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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. A. FRANCESCA A. RESPICIO	667-8900
Contact Person	Company Telephone Number

1 2 / 3 1	SEC FORM SEC 17-A	Dec. 31, 2023
Month / Day	Form Type	Month / Day
Fiscal Year		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, 2023**

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 **March 31, 2024** : **₱662,247,920:**

a) Total number of shares held by non-affiliates as of March 31**,** 2024 : 973,894,000 shares

b) Closing price of the Registrant's shares on the Exchange
As of March 31, 2024 : P0.68

c) Aggregate market price (a x b) as of
As of March 31, 2024 : **₱662,247,920**

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

TABLE OF CONTENTS

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 calendar year ended **2023,** Abacus Securities Corporation ranked 20th in terms of total value traded. Abacus Securities Corporation had a total value traded of ₱49,488,776,785 and ₱74,024,336,985 in 2023 and 2022, respectively.

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 to be used for its operations.

The Contribution of each services or line of business

		Amounts (In mio)
Commissions and fees	₱	98.2
Fair value gain		20.1
Others		2.6
	₱	**120.9**

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 2021, a total of Php118 billion 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 for its existing and prospective clients. With the new online trading platform, our clients can already view their portfolios online, trade their accounts, view their transactions online using their mobile phones, tablets and desktops.

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, 2023, the Company and it operating subsidiaries employ 78 permanent employees.

Type Employees	# of Employees	No. of Additional Employees for Ensuing 12 Mos. *	Collective Bargaining Agreement(CBA)	Supplemental Benefits or other incentives
Operations	37	2	N/A	None
Corporate Finance	4	1	N/A	None
Administrative	8	None	N/A	None
Sales	19	1	N/A	None
Accounting & Finance	10	-	N/A	None
Total	78	4		

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.

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, 2024. 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, 2024 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. 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 2023.

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	2023		2022		2021		2020	
	High	**Low**	**High**	**Low**	**High**	**Low**	**High**	**Low**
First Quarter	0.72	0.60	0.70	0.59	0.75	0.55	0.70	0.50
Second Quarter	0.72	0.61	0.71	0.59	0.63	0.58	0.58	0.47
Third Quarter	0.62	0.54	0.71	0.62	0.64	0.53	0.75	0.46
Fourth Quarter	0.72	0.54	0.72	0.60	0.72	0.58	0.75	0.52

During the first quarter of 2024, the issue's highest price per share was at ₱0.68 and its lowest was at ₱0.58. As of the close of trading hours of March 31, 2024, the price at which the Registrant's shares were traded at ₱0.68 per share.

2) Holders

The number of *common shares* issued and outstanding as of **March 31, 2024** was 1,193,200,000. As of **March 31, 2024**, Registrant had 99 shareholders, on the said date the following were the top 20 shareholders:

	Stockholder	Nationality	No. of Shares	%
1	PCD Nominee Corp. – Filipino	Filipino	852,418,000	71.44
2	Paulino S. Soo	Filipino	133,000,000	11.15
3	Abacus Capital & Investment Corp.	Filipino	59,644,000	4.99
4	ACIC FAO 20001	Filipino	32,361,000	2.71
5	Edgardo Limtong	Filipino	28,527,000	2.39
6	Phee Bon Kang	Malaysian	20,000,000	1.68
7	Vista Holdings Corp.	Filipino	14,095,000	1.18
8	Cecilio Pedro	Filipino	12,260,000	1.03
9	Quality Investments & Securities Corp	Filipino	10,720,000	0.90
10	Jimmy S. Soo	Filipino	10,010,000	0.84
11	Elizabeth K. Soo	Filipino	6,000,000	0.50
12	Solar Securities, Inc.	Filipino	4,000,000	0.34
13	Abacus Capital & Investment Corp	Filipino	2,547,000	0.21
14	Uy Louis	Filipino	2,000,000	0.17
15	George Q. Go & Shirley D. Go	Filipino	1,443,000	0.12
16	Jack T. Huang	Filipino	500,000	0.04
17	Quality Investment Securties Corp	Filipino	500,000	0.04
18	Lim, Francisco &/or Dulce	Filipino	304,000	0.03
19	Ong, Henry	Filipino	231,000	0.02
20	Po, Ronald S.	Filipino	200,000	0.017

3) Dividends

No dividends, neither in cash nor stock were declared on the shares for the last two (2) fiscal years, i.e. 2023 and 2022. 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 (2023, 2022, and 2021).

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

2023

General Business Environment

The Philippine economy and the Philippine Stock Exchange (PSE) faced multiple challenges in 2023, resulting in performances that fell short of expectations.

Despite overwhelming optimism, the Philippine economy managed to grow by only 5.6% in 2023, a decrease from the 7.6% growth in 2022, and below the government's target range of 6-7%. Expectations were not met due to a number of challenges from both global and domestic fronts. Continuing geopolitical risks such as the Israel-Hamas conflict, the collapse of Silicon Valley Bank which raised concerns about the banking sector, the budget impasse in the US Congress, the weakening of the China's economy had investors adopting a risk-off mode, and consequently cautious tradition behaviors. On the domestic front, continuing concerns over peaking inflation weighed heavily on consumer spending and investment. The central bank's response through monetary policy adjustments had a dual impact, temporarily stabilizing the market but also constraining economic growth due to higher borrowing costs.

The local equities market reflected the broader economic challenges, with the PSE index closing the year at 6,450.04, down 1.77% from the beginning of the year. Volatility was a key factor throughout the year as the PSE experienced significant fluctuations, hitting a yearly high of 7,094.86 and a low of 5,961.99. Technology and renewable energy sectors showed robust growth, driven by global trends towards sustainability and innovation. However, these gains were offset by losses in other sectors due to inflationary pressures and shifts in monetary policies.
`

Nevertheless, the biggest story of the year was one of resilience. Overall, 2023 served as a strong reminder of the interconnectedness of global markets and the importance of agility and diversification in navigating the ever-evolving landscape of equities investing.

Performance of the Company

The conditions in the financial market during the year in review was mirrored in the company's performance during the year. The Company's consolidated core revenues during the year dropped to Php120.9 million from last year's Php347.5 million. There was a significant reduction in the total fees made by the Company's brokerage house and investment house at Php98.2 million, a decline of Php85.2 million from the previous year's Php183.4 million. At the close of the reporting year, fair value gains on financial assets at fair value through profit and loss registered a gain in its value by Php20.1 million, a significant decline by Php141.9 million, from last year's Php162 million.

Money-tightening measures by the BSP Monetary Board pushed interest rates up bringing the Company's total costs and expenses for the year at Php633.4 million, representing an increase of Php8.9 million from last year's Php624.5 million. The additional expenses were mainly due to higher payments of debt servicing fee as other costs and expenses remained flat during the period under review. Our debt servicing fee from our short-term borrowings continued to comprise a large chunk of the company's expenses in keeping with the Company's commitment to honor its obligations.

As can be expected in a bleak investing environment, the company is reporting a consolidated net loss of Php498 million for the year from last year's reported net loss of Php282 million.

There was a decrease noted in total assets for the year amounting to Php1,221.3 million, from Php8,238.4 million in December 2022 to Php7,017.1 million in December 2023. The significant decrease in total assets was brought about by the collection of accounts receivables from Php3,701.2 million last year and ended this year with Php2,570.4 million or a decrease of Php1,130.8 million.

Correspondingly, there was a decrease noted in total liabilities amounting to Php733.4 million from last year's Php7,142.6 million to this year's Php6,409.1. The payments of our short term borrowings including the trade and non trade payables at year end contributed to the decrease in total liabilities during the year.

The combination of the decrease in total assets, the decrease in total revenues during the year, and expensive borrowing costs contributed to the decrease in our stockholders equity at year end.

Looking ahead to 2024, the economy and the PSE are expected to face continuing challenges, particularly from persistent high inflation, which is expected to continue to threaten economic expansion. The PSE is expected to recover some of its losses, with projections suggesting a rebound in the index to between 6,800 and 8,300, contingent on favorable adjustments in monetary policies and a stabilization of global markets. The Company is fully prepared to ride and take advantage of crests in the market.

The Group is leveraging the synergy among its investment house and other units and adopting a holistic approach towards serving the financial, investment, and brokerage requirements of its institutional, niche and expanded clientele. The Group subsidiaries, specifically the full service and online brokerage, will continue to provide distribution muscle in support of investment banking operations, including mergers and acquisitions, and together enhance the potential of the Group to revitalize its business and recover from deficit.

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

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

			31-Dec 2023	**31-Dec 2022**
CURRENT/LIQUITY RATIO				
	Current Assets / Current Liabilities	=	**0.64:1**	0.74:1
	Quick Assets / Current Liabilities	=	**0.63:1**	0.74:1
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	=	**0.91:1**	6.52:1
ASSETS TO EQUITY RATIO	Assets / Equity	=	**11.54:1**	7.52:1
Net Profit Margin	Net Income (Loss) / Total Revenue	=	**-4.12**	-0.81
Interest rate coverage ratio is a measure on how well a company can meet its interest payment obligations.				

2022

General Business Environment

The year 2022 was another rollercoaster ride for the Philippines. Global and domestic headwinds such as the war in the Ukraine and the fears of a global recession raged, creating surges in commodity prices and dramatic increases in the costs of food such as sugar and onions amid plummeting supply shortages. Nevertheless, the easing of restrictions due to improved COVID-19 risk management created a positive outlook, fueled further by election fever. At the end of the year, the country managed to post a modest 7.6 percent full-year growth driven mainly by domestic consumption tempered by soaring inflation which quickened to a 14-year high of 8.1% in the fourth quarter, putting the full-year average at 5.8%, and breaching the Bangko Sentral Ng Pilipinas goal of 2% to 4%.

Despite the hype created by the reopening of the economy, the 2022 performance of the capital markets was a disappointment to many. The volatility in the global and domestic environments adversely affected the investing climate sending the Philippine Stock Exchange index to shrink 7.81%. From a start-of-year 7,100 level, the PSEi ended at 6,566.22, with broader all shares index inching down 0.04% while sub-indices were a mixed bag. The broad selloff in the US in anticipation of a recession weighed heavily on investor sentiment spiraling into losing week, month, and year. Macro headwinds dominated the year, with higher inflation, higher interest rates, and weaker peso causing risk aversion. Central banks around the world beat back raging inflation by tweaking the interest rate levers. The resulting rate hikes, which took cue from the US Federal Reserve, fueled much of the negative sentiment towards the end of 2022.

Unlike in previous years when elections generally drove market sentiment, the 2022 elections which saw the return to power of the late dictator's son, Ferdinand Marcos Jr., was met with skepticism by investors in the local bourse as shares plunged a day after polls closed. Exacerbating the dire situation was Russia’s invasion of Ukraine which sent investors scurrying elsewhere as commodity prices around the world dive-bombed. By the end of June, the local bourse tallied a daily average value turnover of P7.52 billion, contracting 16.1% year-on-year. Data provided by the PSE showed that foreign investors sold more than they bought in the first half of 2022 logging P40.73 billion, 91.16% lower compared to a year ago. Few months later, local bourse found itself swimming in a bear market, hitting a low of 5,700 level.

The local bourse recorded eight listings in the first half: Haus Talk, Inc., Figaro Coffee Group, Inc., Citicore Energy REIT Corp., Bank of Commerce, CTS Global Equity Group, Inc., Raslag Corp., VistaREIT, Inc., and Balai ni Fruitas Inc. Two prospective companies postponed their plans to go public amid volatile market conditions in the second half of 2022. Only one company, Villar-led Premiere Island Power real estate investment trust, mustered the courage to list towards the end of the year.

Performance of the Company

As can be expected, the conditions in the financial market during period under review had a domino effect on the Company’s financial performance. The Company’s consolidated core revenues during the year dropped to Php347.5 million compared to last year’s Php551.3 million. Our Company’s brokerage house and investment house managed to record a total fees of Php183.4 million, a decline of Php136.4 million from the previous year’s Php319.8 million. At the close of the reporting year, fair value gains on financial assets at fair value through profit and loss registered a gain in its value by Php162 million, a slight decline by Php12.4 million, from last year’s Php174.4 million.

Money-tightening measures by the BSP Monetary Board pushed interest rates up bringing the Company's total costs and expenses for the year at Php624.5 million, representing an increase of Php70.4 million from last year's Php554 million. The additional expenses were mainly due to higher payments of debt servicing fee as other costs and expenses remained flat during the period under review. Our debt servicing fee from our short term borrowings continued to comprise a large chunk of the company's expenses in keeping with the Company's commitment to honor its obligations.

In summary, the company is reporting a consolidated net loss of Php282.4 million for the year from last year's reported net loss of Php35 million.

On another important note, comprehensive income of the group ended at Php12 million as compared to the previous year of Php264 million. The improved valuation and quality of asset of the group brought the increase in comprehensive income of the group.

There was an increase in total assets noted for the year amounting to Php415 million, from Php7,823.4 million in December 2021 to Php8,238.4 million in December 2022. The significant increase in total assets was brought about by the marked to market valuation of financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income with total increase value of Php314 million and additional trade receivables amounting to Php240.2 million at year end cut-off and due for collection at beginning of the year.

A corresponding increase in total liabilities amounting to Php402.8 million was also noted during the period under review bringing total liabilities from Php6,740 million to Php7,143 million due to increases in short term borrowings, additional trade payables, partially offset by decrease in non-trade payables.

The increase in the value of total assets had a direct effect on the group's stockholders equity at the end of the period from last year's Php1,084 million to this year's Php1,096 million. The increase in valuation of available for sale financial assets increases the comprehensive income of the group and revaluation reserves in stockholders equity amounting to Php294million.

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.

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

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

			31-Dec 2022	**31-Dec 2021**
CURRENT/LIQUITY RATIO				
	Current Assets / Current Liabilities	=	**0.74:1**	0.77:1
	Quick Assets / Current Liabilities	=	**0.74:1**	0.77:1
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	=	**6.52:1**	6.22:1

ASSETS TO EQUITY RATIO	Assets / Equity	=	**7.52:1**	7.22:1
Net Profit Margin	Net Income (Loss) / Total Revenue	=	**-0.81**	**-0.06**
Interest rate coverage ratio is a measure on how well a company can meet its interest payment obligations.				

The Group has put in place risk management measures to mitigate the impact of the conflict, including initiatives to diversity its supply chain for importation of inventory and active monitoring of inventory levels. However, the management assessed that the impact of this event is not continuing and therefore will not affect the ability of the Group to continue as a going concern.

2021

General Business Environment

Expectations for 2021 were initially muted given the unpredictability of the COVID-19 pandemic. Growth and recovery were conditioned on a number of factors, foremost of which were the speed and effectiveness of the deployment of vaccines, the success of efforts to contain new variants, and the proactive management of cases. True to form, the growth numbers were not encouraging in the beginning resulting in a 3.9 percent contraction. Millions continued to be unemployed. The surge in COVID-19 Delta cases in September sent the country to another punishing lockdown. Cases peaked at 22,455 on September 13, and then mercifully started to decline, going back to three-digit levels towards the end of the year, effectively ending one of the longest lockdowns in the world, at 650 days running. While the economy and the business environment continued to be fragile, the country has not looked back since then, embarking on a steady growth trajectory.

Despite headline consumer prices rising to an average of 3.9 percent year-on-year, largely caused by the African swine fever and restrictions in services mobility due to the lockdowns, gross domestic product eventually grew to an adjusted 7.8 percent by the fourth quarter of 2021. Along with the 4.8 percent expansion during the first nine months, the country posted a full year GDP of 5.7 percent. This represented a reversal from the 8.2 percent contraction reported in 2022. Modest growth was also noted across some other indicators. The services sector grew 5.4 percent for the entire 2021. The industry sector improved to 8.5 percent. These developments aided the labor market resulting in unemployment going down to an average of 7.8 percent from a high of 10.3 in 2020, although still a far cry from the 2019 average of 5.1 percent. It must be noted that the performance of the economy was strongly correlated with the effectiveness of parallel efforts to contain the pandemic through vaccination and proactive management of cases.

The end-of-year whiff of optimism prompted the Asian Development Bank to revise its growth forecast for the Philippine economy. For 2022, the ADC has expressed confidence that the Philippines will be out of the economic quagmire, forecasting an estimated growth of 6 percent.

The local stock market rode the ups and downs of the Philippine economy, going through crashes and recoveries triggered by the surge-induced lockdowns. The much-vaunted resiliency of the market stood its ground as it managed consistently bounce back. Although the index plunged 2.89 percent on the last trading day of 2021 to 7,122.63, slightly lower than the 7,138.71 close in 2020, the overall whole-year performance of the market was still comparably much better than 2020. Investor confidence was palpable given the Philippine Stock Exchange's biggest initial public offerings in its history. Capital raising efforts also reached record highs. For 2021, the PSE had eight initial public offerings, 11 follow-on offerings, four stock rights offerings, and eight private placements.

While conditions in 2022 are expected to be much better for the general investing climate, Philippine recovery is seen to be much more difficult given that the country lags behind its neighbors. The PSEi was adjudged second worse performing stock market in the region for 2021.

Performance of the Company

Since the onset of the pandemic most companies have either slowed down business operations, or worse, ceased operations completely. We were luckier than most. Our company's strong fundamentals weathered the continued battering. The company's inherent agility enabled it to find new opportunities in the market and to sustain business activities. All told, it was another year of ups and downs, but ultimately, of powerful lessons.

During the reporting year, the group saw significant improvements in its core businesses. A notable increase of 56 percent or Php82 million in brokers commission was realized for the year, bringing total brokers commission to Php226 million up from the previous year's Php145 million. The Company's investment house managed to book significant revenues on a number of deals, registering numbers not heretofore reported. We are happy to report a total of Php94 million in commission and fees brought in during the year. However, gain from sale of financial assets contracted during the year was at Php44 million, marking a decrease of Php70 million from the Php114 million made in 2020. At the close of the reporting year, fair value gains on financial assets at fair value through profit and loss maintained its value at Php174 million, unchanged from the previous year's Php174 million.

All considered, consolidated revenues for the year stood at Php551 million, an increase of Php105 million from last year's Php446 million. However, total costs and expenses for the year was noted at Php554 million, representing an increase of Php57 million from last year's Php497 million. The increase in total costs and expenses was brought about by movements on various line expenses brought by dynamic business activities. Debt servicing continued to comprise a large chunk of the operating expenses in keeping with the Company's commitment to honor its obligations. The company likewise prioritized the wellness of its people.

In summary, the company is reporting a consolidated net loss of Php35 million for the year, lower than the Php95 million reported net loss from the previous year.

On another important note, comprehensive income of the group ended at Php264 million as compared to the previous year of Php151 million, or a significant increase of Php113 million. The improved valuation and quality of asset of the group brought the increase in comprehensive income of the group.

There was an increase in total assets noted for the year amounting to Php1,296 million, from Php6,527 million in December 2020 to Php7,823 million in December 2021. The significant increase in total assets was brought about by the marked to market valuation of financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income with total increase value of Php697 million, additional trade receivables uncollected at year end cut-off and due for collection at beginning of the year.

A corresponding increase in total liabilities amounting to Php1,032 million was also noted during the period under review bringing total liabilities from Php5,708 million to Php6,740 million due to increases in short term borrowings, additional trade payables, partially offset by decrease in non-trade payables.

The increase in total assets had a direct effect on the group's stockholders equity at the end of the period from last year's Php819 million to this year's Php1,084 million. The increase in valuation of available for sale financial assets increases the comprehensive income of the group and revaluation reserves in stockholders equity amounting to Php306million.

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.

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

			31-Dec 2021	31-Dec 2020
CURRENT/LIQUITY RATIO				
	Current Assets / Current Liabilities	=	**0.77:1**	0.70:1
	Quick Assets / Current Liabilities	=	**0.77:1**	0.70:1
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	=	**6.22:1**	7.97:1
ASSETS TO EQUITY RATIO	Assets / Equity	=	**7.22:1**	7.97:1
INTEREST RATE COVERAGE RATIO	Earnings before interest and taxes / Interest expense	=	**0.99:1**	0.82:1
Interest rate coverage ratio is a measure on how well a company can meet its interest payment obligations.				

Item 7. Financial Statements

Please see consolidated financial statements and schedules and annexes

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

For the years 2023, 2022, and 2021, the auditing firm of Punongbayan and Araullo was re-nominated and re-appointed by the Board of Directors to conduct the examination of the financial statements of the Company and its Subsidiaries. In compliance with the SEC Memorandum Circular No. 8 Series of 2003, the assignment of Mr. Yusoph Maute, 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:

	2023	2022
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.	**₱3,220,000**	₱3,150,000
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 29, 2023** 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 & President	Paulino S. Soo	Filipino	72	1994 to present	28
Treasurer	Jimmy S. Soo	Filipino	66	1995 to present	26
Director	Anna Francesca Respicio	Filipino	38	2017- present	6
Director	Maria Cristina Encarnacion	Filipino	66	2006 to present	15
Director	Ma. Therese P. Santos	Filipino	66	2006 to present	16
Independent Director	Alden M. Castañeda	Filipino	66	2021to present	2
Independent Director	Maricel P. Arenas	Filipino	67	2021 to present	2
Corporate Secretary	Mariel Angeli R. Quines	Filipino	37	2017 to present	6

Mr. Paulino S. 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 Bermaz Auto Philippines Inc. He is the Treasurer of Kailash PMN Management Corporation.

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

Mr. Jimmy S. Soo
Director - Treasurer

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

Ms. Maria Cristina B. Encarnacion
Director

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

Ms. Ma Therese G. Santos
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.

Mr. Alden Alfonso M. Castañeda
Independent Director

Mr. Castañeda holds a Master in Business Administration degree from the University of Philippines Diliman and graduated as one of the top 10 graduates of 1983-1984. He earned his Bachelor of Science degree in Chemical Engineering from University of the Philippines Diliman where he graduated as a Cum Laude. Mr. Castaneda was a board topnotcher and he was a second placer during the Chemical Engineering board examination in 1980.

Mr. Castaneda is a part time Faculty of University of Asia and Pacific and teaching Marketing Effectiveness Research, Product Development and Management, and Business Mathematics. He is a Senior Consultant at Acumen Strategy Consultants.

He served as Vice President of the various companies: San Miguel PureFoods Company, Inc. (July 2010- June 2016), Wisehill Business Corporation (July 2007-December 2009), ABS- CBN (January 2001-June 2007), and ABS-CBN Broadcasting Corporation (January 2001-January 2003).

Mr. Castaneda occupied various positions in Procter and Gamble Philippines, Inc. in 1979 until 1999 until he became a Marketing Director in July 1999- December 2000.

Ms. Maricel Pangilinan Arenas
Independent Director

Ms. Arenas took her undergraduate studies from the University of the Philippines Diliman. She was the President and Chief Executive Officer of KidZania Manila, Play Innovations, Inc. from 2012 to 2016. She was the Governor of Kidzania Philippines, and member of the Board of Director from 2013-2020. She was a member of the Management Board of McCann Worldgroup Philippines from 2002-2012; The Managing Director of MRM Partners Philippines from 2004-2016; She was the Managing Director of Harrison Communications from 2002-2012; She was a member of the Management Board of McCann-Erickson Philippines from 1990-1998, and was the Senior Vice President for Corporate Affairs of McCann-Erickson Philippines from 1992 to 1998.

Currently, Ms. Arenas is the Chairman and President, and a member of the Board of Trustees of Bantay Bata Foundation.

Ms. Anna Francesca C. Respicio
Director

Ms. Respicio is the incumbent Corporate Secretary of First Abacus Financial Holdings Corporation. She is concurrently the Corporate Secretary of I-Remit, Inc., Discovery World Corporation Luckyfortune Business Ventures, Inc., and Raemulan Lands, Inc. She is also the Assistant Corporate Secretary of the following listed and registered companies: A Brown Company, Inc., Sterling Bank of Asia, Inc. (A Savings Bank), Tagaytay Highlands International Golf Club, Inc., and The Spa and Lodge at Tagaytay Highlands, Inc.,

Atty. Respicio is a Senior Associate at Tan Venturanza Valdez. She finished her Bachelor of Arts-Major in Philosophy in 2007 and earned her Juris Doctor degree in 2011 at Ateneo de Manila University.

Atty. Mariel Angeli R. Quines
Corporate Secretary

Atty. Quines is the currently the Assistant Corporate Secretary of the Company. She is also the Assistant Corporate Secretary of the following reporting and/or listed companies: I-Remit, Inc., Sterling Bank of Asia Inc. (A Savings Bank), Raemulan Lands, Inc., Stanley Electric Philippines Inc., Glyphstudios, Inc., Travel Book Philippines Inc., Utracon Philippines, Inc., Red Dragon Culinary Concepts, JT Perle Corporation, One Cerrada Corporation, One Urdaneta Corporation, One Legaspi Corporation, One Luscara Corporation, and Ninety-Nine Urdaneta Corporation. She holds the position of Corporate Secretary of Fr. Barbero Foundation for PGH Charity Patients, Inc. She was previously the Assistant Corporate Secretary of Aldex Realty Corporation, Pan-Asean Multi-Resources Corporation, and Oakridge Properties, Inc.

Atty. Quines obtained her Bachelor of Science in Business Economics degree from the University of the Philippines Diliman and her Juris Doctor degree from the Ateneo De Manila University Law School. She was admitted to the Philippine Bar on June 2019.

Currently, she is a Senior Associate at Tan Venturanza Valdez.

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

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

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

(b) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any of the above persons in any type of business, securities, commodities or banking activities; and,

(c) any finding by a domestic or foreign court of competent jurisdiction (in civil action), the SEC or comparable foreign body, or a domestic of 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. 2023 and 2022, and to be paid in the ensuing fiscal year 2024 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 President	**2022** **2023** **2024**			
Jack T. Huang Vice President – Cebu	**2022** **2023** **2024**			
Sheila Marie Aguilar Vice President	**2022** **2023** **2024**			
Melanio C. Dela Cruz Vice President	**2022** **2023** **2024**			
Total for the Group	**2022** **2023** **2024**	10,194,167 13,082,820 14,418,040	2,208,802 2,896,378 2,772,261	-0- -0- -0-
All Officers as a Group Unnamed	**2022** **2023** **2024**	12,476,859 15,262,602 17,840,846	2,714,073 3,536,106 3,598,833	-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 March 31, 2024.

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	852,418,000	71.44
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				**1,047,609,000**	**87.8**

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 March 31, 2024:

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-	Jimmy S. Soo	Filipino	10,010,000	r / b	0.84
-do-	Anna Franchesca Respicio	Filipino	10,000	r/b	.000
-do-	Maria Therese P. Santos	Filipino	10,000	r/b	.000
-do-	Ma.Cristina B. Encarnacion	Filipino	10,000	r /b	.000
-do-	Maricel Pangilinan Arenas	Filipino	10,000	r/b	.000
-do-	Alden M. Castaneda	Filipino	10,000	r / b	.000
-do-	All directors and Executive Officers as group unnamed		143,060,000	r / b	11.99

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.

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 2020 ACGR.

PART V- EXHIBITS AND SCHEDULES

a) Exhibits

(Please see supplemental financial statements schedules).

b) Sustainability Report

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 ____________ on ________________,2024.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION
Issuer

By:

PAULINO S. SOO
Chairman and President

JIMMY S. SOO
Treasurer

ANNA FRANCESCA A. RESPICIO
Director

MARIA CRISTINA B. ENCARNACION
Director

MARIEL ANGELI R. QUINES
Corporate Secretary

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

29 APR 2024.

SUBSCRIBED AND SWORN TO before me this _____________2024 affiants exhibiting to me their passport number, as follows:

NAMES	PASSPORT#	DATE OF ISSUE	PLACE OF ISSUE
PAULINO S. SOO	P3984265A	Sept. 09, 2017	NCR East
JIMMY S. SOO	P0076899B	Jan. 02, 2019	Manila
ANNA FRANCESCA RESPICIO	P0286448A	Sept. 16, 2016	NCR East
MARIEL ANGELI R. QUINES	P9513760B	April 06, 2022	Manila
MA CRISTINA B. ENCARNACION	P6227789A	Feb. 28, 2018	Manila

Doc. No. 332
Page No. 67
Book No. 47
Series of 2024.

FERDINAND D. AYAHAO
Notary Public
For and in Pasig City and the Municipality of Pateros
Appointment No.96 (2024-2025) valid until 12/31/2025
MCLE Exemption No. VIII-BEP003234, until 04/14/28
Roll No. 46377; IBP LRN 02459; OR 535886; 06/21/2001
TIN 123-011-785; PTR 1634583AA; 01/03/24; Pasig City
Unit 5, West Tower PSE, Exchange Road
Ortigas Center, Pasig City Tel. +632-86314090

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION
SUSTAINABILITY REPORT
For the year ended December 31, 2023

Contextual Information

Company Details	
Name of Organization	First Abacus Financial Holdings Corp (FAF)
Location of Headquarters	29th Floor East Tower, The Philippine Stock Exchange Center, Pasig City
Report Boundary : Legal Entities (e. g. Subsidiaries) included in this report	Covered in the reporting boundary are First Abacus Financial Holdings Corporation and its subsidiaries namely : Abacus Securities Corporation, Abacus Capital & Investment Corporation, and Vista Holdings Corporation
Business Model, including Primary Activities, Brands, Products, and Services	FAFHC is engaged in, through its wholly subsidiaries, stockbroking activities, investment banking, real estate business and other financial services
Reporting Period	January 01, 2023– December 31, 2023
Highest Ranking Person responsible for this report	Mr. Melanio Dela Cruz, Vice President and Group Controller

Materiality Process

We conducted a series of discussions with our key persons in our Group to help us identify the truly important to us and to our stakeholders. To address the materiality concern, we have adopted the following:

1. Understanding the Sustainability Context:

Our Group identified key economic, social, and environmental areas where our business creates value. This process allowed us to identify which impacts are most material considering the three dimensions of sustainability. Furthermore, this identification process guided us in addressing our current and future challenges, and in establishing priorities.

2. Identifying Material Topics: Guided by the Sustainability Framework released by the Securities and Exchange Commission (SEC), we were able to cover the following focus areas: corporate governance, resource and impact management, and contribution to sustainable development through our products and services.

Our Group went through a materiality assessment process that consisted of a series of consultations with key representatives from the different business divisions, which brought forth the concerns of their respective stakeholders. We considered the key impacts of each of our activities and relevant risks and opportunities, including the key capitals we rely on to sustain and grow our business. The senior management drew out the Group's sustainability drivers and aspirations.

3. Measuring Performance and Defining Management Approaches: In 2023, our Group obtained baseline data on each of the material topics identified, which includes substantial content on impacts, risks, opportunities and the subsequent management approaches. The collected metrics were accurate and comparable to GRI reporting standards. We conducted a data gap assessment on each of the performance areas, and began setting-up procedures to systematically collect more data to better measure our sustainability performance.

We also referred to the UN Sustainable Development Goals (SDGs) to see how our business impacts and value creations are linked to delivering on specific SDG targets.

Identifying materiality is an iterative process for us. We will continue to review how we impact the environment and society, how we measure our performance on these impact areas, and how we can better communicate these impacts to our stakeholders.

Important Note: The discussion of impacts, risks, and opportunities are made per topic, instead of per metric, since the risks and opportunities apply to the topic rather than the individual metrics under one topic. For example, for the topic of Anti-corruption, only one discussion on Impacts, Risks, and Opportunities was made that covered both metrics: a) Training on Anti-corruption Policies, and b) Procedures and Incidents of Corruption. This made the disclosure on the management approach more focused and not repetitive.

ECONOMIC PERFORMANCE

Direct Economic Value Generated and Distributed

Disclosure			**Amount(2023)**	**Units**
Direct Economic value generated:			120,896,718	Php
Direct economic value distributed:				
	a.	Employee wages and benefits	75,827,790	Php
	b.	Operating costs		Php
		Payments to suppliers of raw materials	Not applicable	Php
		Other operating costs	114,550,034	Php
	c.	Dividends given to stockholders	None	Php
	d.	Interest paid to loan providers	414,051,574	Php
	e.	Taxes paid to government	28,920,760	Php
	f.	Investments made to community		
		Donations	**₱35,000.00 Donations made by individual officers and employees**	Php

<u>PROCUREMENT PRACTICES</u>

<u>Proportion of spending on local suppliers</u>

Disclosure	**Quantity**	**Units**
Percentage of procurement budget used for significant locations of operations that is spent on local suppliers	Not applicable	%

Most of our supplies are sourced locally except for the developer of system for our online trading platform and subscription on Bloomberg software.

What is the impact and where does it occur? Not applicable

Which stakeholders are affected ?   Not applicable

MANAGEMENT APPROACH
This is not applicable to us as most procurement for the group are just procurement of supplies for our office needs, and not for our products.

What are the Risk/s identified?
We assess the risk/s associated with our procurement practices are just considered low risk since we only deal with not material amounts and items

MANAGEMENT APPROACH
The management is dependent on its Officers to handle the risk associated to our procurement practices. To date, we have not received any matter of mispractices reported to management on our procurement practices to date **.**

Direct Economic Performance & Procurement Practices

Impact and Risks : The performance of the local equities market has a direct effect on the performance of our company and its subsidiaries.

Economic drivers and impact: Almost 100% of our revenues flows back primarily to our key stakeholders, which include our employees, clients, different government agencies, and investing community.

Our businesses directly support more than 85 employees, which are either permanent or contractual employees. Other employment opportunities are created from our newly launch online trading platform for brokerage business. 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. We also make sure that all taxes set by the government regulations are properly remitted to them, and that our financial gains are distributed to all our other stakeholders.

Direct Economic Value Distribution

Since we are operating in a simple environment, our suppliers are just within the area where we conduct our business activities, and all of our suppliers accredited who do business with us comply with all of the requirements prescribed by the laws. There are accreditation process being implemented by the Company and subsidiaries before dealing with them.

With regard to suppliers, we make sure that contracts agreements are followed diligently by all involved parties. Contracts are standardized to ascertain that the content encompasses all types of transactions with a particular supplier, and that the suppliers are given ample time to review the document before signing. In cases of revisions, a separate document reviewed by our legal is attached. Detailing all agreed revisions as a complementing agreements to the standard contract.

Management Approach for Impacts and Risks

The entire Group – from our top management down to our employees – maintains the highest standard of corporate governance, ensuring that we conduct business ethically at all level of operations. This warrants that the economic value we generate flows only to the right stakeholders who drive the success of our company. Our code of Business Ethics outlines our commitment to act responsibly in all of our professional dealings and relationships.

Anti-corruption
Training on Anti-corruption Policies and Procedures

Disclosure	Quantity	Units
Percentage of employees to whom the organization's anti corruption policies and procedures have been communicated to	100.00	**%**
Percentage of business partners to whom the organization's anti corruption policies and procedures have been communicated to	100.00	%
Percentage of directors and management that have received anti- corruption training	100.00	%
Percentage of employees that have received anti-corruption training	100.00	%

The group’s anti-corruption approach is part of the Code of Business Ethics of the Company.

All employees are oriented with the Code of Business Ethics of the Company before On-boarding to its new job. Each employee is given a copy of the Company’s Manual. A townhall meeting is conducted from time to time to remind and review the Company’s Manual.

Incident of Corruption

Disclosure	Quantity (2023)	Units
Number of incident in which directors were removed or disciplines for corruption	0	%
Number of incidents in which employees are dismissed or disciplined for corruption	0	%
Number of incidents in which contracts with business partners were terminated due to incidents of corruption	0	%

In 2023, as shown in the table above, there is no incident of corruption recorded by the Company. We discourage and prevent any form of corruption across our value chain, as this would go against our ethical and moral principles. Since we are in financial services company, it may affect our reputation as institution, where dealing with clients and maintaining relationships are difficult if trust is not present.

Identify the impact and where it is occurs? Not applicable

Indicate involvement in the impact ? Not applicable

What are the Risk identified ?

There is an inherent risk identified, the natural level of risk inherent in a process or activity without doing anything to reduce the likelihood or mitigate the severity or a mishap, but control process in place so we can avoid the risk.

What are the opportunity identified?

The management has put in place all security measures and controls so we can avoid and avert any risk associated with all phases of operations. We will continue to study and conduct a comprehensive study to identify the aspects of our business operations that are most vulnerable to corruption. As our company's anti-corruption policies are only part of our Code of Business Ethics, there is also an opportunity to create a single policy on preventing corruption in our company at all levels.

Management Approach for Impacts and Risks

Our Code of Business Ethics (COBE) provides a value-based framework to guide our decisions as we carry out our business. We hold the COBE in high regard and we expect all our employees and contractors to abide by it. Policies against corruption are stipulated in the COBE.

Formal training for COBE, which includes anti-corruption policies, is annually conducted for all our employees, including directors and managers. For the suppliers, they are reminded of the Gift Policy during the annual supplier summit. Our anti-corruption policy is also included in the standard terms and conditions signed by suppliers during accreditation, supplier performance review, and regular sourcing reports.

The following are COBE policies2 in place that are aligned with anti-corruption:

We conduct our business with Integrity. We earn and maintain the trust of those we deal with, both internally and externally, by conducting ourselves with integrity at all times.

> We act in good faith, and are upright and fair in our dealings. Whether verbally or in writing, whether to external or internal parties, we communicate honestly and accurately.
>
> We honor our commitments and make only commitments that we can deliver. We stand by our commitments and make only those commitments that are within our authority to make and that the company can deliver. In carrying out our commitments, we act fairly and responsibly.
>
> We do business, build relationships, and make decisions based on merit. We do not seek to influence others or obtain any advantage, or allow ourselves to be influenced or give to others any advantage, on the basis of gifts or favors. For a better understanding of the applicable gifts and business entertainment policy applicable in your territory, please refer to the Policy on Gifts.

We are committed to Lawful Business Practices. We have the responsibility to know and comply with the laws in the territories where we operate.

We comply with laws and regulations in the territories where we operate. The various aspects of our business are governed by multiple laws and regulations, some spanning multiple territories. We ensure that our business practices are in accordance with such law and regulations as they apply to us. Legal issues can be complex; in case of doubt as to the laws applicable to a particular course of action, consultation with the appropriate legal resource is recommended.

We comply with legal limitations on the use of non-public information. In the course of carrying out our responsibilities, we may be exposed to material non-public information. We do not use such information for personal gain; this includes a prohibition on insider trading, or dealing in securities on the basis of such material non-public information. For a better understanding of what constitutes insider trading, please refer to our Policy on Insider Trading.

We Safeguard the Company's Resources and Interests. We are stewards of the company's resources, and have been entrusted to carry out our professional responsibilities in furtherance of the company's legitimate interests. We do so with diligence and loyalty to the company.

We are stewards of all company resources entrusted to us. Company resources include physical assets, intellectual property and business information, documents and records, and company time. We safeguard all company resources entrusted to us, and ensure that these are used responsibly, and only for legitimate business purposes. We avoid any loss, destruction or waste of company resources.

We keep confidential all non-public information. In the course of performing our functions, we may be entrusted with or given access to non-public information. We respect and preserve the confidentiality of such information and do not divulge, reproduce, or use such confidential information other than for the purposes intended by the company. We do not use such confidential information for personal gain.

We base all decisions on the best interests of the company. We protect and advance the company's business interests. We avoid interests, relationships or activities that may compromise or impair (or appear to compromise or impair) our ability to (i) act in the best interests of the company, (ii) exercise objectivity in the discharge of our functions, or (iii) perform our duties to the best of our physical and mental abilities. We comply with the company's disclosure rules and conflict of interest policies.

We take action on incidents of corruption when we deem it appropriate to investigate and act on violations of the COBE, subject to the employees' rights to due process and the commitment of confidentiality to the informant. Incidents of corruption are handled immediately in accordance with the Labor Code, and the corresponding sanctions as defined in our Code of Discipline are applied. Non-compliance may result in disciplinary action, including termination. Certain violations may result in the filing of a criminal case, if warranted.

Moreover, our suppliers sign the inclusion of standard terms and conditions during accreditation. Buyers or managers are required to report any violations made by suppliers. We rigorously evaluate and investigate the report, and the confirmation of non-compliance leads to immediate delisting. To prevent the recurrence of such cases, we follow the stipulations indicated in our legal documents regarding non-compliance and the corresponding repercussions of the violation.

ENVIRONMENT

Resource Management

Energy consumption within the organization

Disclosure	Quantity	Units
Energy consumption (Renewable sources)	Not applicable	N/A
Energy Consumption (gasoline)	Not applicable	N/A
Energy consumption (LPG)	Not applicable	N/A
Energy consumption (diesel)	Not applicable	N.A
Energy consumption (electricity)	115,915 (12 mos.)	Kwh

Reduction of energy consumption

Disclosure	Quantity	Units
Energy reduction (gasoline)	This is not applicable to our Company's operations	
Energy reduction (LPG)		
Energy reduction (diesel)		
Energy reduction (electricity)		
Energy reduction (gasoline)		

Water consumption within the organization

Disclosure	Quantity	Units
Water withdrawal	Not applicable	
Water consumption	452	Cu. meter
Water recycled and reused	Not applicable	

Materials used by the organization

Disclosure	Quantity	Units
Materials used weight or volume	Not applicable	
Percentage of recycled input materials used in manufacture the organization's primary products and organization	Not applicable	

Ecosystem and biodiversity (whether in upland/watershed or coastal/marine)

Disclosure	Quantity	Units
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not applicable	
Habitats protected or restored	Not applicable	
IUCn Red list species and national conservation list species with habitats in areas affected by operations	Not applicable	

Environmental impact management

Air Emissions

GHG

Disclosure	Quantity	Units
Direct (scope 1) GHG Emissions	Not applicable	
Energy indirect (Scope 2) GHG Emissions	Not applicable	
Emissions of ozone – depleting substances	Not applicable	

Air pollutants

Disclosure	Quantity	Units
Nox	Not applicable	
Sox	Not applicable	
Persitent organis pollutants (POPs)	Not applicable	
Volatile organic compounds (VOCs)	Not applicable	
Hazardous air pollutants(HAPs)	Not applicable	
Particulate matter (PM)	Not applicable	

Solid and Hazardous Wastes

Solid Waste

Disclosure	Quantity	Units
Total solid waste generated		
Reusable	Not applicable	
Recyclable	Not applicable	
Composted	Not applicable	
Incinerated	Not applicable	
Residuals	Not applicable	

Hazardous Waste

Disclosure	Quantity	Units
Total weight of hazardous waste generated	**Not applicable**	
Total weight of hazardous transported	**Not applicable**	

Effluents

Disclosure	Quantity	Units
Total volume of water discharges	**Not applicable**	
Percent of waste water recycled	**Not applicable**	

Environmental compliance

<u>Non-compliance with environmental Laws and regulations</u>

Disclosure	Quantity	Units
Total amount of monetary fined for non-compliance with environmental laws and/or regulations	**-0-**	**-0-**
No. of non-monetary sanctions for non-compliance with environmental laws and/or regulations	**-0-**	**-0-**
No of cases resolved through dispute resolution mechanism	**-0-**	**-0-**

As can be noticed, almost all the answers were not applicable since our business background has no connections or any relationship with any questions above.

S O C I A L

Employee Management
Employee Hiring and Benefits
Employee data

Disclosure	***Quantity***	***Units***
Total number of employees		
# of female employees # of male employees	40 38	% %
Attrition rate		Rate
Ratio of lowest paid employee against minimum wage	1:1	Ratio

Employee Benefits

List of Benefits	Y/N	**% of female employees who availed for the year**	**% of male employees who availed for the year**
SSS	Y	45%	20%
Philhealth	Y	6%	3%
Pag- ibig	Y	20%	17%
Parental leaves	Y	0	0
Vacation Leaves	Y	97%	94%
Sick Leaves	Y	98%	95%
Medical Benefits	Y	21%	18%
Housing Assistance	N		
Retirement fund	Y	2%	-%
Further education support	N		
Company stock option	N		
Telecommuting	N		
Flexible-working hrs	N		

Diversity and Equal Opportunity

Disclosure	Quantity	Units
Percentage of female workers in the workforce	51%	%
Percentage of male workers in the workforce	49%	%
Percentage of female in management positions*	53	%
Number of employees from indigenous communities and/or vulnerable sector?	None	#

First Abacus Financial Holdings Corp.

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **First Abacus Financial Holdings Corporation & Subsidiaries** is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the year ended **December 31, 2023**, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is responsible for overseeing the **First Abacus Financial Holdings Corporation's & Subsidiaries** financial reporting process.

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

Punongbayan & Araullo, the independent auditors appointed by the stockholders, has audited the financial statements of the **First Abacus Financial Holdings Corporation & Subsidiaries** in accordance with Philippine Standards on Auditing, and in their report to the stockholders, have expressed their opinion on the fairness of presentation upon completion of such audit.

PAULINO S. SOO
Chairman and Chief Executive Officer

JIMMY S. SOO
Treasurer

SUBSCRIBED AND SWORN to before me this 2 3 APR 2024 at Makati City, affiants Paulino S. Soo and Jimmy S. Soo exhibiting to me their TIN: 107-047-406 and 133-832-627, repectively.

Signed this ____ day of 2 3 APR 2024

Doc.No. 201 ;
Page No. 042 ;
Book No. III ;
Series of 2024.

Nina Sarah D. Cabeza
Notary Public
Until 31 December 2024
Appointment No. M-234
Roll No. 83437
PTR No. 10083083 / 09 Jan 2024 / Makati City
IBP No. 423048 / 16 Jan 2024 / RSM
Unit D2 Garden Level, Corinthian Plaza
Paseo de Roxas, Makati City
TIN 216-871-488

P&A Grant Thornton

FOR SEC FILING

Consolidated Financial Statements and Independent Auditors' Report

First Abacus Financial Holdings Corporation and Subsidiaries

December 31, 2023, 2022 and 2021

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

Report of Independent Auditors

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

Opinion

We have audited the consolidated financial statements of First Abacus Financial Holdings Corporation and subsidiaries (together hereinafter referred to as the Group), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, 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, 2023, and the notes to consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for each of the three years in the period ended December 31, 2023 in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 to the consolidated financial statements, which indicates that the Group has a deficit of P2.0 billion and P1.5 billion as at December 31, 2023 and 2022, respectively, because of the Group's recurring net loss from operations. As stated in Note 1 to the consolidated financial statements, this condition indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. In response to this matter, management is currently addressing through a strategic shift in business model that is designed to resolve the possible existence of material uncertainty. Further, the management considers a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate as stated in Note 3 to the consolidated financial statements. In connection with our audits, we have performed sufficient audit procedures to evaluate the reasonableness of management's assumptions on the ability of the Group to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material Uncertainty Related to Going Concern* section, we have determined the matter described as follows to be the key audit matter to be communicated in our report.

Impairment of Receivables

Description of the Matter

As at December 31, 2023, the Group's receivables amounting to P2.6 billion, net of allowance for impairment of P427.9 million, account for 37% of the Group's consolidated total assets. The Group's management exercised significant judgment and made significant estimates in determining the allowance for impairment on the assets based on an expected credit loss (ECL) model that complies with PFRS 9, *Financial Instruments*. Because of the significance of the amounts involved and the risk of subjectivity of management's judgment and estimation, we have identified the Group's ECL on receivables as a key audit matter.

The Group's significant accounting policies and the significant judgment, including estimation applied by management, and those related to the credit risk assessment process of the Group are disclosed in Notes 2, 3 and 4 to the consolidated financial statements. The other disclosures related to this matter are presented in Note 10 to the consolidated financial statements.

How the Matter was Addressed in the Audit

We have performed substantive audit procedures, which included, among others, evaluating the appropriateness of the Group's ECL methodology based on the requirements of PFRS 9 and the reasonableness of the underlying assumptions thereto. We have assessed the counterparties' repayment abilities by examining payment history and reviewing the counterparties' latest available financial information, and determined the appropriateness of the valuation of the collaterals attached as security to the receivables and compared such valuation against the Group's outstanding receivable balance to ascertain sufficiency of allowance for impairment.

In addition, we have assessed the appropriateness of identification of forward-looking information (overlays) used in ECL model and validated their reasonableness against publicly available information and our understanding of the Group's receivables and industry where they operate.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Group's Securities and Exchange Commission (SEC) Form 20-IS (Definitive Information Statement), SEC Form 17-A and Annual Report for the year ended December 31, 2023, but does not include the consolidated financial statements and our auditors' report thereon. The SEC Form 20-IS, SEC Form 17-A and Annual Report for the year ended December 31, 2023 are expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits, or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, 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.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Yusoph A. Maute.

PUNONGBAYAN & ARAULLO

By: Yusoph A. Maute
Partner

CPA Reg. No. 0140306
TIN 415-417-641
PTR No. 10076145, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 140306-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-046-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 26, 2024

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022
(Amounts in Philippine Pesos)

	Notes	2023	2022
A S S E T S			
CASH	7	**P 36,884,563**	P 35,944,949
RECEIVABLES - Net	10	**2,570,378,987**	3,701,199,878
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	8	**1,628,544,144**	1,750,972,989
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	9	**2,523,040,799**	2,512,298,198
PROPERTY AND EQUIPMENT - Net	12	**11,133,202**	8,831,585
DEFERRED TAX ASSETS - Net	20	**23,517,267**	8,847,098
OTHER ASSETS - Net	13	**223,593,897**	220,289,770
TOTAL ASSETS		**P 7,017,092,859**	P 8,238,384,467
LIABILITIES AND EQUITY			
INTEREST-BEARING LOANS AND BORROWINGS	14	**P 5,886,257,998**	P 6,353,131,717
DUE TO CUSTOMERS	15	**393,572,426**	494,767,217
ACCOUNTS PAYABLE AND OTHER LIABILITIES	16	**129,317,892**	294,686,514
Total Liabilities		**6,409,148,316**	7,142,585,448
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	**1,837,927,075**	1,828,146,084
DEFICIT	1	**(2,040,616,751)**	(1,542,981,284)
Total Equity		**607,944,543**	1,095,799,019
TOTAL LIABILITIES AND EQUITY		**P 7,017,092,859**	P 8,238,384,467

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, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	Notes	2023	2022	2021
REVENUES				
Commissions and fees	2	**P 98,213,833**	P 183,405,201	P 319,775,917
Fair value gains on financial assets at fair value through profit or loss (FVTPL) - net	8	**20,087,081**	162,009,496	174,432,905
Gain on sale of financial assets at FVTPL - net	8	**800,354**	-	44,169,947
Interest income	7	**383,078**	145,931	438,485
Others	10, 22	**1,412,372**	1,943,630	12,483,429
		120,896,718	347,504,258	551,300,683
EXPENSES				
Interest expense	14, 16, 18	**414,051,574**	364,829,352	310,844,923
Salaries and employee benefits		**75,827,790**	74,333,404	65,510,947
Commissions		**36,464,086**	58,309,981	57,402,189
Taxes and licenses		**28,920,760**	34,873,620	30,718,947
Membership fees and dues		**18,256,958**	15,202,957	12,659,154
Communication		**10,965,790**	12,589,961	11,567,146
Depreciation and amortization	12, 13	**10,173,832**	11,891,239	13,418,903
Exchange fees		**8,060,758**	10,354,441	17,728,567
Professional fees		**6,561,189**	13,391,797	8,305,137
Outside services		**6,016,013**	4,365,878	5,577,673
Representation and entertainment		**1,380,036**	1,827,287	2,574,404
Transportation and travel		**269,370**	361,001	1,192,772
Impairment losses on receivables	10	**-**	3,247,655	-
Loss on sale of financial assets at FVTPL - net	8	**-**	2,682,300	-
Others	16, 19	**16,402,002**	16,199,587	16,534,639
		633,350,158	624,460,460	554,035,401
LOSS BEFORE TAX		**(512,453,440)**	(276,956,202)	(2,734,718)
TAX INCOME (EXPENSE)	20	**14,817,973**	(5,459,696)	(32,715,782)
NET LOSS		**(P 497,635,467)**	(P 282,415,898)	(P 35,450,500)
Basic and Diluted Loss Per Share	21	**(P 0.4870)**	(P 0.2764)	(P 0.0347)

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	Notes	2023	2022	2021
NET LOSS		**(P 497,635,467)**	(P 282,415,898)	(P 35,450,500)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized fair value gains on financial assets at fair value through other comprehensive income - net	9	**9,548,880**	296,754,295	306,192,842
Gain (loss) on remeasurements of post-employment defined benefit plan	17	**232,111**	(2,106,929)	(6,613,340)
Total Other Comprehensive Income		**9,780,991**	294,647,366	299,579,502
TOTAL COMPREHENSIVE INCOME (LOSS)		**(P 487,854,476)**	P 12,231,468	P 264,129,002

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, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	Capital Stock (see Note 17)	**Additional Paid-in Capital**	**Treasury Shares** (see Note 17)	**Revaluation Reserves** (see Note 17)	**Deficit** (see Notes 1 and 17)	**Total Equity**
Balance at January 1, 2023	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 1,828,146,084	(P 1,542,981,284)	P 1,095,799,019
Total comprehensive income (loss) for the year	-	-	-	9,780,991	(497,635,467)	(487,854,476)
Balance at December 31, 2023	**P 1,193,200,000**	**P 3,104,800**	**(P 385,670,581)**	**P 1,837,927,075**	**(P 2,040,616,751)**	**P 607,944,543**
Balance at January 1, 2022	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 1,533,498,718	(P 1,260,565,386)	P 1,083,567,551
Total comprehensive income (loss) for the year	-	-	-	294,647,366	(282,415,898)	12,231,468
Balance at December 31, 2022	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 1,828,146,084	(P 1,542,981,284)	P 1,095,799,019
Balance at January 1, 2021	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 1,227,972,334	(P 1,219,168,004)	P 819,438,549
Transfer of realized fair value losses on financial assets at fair value through other comprehensive income	-	-	-	5,946,882	(5,946,882)	-
Total comprehensive income (loss) for the year	-	-	-	299,579,502	(35,450,500)	264,129,002
Balance at December 31, 2021	P 1,193,200,000	P 3,104,800	(P 385,670,581)	P 1,533,498,718	(P 1,260,565,386)	P 1,083,567,551

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

	Notes	2023	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before tax		**(P 512,453,440)**	(P 276,956,202)	(P 2,734,718)
Adjustments for:				
Interest expense	14, 16, 18	**414,051,574**	364,829,352	310,844,923
Depreciation and amortization	12, 13	**10,173,832**	11,891,239	13,418,903
Interest income	7	**(383,078)**	(145,931)	(438,485)
Dividend income		**(130,574)**	(74,036)	(7,019,371)
Operating profit (loss) before working capital changes		**(88,741,686)**	99,544,422	314,071,252
Decrease (increase) in receivables		**1,130,820,891**	(240,234,756)	(573,486,574)
Decrease (increase) in financial assets at fair value through profit or loss		**122,428,845**	(11,665,062)	(374,809,068)
Increase in financial assets at fair value through other comprehensive income		**(1,193,721)**	(5,669,853)	(15,880,552)
Increase in other assets		**(7,441,368)**	(12,753,734)	(28,305,020)
Decrease in due to customers		**(101,194,791)**	(92,003,551)	(47,404,608)
Increase (decrease) in accounts payable and other liabilities		**(165,716,786)**	(66,634,492)	110,935,466
Cash from (used in) operations		**888,961,384**	(329,417,026)	(614,879,104)
Interest received		**383,078**	145,931	438,485
Cash paid for final taxes	20	**(281,063)**	(1,034,677)	(9,580,145)
Net Cash From (Used in) Operating Activities		**889,063,399**	(330,305,772)	(624,020,764)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of property and equipment	12	**(7,909,341)**	(3,855,007)	(2,020,773)
Dividends received		**130,574**	74,036	7,019,371
Acquisition of computer software	13	**-**	(2,491,332)	(10,458,533)
Proceeds from disposal of property and equipment	12	**-**	827,474	1,579,157
Net Cash Used in Investing Activities		**(7,778,767)**	(5,444,829)	(3,880,778)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayments of loans and borrowings	14	**(2,351,902,418)**	(1,714,681,546)	(1,466,331,360)
Proceeds from additional loans and borrowings	14	**1,885,028,699**	2,272,306,332	2,433,919,747
Interest paid		**(412,920,793)**	(362,634,918)	(316,168,391)
Payments of principal portion of lease liabilities	16	**(550,506)**	(497,410)	(440,060)
Net Cash From (Used in) Financing Activities		**(880,345,018)**	194,492,458	650,979,936
NET INCREASE (DECREASE) IN CASH		**939,614**	(141,258,143)	23,078,394
CASH AT BEGINNING OF YEAR		**35,944,949**	177,203,092	154,124,698
CASH AT END OF YEAR		**P 36,884,563**	P 35,944,949	P 177,203,092

See Notes to Consolidated Financial Statements.

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021
(Amounts in Philippine Pesos)

1. CORPORATE MATTERS

1.1 Corporate Information

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

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

The Parent Company was established primarily to invest in, acquire by purchase, exchange or assignment and hold for investment, shares of capital stock or other securities issued by any corporation, association or other entities. The Parent Company is also involved in providing management advisory services as well as purchasing, selling and assigning accounts receivable, negotiable instruments and other evidences of indebtedness for the payment of money owed by any entity. The Parent Company's shares of stock are listed at the Philippine Stock Exchange (PSE) (see Note 17.6).

The Parent Company's registered office, which is also the principal place of business, is located at Unit 2904-A East Tower, Philippine Stock Exchange Centre, Exchange Road, Ortigas Center, Pasig City.

1.2 Status of Operations

The Group has a deficit of P2,040,616,751 and P1,542,981,284 as at December 31, 2023 and 2022, respectively. This condition indicates the existence of a material uncertainty, which may cast significant doubt on the Group's ability to continue as a going concern. In response to this matter, management is currently addressing through a strategic shift in business model that is designed to resolve the possible existence of material uncertainty. The Group remains confident that its long-time presence in the market will carry its businesses through. Moreover, should the need arise for the Group to pay off maturing obligations, the Group has sufficient quoted equity securities held at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVTPL) that can easily be disposed of.

The Group has made inroads into the online stock brokerage business and is focusing on this line as a major area of growth and expansion. The Group's online trading platform, MyTrade, is supported by best-in-class customer service and leading-edge research. In order to deliver the optimum experience for customers, MyTrade is continuously upgraded and service features are constantly being added, including streamlined account opening, updated news feed, daily research updating and enhanced chat functions to ensure that customers find it easy to use and stay engaged with the platform.

The Group's enhanced ability to interact with customers both using traditional as well as online platforms, complemented by a renewed focus on synergy in serving the needs of its clients, are the drivers that are expected to restore the Group as one of the top performers in the industry.

The Group is also leveraging the synergy between its investment house and other units and adopting a holistic approach towards serving the financial, investment, and brokerage requirements of its clientele. The subsidiaries of the Group, specifically the full service and online brokerage, provide distribution muscle in support of investment banking operations, including mergers and acquisitions, and together enhance the potential of the Group to revitalize its business and recover from deficit. Accordingly, the consolidated financial statements have been prepared assuming that the Group will continue as a going concern which contemplates the realization of assets and the settlement of liabilities in the normal course of business.

1.3 Approval of Consolidated Financial Statements

The consolidated financial statements of the Group as at and for the year ended December 31, 2023 (including the comparative consolidated financial statements as at December 31, 2022 and for the years ended December 31, 2022 and 2021) were authorized for issue by the Parent Company's Chairman of the Board of Directors (BOD) and Chief Executive Officer on April 26, 2024.

2. MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 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 and Sustainability Reporting Standards Council from the pronouncements issued by the International Accounting Standards Board, and approved by the Philippine Board of Accountancy.

The consolidated 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 Standard (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 consolidated 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.

2.2 Adoption of Amended Standards

(a) Effective in 2023 that are Relevant to the Group

The Group adopted for the first time the following amendments to existing standards, which are mandatorily effective for annual periods beginning on or after January 1, 2023:

PAS 1 and PFRS Practice Statement 2 (Amendments)	:	Presentation of Financial Statements – Disclosure of Accounting Policies
PAS 8 (Amendments)	:	Definition of Accounting Estimates
PAS 12 (Amendments)	:	Deferred Tax Related to Assets and Liabilities from a Single Transaction

Discussed below and in the succeeding page are the relevant information about these pronouncements.

(i) PAS 1 and PFRS Practice Statement 2 (Amendments), *Presentation of Financial Statements – Disclosure of Accounting Policies*. The amendments replaced the requirement for entities to disclose their significant accounting policies with the requirement to disclose their material accounting policy information. The amendments also include guidance to help entities apply the definition of material in making decisions about accounting policy disclosures.

The amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial, that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements and if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information. The application of these amendments is reflected in the Group's consolidated financial statements under Notes 2 and 3.

(ii) PAS 8 (Amendments), *Definition of Accounting Estimates.* The amendments introduced a new definition of accounting estimate which is a monetary amount in the financial statements that are subject to measurement uncertainty. It also clarifies that a change in accounting estimate that results from new information or new developments is not a correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors. The application of these amendments had no significant impact on the Group's consolidated financial statements.

(iii) PAS 12 (Amendments), *Deferred Tax Related to Assets and Liabilities from a Single Transaction.* The amendments narrow the scope of the initial recognition exception under PAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). Management assessed that the application of such amendments had no significant impact on the Group's consolidated financial statements.

(b) *Effective in 2023 that is not Relevant to the Group*

Among the amendments to PFRS which are mandatorily effective for annual periods beginning on or after January 1, 2023, the amendments to PAS 12, *International Tax Reform – Pillar Two Model Rules*, are not relevant to the Group's consolidated financial statements.

(c) *Effective Subsequent to 2023 but not Adopted Early*

There are amendments to existing standards effective for annual periods subsequent to 2023, which are adopted by the FSRSC. 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 1 (Amendments), *Presentation of Financial Statements – Classification of Liabilities as Current or Non-current* (effective from January 1, 2024)

(ii) PAS 1 (Amendments), *Presentation of Financial Statements – Non-current Liabilities with Covenants* (effective from January 1, 2024)

(iii) PAS 7 (Amendments), *Cash Flow Statements* and PFRS 7 (Amendments), *Financial Instruments: Disclosures – Supplier Finance Arrangements* (effective from January 1, 2024)

(iv) PFRS 16 (Amendments), *Leases – Lease Liability in a Sale and Leaseback* (effective from January 1, 2024)

(v) PAS 21 (Amendments), *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability* (effective from January 1, 2025)

2.3 Basis of Consolidation

The Group's consolidated financial statements comprise the accounts of the Parent Company and its wholly owned subsidiaries after elimination of 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.

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

The acquisition method is applied to account for acquired subsidiaries. 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.

2.4 Financial Instruments

(a) Classification and Measurement of Financial Assets

The classification and measurement of financial assets are described below.

(i) Financial Assets at Amortized Cost

The Group's financial assets at amortized cost are presented in the consolidated statement of financial position as Cash, Receivables (excluding receivables from employees) and as part of Other Non-current Assets in respect of Clearing and trade guaranty fund (CTGF).

(ii) Financial Assets at FVOCI

At initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate equity investments as at FVOCI; however, such designation is not permitted if the equity investment is held by the Group for trading or as mandatorily required to be classified as FVTPL. The Group has designated equity instruments as at FVOCI.

(iii) Financial Assets at FVTPL

Equity securities are classified as financial assets at FVTPL, unless the Group designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Group's financial assets at FVTPL include equity securities which are held for trading purposes.

(b) Impairment of Financial Assets

The Group recognizes allowance for ECL on its financial assets measured at amortized cost.

The Group recognizes lifetime ECL for trade and other receivables. The ECL on these assets are estimated by applying the simplified approach using a provision matrix developed based on the Group's historical credit loss experience and credit information that are specific to the debtors, adjusted for general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. These assets are assessed for impairment on a collective basis based on shared credit risk characteristics.

(c) Financial Liabilities

Financial liabilities include interest-bearing loans and borrowings, due to customers and accounts payable and other liabilities (excluding post-employment defined benefit obligation, and tax-related payable).

2.5 Property and Equipment

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

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

2.6 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).

Goodwill represents the excess of the acquisition cost of the investment over the fair value of identifiable net assets of a subsidiary at the date of acquisition. Goodwill is subsequently carried 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 (see Note 2.7).

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 2.7).

2.7 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.

2.8 Revenue and Expense Recognition

Revenue comprises revenue from rendering of services (i.e., securities brokerage services, financial advisory and underwriting services, and others) measured by reference to the fair value of consideration received or receivable by the Group for services rendered, excluding value-added tax.

The Group enters into transactions involving the rendering of services. There are no significant judgments involved in determining the transaction price, the allocated amounts to and timing of satisfaction of performance obligations since there is only one transaction price specific to one performance obligation in the respective contracts that is satisfied over time. The transaction price for a performance obligation that is satisfied over time is recognized as revenue as the performance obligation is satisfied. As applicable, customers are invoiced periodically as work progresses, which are also due upon receipt by the customers. Any unbilled amounts at the end of a reporting period for management services are presented in the consolidated statement of financial position as Management fee receivables under the Receivables account as only the passage of time is required before payment of these amounts will be due.

Commissions from brokerage services, which are recognized as actual revenues and are charged to customers on a transaction-date basis as securities transactions occur; hence, recognized at a point in time.

With respect to commission and fees arising from financial advisory and underwriting services (i.e., negotiating, or participating in the negotiation of a transaction for a third party, such as the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses), revenues are recognized at the completion of the underlying transaction or at a point in time. This also includes management and advisory service fees recognized upon satisfaction of primary transaction. The non-refundable portion of the transaction price specifically identifiable is also recognized at a point in time since there is no performance obligation related to this consideration upon acceptance of the contract and payment of the non-refundable fees by customers.

Costs and expenses are recognized in profit or loss upon utilization of goods or services or at the date they are incurred.

2.9 Securities Transactions

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

2.10 Leases – Group as Lessee

The Group amortizes the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

2.11 Employee Benefits

The Group provides benefits to employees through a defined benefit plan, defined contribution plan, and other employee benefits.

The Group's defined benefit post-employment plan covers all regular full-time employees. The pension plan is tax qualified, non-contributory and administered by a trustee. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method.

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.

3.1 Critical Management Judgments in Applying Accounting Policies

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

(a) Going Concern Assumption

When preparing the consolidated financial statements, management makes an assessment of the Group's ability to continue as a going concern. The Group prepares the consolidated financial statements on a going concern basis unless the Group either intends to liquidate or to cease trading, or has no realistic alternative but to do so. When the Group is aware in making its assessment of material uncertainties related to events or conditions that may cast significant doubt upon its ability to continue as a going concern, the management shall disclose those uncertainties.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but is not limited to 12 months from the end of the reporting period. The management considers a wide range of factors relating to current and expected profitability, debt repayment schedules and potential sources of replacement financing before it can satisfy itself that the going concern basis is appropriate.

The management believes that the Group, though it incurs significant operating losses and it has a deficit as at December 31, 2023 and 2022, will continue as a going concern, as disclosed in Note 1.2.

(b) Application of ECL Model to Financial Assets at Amortized Cost

The Group uses a provision matrix to calculate ECL for receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., enhancements such as collaterals).

The provision matrix is based on the Group's historical observed default rates. The Group's management intends to regularly calibrate (i.e., on an annual basis) the matrix to consider the historical credit loss experience with forward-looking information (i.e., forecast economic conditions). Details about the ECL on the Group's receivables are disclosed in Note 4.2.

(c) Evaluation of Business Model Applied in Managing Financial Instruments

The Group manages its financial assets based on business models that maintain adequate level of financial assets to match its expected cash outflows. The Group developed business models which reflect how it manages its portfolio of financial instruments. The Group's business models need not be assessed at entity level or as a whole but shall be applied at the level of a portfolio of financial instruments and not on an instrument-by-instrument basis (i.e., not based on intention or specific characteristics of individual financial instrument).

In determining the classification of a financial instrument, the Group evaluates in which business model a financial instrument or a portfolio of financial instruments belong to, taking into consideration the objectives of each business model established by the Group as those relate to the Group's investment and trading strategies.

(d) Testing the Cash Flow Characteristics of Financial Assets and Continuing Evaluation of the Business Model

In determining the classification of financial assets, the Group assesses whether the contractual terms of the financial assets give rise on specified dates to cash flows that are SPPI on the principal outstanding, with interest representing time value of money and credit risk associated with the principal amount outstanding. The assessment as to whether the cash flows meet the test is made in the currency in which the financial asset is denominated. Any other contractual term that changes the timing or amount of cash flows (unless it is a variable interest rate that represents time value of money and credit risk) does not meet the amortized cost criteria.

In cases where the relationship between the passage of time and the interest rate of the financial instrument may be imperfect, known as modified time value of money, the Group assesses the modified time value of money feature to determine whether the financial instrument still meets the SPPI criterion. The objective of the assessment is to determine how different the undiscounted contractual cash flows could be from the undiscounted cash flows that would arise if the time value of money element was not modified (the benchmark cash flows). If the resulting difference is significant, the SPPI criterion is not met. In view of this, the Group considers the effect of the modified time value of money element in each reporting period and cumulatively over the life of the financial instrument.

In addition, if more than an infrequent sale is made out of a portfolio of financial assets carried at amortized cost, an entity should assess whether and how such sales are consistent with the objective of collecting contractual cash flows. In making this judgment, the Group considers certain circumstances documented in its business model manual to assess that an increase in the frequency or value of sales of financial instruments in a particular period is not necessary inconsistent with a held-to-collect business model if the Group can explain the reasons for those sales and why those sales do not reflect a change in the Group's objective for the business model.

(e) Distinction Between Operating and Finance Leases for Leases where the Group is a Lessor

The Group has entered into various lease agreements as a lessor. 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.

(f) Recognition of 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 obligation that has resulted from past events. Similarly, possible outflows of economic benefits to the Company that do not yet meet the recognition criteria of a liability are considered contingent liabilities, hence, are not recognized in the financial statements. Judgment is exercised by management to distinguish between provisions and contingencies. Relevant disclosures are presented in Note 22.

(g) Distinction between Property, Plant and Equipment and Investment Property

The Group determines whether a property qualifies as an 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 rendering of services by the Group or for administrative purposes.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for administrative purposes. If these portions can be sold separately (or leased out separately under finance lease), the Group accounts for the portions separately. If the portion cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

3.2 Key Sources of Estimation Uncertainty

Following are the discussion on 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) Estimation of Allowance for ECL

The measurement of the allowance for ECL on financial assets at amortized cost is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation used in measuring ECL is discussed in detail in Note 4.2.

(b) Estimation of Useful Lives of Property and Equipment and Computer Software

The Group estimates the useful lives of property and equipment 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 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 and computer software are analyzed in Notes 12 and 13.6, respectively. Based on management's assessment as at December 31, 2023 and 2022, there is no change in the estimated useful lives of property and equipment and computer software during those years. Actual results, however, may vary due to changes in estimates brought about by changes in factors mentioned above.

(c) Determination of Fair Value Measurement for Financial Instruments

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, and 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. 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 FVOCI the amounts of fair value changes recognized during the years on those assets are disclosed in Notes 8 and 9, respectively.

(d) Determination of 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 at December 31, 2023 and 2022 are disclosed in Note 20.

(e) Impairment of Other 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 2.7). 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 2023, 2022 and 2021.

(f) Valuation of Post-Employment Benefit Obligation

The determination of the Group's post-employment defined benefit obligation is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions significantly include, among others, discount rate and salary growth rate. 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 amount of post-employment defined benefit obligation and the analysis of the movements thereto, as well as the significant assumptions used in estimating such obligation are presented in Note 18.2.

(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 Notes 5.6 and 13.3, 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 certain financial risks in relation to its financial instruments. The risk management activities at the level of each company in the Group is coordinated with the Parent Company, in close cooperation with its 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 as follows:

4.1 Interest Rate Risk

At December 31, 2023 and 2022, Group is exposed to changes in market interest rates through its interest-bearing loans and borrowings and cash in bank, which are subject to variable changes in interest rates. Nonetheless, management believes that the Group's exposure to variable changes in interest rates on cash in bank is not material.

The sensitivity of the Group's loss before tax and equity to a reasonably possible change in interest rates of +/-0.59% and +/-0.60% for interest-bearing loans in 2023 and 2022, respectively. 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 the reporting period that are sensitive to changes in interest rates.

Considering all other variables held constant, if the interest rate increased by 0.59% and 0.60% in 2023 and 2022, respectively, loss before tax in 2023 and 2022 would have increased by P34,728,922 and P38,118,790, respectively. Conversely, if the interest rate decreased by the same percentages loss before tax in the respective years would have been lower by the same amounts.

4.2 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 bank 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. Its policy is to deal only with creditworthy counterparties.

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

	Notes	**2023**	2022
Cash	7	**P 36,884,563**	P 35,944,949
Receivables – net*	10	**2,567,033,546**	3,697,719,567
CTGF	13	**24,962,438**	24,024,420
		P 2,628,880,547	P 3,757,688,936

**Receivables –net exclude receivables from employees*

The tables below show the credit quality by class of financial assets as at 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, 2023				
Cash	P 36,884,563	P -	P -	P 36,884,563
Receivables:				
Customers/brokers	111,935,692	1,989,171,765	5,068,827	2,106,176,284
Equity margin loans	-	-	549,545,701	549,545,701
Accounts receivable	3,261,829	1,266,154	149,745,225	153,969,470
Notes receivables	-	3,345,441	68,449,190	71,794,631
Interest receivables	-	7,287,476	45,591,055	52,878,531
Management fees	-	19,550,000	-	19,550,000
Others	-	29,926,829	11,117,145	41,043,975
Receivables – gross*	115,197,521	2,050,547,665	829,213,406	2,994,958,592
Allowance for impairment	-	-	(427,925,046)	(427,925,046)
Receivables – net	115,197,521	2,050,547,665	401,288,360	2,567,033,546
CTGF	-	24,962,438	-	24,962,438
	P 152,082,084	**P 2,075,510,103**	**P 401,288,360**	**P 2,628,880,547**
December 31, 2022				
Cash	P 35,944,949	P -	P -	P 35,944,949
Receivables:				
Customers/brokers	300,438,509	2,895,002,678	5,864,757	3,201,305,944
Equity margin loans	-	-	596,302,968	596,302,968
Accounts receivable	4,124,500	3,150,286	152,745,225	160,020,011
Notes receivables	-	3,480,311	68,449,190	71,929,501
Interest receivables	-	7,287,476	45,591,055	52,878,531
Management fees	-	19,550,000	-	19,550,000
Others	-	19,704,214	5,063,112	24,767,326
Receivables – gross*	304,563,009	2,948,174,965	874,016,307	4,126,754,281
Allowance for impairment	-	-	(429,034,714)	(429,034,714)
Receivables – net	304,563,009	2,948,174,965	444,981,593	3,697,719,567
CTGF	-	24,024,420	-	24,024,420
	P 340,507,958	P 2,972,199,385	P 444,981,593	P 3,757,688,936

** Receivables – gross exclude receivables from employees*

High Grade credit quality pertains to financial assets with insignificant risk of default based on historical experience. On the other hand, Standard Grade credit quality pertains to financial assets not belonging to High Grade credit quality financial assets but does not exhibit any default or possible impairment.

(a) Cash in Banks

The credit risk for cash is considered negligible since the counterparties are reputable banks with high quality external credit ratings. Cash in banks are insured by the *Philippine Deposit Insurance Corporation* up to a maximum coverage of P500,000 for every depositor per banking institution.

(b) Receivables from Customers/Brokers, Clearing House and Other Receivables

The Group applies the simplified approach in measuring ECL which uses a lifetime expected loss allowance for all receivables from customers and clearing house, as well as for other receivables.

Receivables from customers/brokers are either fully or partially secured by collateral equity securities (see Note 10). In computing for the lifetime ECL, the Group applied an individual assessment of ECL measurement considering qualitative factors, i.e., longevity of days outstanding, no recorded trading activities and insufficient collateral valuation.

In respect of other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics; however, the Group is exposed to significant credit risk exposure to a number of counterparties due to significance of outstanding receivables from these counterparties. Nevertheless, the Group's management does not consider the risks to be probable since, based on historical information about counterparties' default rates and payment history, management considers the credit quality of receivables that are not past due or impaired to be good.

The Group identifies a default when the receivables become credit impaired or when the customer is not able to settle the receivables within the normal credit terms of 30 to 60 days, depending on the terms with customers; hence, these receivables were already considered as past due on its contractual payment. In addition, the Group considers qualitative assessment in determining default such as in instances where the customer is unlikely to pay its obligations and is deemed to be in significant financial difficulty.

An analysis of the maximum credit risk exposures with available collaterals is shown below.

	Gross Maximum Exposure	Fair Value of Collaterals	Net Exposure	Financial Effect of Collaterals
2023				
Customers/brokers	P 2,106,176,284	P 10,569,715,292	P -	P 2,106,176,284
Equity margin loans	549,545,701	370,233,366	179,312,335	370,233,366
	P 2,655,721,985	**P10,939,948,658**	**P 179,312,335**	**P 2,476,409,650**
2022				
Customers/brokers	P 3,201,305,944	P 7,357,633,148	P -	P 3,201,305,944
Equity margin loans	596,302,968	482,040,729	114,262,239	482,040,729
	P 3,797,608,912	P 7,839,673,877	P 114,262,239	P 3,683,346,673

4.3 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, 2023 and 2022, the Group's financial liabilities have contractual maturities which are presented below.

	Within 6 Months	Between 6 to 12 Months	More than 12 Months	Total
December 31, 2023				
Interest-bearing loans and borrowings (including accrued interest)	P 5,312,955,504	P 600,721,856	P -	P 5,886,257,998
Due to customers	393,572,426	-	-	393,572,426
Accounts payable and other liabilities (excluding post-employment defined benefit obligation, taxes payable and accrued interest)	33,707,796	31,712,414	2,436,826	67,857,036
	P 5,712,816,364	**P 632,434,270**	**P 2,436,826**	**P 6,347,687,460**
December 31, 2022				
Interest-bearing loans and borrowings (including accrued interest)	P 6,334,837,538	P 18,294,179	P -	P 6,353,131,717
Due to customers	494,767,217	-	-	494,767,217
Accounts payable and other liabilities (excluding post-employment defined benefit obligation, taxes payable and accrued interest)	74,371,014	161,510,222	2,014,100	237,895,336
	P 6,963,275,928	P 179,804,401	P 2,014,100	P 7,085,794,270

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

4.4 Other Market Price Risk

The Group's market price risk arises from its investments carried at fair value (financial assets at FVTPL and FVOCI). 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 consolidated net profit and consolidated other comprehensive income as at December 31, 2023 and 2022 are summarized as follows:

	Increase	Decrease	Impact of Increase: Profit or Loss	Impact of Increase: Other Comprehensive Income	Impact of Decrease: Profit or Loss	Impact of Decrease: Other Comprehensive Income
2023						
Financial assets at FVTPL	+31.55%	-31.55%	P 513,874,812	P -	(P 513,874,812)	P -
Financial assets at FVOCI						
Berjaya Philippines, Inc. (BCOR)	+33.51%	-33.51%	-	870,162,596	-	(870,162,596)
			P 513,874,812	**P 870,162,596**	**(P 513,874,812)**	**(P 870,162,596)**
2022						
Financial assets at FVTPL	+31.62%	-31.62%	P 553,581,054	P -	(P 553,581,054)	P -
Financial assets at FVOCI						
Berjaya Philippines, Inc. (BCOR)	+56.69%	-56.69%	-	1,415,548,277	-	(P 1,415,548,277)
			P 553,581,054	P 1,415,548,277	(P 553,581,054)	(P 1,415,548,277)
2021						
Financial assets at FVTPL	+34.94%	-34.94%	P 607,712,016	P -	(P 607,712,016)	P -
Financial assets at FVOCI						
Berjaya Philippines, Inc. (BCOR)	+52.52%	-52.52%	-	1,156,371,731	-	(1,156,371,731)
			P 607,712,016	P 1,156,371,731	(P 607,712,016)	(P 1,156,371,731)

The investments in equity securities classified as financial assets at FVOCI 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 at December 31, 2023 and 2022 since the impact of these volatility rates using standard deviation of the golf club shares in other comprehensive income would not be significant.

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

5.1 Carrying Amounts and Fair Values by Category

The carrying amounts and fair values of the categories of financial assets and financial liabilities presented in the consolidated statements of financial position are analyzed as follows:

	Notes	2023 Carrying Amounts	2023 Fair Values	2022 Carrying Amounts	2022 Fair Values
Financial assets					
At amortized cost:					
Cash	7	**P 36,884,563**	**P 36,884,563**	P 35,944,949	P 35,944,949
Receivables – net	10	**2,570,378,987**	**2,570,378,987**	3,697,719,567	3,697,719,567
CTGF	13	**24,962,438**	**24,962,438**	24,024,420	24,024,420
		2,632,225,988	**2,632,225,988**	3,757,688,936	3,757,688,936
Financial assets at FVTPL	8	**1,628,544,144**	**1,628,544,144**	1,750,972,989	1,750,972,989
Financial assets at FVOCI	9	**2,523,040,799**	**2,523,040,799**	2,512,298,198	2,512,298,198
		P 6,783,810,931	**P6,783,810,931**	P 8,020,960,123	P 8,020,960,123

	Notes	2023 Carrying Amounts	2023 Fair Values	2022 Carrying Amounts	2022 Fair Values
Financial liabilities					
At amortized cost:					
Interest-bearing loans and borrowings	14	**P 5,886,257,998**	**P5,886,257,998**	P 6,353,131,717	P 6,353,131,717
Due to customers	15	**393,572,426**	**393,572,426**	494,767,217	494,767,217
Accounts payable and other other liabilities	16	**67,857,036**	**67,857,036**	237,895,336	237,895,336
		P6,347,687,460	**P6,347,687,460**	P 7,085,794,270	P 7,085,794,270

5.2 Offsetting of Financial Assets and Financial Liabilities

The following financial assets with net amounts presented in the consolidated statements of financial position are subject to offsetting agreement:

	Notes	Gross amounts recognized in the consolidated statements of financial position: Financial assets	Gross amounts recognized in the consolidated statements of financial position: Financial liabilities set-off	Net amount presented in the consolidated statements of financial position
December 31, 2023				
Due to (from) clearing house	10	**P 11,974,694**	**(P 9,882,904)**	**P 2,091,790**
December 31, 2022				
Due to (from) clearing house	16	P 6,442,797	(P 21,966,312)	(P 15,523,514)

Due from customers accounts are setoff with due to customers account of ASC. The Parent Company and ACIC agreed with the ASC's directors and key officers in an offsetting arrangement wherein any amounts due from the directors and key officers (which are included as part of Due from Customers under Receivables in the consolidated statements of financial position) arising from trading transactions will be offset against the related amount of due to customers that is payable to the Parent Company and ACIC.

Due to (from) clearing house refers to the outstanding balance for the last two trading days of the year in compliance with the T+2 rule where all buying and selling transactions must be settled two days after the transaction date. In 2022, the T+3 settlement cycle is applied.

For financial assets and financial liabilities subject to enforceable master netting agreements or similar arrangements, each agreement between ASC and its customers allows for net settlement of the relevant financial assets and financial liabilities when both elect to settle on a net basis.

There were no other financial assets and financial liabilities setoff in 2023 and 2022 other than the receivables from clearing house and amounts due to customers.

Currently, other financial assets and financial liabilities are settled on a gross basis; however, each party to the financial instrument, particularly related parties, will have the option to settle all such amounts on a net basis in the event of default of the other party through approval of both parties.

5.3 Fair Value Hierarchy

In accordance with PFRS 13, *Fair Value Measurement*, the fair value of financial assets and financial 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:

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

- 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,

- 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.

5.4 Financial Instrument Measured at Fair Value

The tables below 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 at December 31, 2023 and 2022.

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Financial assets at FVOCI	P 2,504,540,799	P 18,500,000	P -	P 2,523,040,799
Financial assets at FVTPL	1,628,544,144	-	-	1,628,544,144
	P 4,133,084,943	**P 18,500,000**	**P -**	**P 4,151,584,943**
December 31, 2022				
Financial assets at FVOCI	P 2,496,998,198	P 15,300,000	P -	P 2,512,298,198
Financial assets at FVTPL	1,750,972,989	-	-	1,750,972,989
	P 4,247,971,187	P 15,300,000	P -	P 4,263,271,187

The fair values of the listed equity securities were determined directly by reference to quoted prices published by the PSE and are classified under Level 1 in the fair value hierarchy (see Note 5.3). On the other hand, the fair values of the club shares under Level 2 were determined using the prices published by an SEC-registered club share broker.

There were no financial liabilities measured at fair value as at December 31, 2023 and 2022 and neither were there transfers among fair value hierarchies in both years.

5.5 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.

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Financial assets:				
Cash	P 36,884,563	P -	P -	P 36,884,563
Receivables - net	-	-	2,570,378,987	2,570,378,987
CTGF	-	-	24,962,438	24,962,438
	P 36,884,563	**P -**	**P 2,595,341,425**	**P 2,632,225,988**
Financial liabilities:				
Interest-bearing loans and borrowings	P -	P -	P 5,886,257,998	P 5,886,257,998
Due to customers	-	-	393,572,426	393,572,426
Accounts payable and other liabilities	-	-	67,857,036	67,857,036
	P -	**P -**	**P 6,347,687,460**	**P 6,347,687,460**
December 31, 2022				
Financial assets:				
Cash	P 35,944,949	P -	P -	P 35,944,949
Receivables - net	-	-	3,697,719,567	3,697,719,567
CTGF	-	-	24,024,420	24,024,420
	P 35,944,949	P -	P 3,721,743,987	P 3,757,688,936
Financial liabilities:				
Interest-bearing loans and borrowings	P -	P -	P 6,353,131,717	P 6,353,131,717
Due to customers	-	-	494,767,217	494,767,217
Accounts payable and other liabilities	-	-	237,895,336	237,895,336
	P -	P -	P 7,085,794,270	P 7,085,794,270

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, 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.

5.6 Fair Value Measurement of Non-financial Assets

The market value of the Group's investment properties, which consist of condominium units, amounts to P62,734,787 and P63,421,620 as at December 31, 2023 and 2022, respectively, and is based on the market comparable approach that reflects recent transaction prices for similar properties and adjacent properties.

The Level 2 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 13.3).

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 house* – 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 4.50% to 7.25% in 2023, 4.00% to 7.00% in 2022 and 4.00% to 6.25% in 2021 (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.

When the Group prepares its investor presentations and/or when the Group's Executive Committee evaluates the financial performance of the operating segments, it disaggregates revenue similar to its segment reporting as presented below and in the succeeding page.

The Group determines that the categories used in the investor presentations and financial reports used by the Group's Executive Committee can be used to meet the objective of the disaggregation disclosure requirement of PFRS 15, which is to disaggregate revenue from contracts with customers and other counterparties into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The tables below present revenue and profit information regarding industry segments for the years ended December 31, 2023, 2022 and 2021 and certain assets and liabilities information regarding industry segments as at December 31, 2023, 2022 and 2021.

	Securities Brokerage	Investment Banking	Leasing and Others	Total before Elimination	Elimination	Group
December 31, 2023						
Revenues:						
External	P 128,412,846	(P 19,699,506)	P 12,183,378	P 120,896,718	P -	P 120,896,718
Inter-segment	549,378	124,721,583	322,765	125,593,726	(125,593,726)	-
	128,962,224	105,022,077	12,506,143	246,490,444	(125,593,726)	120,896,718
Expenses:						
Interest expense	13,687,732	375,640,272	39,253,529	428,578,108	(14,529,959)	414,051,574
Depreciation and amortization	7,738,497	100,500	2,334,835	10,173,832	-	10,173,832
Other expenses						
External	145,964,173	57,298,315	5,862,266	209,124,754	-	209,124,754
Inter-segment	11,063,768	-	-	11,063,768	(11,063,768)	-
	178,454,170	433,039,087	47,450,630	658,943,887	(25,593,727)	633,350,158
Loss before tax	**(49,491,946)**	**(328,017,010)**	**(34,944,487)**	**(412,453,443)**	**(99,999,997)**	**(512,453,440)**
Tax expense (income)	**(15,377,261)**	**471,985**	**87,908**	**(14,817,973)**	**-**	**(14,817,973)**
Net loss	**(P 34,114,080)**	**(P 328,488,995)**	**(P 35,032,395)**	**(P 397,635,470)**	**(P 99,999,997)**	**(P 497,635,467)**
Segment assets	**P 987,593,023**	**P 6,398,937,232**	**P 1,394,671,124**	**P 8,781,201,379**	**(P 1,764,108,520)**	**P 7,017,092,859**
Segment liabilities	**P 618,898,820**	**P 5,844,177,358**	**P 912,439,521**	**P 7,375,515,699**	**(P 966,367,383)**	**P 6,409,148,316**
December 31, 2022						
Revenues:						
External	P 162,939,705	P 25,078,740	P 159,485,813	P 347,504,258	P -	P 347,504,258
Inter-segment	-	32,893,093	9,675,935	42,569,028	(42,569,028)	-
	162,939,705	57,971,833	169,161,748	390,073,286	(42,569,028)	347,504,258
Expenses:						
Interest expense	28,937,171	320,427,246	48,274,432	397,638,849	(32,809,497)	364,829,352
Depreciation and amortization	9,040,260	22,721	2,828,258	11,891,239	-	11,891,239
Other expenses						
External	158,471,680	83,918,575	5,349,614	247,739,869	-	247,739,869
Inter-segment	9,759,531	-	-	9,759,531	(9,759,531)	-
	206,208,642	404,368,542	56,452,304	667,029,488	(42,569,028)	624,460,460
Profit (loss) before tax	(43,268,937)	(346,396,709)	112,709,444	(276,956,202)	-	(276,956,202)
Tax expense	1,565,985	3,147,315	746,396	5,459,696	-	5,459,696
Net profit (loss)	(P 44,834,922)	(P 349,544,024)	P 111,963,048	(P 282,415,898)	P -	(P 282,415,898)
Segment assets	P 1,156,932,088	P 7,123,430,002	P 1,394,646,568	P 9,675,008,658	(P 1,436,624,191)	P 8,238,384,467
Segment liabilities	P 754,692,946	P 6,131,005,003	P 875,192,931	P 7,760,890,880	(P 618,305,432)	P 7,142,585,448
December 31, 2021						
Revenues:						
External	P 263,378,033	P 119,506,712	P 168,415,938	P 551,300,683	P -	P 551,300,683
Inter-segment	524,271	51,607,817	8,320,365	60,452,453	(60,452,453)	-
	263,902,304	171,114,529	176,736,303	611,753,136	(60,452,453)	551,300,683
Expenses:						
Interest expense	30,001,691	275,376,017	44,784,787	350,162,495	(39,317,571)	310,844,924
Depreciation and amortization	9,711,550	678,347	3,029,006	13,418,903	-	13,418,903
Other expenses						
External	186,169,915	57,385,985	(13,784,326)	229,771,574	-	229,771,574
Inter-segment	21,134,882	(280,000)	-	20,854,882	(20,854,882)	-
	247,018,038	333,160,349	34,029,467	614,207,854	(60,172,453)	554,035,401
Profit (loss) before tax	16,884,266	(162,045,820)	142,706,836	(2,454,718)	(280,000)	(2,734,718)
Tax expense	3,854,071	25,526,002	3,335,709	32,715,782	-	32,715,782
Net profit (loss)	P 13,030,195	(P 187,571,822)	P 139,371,127	(P 35,170,500)	(P 280,000)	(P 35,450,500)
Segment assets	P 1,417,807,576	P 6,250,185,267	P 1,248,707,844	P 8,916,700,687	(P 1,093,338,384)	P 7,823,362,303
Segment liabilities	P 970,731,973	P 5,202,865,147	P 841,217,254	P 7,014,814,374	(P 275,019,622)	P 6,739,794,752

7. CASH

This account includes the following:

	2023	2022
Cash in banks	**P 36,777,942**	P 35,687,053
Cash on hand	**106,621**	257,896
	P 36,884,563	P 35,944,949

Cash in banks generally earn interest at rates based on daily bank deposit rates. Interest income from bank deposits is presented as part of Interest Income under Revenues section in the consolidated statements of profit or loss.

In compliance with the Securities Regulation Code (SRC) Rule 49.2, *Restrictions on Borrowings by Members, Brokers, and Dealers*, covering customer protection, reserves and custody of securities, the Group maintains a special reserve bank account of the Group for the exclusive benefit of its customers in relation to the Group's securities and brokerage business.

Reserve requirement is determined on a monthly basis using SEC-prescribed computation. The special reserve bank account of the Group has a restricted balance of P522,876 and P120,629 as at December 31, 2023 and 2022, respectively, and is in compliance with the reserve requirement.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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 prices quoted in an active market. For investments in shares of stock of publicly-listed entities, which are suspended for trading as at the end of the reporting period, if any, the last transacted price was used in the determination of fair value.

The reconciliation of financial assets at FVTPL as of December 31 are as follows:

	2023	2022
Balance at beginning of year	**P 1,750,972,989**	P 1,739,307,927
Disposals	**(543,514,000)**	(525,528,643)
Additions	**400,998,074**	375,184,209
Unrealized fair value gains - net	**20,087,081**	162,009,496
Balance at end of year	**P 1,628,544,144**	P 1,750,972,989

In 2023 and 2021, the net gains amounted to P800,354 and P44,169,947, respectively, and were presented under Gain on Sale of Financial Assets at FVTPL in the consolidated statements of profit or loss. The net loss on sale of financial assets at FVTPL amounted to P2,682,300 and is presented under Loss on Sale of Financial Assets at FVTPL in the 2022 consolidated statement of profit or loss.

The Group recognized net fair value gains amounting to P20,087,081, P162,009,496 and P174,432,905 in 2023, 2022 and 2021, respectively, on investments arising from mark-to-market valuation of investments at FVTPL are presented as Fair Value Gains on Financial Assets at FVTPL in the consolidated statements of profit or loss.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets at FVOCI include the following:

	2023	2022
BCOR	**P 2,504,540,799**	P 2,496,998,198
Others	**18,500,000**	15,300,000
	P 2,523,040,799	P 2,512,298,198

The movements of financial assets at FVOCI are as follows:

	Note	**2023**	2022
Balance at beginning of year		**P 2,512,298,198**	P 2,209,874,050
Unrealized fair value gains – net	17.2	**9,548,880**	296,754,295
Additions		**1,193,721**	5,670,153
Disposals		**-**	(300)
Balance at end of year		**P 2,523,040,799**	P 2,512,298,198

Other financial assets at FVOCI pertain to other equity securities and proprietary membership in golf and country club shares.

Unrealized fair value gains on financial assets at FVOCI are presented in the consolidated statements of comprehensive income as items that will not be reclassified subsequently to profit or loss. The realized loss of P5,946,882 in 2021 recognized from the sale of financial assets were transferred directly to Deficit. There were no disposals in 2023.

Net cumulative fair value changes on financial assets at FVOCI amounted to P1,848,208,705, P1,838,659,825 and P1,541,905,530 as at December 31, 2023, 2022 and 2021, respectively, and are presented as part of the Revaluation Reserves account in the consolidated statements of financial position (see Note 17.2).

10. RECEIVABLES

The breakdown of this account is as follows:

	Notes	2023	2022
Current:			
Due from customers/brokers	10.2	**P2,106,176,284**	P3,201,305,944
Accounts receivable	10.3	**81,748,702**	94,799,243
Notes receivables	10.4	**71,794,631**	71,929,501
Interest receivables	10.4	**52,878,531**	52,878,531
Management fees	11.1	**19,550,000**	19,550,000
Others	11.2, 11.4	**35,293,808**	19,152,029
		2,367,441,956	3,459,615,248
Non-current:			
Equity margin loans	10.1	**549,545,701**	596,302,968
Accounts receivable	10.3	**72,220,768**	65,220,768
Others	11.2, 11.4	**9,095,608**	9,095,608
		630,862,077	670,619,344
		2,998,304,033	4,130,234,592
Allowance for impairment		**(427,925,046)**	(429,034,714)
		P2,570,378,987	P3,701,199,878

All receivables of the Group have been assessed for impairment in 2023 and 2022. Portion of receivables from customers and certain counterparties are found to be individually impaired and allowances have been recognized accordingly.

A reconciliation of the allowance for impairment at the beginning and end of 2023 and 2022 is shown below.

	2023	2022
Balance at beginning of year	**P 429,034,714**	P 425,787,059
Reversal of impairment losses	**(1,109,668)**	-
Impairment losses	**-**	3,247,655
Balance at end of year	**P 427,925,046**	P 429,034,714

The reversal of impairment losses is presented as part of Others under Revenues section in the 2023 and 2021 consolidated statements of profit or loss. Impairment losses in 2022 is presented under Impairment Losses on Receivables in the 2022 consolidated statement of profit or loss.

10.1 Equity Margin Loans

Effective January 1, 2007 and until the Group's BOD reverses the resolution, management decided to stop recognizing interest on equity margin loans by virtue of a BOD resolution after the Group received requests from its customers for a moratorium on interest charges on equity margin loans. These receivables are provided with an allowance for impairment amounting to P184,786,358 as of December 31, 2023 and 2022, and the remaining balance is secured by certain quoted equity securities (pledged by certain customers) with a total market value of P370,233,366 and P482,040,729 as at December 31, 2023 and 2022, respectively.

10.2 Due from Customers/Brokers

Due from customers/brokers pertain to outstanding receivable from customers and brokers related to the Group's securities trading transactions and are normally due within two days from transaction date. Receivables are subjected to impairment testing based on the present value of the estimated future cash flows. The Group's Due from customers/brokers are either fully or partially secured by collateral equity securities (see Note 4.2).

10.3 Accounts Receivable

Receivables from employees, which are unsecured and noninterest-bearing, amount to P3,345,441 and P3,480,311 as at December 31, 2023 and 2022, respectively.

Accounts receivable also include a receivable from Kestrel Resources Philippines, Inc. (Kestrel) (a third party engaged in purchasing receivables) amounting to P75,467,026 and P78,467,026 as at December 31, 2023 and 2022, respectively, which arose from an Assignment of Receivables Agreement (the Agreement) executed between the Group and Kestrel on April 12, 2002. 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 13.3).

In 2023, the Group collected P3,000,000 of these receivables. As at December 31, 2023 and 2022, the Group has provided allowance for impairment of P75,467,026 in both years on Kestrel's account. No additional impairment was recognized in 2023 and 2022.

10.4 Notes and Interest Receivables

Notes and interest receivables represent unsecured outstanding claims from an individual, which are due upon demand. These receivables are fully provided with an allowance and have zero outstanding balance as of December 31, 2023 and 2022.

11. RELATED PARTY TRANSACTIONS

The summary of the Group's significant transactions with its related parties as at and for the years ended December 31, 2023, 2022 and 2021 presented below.

		2023		2022		2021	
Related Party Category	Notes	Amount of Transactions	Outstanding Balances	Amount of Transactions	Outstanding Balances	Amount of Transactions	Outstanding Balances
Related Parties Under Common Ownership or Directorship:							
Management fees	11.1	**P -**	**P 19,550,000**	P -	P 19,550,000	P -	P 19,550,000
Lease of properties	11.2	**53,571**	**10,436,837**	1,021,864	10,383,266	1,409,455	9,361,402
Trading transactions – net	11.6	**613,326,742**	**-**	737,751,124	-	754,748,871	-
Purchase of property	11.7	**-**	**-**	2,400,000	-	-	-
Key management Personnel:							
Compensation	11.3	**42,390,396**	**-**	33,592,051	-	31,350,653	-
Acquisition of transportation equipment	11.4	**2,808,986**	**-**	810,000	-	225,000	591,667
Sale of transportation equipment	11.4	**-**	**-**	827,474	-	1,579,157	-
Trading transactions – net	11.6	**888,498,177**	**508,197,579**	835,320,949	579,160,090	627,357,958	454,773,882
Fair value of plan assets	11.5	**-**	**36,295,151**	-	35,775,406	-	42,583,546

All of the Group's receivables from related parties were subjected to the ECL assessment. Based on management's assessment, no additional impairment losses are required to be recognized on these receivables from related parties at the end of each reporting period. Details of the foregoing transactions are as follows:

11.1 Management Fees

The Group earned 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 Parent Company and PGMC.

Management fees receivable amounted to P19,550,000 as at December 31, 2023 and 2022, and are unsecured, noninterest-bearing and collectible in cash upon demand. These receivables are presented as part of Receivables in the consolidated statements of financial position (see Note 10).

11.2 Lease of Properties

The Group has a lease agreement with a related party under common key management personnel, covering certain office spaces. Rent income recognized by the Group from this transaction amounted to P53,571, P1,021,864, and P1,409,455 in 2023, 2022 and 2021, respectively, and is included as part of Others under the Revenues section in the consolidated statements of profit or loss. The outstanding receivable from this transaction amounts to P10,436,837 and P10,383,266 as at December 31, 2023 and 2022, respectively, and is included as part of Others under the Receivables account in the consolidated statements of financial position (see Note 10). The outstanding balance of receivable is unsecured, noninterest-bearing and collectible in cash upon demand.

11.3 Key Management Personnel Compensation

Short-term and post-employment benefits given by the Group to key management personnel are shown below.

		2023		2022		2021
Short-term benefits	**P**	**40,939,553**	P	32,131,222	P	30,301,102
Post-employment defined benefits		**1,450,843**		1,460,829		1,049,551
	P	**42,390,396**	P	33,592,051	P	31,350,653

11.4 Cost-Sharing and Sale of Acquisition of Equipment

The Group acquired transportation equipment through finance lease arrangements amounting to P2,808,986, P810,000, and P225,000 in 2023, 2022 and 2021, respectively. The capitalized cost of the acquired transportation equipment is only up to certain limit in accordance with the car executive plan policy of the Group.

In 2022 and 2021, the Group sold certain transportation equipment to certain key management personnel with a carrying amount of P827,474 and P1,579,157, respectively (see Note 12). The Group received cash settlement arising from this transaction equal to the carrying amount of the assets transferred; hence, no gain or loss recognized. No similar transactions occurred in 2023.

11.5 Retirement Plan

The Group's plan assets are maintained and consolidated under a multi-employer retirement plan which is administered and managed under a trust agreement with a trustee bank. The fair value and the composition of the plan assets as at December 31, 2023 and 2022 are presented in Note 18.2.

11.6 Outstanding Trading Transactions

In the normal course of business, the Group's related parties, directors and key officers transact their securities investments through ASC. Any outstanding balances arising from these transactions are secured with their corresponding stock position, are noninterest-bearing and are normally settled within two days after trading date. Also, as agreed between the Parent Company and ASC's directors and key officers in an offsetting arrangement between the concerned parties, any amounts due from (to) the directors and key officers [which are included as part of Due from Customers (presented as part of Receivables and Due to Customers in the consolidated statements of financial position) arising from trading transactions, will be offset against the related amount of receivable from (payable to) the Parent Company (see Note 15).

11.7 Purchase of Property

In 2022, the Parent Company purchased parking spaces amounting to P2,400,000 from a related party under common ownership. These parking spaces were included as part of Property and Equipment in the consolidated statements of financial position (see Note 12). The acquisition cost was fully paid in 2022. No similar transactions occurred in 2023.

12. PROPERTY AND EQUIPMENT

The gross carrying amounts and accumulated depreciation and amortization of property and equipment, at the beginning and end of 2023 and 2022 are shown below.

	Condominium Units and Parking Space	Building Improvements	Transportation Equipment	Computer Equipment	Furniture, Fixtures and Equipment	Right-of-use Asset	Total
December 31, 2023							
Cost	P 116,835,714	P 27,808,180	P 21,254,178	P 28,715,367	P 9,135,285	P 2,086,868	P 207,204,867
Accumulated depreciation and amortization	(114,539,741)	(23,302,959)	(18,909,000)	(27,127,783)	(8,896,567)	(1,926,340)	(196,071,665)
Net carrying amount	**P 2,295,973**	**P 4,505,221**	**P 2,345,178**	**P 1,587,584**	**P 238,718**	**P 160,528**	**P 11,133,202**
December 31, 2022							
Cost	P 116,835,714	P 23,906,782	P 19,758,014	P 27,669,031	P 9,039,118	P 2,086,868	P 199,295,526
Accumulated depreciation and amortization	(111,726,232)	(23,007,904)	(19,676,313)	(25,748,837)	(8,859,902)	(1,444,754)	(190,463,941)
Net carrying amount	P 5,109,482	P 898,878	P 81,701	P 1,920,194	P 179,216	P 642,114	P 8,831,585
January 1, 2022							
Cost	P 116,835,714	P 23,906,781	P 19,758,014	P 27,669,031	P 9,039,118	P 2,086,868	P 199,295,526
Accumulated depreciation and amortization	(111,717,898)	(21,811,513)	(16,913,231)	(25,660,254)	(8,804,400)	(963,169)	(185,810,465)
Net carrying amount	P 5,117,816	P 2,095,268	P 2,844,783	P 2,008,777	P 234,718	P 1,123,699	P 13,485,061

A reconciliation of the carrying amounts at the beginning and end of 2023 and 2022 of property and equipment is shown below.

	Condominium Units and Parking Space	Building Improvements	Transportation Equipment	Computer Equipment	Furniture, Fixtures and Equipment	Right-of-use Asset	Total
Balance at January 1, 2023, net of accumulated depreciation and amortization	P 5,109,482	P 898,878	P 81,701	P 1,920,194	P 179,216	P 642,114	P 8,831,585
Additions	-	3,901,398	2,826,459	1,046,332	135,153	-	7,909,341
Depreciation and amortization charges for the year	(2,813,509)	(295,055)	(562,981)	(1,378,942)	(75,651)	(481,586)	(5,607,724)
Balance at December 31, 2023, net of accumulated depreciation and amortization	**P 2,295,973**	**P 4,505,221**	**P 2,345,178**	**P 1,587,584**	**P 238,718**	**P 160,528**	**P 11,133,202**
Balance at January 1, 2022, net of accumulated depreciation and amortization	P 5,117,816	P 2,095,268	P 2,844,783	P 2,008,777	P 234,718	P 1,123,699	P 13,485,061
Additions	2,400,000	-	333,582	1,096,670	24,755	-	3,855,007
Disposals	-	-	(827,474)	-	-	-	(827,474)
Depreciation and amortization charges for the year	(2,468,334)	(1,196,390)	(2,269,190)	(1,185,253)	(80,257)	(481,585)	(7,681,009)
Balance at December 31, 2022, net of accumulated depreciation and amortization	P 5,109,482	P 898,878	P 81,701	P 1,920,194	P 179,216	P 642,114	P 8,831,585
Balance at January 1, 2021, net of accumulated depreciation and amortization	P 8,865,708	P 3,398,830	P 8,628,388	P 1,265,695	P 70,762	P 1,605,284	P 23,834,667
Additions	-	-	-	1,798,786	221,987	-	2,020,773
Disposals	-	-	(1,579,157)	-	-	-	(1,579,157)
Depreciation and amortization charges for the year	(3,687,892)	(1,303,562)	(4,204,448)	(1,055,704)	(58,031)	(481,585)	(10,791,222)
Balance at December 31, 2021, net of accumulated depreciation and amortization	P 5,177,816	P 2,095,268	P 2,844,783	P 2,008,777	P 234,718	P 1,123,699	P 13,485,061

In 2022 and 2021, certain items of transportation equipment with a total cost of P827,474 and P1,579,157, respectively, were sold to certain key management personnel of the Group (see Note 11.4). These items were transferred at their carrying amounts, thus, no gain or loss on disposal was recognized. No similar transaction occurred in 2023.

As at December 31, 2023 and 2022, the total cost of the Group's fully depreciated items of property and equipment that are still being used in operations is P75,442,895 and P66,137,586, respectively.

The lease imposes a restriction that the right-of-use asset can only be used by the Group. The lease is non-cancellable and does not contain an option to purchase the underlying lease asset outright at the end of the lease, or to extend the lease for a further term without mutual agreement on both parties. The Group is prohibited from selling or pledging the underlying leased assets as security. For lease over office space, the Group must also keep the property in a good state of repair and return the property in its original condition at the end of the lease. Further, the Group must incur maintenance fees on such items in accordance with the lease contract.

13. OTHER ASSETS

The breakdown of this account is as follows:

	Note	**2023**	2022
Current –			
Prepayments		**P 5,453,755**	P 2,965,987
Non-current:			
Creditable withholding taxes	13.2	**142,573,222**	139,422,467
Goodwill	13.1	**84,584,951**	84,584,951
CTGF	13.7	**24,962,438**	24,024,420
Deferred oil exploration costs	13.4	**15,418,003**	15,418,003
Advances to suppliers		**8,136,564**	8,136,564
Computer software - net	13.6	**2,321,994**	6,888,101
Trading right	13.5	**1,408,000**	1,408,000
Others		**3,413,570**	2,119,876
		282,818,742	282,002,382
		288,272,497	284,968,369
Allowance for impairment of goodwill and deferred oil exploration costs	13.1, 13.4	**(64,678,600)**	(64,678,599)
		P 223,593,897	P 220,289,770

13.1 Goodwill

The carrying amount of goodwill as at December 31, 2023 and 2022 is shown below.

Cost	P 84,584,951
Allowance for impairment	(49,260,596)
	P 35,324,355

Goodwill arose from ACIC's acquisition of a portion of ASC's equity, which pertains to the expected synergy from its stock brokerage business. ACIC's acquisition cost is higher than the fair value of the net assets acquired from ASC. It is subject to annual impairment testing and whenever there is an indication of impairment.

Some of the key assumptions that have been considered which have significant impact on the results of management's assessment are as follows:

- ASC, the identified cash generating unit (CGU) on which the goodwill is allocated, will continue as a going concern;

- ASC will have sufficient financial assets to finance its working capital requirements to achieve its projected forecast and to support the business needs; and,

- ASC's performance forecasts for the next three years, which include the effects of online trading facility that was launched in 2017.

Based on the assessment of the Group's management, no additional impairment loss is necessary in 2023, 2022 and 2021.

The value-in-use of the CGU was determined using performance forecasts for three years and extrapolating cash flows beyond the projection period using a steady terminal growth rate. The discount rates are the key assumptions used by management in determining the value-in-use of the CGU. In 2023 and 2022, the discount rate applied to cash flow projections is 5.90% and 6.25%, respectively, while the average growth rate used is 1.4% in 2023 and 2022 based on forecasted operating profit. Management has also determined that a reasonably possible change in the key assumptions used would not cause the carrying value of the CGU to exceed their respective value-in-use.

13.2 Creditable Withholding Taxes

This account represents accumulated income tax credits of the Group that remained unapplied as at December 31, 2023 and 2022. These income tax credits will be applied against future income tax liabilities.

13.3 Investment Properties

The Group's investment properties consist mostly of condominium units located in Nasugbu and Batulao, Batangas which were acquired by the Group in February 2000. The condominium units were acquired as a result of the *dacion en pago* arrangement with a major customer as a partial settlement of outstanding loans (see Note 10.3). In 2023 and 2022, the Group's investment properties were not leased out to other parties.

Investment properties are stated at cost less accumulated depreciation and any impairment losses. As at December 31, 2023 and 2022, the cost of condominium units amounting to P65,280,000 has accumulated depreciation and impairment losses amounting to the same amount which resulted in nil book values of the assets as of the same reporting periods.

These properties are classified as Level 2 in fair value hierarchy. The Group determines the fair values of the investment properties by using the observable recent prices of the reference properties and were adjusted for differences in key attributes such as property size, zoning, and accessibility (see Note 5.6).

The Group has not incurred any cost related to its investment property during the reporting periods. No depreciation expense was recorded as the Group's investment properties are fully depreciated as at December 31, 2023 and 2022.

13.4 Deferred Oil Explorations Costs

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.

13.5 Trading Right

As required under PSE rules, the Group's trading right (previously the Exchange Membership Seat) is pledged at its full value to the PSE to secure the payment of all debts to other members of the PSE arising out of, or in connection with, the present or future member's contracts.

As certified by the PSE, the last transacted price of an exchange right is P8,500,000 which was recorded on December 14, 2011 and which remains to be a reasonable approximation of the fair value of the exchange right based on management's assessment. Hence, based from the comparison of the trading right's carrying amount of P1,408,000 as at December 31, 2023 and 2022, and the expected recoverable amount, the trading right is not impaired.

13.6 Computer Software

Computer software pertains to the Group's online platform, MyTrade, which was launched in April 2017 and developed by a third party.

The movements in this account as at December 31 are as follows:

	2023	2022
Carrying amount at beginning of year	**P 6,888,101**	P 8,606,999
Amortization during the year	**(4,566,108)**	(4,210,230)
Additions	**-**	2,491,332
Carrying amount at end of year	**P 2,321,994**	P 6,888,101

The amortization is presented as part of Depreciation and Amortization account in the consolidated statements of profit or loss. Total accumulated amortization as at December 31, 2023 and 2022 amounted to P20,426,406 and P15,860,300, respectively.

Also, as at December 31, 2023 and 2022, the Group has fully-amortized computer software with a gross carrying amount of P9,989,763 and P8,519,040, respectively, that is still being used in operations.

13.7 CTGF

CTGF pertains to contributions made by the Group to the Securities Clearing Corporation of the Philippines (SCCP) which shall be refundable to the Group upon cessation of business and/or termination of their membership with the SCCP.

On July 25, 2018, the SCCP issued Memo No. 01-0718 informing brokers of the amendments to SCCP Rule 5.2 and Operating Procedure 4.3.1.3, making the clearing members contributions to the CTGF refundable to clearing members upon cessation of their business and/or termination of their membership with SCCP provided that all liabilities of such clearing member owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full. These amendments took effect last August 1, 2018 and applicable to current and active PSE trading participants or clearing members of the SCCP. Accordingly, as of December 31, 2023 and 2022, the Group's total contribution to CTGF amounting to P24,962,438 and P24,024,420, respectively.

14. INTEREST-BEARING LOANS AND BORROWINGS

As at December 31, this account consists of:

	2023	2022
Notes payable	**P 5,733,888,438**	P 6,203,131,717
Bank loans	**152,369,560**	150,000,000
	P 5,886,257,998	P 6,353,131,717

Notes payable represents short-term unsecured loans from various individual and corporate funders bearing annual interest at rates ranging from 4.50% to 7.25%, 2.25% to 7.00%, and 4.00% to 6.25%, in 2023, 2022 and 2021, respectively. Interest pertaining to these loans and borrowings, which is presented as part of the Interest Expense in the consolidated statements of profit or loss, amounted to P399,912,807, to P355,091,447 and P306,546,571 in 2023, 2022 and 2021, respectively, with related accrued interests of P29,538,109 and P30,523,544, as at December 31, 2023 and 2022, respectively, which are 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 Note 16).

ASC made cumulative drawdowns from its existing credit lines from local commercial banks amounting to P150,000,000 in 2023 and P510,000,000 in 2022, gross of repayments, for working capital requirements (see Note 22.3). The outstanding balance of these loans as of December 31, 2023 and 2022 amounted to P150,000,000. The loans are payable within three months with rollover options and are subject to annual effective interest rates ranging from 6.88% to 8.5% in 2023 and 5.05% to 6.50% in 2022.

Interest expense pertaining to these loans amounted to P11,102,570, P7,541,840, and P3,330,556 in 2023, 2022 and 2021, respectively, and is included as part of Interest Expense in the consolidated statements of profit or loss. There is no interest payable as at December 31, 2023 and 2022 related to these loans. There are no significant restrictive loan covenants or provisions related to these loans.

In 2023, the Group availed a car loan as part of its fringe benefits to the key management personnel amounting to P2.9 million. The outstanding balance of this loan as of December 31, 2023 amounted to P2.4 million. The loan is payable within three years and is subject to annual effective interest rate of 9.33%.

Presented below is the reconciliation between the opening and closing balances of the Group's liabilities arising from these financing activities.

	2023	2022	2021
Balance at beginning of year	**P 6,353,131,717**	P 5,795,506,931	P 4,827,918,544
Cash flows from financing activities:			
Repayments of loans	**(2,351,902,418)**	(1,714,681,546)	(1,466,331,360)
Additional loan availments	**1,885,028,699**	2,272,306,332	2,433,919,747
Balance at end of year	**P 5,886,257,998**	P 6,353,131,717	P 5,795,506,931

15. DUE TO CUSTOMERS

Due to customers arise from the Group's securities brokerage activities. These are normally settled within two days (three days in 2022) 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 balance as at December 31, 2023 and 2022 amounted to P393,572,426 and P494,767,217, respectively.

16. ACCOUNTS PAYABLE AND OTHER LIABILITIES

This account consists of:

	Notes	2023	2022
Current:			
Accounts payable and accrued expenses	14	**P 53,072,097**	P 184,987,408
Due to non-customers		**13,879,012**	30,290,127
Due to clearing house	5.2	**-**	15,523,514
Withholding taxes payable		**12,707,829**	11,973,166
Lease liability	12	**193,897**	550,506
Others		**393,946**	7,984,804
		80,246,781	251,309,525
Non-current:			
Post-employment defined benefit obligation	18.2	**46,634,285**	41,366,267
Security deposits		**2,436,826**	1,816,826
Lease liability	12	**-**	193,896
		49,071,111	43,376,989
		P 129,317,892	P 294,686,514

Others include other payables to government agencies and miscellaneous liabilities arising from the Group's operations. The outstanding balance of the lease liability in relation to this lease as of December 31, 2023 and 2022 amounted to P193,897 and P744,402 , respectively. The total cash outflow with respect to these lease contracts amounted to P550,506, P497,410, P440,060 in 2023, 2022, and 2021, respectively.

Interest expense pertaining to these leases amounted to P41,316, P85,018 and P123,580 in 2023, 2022 and 2021, respectively and is shown as part of Interest Expense in the consolidated statements of profit or loss.

The undiscounted maturity analysis of the lease liability at December 31, 2023 and 2022 is as follows:

	2023	2022
Within one year	**P 197,274**	P 591,822
More than one year	**-**	197,274
	P 197,274	P 789.096

The Group has elected not to recognize a lease liability for short-term lease and lease of low value asset. Payments made under such leases are expensed as incurred. The expenses relating to these leases amounted to P227,946 for year 2023 and 2022, and is presented as part of Others under the Expenses section in the consolidated statements of profit or loss (see Note 19).

17. EQUITY

17.1 Capital Stock and Treasury Shares

As at December 31, 2023 and 2022, 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 – at cost	**171,413,600**	**P 385,670,581**

Under the Revised Corporation Code of the Philippines, a stock corporation can purchase or acquire its own shares provided that it has unrestricted retained earnings to cover the shares to be purchased or acquired. Accordingly, the Retained Earnings is also restricted to the extent of the value of the treasury shares. These are presented as Treasury Shares in the consolidated statements of financial position and do not form part of the outstanding shares.

17.2 Revaluation Reserves

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

	Notes	Financial Assets at FVOCI	Post-employment Benefit Obligation	Total
Balance as at January 1, 2023		P 1,838,659,825	(P 10,513,741)	P 1,828,146,084
Remeasurements of post-employment defined benefit obligation	18.2(b)	-	421,825	421,825
Unrealized fair value gains on financial assets at FVOCI	9	9,548,880	-	9,548,880
Tax expense	20	-	(189,714)	(189,714)
Other comprehensive income		9,548,880	232,111	9,780,991
Balance as at December 31, 2023		**P 1,848,208,705**	**(P 10,281,630)**	**P 1,837,927,075**
Balance as at January 1, 2022		P 1,541,905,530	(P 8,406,812)	P 1,533,498,718
Remeasurements of post-employment defined benefit obligation	18.2(b)	-	(1,012,142)	(1,012,142)
Unrealized fair value gains on financial assets at FVOCI	9	296,754,295	-	296,754,295
Tax income	20	-	(1,094,787)	(1,094,787)
Other comprehensive income (loss)		296,754,295	(2,106,929)	294,647,366
Balance as at December 31, 2022		P 1,838,659,825	(P 10,513,741)	P 1,828,146,084
Balance as at January 1, 2021		P 1,229,765,806	(P 1,793,472)	P 1,227,972,334
Remeasurements of post-employment defined benefit obligation	18.2(b)	-	(7,595,903)	(7,595,903)
Unrealized fair value gains on financial assets at FVOCI	9	306,192,842	-	306,192,842
Tax income	20	-	982,563	982,563
Other comprehensive income (loss)		306,192,842	(6,613,340)	299,579,502
Transfer to Retained Earnings – Fair value gains on disposed Financial assets at FVOCI	9	5,946,882	-	5,946,882
Balance as at December 31, 2021		P 1,541,905,530	(P 8,406,812)	P 1,533,498,718

17.3 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.

A reasonable level of debt-to-equity is maintained to properly manage the Group's operations. Presented below is the 2023 and 2022 debt-to-equity ratio of the Group:

	2023	2022
Total liabilities	**P 6,409,148,316**	P 7,142,585,448
Total equity	**607,944,543**	1,095,799,019
Debt-to-equity ratio	**10.54 : 1.00**	6.52 : 1.00

17.4 Capital Requirements for ASC

17.4.1 Minimum Capital Requirement – SEC

On November 11, 2004, the SEC approved MC 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 SRC. 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. RBCA ratio is the quotient of the NLC and the sum of the requirements for operational 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 100%;

(b) NLC should be at least P5,000,000 or 5% 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 P2,500,000 or 2.50% of aggregate indebtedness, whichever is higher;

(d) In cases where in order to meet an RBCA ratio of at least 1.1, a NLC higher than P5,000,000 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 at December 31, 2023 and 2022, ASC is in compliance with minimum capital requirement set out by the RBCA framework. ASC's RBCA ratio is 261.00% and 228.00% as at December 31, 2023 and 2022, respectively. ASC is also compliant with the NLC requirement as of December 31, 2023 and 2022.

17.4.2 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 provide 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 Deficit account) amounting to 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 SCCP.

As at December 31, 2023 and 2022, ASC is in compliance with PSE's Rules Governing Trading Rights and Trading Participants.

17.4.3 Retained Earnings Appropriation

Rule 49.1 (B), *Reserve Fund*, of SEC MC 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, respectively.

In compliance with the foregoing circular, the BOD of ASC approved the appropriation of retained earnings amounting to P1,303,020 in 2021. No similar appropriation was made in 2022 and 2023.

17.5 Capital Requirements for ACIC

Under the provisions of Section 8 of Republic Act (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 at December 31, 2023 and 2022, ACIC is in compliance with minimum capital requirement set out by the RA No. 8366.

17.6 Track Record

On November 17, 1994, the SEC approved the listing of the Parent Company's shares totalling 1,193,200,000 (see Note 1.1). The shares were initially issued at an offer price of P1.00 per share. As at December 31, 2023 and 2022, there are 100 holders of the listed shares equivalent to 100% of the Group's total outstanding shares. The shares closed at P0.60 and P0.72 per share as at December 31, 2023 and 2022, respectively. The Group has no other securities traded in the capital markets.

18. SALARIES AND EMPLOYEE BENEFITS

18.1 Salaries and Employee Benefits

Details of salaries and employee benefits are presented below.

	Note	2023	2022	2021
Salaries and wages		**P 58,615,835**	P 55,088,567	P 48,981,971
Bonuses		**6,483,225**	7,834,542	6,080,151
Staff benefits		**3,936,078**	4,828,145	4,439,568
Retirement benefits	18.2	**3,203,916**	3,298,967	2,959,182
Social security costs		**2,847,766**	2,420,850	2,730,726
Other short-term benefits		**740,970**	862,333	319,349
		P 75,827,790	P 74,333,404	P 65,510,947

18.2 Post-Employment Defined Benefit

(a) Characteristics of the Defined Benefit Plan

The Group maintains a tax-qualified and non-contributory retirement plan that is being administered by a trustee bank covering all regular full-time employees. The plan is partially funded as at December 31, 2023 and 2022. Actuarial valuations are made each year to update the post-employment benefit costs and the amount of contributions. The latest actuarial valuation of the Group's retirement benefit plan was obtained for 2023 and 2022.

The normal retirement age is 60 with a minimum of five 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 Consolidated Financial Statements

All amounts presented below and in the succeeding pages are based on the actuarial valuation report obtained from an independent actuary. 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.

	2023	2022
Present value of the obligation	**P 81,209,712**	P 75,358,961
Fair value of plan assets	**(36,295,151)**	(35,775,406)
	44,914,561	39,583,555
Unrecognized asset due to asset ceiling	**1,719,724**	1,782,712
	P 46,634,285	P 41,366,267

The movements in present value of the post-employment defined benefit obligation recognized in the consolidated financial statements are as follows:

	2023	2022
Balance at beginning of year	P 75,358,961	P 75,493,231
Interest expense	5,123,673	3,842,606
Current service cost	3,203,916	3,298,967
Benefits paid	(1,608,883)	(112,548)
Remeasurements –		
Actuarial gains (losses) arising from:		
Experience adjustments	(1,673,731)	(5,113,402)
Changes in financial assumptions	805,776	(1,792,647)
Changes in demographic assumptions	-	(257,246)
Balance at end of year	P 81,209,712	P 75,358,961

Actuarial gains (losses) arising from the changes in financial assumptions pertain to the substantial increase (decrease) in discount rate (but partially offset by the decrease in expected salary increase rate). On the other hand, the experience adjustments pertain to the effects of differences between the previous actuarial assumptions and what has actually occurred, including the changes in those actuarial assumptions during the applicable reporting periods.

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

	2023	2022
Balance at beginning of year	P 35,775,406	P 42,583,546
Interest income	2,158,581	2,164,638
Benefits paid	(1,608,883)	(112,548)
Remeasurement loss	(29,953)	(8,860,230)
Balance at end of year	P 36,295,151	P 35,775,406

The Retirement Trust Fund assets are valued at fair value using the mark-to-market valuation; hence, any decline in fair value due to mark-to-market valuation is recognized as remeasurement loss. While there are no significant changes in asset allocation expected in the next financial year, the Retirement Plan Trustee may make changes any time. Allocation of plan assets is shown below.

	2023	2022
Government bonds	P 18,900,526	P 20,102,201
Unit investment trust funds (UITFs)	16,365,217	15,544,413
Cash and cash equivalents	1,029,408	128,792
	P 36,295,151	P 35,775,406

The fair value of the debt securities were determined based on quoted market prices in active markets (classified as Level 1 of the fair value hierarchy), while the fair value of the UITF is determined based on the net asset value per unit of investment held in the fund (classified as Level 2 of the fair value hierarchy).

The plan assets earned an income amounting to P2,128,628 in 2023 and incurred a loss of P6,695,592 and P461,359 in 2022 and 2021, respectively.

As at December 31, 2023 and 2022, the plan assets do not comprise any of the Group's own financial instruments and the fund does not own any shares of stock of the Group.

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

	2023	2022	2021
Reported in profit or loss:			
Current service cost	**P 3,203,916**	P 3,298,967	P 2,959,182
Net interest expense	**2,994,881**	1,797,481	844,216
	P 6,198,797	P 5,096,448	P 3,803,398
Reported in other comprehensive income:			
Remeasurement loss on plan assets	**(P 592,905)**	(P 8,860,230)	(P 2,208,135)
Actuarial gains (losses) arising from:			
Experience adjustments	**1,673,731**	5,370,648	(4,998,334)
Changes in financial assumptions	**(805,776)**	1,792,647	41,629
Changes in demographic assumptions	**-**	-	(17,188)
Changes in the effect of the asset ceiling	**146,775**	684,793	(413,875)
	421,825	(1,012,142)	(7,595,903)
Tax income (expense)	**(189,714)**	(1,094,787)	982,563
	P 232,111	(P 2,106,929)	(P 6,613,340)

Current service cost is recorded as part of Salaries and Employee Benefits in the consolidated statements of profit or loss.

Net interest expense is presented as part of Interest Expense account in the consolidated statements of profit or loss.

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:

	2023	2022	2021
Discount rates	**6.05%**	6.49%	5.09%
Expected salary increase rate	**5.00%**	5.00%	5.00%

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 15.1 years for both males and females, respectively in 2023, and 14 years for males and females, respectively, in 2022. 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 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 post-employment defined benefit obligation as at December 31:

	Impact on Post-employment Defined Benefit Obligation		
	Change in Assumption	**Increase in Assumption**	**Decrease in Assumption**
2023			
Discount rate	**+/-1.0%**	**(P 749,522)**	**P 805,201**
Salary growth rate	**+/-1.0%**	**805,873**	**(764,026)**
2022			
Discount rate	+/-1.0%	(P 950,233)	P 1,006,546
Salary growth rate	+/-1.0%	1,014,446	(662,239)

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 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 post-employment defined benefit obligation.

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 at December 31, 2023 and 2022 consists of debt securities and UITFs, although the Group also invests in cash and cash equivalents for liquidity purposes.

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 P46,634,285 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 ten 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 at December 31, 2023 and 2022 for the next 10 years are as follows:

	2023	2022
More than one year to five years	**P 76,993,928**	P 71,710,308
Between five years to 10 years	**6,557,382**	6,001,312
	P 83,551,310	P 77,711,620

The weighted average duration of the post-employment defined benefit obligation at the end of the reporting period is 1.33 years.

19. OTHER EXPENSES

This account consists of:

		2023		2022		2021
Philippine Depository and Trust Corp. clearing fees	**P**	**3,667,415**	P	3,375,794	P	2,839,790
Condominium dues		**2,924,461**		2,101,254		2,013,482
Bank charges		**2,334,084**		593,236		1,102,222
Office supplies		**1,513,921**		1,820,545		2,487,653
Insurance		**1,296,287**		1,506,857		1,301,157
Fines and penalties		**1,254,500**		317,048		-
Directors fee		**1,200,000**		1,200,000		500,000
Repairs and maintenance		**1,071,758**		1,901,437		1,963,910
Advertising and publicity		**383,132**		1,703,763		2,263,194
Deficiency taxes		**103,186**		1,032,309		-
Miscellaneous		**653,258**		647,344		2,063,231
	P	**16,402,002**	P	16,199,587	P	16,534,639

Miscellaneous includes listing fees, office supplies, membership dues, rentals, and expenses for meetings and conferences.

20. TAXES

The components of tax expense (income) reported in the consolidated statements of comprehensive income are as follows:

		2023		2022		2021
Recognized in profit or loss:						
Final tax at 0.6%	**P**	**236,798**	P	984,444	P	9,537,306
Minimum corporate income tax (MCIT) at 1.5% in 2023 and 1% in 2022 and 2021		**323,801**		709,305		563,751
Final tax at 20%		**44,265**		50,233		42,839
Regular corporate income tax (RCIT) at 25%		**-**		2,470,199		17,676,381
Adjustment to income taxes due to change in income tax rates		**-**		-		(1,370,676)
Application of excess of MCIT over RCIT		**-**		-		(2,317)
		604,862		4,214,181		26,447,284
Deferred tax expense (income) arising from:						
Origination and reversal of temporary differences		**(15,422,835)**		1,245,515		3,772,053
Effect of the change in income tax rate		**-**		-		2,496,445
		(15,422,835)		1,245,515		6,268,498
	(P	**14,817,973)**	P	5,459,696	P	32,715,782

	2023	2022	2021
Recognized in other comprehensive income –			
Deferred tax expense (income) arising from:			
Origination and reversal of temporary differences	**P 752,666**	P 1,094,787	P 249,112
Effect of the change in income tax rate	**-**	-	(1,231,675)
	P 752,666	P 1,094,787	(P 982,563)

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

	2023	2022	2021
Tax on pre-tax profit loss at 25%	**(P 128,113,360)**	(P 69,239,050)	(P 683,680)
Adjustments for income subjected to:			
Stock transaction tax at 0.6%	**236,768**	370,715	9,537,306
Final tax at 20%	**(10,889)**	602,134	(9,688)
Effect of the change in income tax rate	**-**	-	1,125,769
Tax effects of:			
Unrecognized net operating loss carry-over (NOLCO)	**112,748,945**	99,243,486	66,661,166
Non-taxable income	**(4,019,336)**	(19,595)	(11,193,448)
Unrecognized deferred tax asset on other temporary differences	**(1,233,596)**	(38,386,996)	(44,235,726)
Non-deductible expenses	**5,249,694**	12,179,697	2,202,649
Unrecognized MCIT	**323,801**	709,305	563,751
Derecognition of deferred tax asset on impairment of receivables	**-**	-	8,750,000
Application of excess of MCIT over RCIT	**-**	-	(2,317)
	(P 14,817,973)	P 5,459,696	P 32,715,782

The net deferred tax assets as at December 31, 2023 and 2022 relate to the following:

	Consolidated Statements of Financial Position	
	2023	2022
Deferred tax assets:		
NOLCO	**P 14,346,896**	P -
Post-employment defined benefit obligation	**9,166,760**	8,751,668
Allowance for impairment	**2,651,162**	2,928,579
Unamortized past service cost	**356,015**	565,620
Lease liabilities	**48,474**	186,101
	26,569,307	12,431,968
Deferred tax liabilities:		
Fair value gain on investments at FVTPL	**(3,011,908)**	(3,424,342)
Right-of-use assets	**(40,132)**	(160,528)
	(3,052,040)	(3,584,870)
Net deferred tax assets	**P 23,517,267**	P 8,847,098

The deferred tax assets recognized significantly relate to a profit-generating subsidiary and another subsidiary which is expected to generate taxable income in the next few years. The related management judgment on the realizability of such deferred tax assets is disclosed in Note 3.2(e).

	Consolidated Statements of Profit or Loss		
	2023	2022	2021
Deferred tax assets:			
NOLCO	**P 14,346,896**	P -	P -
Post-employment defined benefit obligation	**1,167,758**	957,488	(370,730)
Allowance for impairment losses	**(277,417)**	811,913	(11,266,137)
Unamortized past service cost	**(209,606)**	(219,697)	(420,701)
Lease liability	**(137,627)**	(124,353)	(194,108)
	14,890,004	1,425,351	(12,251,676)
Deferred tax liabilities:			
Fair value gain on investment at FVTPL	**412,434**	(2,791,263)	5,782,518
Right-of-use assets	**120,397**	120,397	200,660
	532,831	(2,670,866)	5,983,178
Deferred tax income (expense) - net	**P 15,422,835**	(P 1,245,515)	(P 6,268,498)

	Consolidated Statements of Comprehensive Income		
	2023	2022	2021
Deferred tax expense (income)	**P 752,666**	P 1,094,787	(P 982,563)

Details of unrecognized deferred tax assets as at December 31 are summarized below.

	2023		2022	
	Amount	**Tax Effect**	Amount	Tax Effect
NOLCO	**P 1,394,475,312**	**P 348,618,828**	P 982,149,170	P 245,537,292
Allowance for impairment losses	**242,205,155**	**60,551,289**	242,205,155	60,551,289
Allowance for non-recoverability of deferred oil exploration costs	**15,418,003**	**3,854,501**	15,418,003	3,854,501
Post-employment defined benefit obligation	**8,667,344**	**2,166,836**	6,817,407	1,704,351
Past service cost	**5,134,136**	**1,283,532**	7,194,773	1,798,693
MCIT	**1,320,308**	**1,320,308**	2,044,766	2,044,766
Accrued short-term employee benefits	**581,750**	**145,438**	581,750	145,438
	P 1,667,802,008	**P 417,940,732**	P 1,256,411,024	P 315,636,330

Pursuant to Section 4(bbb) of RA No. 11494, *Bayanihan to Recover as One*, the NOLCO for taxable years 2020 and 2021 can be claimed as deduction within five consecutive taxable years immediately following the year of such loss. NOLCO incurred in 2023 can only be carried over as a deduction from gross income for the next three consecutive taxable years.

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

Year Incurred	Parent	Subsidiaries	Expired/ Applied Amount	Balance	End of Availment
2023	P 400,471,538	P 39,400,456	P -	P 439,871,994	2026
2022	329,459,684	39,968,328	-	369,428,012	2025
2021	259,753,259	45,154,090	-	304,907,349	2026
2020	238,839,342	41,428,535	-	280,267,957	2025
	P1,228,523,823	**P 165,951,409**	**P -**	**P 1,394,475,312**	

In 2023 and 2022, the Group is subject to the MCIT, which is computed at 1.5% and 1%, respectively, of gross income net of allowable deductions, as defined under the tax regulations, or to RCIT, whichever is higher. MCIT which is available for offset against future income tax payable for income tax purposes is as follows:

Year Incurred	Parent	Subsidiaries	Expired/ Applied Amount	Balance	End of Availment
2023	P 240,780	P 79,747	P -	P 320,527	2026
2022	303,501	132,527	-	436,108	2025
2021	512,044	51,709	-	563,753	2024
	P 1,056,325	**P 263,983**	**P -**	**P 1,320,308**	

In 2023, 2022 and 2021, each of the taxable entities within the Group claimed itemized deductions in computing for its income tax due.

21. LOSS PER SHARE

Loss per share is computed as follows:

	Note	**2023**	2022	2021
Net loss		**P 497,635,467**	P 282,415,898	P 35,450,500
Divided by the weighted average number of outstanding shares:				
Issued shares	17.1	**1,193,200,000**	1,193,200,000	1,193,200,000
Treasury shares	17.1	**(171,413,600)**	(171,413,600)	(171,413,600)
Outstanding shares		**1,021,786,400**	1,021,786,400	1,021,786,400
Loss per share		**P 0.4870**	P 0.2764	P 0.0347

As at December 31, 2023, 2022 and 2021, the Group has no outstanding potentially dilutive shares; hence, basic losses per share are equal to diluted loss per share in the years presented.

22. COMMITMENTS AND CONTINGENCIES

22.1 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.

22.2 Operating Leases

The Group is a lessor under non-cancellable operating leases covering its condominium units. The leases have a term of one to two years, with renewal options.

The future minimum rentals receivable under these non-cancellable operating leases within one year amounts to P43,331 and P563,297 as at December 31, 2023 and 2022, respectively. As of December 31, 2023 and 2022, there are no future minimum rentals receivable for periods more than one year.

Total rentals from these operating leases amounted to P53,571 in 2023, P1,021,864 in 2022 and P1,409,455 in 2021, and are presented as part of Others under the Revenues section of the consolidated statements of profit or loss.

22.3 Credit Lines

As at December 31, 2023 and 2022, ASC has total credit line facilities of P520,000,000 and P670,000,000, respectively. The movements of ASC's available unused credit lines as at December 31, 2023 and 2022 are presented below (see Note 14).

	2023	2022
Balance at beginning of year	**P 670,000,000**	P 820,000,000
Loan drawdowns - net	**(150,000,000)**	(150,000,000)
Balance at end of year	**P 520,000,000**	P 670,000,000

22.4 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 at December 31, 2023 and 2022, 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.

23. MATURITY ANALYSIS OF ASSETS AND LIABILITIES

Presented below is the maturity analysis of the Group's assets and liabilities.

	Current	Non-current	Total
December 31, 2023			
Cash	P 36,884,563	P -	P 36,884,563
Receivables - net	2,367,441,956	202,937,031	2,570,378,987
Investments:			
At FVTPL	1,628,544,144	-	1,628,544,144
At FVOCI	-	2,523,040,799	2,523,040,799
Property and equipment - net	-	11,133,202	11,133,202
Deferred tax asset	-	23,517,267	23,517,267
Other assets – net	5,453,755	218,140,143	223,593,897
Total Assets	**P 4,038,324,418**	**P 2,978,768,442**	**P 7,017,092,859**
Interest-bearing loans and borrowings	P 5,884,819,762	P 1,438,236	P 5,886,257,998
Due to customers	393,572,426	-	393,572,426
Accrued expenses and other liabilities	80,246,785	49,071,107	129,317,892
Total Liabilities	**P 6,358,638,973**	**P 50,509,343**	**P 6,409,148,316**
December 31, 2022			
Cash	P 35,944,949	P -	P 35,944,949
Receivables - net	3,459,615,248	241,584,630	3,701,199,878
Investments:			
At FVTPL	1,750,972,989	-	1,750,972,989
At FVOCI	-	2,512,298,198	2,512,298,198
Property and equipment - net	-	8,831,585	8,831,585
Deferred tax asset	-	8,847,098	8,847,098
Other assets – net	2,965,987	217,323,783	220,289,770
Total Assets	P 5,249,499,173	P 2,988,885,294	P 8,238,384,467
Interest-bearing loans and borrowings	P 6,353,131,717	P -	P 6,353,131,717
Due to customers	494,767,217	-	494,767,217
Accrued expenses and other liabilities	251,309,525	43,376,989	294,686,514
Total Liabilities	P 7,099,208,459	P 43,376,989	P 7,142,585,448

P&A
Grant Thornton

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of First Abacus Financial Holdings Corporation and Subsidiaries (the Group) as at and for the year ended December 31, 2023, on which we have rendered our report dated April 26, 2024. Our audits were 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 Revised 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 the Group's 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: Yusoph A. Maute
Partner

CPA Reg. No. 0140306
TIN 415-417-641
PTR No. 10076145, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 140306-SEC (until financial period 2026)
Firm - No. 0002 (until financial period 2024)
BIR AN 08-002551-046-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 26, 2024

First Abacus Financial Holdings Corporation and Subsidiaries
List of SEC Supplementary Information
December 31, 2023

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule A - Financial Assets
December 31, 2023
(Amount in Philippine Pesos)

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*		*Amount shown in the statement of the financial position*		*Valued based on the market quotation at reporting period (per share)*		*Income received and accrued*
Financial Assets at Fair Value Through Profit or Loss							
ATOK	558	P	2,969	P	5.32	P	-
ABACORE CAPITAL	2,307		1,961		0.85		-
ASIABEST GROUP	4,417		13,295		3.01		-
ABS CBN	324		1,497		4.62		-
ABS HLDG PDR	1,100,395		5,061,817		4.60		-
AYALA CORP	561		382,041		681.00		-
ACEN CORP	610,083		2,672,164		4.38		-
AC PREF AR	10		25,080		2,508.00		-
ALSONS CONS	1,944		1,050		0.54		-
ABOITIZ EQUITY	54,397		2,426,106		44.60		-
ALLIANCE GLOBAL	2,795		31,528		11.28		-
ANCHOR LAND	50		201		4.01		-
AYALA LAND	2,821		97,183		34.45		-
ALLDAY	557		89		0.16		-
AYALA LAND LOG	4,589		8,123		1.77		-
AGRINURTURE	414		311		0.75		-
ANSCOR	755		8,803		11.66		-
ABOITIZ POWER	7,258		274,352		37.80		-

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*	*Amount shown in the statement of the financial position*	*Valued based on the market quotation at reporting period (per share)*	*Income received and accrued*
APC GROUP	6,090	P 1,462	P 0.24	P -
APOLLO GLOBAL	126,010	1,260	0.01	-
ANGLO PHIL HLDG	2,637	1,187	0.45	-
ALTUS PROP	69	641	9.29	-
APEX MINING	449	1,347	3.00	-
ARANETA PROP	461	452	0.98	-
AREIT RT	180	6,012	33.40	-
ATLAS MINING	558	1,970	3.53	-
ASIAN TERMINALS	985	14,775	15.00	-
ATN HLDG A	17,140	6,513	0.38	-
ATN HLDG B	6,700	2,546	0.38	-
ASIA UNITED	1,741	56,931	32.70	-
AXELUM	1,300	3,120	2.40	-
BENGUET A	1,750	8,523	4.87	-
BENGUET B	1,326	6,497	4.90	-
BERJAYA	183,117,015	1,453,949,099	7.94	-
BDO UNIBANK	238	31,059	130.50	-
BELLE CORP	10,947,579	12,808,667	1.17	-
BOULEVARD HLDG	40,047	2,403	0.06	-
BRIGHT KINDLE	851	1,191	1.40	-
BLOOMBERRY	36	354	9.84	-
BANK PH ISLANDS	616	63,941	103.80	-
A BROWN	4,954	3,220	0.65	-

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*	*Amount shown in the statement of the financial position*	*Valued based on the market quotation at reporting period (per share)*	*Income received and accrued*
CHELSEA	1,458	P 2,187	P 1.50	P -
CONCRETE B	30	2,024	67.45	-
CNTRL AZUCARERA	40	460	11.50	-
CITYLAND DEVT	1,017	773	0.76	-
CEBU AIR	40	1,300	32.50	-
CEB PREF	205,694	6,674,770	32.45	-
CROWN EQUITIES	14,591	1,021	0.07	-
CENTRO ESCOLAR	67	570	8.50	-
CHINABANK	203	6,263	30.85	-
CEMEX HLDG	779	732	0.94	-
CONCEPCION	80	1,160	14.50	-
CEB LANDMASTERS	4,276	10,562	2.47	-
CONVERGE	280	2,346	8.38	-
COL FINANCIAL	450	1,197	2.66	-
COSCO CAPITAL	578	2,670	4.62	-
CENTURY PROP	26,587	7,444	0.28	-
CENTURY PEAK	682	2,373	3.48	-
CITYSTATE BANK	140	1,135	8.11	-
DOUBLEDRAGON	193,184	1,468,198	7.60	-
DFNN INC	1,206	3,727	3.09	-
DITO CME HLDG	23,082	54,243	2.35	-
DMCI HLDG	2,730	26,672	9.77	-
DM WENCESLAO	500	2,580	5.16	-

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*		*Amount shown in the statement of the financial position*		*Valued based on the market quotation at reporting period (per share)*		*Income received and accrued*
DNL INDUS	23,387	P	147,572	P	6.31	P	-
EC VULCAN CORP	631		379		0.60		-
EEI CORP	369		2,203		5.97		-
EMPIRE EAST	68,159		8,861		0.13		-
EMPERADOR	29,717		619,599		20.85		-
ENEX ENERGY	9,126		44,717		4.90		-
EUROMED	35,000		24,850		0.71		-
EVER GOTESCO	59,393		17,224		0.29		-
EAST WEST BANK	7,415		63,176		8.52		-
SMC FOODANDBEV	220		11,220		51.00		-
FIGARO COFFEE	9,575,416		5,745,250		0.60		-
FILINVEST DEV	923		4,938		5.35		-
FERRONOUX HLDG	539		1,563		2.90		-
FIRST GEN	874		15,208		17.40		-
FILINVEST LAND	347,327		204,923		0.59		-
FERRONICKEL	2,907		5,988		2.06		-
FIRST PHIL HLDG	3,629		226,813		62.50		-
FRUITAS HLDG	222		213		0.96		-
GLOBAL ESTATE	1,983		1,884		0.95		-
GMA NETWORK	345		2,898		8.40		-
GMA HLDG PDR	9,307		77,248		8.30		-
GREENERGY	2,562		589		0.23		-
GINEBRA	393		66,299		168.70		-

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*	*Amount shown in the statement of the financial position*	*Valued based on the market quotation at reporting period (per share)*	*Income received and accrued*
GT CAPITAL	3	P 1,770	P 590.00	P -
ALLHOME	600	672	1.12	-
8990 HLDG	274	2,529	9.23	-
HAUS TALK	487	463	0.95	-
INTL CONTAINER	25,750	6,355,100	246.80	-
ITALPINAS	2,390	1,649	0.69	-
INTEGRATED MICR	3,597	11,367	3.16	-
IONICS	256	259	1.01	-
IPEOPLE	312	2,293	7.35	-
JOLLIBEE	17,747	4,461,596	251.40	-
JG SUMMIT	712	27,163	38.15	-
KEEPERS HLDG	908	1,344	1.48	-
KEPPEL HLDG A	4,836	24,180	5.00	-
CITY AND LAND	862	595	0.69	-
LBC EXPRESS	565	10,306	18.24	-
LEPANTO A	2,882	231	0.08	-
LEPANTO B	866,550	69,324	0.08	-
LMG CORP	4,645	15,514	3.34	-
LODESTAR	2,986	1,403	0.47	-
PACIFIC ONLINE	48	238	4.95	-

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*	*Amount shown in the statement of the financial position*	*Valued based on the market quotation at reporting period (per share)*	*Income received and accrued*
LFM PROP	2,973,649	P 178,419	P 0.06	P -
LORENZO SHIPPNG	2,958	1,627	0.55	-
LT GROUP	41	368	8.98	-
MANILA MINING A	710,245	-	-	-
MANILA MINING B	2,426,526	-	-	-
MACROASIA	100	415	4.15	-
MACAY HLDG	222	1,265	5.70	-
METROALLIANCE A	1,274	586	0.46	-
MARCVENTURES	7,932	8,567	1.08	-
MAXS GROUP	1,085	3,548	3.27	-
METROBANK	1,225	62,843	51.30	-
MEDCO HLDG	4,990	427	0.09	-
MEGAWORLD	469,109	924,145	1.97	-
MERALCO	161	64,239	399.00	-
MANULIFE	268	302,840	1,130.00	-
MG HLDG	3,695	370	0.10	-
MABUHAY HLDG	500	55	0.11	-
MERRYMART	1,600	1,648	1.03	-
MONDE NISSIN	150,145	1,258,215	8.38	-
MRC ALLIED	1,616,689	2,101,696	1.30	-
MREIT RT	121	1,488	12.30	-
METRO RETAIL	6,251	7,939	1.27	-
MABUHAY VINYL	2,793	16,367	5.86	-

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds or notes	Amount shown in the statement of the financial position	Valued based on the market quotation at reporting period (per share)	Income received and accrued
MANILA WATER	675	P 12,555	P 18.60	P -
MEGAWIDE	753	2,319	3.08	-
NIHAO	241,753	132,964	0.55	-
NICKEL ASIA	5,618	30,787	5.48	-
NOW CORP	73	84	1.15	-
OMICO CORP	42,127	11,796	0.28	-
ORNTL PETROL A	79,815	798	0.01	-
ORNTL PENINSULA	2,456	1,547	0.63	-
PHILODRILL	1,156,955	11,570	0.01	-
PACIFICA HLDG	249	344	1.38	-
PAL HLDG	240	1,217	5.07	-
PB BANK	1,030	8,961	8.70	-
PETRON	2,999	10,646	3.55	-
PETROENERGY	3,559	17,617	4.95	-
PUREGOLD	425	11,433	26.90	-
PRMIERE HORIZON	2,712	434	0.16	-
PHIL ESTATES	1,688	540	0.32	-
PHINMA	4,529	92,392	20.40	-
PH RESORTS GRP	898	781	0.87	-
SHAKEYS PIZZA	1,147	11,241	9.80	-
PREMIUM LEISURE	3,549	2,236	0.63	-
DIGIPLUS	10	80	8.00	-
PANASONIC	871	5,052	5.80	-

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*	*Amount shown in the statement of the financial position*	*Valued based on the market quotation at reporting period (per share)*	*Income received and accrued*
PHIL NATL BANK	8,749	P 161,857	P 18.50	P -
PHX PETROLEUM	186	911	4.90	-
PRYCE CORP	1,631	8,661	5.31	-
PHIL RACING	699	4,474	6.40	-
PRIME MEDIA	727	2,086	2.87	-
PSBANK	451	23,903	53.00	-
PHILTRUST	2	240	120.00	-
PX MINING	1,374	4,411	3.21	-
PXP ENERGY	174	687	3.95	-
RCBC	1,008	23,184	23.00	-
ROXAS AND CO	3,660	1,757	0.48	-
RL COMM RT	521	2,548	4.89	-
RFM CORP	6,037	18,111	3.00	-
ROBINSONS LAND	4,275	68,144	15.94	-
ROCKWELL	6,112	8,618	1.41	-
ROXAS HLDG	10,982	8,456	0.77	-
ROBINSONS RTL	903	35,804	39.65	-
SBS PHIL CORP	1,785	8,657	4.85	-
SEMIRARA MINING	956	28,919	30.25	-
SECURITY BANK	147	10,511	71.50	-
PHIL SEVEN CORP	62	4,724	76.20	-
SWIFT FOODS	64,765	3,238	0.05	-
SOLID GROUP	275	245	0.89	-

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*	*Amount shown in the statement of the financial position*	*Valued based on the market quotation at reporting period (per share)*	*Income received and accrued*
SYNERGY GRID	557	P 6.55	P 6.55	P -
SHELL PILIPINAS	243	2,658	10.94	-
SHANG PROP	1,469	5,391	3.67	-
SUN LIFE	191	519,520	2,720.00	-
STA LUCIA LAND	64	218	3.40	-
SM INVESTMENTS	2,142	1,867,824	872.00	-
SAN MIGUEL CORP	47,892	4,889,773	102.10	-
SM PRIME HLDG	3,646	119,953	32.90	-
SOC RESOURCES	1,527	550	0.36	-
SPC POWER	180	1,260	7.00	-
SP NEW ENERGY	81,877,525	108,078,333	1.32	-
SSI GROUP	5,128	11,641	2.27	-
STI HLDG	50,920	24,951	0.49	-
VISTAMALLS	21,522	51,868	2.41	-
SUNTRUST RESORT	909	773	0.85	-
TKC METALS	650	273	0.42	-
CIRTEK HLDG	1,175,904	1,869,687	1.59	-
TECH WARRANT	2,232	603	0.27	-
PLDT	10	12,790	1,279.00	-
PTFC REDEV CORP	26	1,274	49.00	-
TOP FRONTIER	281	28,634	101.90	-
HARBOR STAR	500	380	0.76	-

Name of issuing entity and association of each issue	*Number of shares or principal amount of bonds or notes*	*Amount shown in the statement of the financial position*	*Valued based on the market quotation at reporting period (per share)*	*Income received and accrued*
UNIV ROBINA	639	P 60,705	P 95.00	P -
VANTAGE	2,212	1,703	0.77	-
VITARICH	29,696	15,442	0.52	-
VISTA LAND	12,480	20,966	1.68	-
PHILWEB	1,180	2,041	1.73	-
WELLEX INDUS	5,086	1,170	0.23	-
WILCON DEPOT	32,387	676,888	20.90	-
WATERFRONT	533	203	0.38	-
XURPAS	21,600	4,104	0.19	-
ZEUS HLDG	2,794	196	0.07	-
		P 1,628,544,144		

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule A - Financial Assets

December 31, 2023
(Amount in Philippine Pesos)

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*
Financial Assets at Fair Value Through Other Comprehensive Income				
BERJAYA PHILIPPINES INC.	315,433,350	P 2,504,540,799	P 7.94	P -
CEBU COUNTRY CLUB	1	15,000,000	15,000,000	-
MIMOSA GOLF	1	2,300,000	2,300,000	-
VALLE VERDE (CORP)	2	1,200,000	600,000	-
		P 2,523,040,799		

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule B - Amounts Receivable from Directors, Officers, Employees, Related Parties, and Principal Stockholders (Other than Related Parties)
December 31, 2023
(Amount in Philippine Pesos)

Company	*Name*	*Kind of Loan*	*Balance at Beginning of Period*	*Additions*	*Amounts Collected*	*Amounts Written Off*	*Current*	*Non-Current*	*Balance at End of Period*
ASC	Cometa, Roel	Educational	P 25,187	P 55,000	P 46,245	P -	P 33,942	P -	P 33,942
ASC	Cruz, Elizabeth	Educational	10,311	-	-	-	10,311	-	10,311.00
ASC	Dela Cruz, Abigail	Educational	-	119,000	39,139	-	79,861	-	79,860.59
ASC	Delos Santos, Mari Fritz	Educational	6,120		-	-	6,120	-	6,120.32
ASC	Delos Santos, Marie Anne	Educational	24,841	-	24,840	-	0	-	0.30
ASC	Del Rosario, Ian Earl	Educational		40,000	11,502	-	28,498	-	28,498.02
ASC	Gamad, Deinelle	Educational		30,000	7,232	-	22,768	-	22,768.14
ASC	Marcelo, Cristina	Educational		42,000	17,867	-	24,133	-	24,133.10
ASC	Norega, Ermen	Educational	15,555	122,150	93,142	-	44,563	-	44,563.06
ASC	Patricio, Jhonrey	Educational		20,000	5,105	-	14,895	-	14,895.14
ASC	Rabe, Jennylen	Educational	15,587	40,000	36,455	-	19,132	-	19,132.22
ASC	Sapon, Michelle	Educational	27,377	65,000	65,104	-	27,273	-	27,272.84
ASC	Villar, Dennis	Educational	-	130,000	113,464	-	16,536	-	16,535.58
ASC	Agapay, Grace	Emergency		195,000	11,736	-	183,264	-	183,263.81
ASC	Casimsiman, Joel	Emergency	172,518	-	112,525	-	59,994	-	59,993.59
ASC	Matugas, Claire	Emergency	7,346		7,346	-	-	-	-
ASC	Norega, Ermen	Emergency	54,449	52,500	64,691	-	42,259	-	42,258.57
ASC	Pono, Araceli	Emergency	142,782	-	126,598	-	16,184	-	16,183.55
ASC	Quintana, Rizza	Emergency		51,786	25,376	-	26,410	-	26,410.36
ASC	Ramos, Nole	Emergency	1,075	30,000	6,341	-	24,734	-	24,733.96
ASC	Sapon, Michelle	Emergency		365,000	69,425	-	295,575	-	295,574.95
ASC	Soreta, Raymond	Emergency		41,869	11,011	-	30,858	-	30,857.82
ASC	Villar Dennis	Emergency	3,785	-	3,785	-	-	-	-
ASC	Franco, Raymond Neil	Housing	1,441,490	-	240,000	-	1,201,490	-	1,201,490.00
ASC	Jaca, Christian Robin	Car	260,588		91,972	-	168,616	-	168,615.62
FAF	Patana, Archimedes	Educational	26,844	-	26,844	-	0	-	0.03
FAF	Castillo, Madonna	Emergency	55,827	270,000	268,684	-	57,144	-	57,143.67
FAF	Dela Cruz, Melanio	Housing	38,376		38,376	-	0	-	0.31
ACIC	Mogol, Ma. Julieta	Educational	1,029,456		118,574	-	910,882	-	910,881.85
ACIC	Ramos, Christine	Educational	-	40,000	40,000	-	-	-	-
			P 3,359,514	**P 1,709,305**	**P 1,723,379**	**P -**	**P 3,345,442**	**P -**	**P 3,345,441**

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, 2023
(Amount in Philippine Pesos)

Name of Related Party	*Balance at Beginning of Period*	*Additions*	*Deductions*		*Ending Balance*		*Balance at End of Period*
			Amounts Collected	*Amounts Written Off*	*Current*	*Non-current*	
Abacus Securities Corporation	P 332,412	-	P 332,412	P -	P -	P -	-
Abacus Capital & Investment Corporation	44,303,715	82,934,012	16,684,282	-	110,553,446	-	110,553,446
Vista Holdings Corporation	158,456,726	259,983,983	111,100,676	-	307,340,033	-	307,340,033
				-			
	P 203,092,854	**P 342,917,996**	**P 128,117,370**	**P -**	**P 417,893,479**	**P -**	**P 417,893,479**

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule D - Long Term Debt
December 31, 2023
(Amount in Philippine Pesos)

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	P	5,733,888,438	P	5,733,888,438	P	-
Bank Loans		152,369,560		152,369,560		-
	P	**5,886,257,998**	**P**	**5,886,257,998**	**P**	**-**

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule E - Indebtedness to Related Parties (Long-Term Loans from Related Companies)
December 31, 2023
(Amounts in Millions of Philippine Pesos)

Name of related party	*Balance at beginning of period*	*Balance at end of period*

Not applicable

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule F - Guarantees of Securities of Other Issuers
December 31, 2023
(Amounts in Millions of Philippine Pesos)

Name of issuing entity of securities guaranteed by the company for which this statement is filed	*Title of issue of each class of securities guaranteed*	*Total amount guaranteed and outstanding*	*Amount owned by person for which statement is filed*	*Nature of guarantee*

Not applicable

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Schedule G - Capital Stock
December 31, 2023
(Amount in Philippine Pesos)

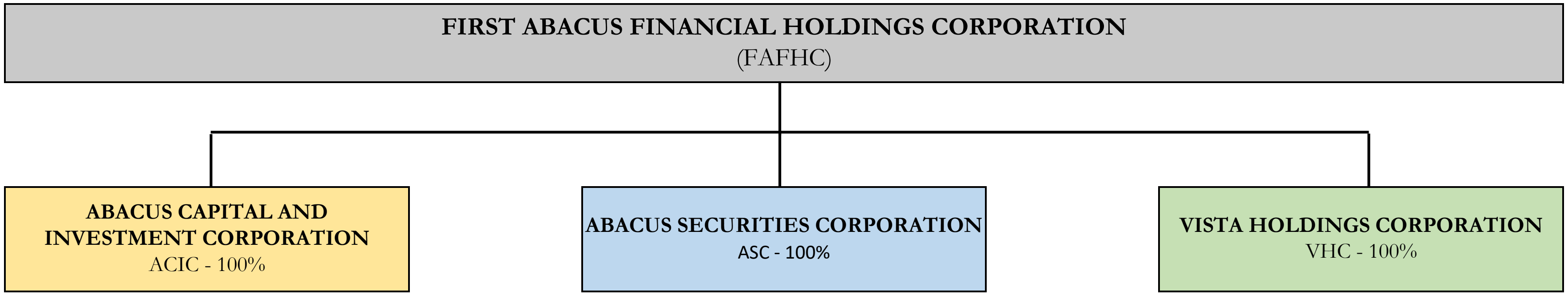
Title of Issue	*Number of Shares authorized*	*Number of shares issued and outstanding as shown under the related statement of financial position caption*	*Number of shares reserved for options, warrants, conversion and other rights*	*Number of Shares held by:*		
				Related parties	*Directors, officers and employees*	*Others*
Common shares - P1 par value						
Authorized - P1,800,000,000	1,800,000,000					
1,193,200,000 shares issued	1,193,200,000	1,193,200,000	-	76,286,000	143,010,000	973,904,000
Treasury shares		(171,413,600)	-	-	-	-
		1,021,786,400	**-**	**76,286,000**	**143,010,000**	**973,904,000**

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION
Unit 2904-A East Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City
Parent Company Reconciliation of Deficit
December 31, 2023

The Parent Company has a deficit as at December 31, 2023. Presented below is an analysis of the deficit for purposes of this reconciliation requirement.

Deficit at Beginning of Year	P	2,329,601,464
Transfer of Realized Fair Value Loss on Financial Assets at FVTPL		
Net Loss During the Year		312,250,641
Deficit at End of Year	**P**	**2,641,852,105**

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES
Map Showing the Relationships Between the Parent Company and Its Subsidiaries
December 31, 2023



Report of Independent Auditors on Components of Financial Soundness Indicators

Punongbayan & Araullo
20th Floor, Tower 1
The Enterprise Center
6766 Ayala Avenue
1200 Makati City
Philippines

T +63 2 8988 2288

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

We have audited, in accordance with Philippine Standards on Auditing, the consolidated financial statements of First Abacus Financial Holdings Corporation and subsidiaries (the Group) as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023, on which we have rendered our report dated April 26, 2024. Our audit was made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The Supplemental Schedule of Financial Soundness Indicators, including their definitions, formulas, calculation, and their appropriateness or usefulness to the intended users, are the responsibility of the Group's management. These financial soundness indicators are not measures of operating performance defined by Philippine Financial Reporting Standards (PFRS) and may not be comparable to similarly titled measures presented by other companies. This schedule is presented for the purposes of complying with the Revised Securities Regulation Code Rule 68 issued by the Securities and Exchange Commission and is not a required part of the basic consolidated financial statements prepared in accordance with PFRS. The components of these financial soundness indicators have been traced to the Group's consolidated financial statements as at December 31, 2023 and 2022 and for each of the three years in the period ended December 31, 2023 and no material exceptions were noted.

PUNONGBAYAN & ARAULLO

By: Yusoph A. Maute
Partner

CPA Reg. No. 0140306
TIN 415-417-641
PTR No. 10076145, January 3, 2024, Makati City
SEC Group A Accreditation
Partner - No. 140306-SEC (until financial period 2026)
Firm - No. 0002 (until Dec. 31, 2024)
BIR AN 08-002551-046-2023 (until Jan. 24, 2026)
Firm's BOA/PRC Cert. of Reg. No. 0002 (until Aug. 27, 2024)

April 26, 2024

FIRST ABACUS FINANCIAL HOLDINGS CORPORATION AND SUBSIDIARIES

Financial Soundness Indicators

December 31, 2023 and December 31, 2022

Ratio	Formula		2023	Formula		2022
Current Ratio	Total Current Assets divided by Total Current Liabilitites		0.64	Total Current Assets divided by Total Current Liabilitites		0.74
	Total Current Assets	4,038,324,418		Total Current Assets	5,249,499,173	
	Divide by: Total Current Liabilities	6,358,638,973		Divide by: Total Current Liabilities	7,099,208,459	
	Current Ratio	0.64		Current Ratio	0.74	
Acid Test Ratio	Quick Assets (Total Current Assets less inventories and other current assets) divided by Total Current Liabilities		0.63	Quick Assets (Total Current Assets less inventories and other current assets) divided by Total Current Liabilities		0.74
	Total Current Assets	4,038,324,418		Total Current Assets	5,249,499,173	
	Less: Other Current Assets	(5,453,755)		Less: Other Current Assets	(2,965,987)	
	Quick Assets	4,032,870,663		Quick Assets	5,246,533,186	
	Divide by: Total Current Liabilities	6,358,638,973		Divide by: Total Current Liabilities	7,099,208,459	
	Acid Test Ratio	0.63		Acid Test Ratio	0.74	
Solvency Ratio	Total Liabilities divided by Total Assets		0.91	Total Liabilities divided by Total Assets		0.87
	Total Liabilities	6,409,148,316		Total Liabilities	7,142,585,448	
	Divide by: Total Assets	7,017,092,859		Divide by: Total Assets	8,238,384,467	
	Solvency Ratio	0.91		Solvency Ratio	0.87	
Debt-to-equity Ratio	Total Liabilities divided by Total Equity		10.54	Total Liabilities divided by Total Equity		6.52
	Total Liabilities	6,409,148,316		Total Liabilities	7,142,585,448	
	Divide by: Total Equity	607,944,543		Divide by: Total Equity	1,095,799,019	
	Debt-to-equity Ratio	10.54		Debt-to-equity Ratio	6.52	
Assets-to-equity Ratio	Total Assets divided by Total Equity		11.54	Total Assets divided by Total Equity		7.52
	Total Assets	7,017,092,859		Total Assets	8,238,384,467	
	Divide by: Total Equity	607,944,543		Divide by: Total Equity	1,095,799,019	
	Assets-to-equity Ratio	11.54		Assets-to-equity Ratio	7.52	
Return on equity	Net Loss divided by Total Equity		(0.82)	Net Loss divided by Total Equity		(0.26)
	Net Loss	(497,635,467)		Net Loss	(282,415,898)	
	Divide by: Total Equity	607,944,543		Divide by: Total Equity	1,095,799,019	
	Return on equity	(0.82)		Return on equity	(0.26)	
Return on assets	Net Loss divided by Total Assets		(0.07)	Net Loss divided by Total Assets		(0.03)
	Net Loss	(497,635,467)		Net Loss	(282,415,898)	
	Divide by: Total Assets	7,017,092,859		Divide by: Total Assets	8,238,384,467	
	Return on assets	(0.07)		Return on assets	(0.03)	
Net Profit Margin	Net Loss divided by Total Revenue		(4.12)	Net Loss divided by Total Revenue		(0.81)
	Net Loss	(497,635,467)		Net Loss	(282,415,898)	
	Divide by: Total Revenue	120,896,718		Divide by: Total Revenue	347,504,258	
	Net Profit Margin	(4.12)		Net Profit Margin	(0.81)	