanying consolidated financial statements. As of December 31, 2014, management is of the opinion that losses, if any, from these events and conditions will not have a material effect on the Group's consolidated financial statements.

Report of Independent Auditors to Accompany Supplementary Information Required by the Securities and Exchange Commission Filed Separately from the Basic Consolidated Financial Statements

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Pasig City

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of First Abacus Financial Holdings Corporation and subsidiaries for the year ended December 31, 2014, on which we have rendered our report dated April 8, 2015. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The applicable supplementary information (see List of Supplementary Information) is presented for purposes of additional analysis in compliance with the requirements of the Securities Regulation Code Rule 68, and is not a required part of the basic consolidated financial statements prepared in accordance with Philippine Financial Reporting Standards. 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 consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

PUNONGBAYAN & ARAULLO

By: Romualdo V. Murcia III
Partner

CPA Reg. No. 0095626
TIN 906-174-059
PTR No. 4748317, January 5, 2015, Makati City
SEC Group A Accreditation
Partner - No. 0628-AR-2 (until Sept. 5, 2016)
Firm - No. 0002-FR-3 (until Apr. 30, 2015)
BIR AN 08-002511-22-2013 (until Nov. 7, 2016)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Dec. 31, 2015)

April 8, 2015

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

List of Supplementary Information
December 31, 2014

Schedule		Content
Schedules Required under Annex 68-E of the Securities Regulation Code Rule 68		
A		Financial Assets
		Financial Assets at Fair Value Through Profit or Loss
	*	Held-to-maturity Investments
		Available-for-sale Financial Assets
B		Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
C		Amounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
D		Intangible Assets - Other Assets
E		Long-term Debt
F	*	Indebtedness to Related Parties
G	*	Guarantees of Securities of Other Issuers
H		Capital Stock
Others Required Information		
		Schedule of Selected Financial Performance Indicators as of and for the years ended December 31, 2014 and 2013
	*	Reconciliation of Retained Earnings Available for Dividend Declaration
		Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2014
		Map Showing the Relationship Between the Parent Company and its Related Entities

* *These schedules and supplementary information are not included as these are not applicable to the Group.*

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule A - Financial Assets
December 31, 2014

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown on the statement of the financial position	Valued based on the market quotation at reporting date (per share)	Income received and accrued
Investments at Fair Value Through Profit or Loss				
2GO GROUP, INC.	92,926	P 310,373	P 3.34	
8990 HOLDINGS, INC.	392,071	2,791,546	7.12	
A. BROWN COMPANY, INC	291,932	312,367	1.07	
A. SORIANO CORPORATION "A"	1,818,287.00	12,309,803	6.77	
ABACORE CAPITAL HOLDINGS, INC.	1,108,770.64	532,210	0.48	
ABOITIZ EQUITY VENTURES, INC	903	47,588	52.70	
ABOITIZ POWER CORPORATION	379	16,259	42.90	
ABRA MINING & INDUSTRIAL CORP	513,648,561.00	3,235,986	0.01	
ABS-CBN CORPORATION	34,069	1,584,209	46.50	
ABS-CBN HOLDING CORP. - PDR	133,557	6,210,401	46.50	
ACESITE (PHILIPPINES) HOTEL CORPORATION	690	759	1.10	
AGRINURTURE, INC.	90,614	190,289	2.10	
ALLIANCE GLOBAL GROUP, INC.	13,055	294,390	22.55	
ALLIANCE SELECT FOODS INTERNATIONAL INC	1,382,863	1,714,750	1.24	
ALSONS CONSOLIDATED RESOURCES	101,644	206,337	2.03	
ANGLO-PHIL HOLDINGS	3,411,540	5,629,041	1.65	
APC GROUP, INC.	8,253,100	5,859,701	0.71	
APEX MINING COMPANY, INC. "A"	2,636,319	7,381,693	2.80	
ARANETA PROPERTIES, INC.	511	685	1.34	
ARTHA LAND CORPORATION	5,002,957	1,300,769	0.26	
ASIA AMALGAMATED HOLDINGS CORP	1,900	2,850	1.50	
ASIA UNITED BANK CORPORATION	23,743	1,638,267	69.00	
ASIABEST GROUP	390.00	3,335	8.55	
ASIAN TERMINAL, INC.	750,919.00	8,650,587	11.52	
ASIATRUST DEVELOPMENT BANK INC	45,023	-	-	
ATLAS CONS MNG & DEVT CORP	1,204,012	12,280,922	10.20	
ATN HOLDINGS, INC.	451,124	1,190,967	2.64	
ATN HOLDINGS, INC.'B'	39,870	107,649	2.70	
ATOK BIG WEDGE MINING CO INC A	298	3,284	11.02	
AYALA CORPORATION "A"	462	320,628	694.00	
AYALA LAND, INC.	4,590	154,683	33.70	
BANCO FILIPINO SA & MO BANK	63	-	-	
BANK OF THE PHILIPPINE ISLANDS	542	50,948	94.00	
BANK OF THE PHILIPPINE ISLANDS	16,320.00	1,534,080	94.00	
BASIC ENERGY CORPORATION	1,721,514	499,239	0.29	
BDO LEASING & FINANCE, INC.	1,552,582	3,338,051	2.15	
BDO UNIBANK, INC.	3,880.00	426,024	109.80	
BELLE CORPORATION	795,975	3,892,318	4.89	
BENGUET CORP.-Convtible Pref A	9	127	14.06	
BENGUET CORPORATION "A"	199	1,512	7.60	
BENGUET CORPORATION "B"	116	928	8.00	
BERJAYA PHILIPPINES INC.	1,933,732	55,111,362	28.50	
BERJAYA PHILIPPINES INC.	5,001,000	142,528,500	28.50	
BLOOMBERRY RESORTS CORPORATION	12,763	158,261	12.40	
BOGO MEDELLIN MILLING CO.	18	763	42.40	
BOULEVARD HOLDINGS, INC.	601,348	63,142	0.11	
BRIGHT KINDLE RESOURCES & INVES	520,851	1,739,642	3.34	
CALATA CORPORATION	700	2,135	3.05	
CEBU AIR, INC.	4,132	354,732	85.85	
CEBU HOLDINGS, INC	162,070	836,281	5.16	
CEBU PROPERTY VENT & DEV'T "A"	12,935	69,978	5.41	
CEBU PROPERTY VENT & DEV'T "B"	39	218	5.60	
CENTRO ESCOLAR UNIVERSITY	67	704	10.50	
CENTURY PEAK METALS HOLDINGS CORPORAT	9,982	9,084	0.91	
CENTURY PROPERTIES GROUP INC.	16,227	15,416	0.95	
CHINA BANKING CORPORATION	553	25,991	47.00	
CIRTEK HOLDINGS PHILIPPINES CORPORATION	195	3,705	19.00	
CITY & LAND DEVELOPERS, INC.	608	736	1.21	
CITYLAND DEVELOPMENT CORP "A"	1,915	1,915	1.00	
CITYSTATE SAVINGS BANK, INC.	140	1,957	13.98	
COAL ASIA HOLDINGS INCORPORATED	2,463,700	2,365,152	0.96	
COL FINANCIAL GROUP, INC.	70,045	1,067,486	15.24	
CONCEPCION INDUSTRIAL CORP	20	860	43.00	
CONCRETE AGGREGATES CORP "A"	94	4,042	43.00	
COSCO CAPITAL, INC.	1,272,909	11,010,663	8.65	
CROWN EQUITIES, INC.	2,042,025	265,463	0.13	

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

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CYBER BAY CORPORATION	11,451,128	5,611,053	0.49	
D&L INDUSTRIES, INC.	8,226	137,045	16.66	
DA VINCI CAPITAL HOLDINGS, INC.	3,791	6,596	1.74	
DFNN, INC.	50,006	355,043	7.10	
DIZON COPPER SILVER MINES, INC	25,822	163,195	6.32	
DMCI HOLDINGS, INC.	2,330	36,581	15.70	
DOUBLEDRAGON PROPERTIES CORPORATION	293	2,198	7.50	
EAST WEST BANKING CORPORATION	19,508	467,217	23.95	
EASYCALL COMM PHILS INC COMMON	26,056	73,738	2.83	
EEI CORPORATION	233,415	2,544,224	10.90	
EMPERADOR INC.	4,532	47,042	10.38	
EMPIRE EAST LAND HOLDINGS, INC	3,744,467	3,370,020	0.90	
ENERGY DEVELOPMENT CORP.	18,028	147,830	8.20	
EURO-MED LAB. PHIL., INC.	258	351	1.36	
EVER-GOTESCO RES. & HOLDINGS	1,320,000	267,960	0.20	
EXPORT AND INDUS. BANK, INC."A	5,036,687	-	-	
F&J PRINCE HOLDINGS CORP.	2,847	9,395	3.30	
FAR EASTERN UNIVERSITY, INC	22	22,000	1,000.00	
FEDERAL RES.INVEST GROUP INC.	65	1,079	16.60	
FILINVEST DEVELOPMENT CORP.	904,767	3,908,593	4.32	
FILINVEST LAND, INC.	80,513	123,185	1.53	
FILIPINO FUND, INC.	438	3,088	7.05	
FIRST GEN CORPORATION	3,320	84,660	25.50	
FIRST PHIL HOLDINGS CORP "A"	11,755	1,056,775	89.90	
FORUM PACIFIC, INC.	9,505	2,994	0.32	
GEOGRACE RESOURCES,PHILS.,INC.	19,226,248	7,402,105	0.39	
GINEBRA SAN MIGUEL, INC.	50,181	796,874	15.88	
GLOBAL-ESTATE RESORTS, INC.	824,385	1,401,455	1.70	
GLOBE TELECOM INC, "A"	16	27,680	1,730.00	
GMA HOLDINGS, INC.	336,394	2,270,660	6.75	
GMA NETWORK, INC.	274,603	1,729,999	6.30	
GRAND PLAZA HOTEL CORP(COMMON)	48	1,200	25.00	
GREENERGY HOLDINGS INCORPORATED	4,109,029	2,013,424	0.49	
GT CAPITAL HOLDINGS, INC.	397	409,704	1,032.00	
HOLCIM PHILIPPINES, INC.	51,018	764,250	14.98	
HOUSE OF INVESTMENTS, INC	200,317	1,231,950	6.15	
IMPERIAL RESOURCES, INC "A"	70,850	315,991	4.46	
INTEGRATED MICRO-ELECTRONICS, INC.	89	603	6.77	
INT'L CONTAINER TERMINAL SERV	28	3,220	115.00	
IONICS,INC.	2,499,196	1,549,502	0.62	
IP E-GAME VENTURES, INC.	1,956	27	0.01	
IPEOPLE, INC.	207,187	2,486,244	12.00	
IRC PROPERTIES, INC.	950,229	1,415,841	1.49	
I-REMIT, INC.	385,136	700,948	1.82	
ISLAND INFORMATION & TECH. INC	22,429,572	6,841,019	0.31	
ISM COMMUNICATIONS CORP.	83,956	126,774	1.51	
JACKSTONES INC.	641,600	2,508,656	3.91	
JG SUMMIT HOLDINGS, INC.	2,005	132,330	66.00	
JOLLIBEE FOODS CORPORATION	1,005	216,075	215.00	
KEPPEL PHIL HOLDINGS INC "B"	270	1,242	4.60	
KEPPEL PHILS. HOLDINGS INC "A"	51,312	238,601	4.65	
KEPPEL PHILS. PROPERTIES, INC.	2,928	14,113	4.82	
LAFARGE REPUBLIC, INC.	768	6,820	8.88	
LEISURE & RESORTS WORLD CORP.	26,305	310,399	11.80	
LEPANTO CONSOLIDATED MNG CO A	7,213,933	1,594,279	0.22	
LEPANTO CONSOLIDATED MNG CO B	1,652,357	366,823	0.22	
LIBERTY FLOUR MILLS, INC.	238.00	12,566	52.80	
LIBERTY TELECOM	11,117	23,790	2.14	
LMG CHEMICALS CORPORATION	25,045	71,378	2.85	
LODESTAR INVSMT HOLDINGS CORP.	151,086.00	93,673	0.62	
LOPEZ HOLDINGS CORPORATION	86,499	579,543	6.70	
LORENZO SHIPPING CORPORATION	23,708	28,687	1.21	
LT GROUP, INC.	15,090	183,193	12.14	
MABUHAY HOLDINGS CORPORATION	7,500	4,800	0.64	
MABUHAY VINYL CORPORATION	222,130	539,776	2.43	
MACAY HOLDINGS, INC.	122	5,551	45.50	
Macro Asia Corp.(Cobertson)	1,621,832	3,973,488	2.45	

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MAKATI FINANCE CORPORATION	119	337	2.83	
MANILA BULLETIN PUBLISHING COR	51,201	35,841	0.70	
MANILA ELECTRIC COMPANY "A"	8,014	2,051,584	256.00	
MANILA JOCKEY CLUB, INC.	875	1,794	2.05	
MANILA MINING CORPORATION "A"	317,800,927	4,767,014	0.02	
MANILA MINING CORPORATION "B"	69,460,504	1,041,908	0.02	
MANILA WATER COMPANY, INC.	459.00	13,311	29.00	
MANULIFE FINANCIAL CORP.	129	104,490	810.00	
MARCVENTURES HOLDINGS, INC.	8,711.00	58,364	6.70	
MARSTEEL CONSOLIDATED, INC "A"	690,000	-	-	
MARSTEEL CONSOLIDATED, INC "B"	616,200	-	-	
MAX'S/ PANCAKE HOUSE	50	1,228	24.55	
MEDCO HOLDINGS, INC.	990	416	0.42	
MEGAWIDE CONSTRUCTION CORPORATION	11,327	100,697	8.89	
MEGAWORLD CORPORATION	165,077	772,560	4.68	
MEGAWORLD CORPORATION WARRANTS	845,890	3,053,663	3.61	
MEGAWORLD CORPORATION WARRANTS	87,970	351,880	4.00	
MELCO CROWN (PHILIPPINES) RESORTS CORPOF	117,510.00	1,595,786	13.58	
METRO PACIFIC INV'T CORP.	18,721	86,117	4.60	
METROPOLITAN BANK & TRUST CO	3,611	299,713	83.00	
MILLENNIUM GLOBAL HOLDINGS, INC	672,710	245,539	0.37	
MINERALES INDUSTRIAS CORP.	1,057,866	5,606,690	5.30	
MJC INVESTMENTS CORPORATION	1,854	6,229	3.36	
MRC ALLIED, INC.	2,587,429	289,792	0.11	
NATIONAL REINSURANCE CORP.	1,933,883	1,740,495	0.90	
NICKEL ASIA CORPORATION	1,156	55,026	47.60	
NIHAO MIN. RES. INT'L INC.	243,753	560,632	2.30	
NOW CORPORATION	750	428	0.57	
OMICO CORPORATION	995,038	736,328	0.74	
ORIENTAL PENINSULA RES.GRP.INC	150,656.00	316,378	2.10	
ORIENTAL PET & MINERAL CORP A	88,928,682	1,156,073	0.01	
ORIENTAL PET & MINERAL CORP B	49,364,176	691,098	0.01	
PACIFIC ONLINE SYSTEM CORP.	916	16,286	17.78	
PACIFICA, INC. "A"	45,279,689	1,901,747	0.04	
PAL HOLDINGS, INC.	35,647	169,680	4.76	
PANASONIC MFG. PHILS., CORP.	461.00	1,853	4.02	
PAXYS, INC.	250,328	750,984	3.00	
PEPSI-COLA PROD. PHIL., INC.	601,312	2,471,392	4.11	
PETROENERGY RESOURCES CORP.	135,144	837,893	6.20	
PETRON CORPORATION	2,318	24,571	10.60	
PHIL BANK OF COMMUNICATIONS A	8	256	32.00	
PHIL LONG DIS TEL CO "COMMON"	99	287,694	2,906.00	
PHIL. REALTY & HOLDINGS CORP.	10,166,156	4,930,586	0.49	
PHILEX MINING CORP. "A"	207,957.00	1,590,871	7.65	
PHILEX PETROLEUM CORPORATION	162,460	818,798	5.04	
PHILIPPINE BUSINESS BANK	148	2,782	18.80	
PHILIPPINE ESTATES CORPORATION	3,000	1,095	0.37	
PHILIPPINE H2O VENTURES CORPORA	1,232	5,975	4.85	
PHILIPPINE NATIONAL BANK	13,213	1,057,040	80.00	
PHILIPPINE RACING CLUB, INC.	192	1,814	9.45	
PHILIPPINE SAVINGS BANK	27,073	2,869,738	106.00	
PHILIPPINE SEVEN CORPORATION	17	1,437	84.50	
PHILIPPINE STOCK EXCHANGE, INC	19	5,658	297.80	
PHILIPPINE TRUST COMPANY	42	3,990	95.00	
PHILWEB CORPORATION	757,594	7,386,542	9.75	
PHINMA CORPORATION	91,133	918,621	10.08	
PHOENIX PETROLEUM PHIL., INC.	13,111	40,513	3.09	
PICOP RESOURCES, INC	4,401,192	-	-	
PREMIERE HORIZON ALLIANCE CORPORATION	3,476,126	2,085,676	0.60	
PREMIERE LEISURE CORPORATION	7,720,128	16,443,873	2.13	
PREMIERE LEISURE CORPORATION	2,007,000	4,274,910	2.13	
PRIME MEDIA HOLDINGS, INC.	100,288	139,400	1.39	
PRIME ORION PHILIPPINES, INC.	14,040,064	9,687,644	0.69	
PTFC REDEVELOPMENT CORPORATION	26	689	26.50	
PUREGOLD PRICE CLUB, INC.	3,658	141,016	38.55	
REPUBLIC GLASS HLDNGS CORP "A"	4,273	9,871	2.31	
RFM CORPORATION	173,641	869,941	5.01	

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RIZAL COMM'L BANKING CORP "A"	23,705	1,137,840	48.00	
ROBINSONS LAND CORPORATION	7,369	195,279	26.50	
ROBINSONS RETAIL	10,003	757,227	75.70	
ROCKWELL LAND CORPORATION	1,881,964	3,274,617	1.74	
ROXAS AND COMPANY, INC.	2,763	7,432	2.69	
ROXAS HOLDINGS, INC.	167,159	1,119,965	6.70	
SAN MIGUEL CORPORATION "A"	420	30,996	73.80	
SAN MIGUEL CORPORATION SERIES "2-C PREFEF	12	936	78.00	
SAN MIGUEL PUREFOODS COMPANY, INC. A	4,177	868,816	208.00	
SEAFRONT RESOURCES CORP. "A'	74,064	194,788	2.63	
SECURITY BANK CORPORATION	82	12,464	152.00	
SEMIRARA MINING CORPORATION	719	102,098	142.00	
SHANGRILA PROPERTIES, INC.	181,328	598,382	3.30	
SM INVESTMENTS CORPORATION	449	365,935	815.00	
SM PRIME HOLDINGS, INC	43,591	742,791	17.04	
SOC RESOURCES, INC.	201,027	201,027	1.00	
SOLID GROUP, INC.	400,375.00	496,465	1.24	
SOUTHEAST ASIA CEMENT HLDG INC	1,388,682	3,804,989	2.74	
SPLASH CORPORATION	265,851	489,166	1.84	
SSI GROUP INC.	6,300	62,433	9.91	
STA. LUCIA LAND, INC.	93,064	74,451	0.80	
STARMALLS, INC.	473	3,406	7.20	
STI EDUCATION SYSTEMS HOLDINGS, INC.	2,377	1,807	0.76	
SUN LIFE FIN. SERV. OF CANADA	4,651	7,139,285	1,535.00	
SUNTRUST HOME DEVELOPERS, INC.	2,288,497	2,631,772	1.15	
SUPERCITY REALTY DEV'T. CORP.	64,000	25,600	0.40	
SWIFT FOODS, INC	459,587	73,994	0.16	
SWIFT FOODS, INC. CONVERTIBLE PREFERRED	9,741	15,586	1.60	
THE PHILODRILL CORPORATION "A"	29,229,783	526,136	0.02	
TKC STEEL CORP.	133,650	216,513	1.62	
TOP FRONTIER INVESTMENT HOLDING	33.00	4,092	124.00	
TRANS-ASIA OIL AND ENERGY DEVEL	637,078	1,420,684	2.23	
TRANS-ASIA PETROLEUM CORPORATION	5,355	22,491	4.20	
TRANSPACIFIC BROD. GROUP INT'L	797,957	1,643,791	2.06	
TRAVELLERS INTERNATIONAL HOTEL	992	8,134	8.20	
UNIOIL RESOURCES & HOLDINGS COM	4,410,000	1,323,000	0.30	
UNION BANK OF THE PHILIPPINES	-	-	66.65	
UNITED PARAGON MINING CORP.	51,700	569	0.01	
UNIVERSAL RIGHTFIELD PROP.	(8,988,420)	-	-	
UNIVERSAL ROBINA CORPORATION	22,860	4,480,560	196.00	
UNIWIDE HOLDINGS, INC.	8,475,036	-	-	
VANTAGE EQUITIES, INC.	1,722,249	5,132,302	2.98	
VICTORIAS MILLING COMPANY, INC	5,405	24,755	4.58	
VISTA LAND & LIFESCAPES, INC	19,476	140,227	7.20	
VITARICH CORPORATION	30,196	24,761	0.82	
VIVANT CORPORATION	1,134	21,546	19.00	
VULCAN INDL & MINING CORP.	3,919,416	6,780,590	1.73	
WATERFRONT PHILIPPINES, INC	1,179,944	448,379	0.38	
WELLEX INDUSTRIES, INC.	7,086	1,878	0.27	
XURPAS INC.	28,300	264,605	9.35	
YEHEY! CORPORATION	236,861	286,602	1.21	
ZUES HOLDINGS, INC.	3,181,294	1,033,921	0.33	
		P 494,228,180		

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Available-for-sale Securities				
BERJAYA PHILIPPINES INC.	92,523,230	P 2,636,912,056	P 28.50	
COAL ASIA	1,380,000	1,324,800	0.96	
PREMIUM LEISURE CORP	2,500,000	5,325,000	2.13	
CYBER BAY CORP	14,000,000	6,860,000	0.49	
METRO PACIFIC CORPORATION	2,571,555	5,348,835	2.08	
CEBU COUNTRY CLUB	1	5,000,000	5,000,000	
MIMOSA GOLF	1	400,000	400,000	
UNIVERSAL LEISURE CLUB	3	3,000,000	1,000,000	
VALLE VERDE	2	600,000	300,000	
		P 2,664,770,691		

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Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
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Company	Name	Kind of Loan	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Not Current	Balance at End of Period
ASC	Bernal, Madelyn	Educational	P 16,958	P 40,000	P 38,327	P -	P -	P -	P 18,631
ASC	Casimsiman, Joel	Educational	15,338.74	67,000.00	65,210.48	17,128			17,128
ASC	Cometa, Roel	Educational	6,399.11	35,000.00	32,451.52	8,948			8,948
ASC	Cruz, Elizabeth	Educational	13,600.54	40,000.00	40,000.01	13,601			13,601
ASC	delos Santos, Mari Fritz	Educational	-	18,000.00	8,865.18	9,135			9,135
ASC	Escraman, Raquel	Educational	13,973.34	35,000.00	36,327.28	12,646			12,646
ASC	Franco, Ramon Neil	Educational	65,891.83	-	65,891.83	-			-
ASC	Lemen, Gregory	Educational	-	59,401.50	34,217.59	25,184			25,184
ASC	Norega, Ermen	Educational	13,371.38	35,000.00	32,069.16	16,302			16,302
ASC	Orlanda, Pamela	Educational	14,838.63	35,000.00	35,000.00	14,839			14,839
ASC	Sapon, Michelle	Educational	13,973.33	30,000.00	30,000.00	13,973			13,973
ASC	Velasco, Estela	Educational	4,266.07	20,000.00	20,000.00	4,266			4,266
ASC	Villar, Dennis	Educational	-	120,000.00	64,106.69	55,893			55,893
ASC	Agapay, Grace	Emergency	25,000.00	-	14,218.10	10,782			10,782
ASC	Banoc, Estrella	Emergency	-	38,427.29	19,498.05	18,929			18,929
ASC	Camacho, Sally	Emergency	100,000.00	-	1,963.43	98,037			98,037
ASC	Casimsiman, Joel	Emergency	67,706.76	-	43,435.30	24,271			24,271
ASC	Cometa, Roel	Emergency	-	25,000.00	3,339.31	21,661			21,661
ASC	Cruz, Norlita	Emergency	20,599.07	-	17,131.95	3,467			3,467
ASC	dela Cruz, Maricel	Emergency	5,957.64	40,000.00	23,292.34	22,665			22,665
ASC	Escraman, Raquel	Emergency	27,330.94	80,000.00	43,750.84	63,580			63,580
ASC	Lana, Geraldine	Emergency	19,213.65	-	9,749.04	9,465			9,465
ASC	Marcelo, Ma. Christina	Emergency	-	100,000.00	1,963.43	98,037			98,037
ASC	Norega, Ermen	Emergency	-	12,000.00	4,578.79	7,421			7,421
ASC	Ramos, Nole	Emergency	-	12,000.00	1,602.87	10,397			10,397
ASC	Velasco, Estela	Emergency	18,015.19	-	12,556.94	5,458			5,458
ASC	Villar, Dennis	Emergency	3,785.12	-	-	3,785			3,785
ASC	Franco, Ramon Neil	Housing	2,840,000.00	-	385,000.00	2,455,000			2,455,000
ASC	De Guzman, Cristina	Housing	-	-	-				-
ASC	Fontanilla, Paolo	Car	270,833.33	-	130,000.30	140,833			140,833
ASC	Lazaro, Juanito	Car	411,666.52	-	130,000.11	281,666			281,666
ASC	Lemen, Gregory	Car	57,500.00	-	57,500.00	-			-
ASC	Villar, Dennis	Car	248,525.00	-	120,000.00	128,525			128,525
FAF	Abacan, Erwin	Educational	10,599.02	30,000.00	27,880.20	12,719			12,719
FAF	Patana, Archimedes	Educational	-	35,000.00	18,697.78	16,302			16,302
FAF	Santos, Marilou	Educational	40,801.61	140,000.00	133,199.73	47,602			47,602
FAF	Sarmiento, Christopher	Educational	11,461.19	40,000.00	31,161.59	20,300			20,300
FAF	Castillo, Madonna	Emergency	-	35,000.00	5,688.66	29,311			29,311
FAF	Magno, Rose	Emergency	10,984.64	35,000.00	37,037.03	8,948			8,948
FAF	Dela Cruz, Melanio	Housing	-	820,353.80	45,987.12	774,367			774,367
FAF	Santos, Marilou	Cars	-	600,000.00	37,500.00	562,500			562,500
ACIC	Olavario, Ma. Sheila	Cars	492,916.67	-	130,000.15	362,917			362,917
ACIC	Suganob, Pia Francesca	Cars	624,660.00	-	129,240.00	495,420			495,420
ACIC	Domingo, Gwendalene	Cars	-	650,000.00	75,833.38	574,167			574,167
ACIC	Rosalita, Elnee	Educational	10,149.80	17,000.00	16,957.63	10,192			10,192
ACIC	Ramos, Christine	Educational	26,742.77	60,000.00	63,820.40	22,922			22,922
ACIC	Alajeno, Rachelle	Emergency	15,094.66	-	15,094.66	-			-
ACIC	Ramos, Christine	Emergency	17,251.04	-	17,251.04	-			-
ACIC	Robosa, Nenette	Emergency	39,660.30	30,000.00	69,660.30	-			-
ACIC	Rosalita, Elnee	Emergency	22,036.38	10,000.00	15,200.29	16,836	-	-	16,836
			P 5,617,103	**P 3,344,183**	**P 2,392,258**	**P 6,550,396**	**P -**	**P -**	**P 6,569,027**

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule C - Accounts Receivable from Related Parties which are Eliminated during the Consolidation of Financial Statements
December 31, 2014

Name of Related Party	Balance at Beginning of Year	Additions	Deductions		Ending Balance		Balance at End of Year
			Amounts Collected	Amounts Written-off	Current	Not Current	
Abacus Securities Corporation	P 908,701,419	P 2,490,070,006	P 2,547,126,808	P -	P 851,644,617	P -	P 851,644,617
Abacus Capital & Investment Corporation	196,569,577	104,366,698.00	300,358,854.00		577,421.00		577,421.00

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule D - Intangible Assets - Other Assets
the Consolidation of Financial Statements
December 31, 2014

Description	Beginning Balance	Additions at Cost	Charged to Cost and Expense	Charged to Other Accounts	Other Charges Additions (Deductions)	Ending Balance
Goodwill - net	P 84,584,951	P -	P -	P -	P -	P 84,584,951
Trading right	1,408,000	-	-	-	-	1,408,000
Computer software	650,228	-	410,655	-	-	239,573
	P 86,643,179	**P -**	**P 410,655**	**P -**	**P -**	**P 86,232,524**

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule E - Long-term Debt
December 31, 2014

Title of Issue and Type of Obligation	Amount Authorized by Indenture	Amount Shown Under Caption "Current Portion of Long-term Debt" in Related Statement of Financial Position	Amount Shown Under Caption "Long-term Debt" in Related Statement of Financial Position
Notes Payable and Bank Loans	P 2,704,294,373	P 2,704,294,373	P -

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Schedule H - Capital Stock
December 31, 2014

Title of Issue	Number of shares authorized	Number of shares issued and outstanding as shown under the related statement of financial position caption	Number of shares reserved for options, warrants, coversion and other rights	Number of shares held by: Related parties	Number of shares held by: Directors, officers and employees	Number of shares held by: Others
Common shares - P1 par value Authorized - P1,800,000,000 shares 1,193,200,000 shares issued and outstanding	1,800,000,000	1,193,200,000	-	171,413,600	162,008,000	859,778,400
Treasury shares	-	(171,413,600)	-	(171,413,600)	-	-
	1,800,000,000	**1,021,786,400**	**-**	**-**	**162,008,000**	**859,778,400**

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule of Financial Indicators
As of and for the year ended December 31, 2014 and 2013

	2014	2013
Profitability Ratios		
Net Income / Total Assets	**0.02:1**	(0.00):1
Net Income / Stockholder's Equity	**0.05:1**	(0.01):1
Debt-to-equity Ratio		
Debt / Equity	**1.38:1**	1.23:1
Asset to Equity Ratio		
Asset / Equity	**2.38:1**	2.23:1
Interest Rate Coverage Ratio		
Eearnings Before Interest and Taxes / Interest expense	**0.01:1**	0.25:1
Current/ Liquidity Ratios		
Current Assets / Current Liabilities	**1.63:1**	1.71:1
Quick Assets / Current Liabilities	**1.63:1**	1.71:1
Cash / Current Liabilities	**0.04:1**	0.05:1

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION

Schedule of Philippine Financial Reporting Standards and Interpretations Adopted by the Securities and Exchange Commission and the Financial Reporting Standards Council as of December 31, 2014

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		**Adopted**	**Not Adopted**	**Not Applicable**
Framework for the Preparation and Presentation of Financial Statements		a		
Conceptual Framework Phase A: Objectives and Qualitative Characteristics		a		
Practice Statement Management Commentary			a	
Philippine Financial Reporting Standards (PFRS)				
PFRS 1 (Revised)	First-time Adoption of Philippine Financial Reporting Standards	a		
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters	a		
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters	a		
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters	a		
	Amendment to PFRS 1: Government Loans**	a		
PFRS 2	Share-based Payment			a
	Amendments to PFRS 2: Vesting Conditions and Cancellations			a
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			a
PFRS 3 (Revised)	Business Combinations	a		
PFRS 4	Insurance Contracts			a
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts			a
PFRS 5	Non-current Assets Held for Sale and Discontinued Operations			a
PFRS 6	Exploration for and Evaluation of Mineral Resources**	a		
PFRS 7	Financial Instruments: Disclosures	a		
	Amendments to PFRS 7: Transition	a		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	a		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	a		
	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	a		
	Amendments to PFRS 7: Disclosures – Transfers of Financial Assets	a		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	a		
	Amendment to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	a		
PFRS 8	Operating Segments	a		
PFRS 9	Financial Instruments (2014)* (*effective January 1, 2018*)			a
PFRS 10	Consolidated Financial Statements	a		
	Amendment to PFRS 10: Transition Guidance	a		
	Amendment to PFRS 10: Investment Entities	a		
	Amendment to PFRS 10: Investment Entities – Applying the Consolidation Exception * (*effective January 1, 2016*)			a
PFRS 11	Joint Arrangements			a
	Amendment to PFRS 11: Transition Guidance			a
PFRS 12	Disclosure of Interests in Other Entities	a		
	Amendment to PFRS 12: Transition Guidance	a		
	Amendment to PFRS 12: Investment Entities	a		
	Amendment to PFRS 10: Investment Entities – Applying the Consolidation Exception * (*effective January 1, 2016*)	a		
PFRS 13	Fair Value Measurement	a		
PFRS 14	Regulatory Deferral Accounts* (*effective January 1, 2018*)			a

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Philippine Accounting Standards (PAS)				
PAS 1 (Revised)	Presentation of Financial Statements	a		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	a		
	Amendment to PAS 1: Presentation of Items of Other Comprehensive Income	a		
	Amendment to PAS 1: Disclosure Initiative * *(effective January 1, 2016)*			a
PAS 2	Inventories	a		
PAS 7	Statement of Cash Flows	a		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	a		
PAS 10	Events after the Reporting Period	a		
PAS 11	Construction Contracts			a
PAS 12	Income Taxes	a		
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	a		
PAS 16	Property, Plant and Equipment	a		
PAS 17	Leases	a		
PAS 18	Revenue	a		
PAS 19 (Revised)	Employee Benefits	a		
	Amendment to PAS 19: Defined Benefit Plans - Employee Contributions * *(effective July 1, 2014)*			a
PAS 20	Accounting for Government Grants and Disclosure of Government Assistance			a
PAS 21	The Effects of Changes in Foreign Exchange Rates	a		
	Amendment: Net Investment in a Foreign Operation	a		
PAS 23 (Revised)	Borrowing Costs	a		
PAS 24 (Revised)	Related Party Disclosures	a		
PAS 26	Accounting and Reporting by Retirement Benefit Plans	a		
PAS 27 (Revised)	Separate Financial Statements	a		
	Amendment to PAS 27: Investment Entities	a		
PAS 28 (Revised)	Investments in Associates and Joint Ventures	a		
	Amendment to PAS 28: Investment Entities - Applying the Consolidation Exception* (effective from January 1, 2016)			a
PAS 29	Financial Reporting in Hyperinflationary Economies			a
PAS 32	Financial Instruments: Presentation	a		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation	a		
	Amendment to PAS 32: Classification of Rights Issues	a		
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	a		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
PAS 33	Earnings per Share	a		
PAS 34	Interim Financial Reporting	a		
PAS 36	Impairment of Assets	a		
	Amendment to PAS 36: Recoverable Amount Disclosures for Non-financial Assets	a		
PAS 37	Provisions, Contingent Liabilities and Contingent Assets	a		
PAS 38	Intangible Assets	a		
PAS 39	Financial Instruments: Recognition and Measurement	a		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	a		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions	a		
	Amendments to PAS 39: The Fair Value Option	a		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	a		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	a		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	a		
	Amendments to Philippine Interpretation IFRIC 9 and PAS 39: Embedded Derivatives	a		
	Amendment to PAS 39: Eligible Hedged Items	a		
	Amendment to PAS 39: Novation of Derivatives and Continuation of Hedge Accounting	a		
PAS 40	Investment Property	a		
PAS 41	Agriculture			a
Philippine Interpretations - International Financial Reporting Interpretations Committee (IFRIC)				
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities			a
IFRIC 2	Members' Share in Co-operative Entities and Similar Instruments			a
IFRIC 4	Determining Whether an Arrangement Contains a Lease	a		
IFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			a
IFRIC 6	Liabilities Arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment			a
IFRIC 7	Applying the Restatement Approach under PAS 29, Financial Reporting in Hyperinflationary Economies			a
IFRIC 9	Reassessment of Embedded Derivatives**	a		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives**	a		
IFRIC 10	Interim Financial Reporting and Impairment	a		
IFRIC 12	Service Concession Arrangements			a
IFRIC 13	Customer Loyalty Programmes			a
IFRIC 14	PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	a		
	Amendments to Philippine Interpretations IFRIC - 14, Prepayments of a Minimum Funding Requirement and their Interaction**	a		
IFRIC 16	Hedges of a Net Investment in a Foreign Operation			a
IFRIC 17	Distributions of Non-cash Assets to Owners**	a		
IFRIC 18	Transfers of Assets from Customers**	a		
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments**	a		
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine			a
IFRIC 21	Levies	a		

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS		Adopted	Not Adopted	Not Applicable
Philippine Interpretations - Standing Interpretations Committee (SIC)				
SIC-7	Introduction of the Euro			a
SIC-10	Government Assistance - No Specific Relation to Operating Activities			a
SIC-13	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			a
SIC-15	Operating Leases - Incentives	a		
SIC-25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders**	a		
SIC-27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	a		
SIC-29	Service Concession Arrangements: Disclosures			a
SIC-31	Revenue - Barter Transactions Involving Advertising Services**	a		
SIC-32	Intangible Assets - Web Site Costs**	a		

* These standards will be effective for periods subsequent to 2014 and are not early adopted by the Group.

** These standards have been adopted in the preparation of the consolidated financial statements but the Group has no significant transactions covered in the years presented.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Map Showing the Relationships Between the Company and its Related Entities
December 31, 2014