CTS GLOBAL EQUITY GROUP, INC.
2701-B East Tower, Tektite Towers, Exchange Road
Ortigas Center Pasig City 1605 Philippines
PSE Trading Participant, SCCP & SIPF Member
Trading Floor: (+632) 8-634-6976 **Facsimile**: (+632) 8-634-6696
Office: (+632) 8-635-5735 to 37 **Website**: www.CTSGLOBALGROUP.COM

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of **CTS Global Equity Group, Inc.** (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

Edward K. Lee
Chairman of the Board

Lawrence C. Lee
President

Edmund C. Lee
Chief Finance Officer

Signed this 18th day of April 2022

SUBSCRIBED AND SWORN to before me this APR 1 8 2022 2022, at PASIG CITY, affiants exhibited to me their respective passports, as follows:

Name	Passport No.	Date/Place Issued
Edward K. Lee	P5099380B	March 11, 2020/ DFA NCR East
Lawrence C. Lee	P6416803B	March 3, 2021/DFA NCR East
Edmund C. Lee	P3682594A	July 13, 2017/ DFA NCR East

ATTY. STEPHANIE FAYE B. REYES
For the Cities of Pasig, San Juan
and the Municipality of Pateros
Expiring on 31 December 2022
Appointment No. 98 (2021-2022) Pasig City
Roll No. 64239
PTR No. 8131559/01.07.22/Pasig City
IBP LRN 13768/RSM
MCLE Compliance No. VI-0014740/11.13.18
2703C East Tower Tektite Towers (formerly
PSE Centre), Exchange Road, Ortigas Center,
Pasig City 1605

Doc. No. : 395
Page No. : 81
Book No. : IV
Series of 2022

COVER SHEET

for

AUDITED FINANCIAL STATEMENTS

SEC Registration Number

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COMPANY NAME

C	T	S		G	L	O	B	A	L		E	Q	U	I	T	Y		G	R	O	U	P	,		I	N	C	.

PRINCIPAL OFFICE *(No./Street/Barangay/City/Town/Province)*

2	7	/	F		E	a	s	t		T	o	w	e	r	,		T	e	k	t	i	t	e		T	o	w	e	r	s	,

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C	i	t	y

Form Type	Department requiring the report	Secondary License Type, If Applicable
5 2 A R	M S R D	**Broker/Dealer**

COMPANY INFORMATION

Company's Email Address	Company's Telephone Number/s	Mobile Number
compliance@ctsglobalgroup.com	**(02) 8 635-5735**	**0961 078 5433**

No. of Stockholders	Annual Meeting (Month / Day)	Fiscal Year (Month / Day)
17	**Any Date of March**	**December 31**

CONTACT PERSON INFORMATION

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

Name of Contact Person	Email Address	Telephone Number/s	Mobile Number
Lawrence C. Lee	**lawrence@ctsglobalgroup.com**	**(02) 8 635-5735**	**0961 078 5433**

CONTACT PERSON'S ADDRESS

27/F East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City

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

NOTE 2: *All boxes must be properly and completely filled-up. Failure to do so shall cause the delay in updating the corporation's records with the Commission and/or non-receipt of Notice of Deficiencies. Further, non-receipt shall not excuse the corporation from liability for its deficiencies.*

CTS GLOBAL EQUITY GROUP, INC.
ANNUAL AUDITED FINANCIAL REPORT
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REPUBLIC OF THE PHILIPPINES
SECURITIES AND EXCHANGE COMMISSION
Metro Manila, Philippines

COVER PAGE

Information Required of Brokers and Dealers Pursuant to Rule 52.1-5 of the SRC.

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

IDENTIFICATION OF BROKER OR DEALER	
Name of Broker/Dealer:	CTS Global Equity Group, Inc.
Address of Principal Place of Business:	27/F East Tower Tektite Towers, Exchange Road Ortigas Center, Pasig City
Name and Phone Number of Person to Contact in Regard to this Report:	
Name: Lawrence C. Lee	Tel. No.: (02) 8 635-5735 Fax No.: (02) 8 634-6696

IDENTIFICATION OF ACCOUNTANT
Name of Independent Auditor whose opinion is contained in this report:
Name: Reyes Tacandong & Co. Tel. No.: (02) 8 982-9100 SEC Accreditation No. 0207-FR-3 Fax No.: (02) 8 982-9111 Group A; Valid until August 28, 2022
Address: 26th Floor BDO Towers Valero, 8741 Paseo de Roxas, Makati City
EMMANUEL V. CLARINO Partner CPA Certificate No. 27455 Tax Identification No. 102-084-004-000 BOA Accreditation No. 4782; Valid until April 13, 2024 SEC Accreditation No. 27455-SEC Group A Issued January 28, 2020 Valid for Financial Periods 2019 to 2023 BIR Accreditation No. 08-005144-005-2019; Valid until October 16, 2022 PTR No. 8851704 Issued January 3, 2022, Makati City

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors
CTS Global Equity Group, Inc.
27/F East Tower, Tektite Towers, Exchange Road
Ortigas Center, Pasig City

Opinion

We have audited the accompanying financial statements of CTS Global Equity Group, Inc. (the Company), which comprise the statements of financial position as at December 31, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years ended December 31, 2021, 2020 and 2019, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years ended December 31, 2021, 2020 and 2019 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 Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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, these could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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

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

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

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

REYES TACANDONG & CO.



EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until April 13, 2024
SEC Accreditation No. 27455-SEC Group A
Issued January 28, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-005-2019
Valid until October 16, 2022
PTR No. 8851704
Issued January 3, 2022, Makati City

April 18, 2022
Makati City, Metro Manila

CTS GLOBAL EQUITY GROUP, INC.

STATEMENTS OF FINANCIAL POSITION

		December 31					
		2021			2020		
			Security Valuation			Security Valuation	
	Note	Money Balance	Long	Short	Money Balance	Long	Short
ASSETS							
Current Assets							
Cash	6	**₱444,299,376**			₱423,021,672		
Financial assets at fair value through profit or loss (FVPL)	7	**2,061**	**₱2,061**		112,755	₱112,755	
Trade receivables	8	**406,426,557**	**42,565,183**		321,195,364	257,176,336	
Other current assets	9	**9,920,428**			2,746,821		
Total Current Assets		**860,648,422**			747,076,612		
Noncurrent Assets							
Intangible assets	10	**2,536,165**			2,494,683		
Property and equipment	11	**11,135,896**			11,945,183		
Investment property	12	**10,285,195**			10,928,018		
Net deferred tax assets	20	**3,019,688**			10,267,108		
Other noncurrent assets	13	**60,530,748**			59,901,424		
Total Noncurrent Assets		**87,507,692**			95,536,416		
Total Assets		**₱948,156,114**			₱842,613,028		
Securities in Vault, Transfer Offices, and Philippine Depository and Trust Corporation				**₱10,452,610,993**			₱8,692,397,117
LIABILITIES AND EQUITY							
Current Liabilities							
Trade payables	14	**₱331,096,290**	**10,410,043,749**		₱291,870,158	8,435,108,026	
Lease liabilities - current portion	19	**1,287,355**			1,211,891		
Income tax payable		**–**			2,754,987		
Other current liabilities	15	**8,922,915**			11,020,314		
Total Current Liabilities		**341,306,560**			306,857,350		
Noncurrent Liabilities							
Net retirement benefit liability	18	**19,740,174**			22,097,367		
Lease liabilities - net of current portion	19	**921,273**			202,584		
Total Noncurrent Liabilities		**20,661,447**			22,299,951		
Total Liabilities		**361,968,007**			329,157,301		
Equity							
Capital stock	4	**550,000,000**			500,000,000		
Retained earnings (deficit):							
Appropriated	4	**4,689,519**			–		
Unappropriated		**29,091,026**			15,249,292		
Cumulative gain (loss) on remeasurement of retirement benefits (net of deferred income tax)	18	**2,407,562**			(1,793,565)		
Total Equity		**586,188,107**			513,455,727		
Total Liabilities and Equity		**₱948,156,114**	**₱10,452,610,993**	**₱10,452,610,993**	₱842,613,028	₱8,692,397,117	₱8,692,397,117

See accompanying Notes to Financial Statements.

CTS GLOBAL EQUITY GROUP, INC.

STATEMENTS OF COMPREHENSIVE INCOME

		Years Ended December 31		
	Notes	**2021**	2020	2019
REVENUES				
Trading gains on financial assets at FVPL - net	7	**₱109,390,995**	₱157,813,316	₱25,638,532
Commissions		**15,593,189**	5,958,726	6,779,289
Interests	6	**3,018,162**	7,288,079	11,259,738
Dividends	7	**2,590,755**	1,201,085	3,310,176
		130,593,101	172,261,206	46,987,735
COSTS OF SERVICES				
Commissions		**47,412,755**	26,180,455	13,289,864
Personnel costs	17	**28,037,830**	22,539,339	25,197,795
Transaction costs		**10,982,561**	17,835,784	4,642,060
Research		**2,258,628**	2,500,607	2,744,564
Stock exchange dues and fees		**1,833,798**	872,653	1,481,247
Central depository fees		**1,031,627**	620,772	615,984
Communications		**851,271**	1,170,872	1,216,508
		92,408,470	71,720,482	49,188,022
GROSS PROFIT (LOSS)		**38,184,631**	100,540,724	(2,200,287)
OPERATING EXPENSES				
Personnel costs	17	**14,525,347**	11,677,855	12,158,920
Taxes and licenses		**3,128,970**	782,091	923,043
Condominium dues, power and water		**1,717,551**	2,053,777	2,884,031
Professional fees		**1,626,107**	923,500	736,286
Insurance and bonds		**1,449,090**	1,494,450	1,459,525
Communications		**1,225,827**	2,240,575	3,942,706
Security and other manpower services		**1,192,793**	1,223,156	1,217,883
Trainings and seminars		**603,374**	22,829	337,054
Office supplies		**262,303**	194,820	359,328
Transportation and travel		**56,961**	21,912	358,550
Others		**794,479**	588,543	515,818
		26,582,802	21,223,508	24,893,144
Depreciation and amortization	10	**4,415,310**	8,121,609	9,639,318
Interest expense	18	**940,230**	1,414,758	1,469,085
		31,938,342	30,759,875	36,001,547
OTHER INCOME (EXPENSES)				
Foreign exchange gains (losses) - net		**20,273,666**	(14,634,930)	(6,655,943)
Reversal of (provision for) credit losses	8	**(213,467)**	43,030	57,881
Other income		**–**	815,092	500
		20,060,199	(13,776,808)	(6,597,562)
INCOME (LOSS) BEFORE INCOME TAX		26,306,488	56,004,041	(44,799,396)

(Forward)

		Years Ended December 31		
	Note	**2021**	2020	2019
INCOME TAX EXPENSE (BENEFIT)	20			
Current		**₱485,389**	₱3,440,228	**₱–**
Deferred		**5,676,229**	5,668,626	(12,307,514)
		6,161,618	9,108,854	(12,307,514)
NET INCOME (LOSS)		**20,144,870**	46,895,187	(32,491,882)
OTHER COMPREHENSIVE INCOME (LOSS)				
Not to be reclassified to profit or loss on subsequent periods	18			
Remeasurement gain (loss) on retirement benefits		**5,772,318**	(3,419,817)	(5,505,378)
Deferred income tax benefit (expense)		**(1,571,191)**	1,025,945	1,651,613
		4,201,127	(2,393,872)	(3,853,765)
TOTAL COMPREHENSIVE INCOME (LOSS)		**₱24,345,997**	₱44,501,315	(₱36,345,647)
Basic/Diluted Earnings (Loss) Per Share	21	**₱0.0039**	₱0.0099	(₱0.0162)

See accompanying Notes to Financial Statements.

CTS GLOBAL EQUITY GROUP, INC.

STATEMENTS OF CHANGES IN EQUITY

	Note	Capital Stock	Deposits for Future Stock Subscriptions	Retained Earnings (Deficit)			Cumulative Remeasurement Gains (Losses) on Retirement Benefits (net of Deferred Income Tax)	Total Equity
				Appropriated	Unappropriated	Total		
Balances at December 31, 2020		**₱500,000,000**	**₱–**	**₱–**	**₱15,249,292**	**₱15,249,292**	**(₱1,793,565)**	**₱513,455,727**
Issuance of capital stock	4	**50,000,000**	**–**	**–**	**–**	**–**	**–**	**50,000,000**
Stock issuance costs		**–**	**–**	**–**	**(1,613,617)**	**(1,613,617)**	**–**	**(1,613,617)**
Net income		**–**	**–**	**–**	**20,144,870**	**20,144,870**	**–**	**20,144,870**
Appropriation	4	**–**	**–**	**4,689,519**	**(4,689,519)**	**–**	**–**	**–**
Other comprehensive gain	18	**–**	**–**	**–**	**–**	**–**	**4,201,127**	**4,201,127**
Balances at December 31, 2021		**₱550,000,000**	**₱–**	**₱4,689,519**	**₱29,091,026**	**₱33,780,545**	**₱2,407,562**	**₱586,188,107**
Balances at December 31, 2019		₱200,000,000	₱300,000,000	₱–	(₱27,445,895)	(₱27,445,895)	₱600,307	₱473,154,412
Issuance of capital stock	4	300,000,000	(300,000,000)	–	–	–	–	–
Stock issuance costs	4	–	–	–	(4,200,000)	(4,200,000)	–	(4,200,000)
Net income		–	–	–	46,895,187	46,895,187	–	46,895,187
Other comprehensive loss	18	–	–	–	–	–	(2,393,872)	(2,393,872)
Balances at December 31, 2020		₱500,000,000	₱–	₱–	₱15,249,292	₱15,249,292	(₱1,793,565)	₱513,455,727
Balances at December 31, 2018	4	₱200,000,000	₱–	₱3,814,056	₱1,231,931	₱5,045,987	₱4,454,072	₱209,500,059
Deposits for future stock subscriptions	4	–	300,000,000	–	–	–	–	300,000,000
Net loss		–	–	–	(32,491,882)	(32,491,882)	–	(32,491,882)
Reversal	4	–	–	(3,814,056)	3,814,056	–	–	–
Other comprehensive loss	18	–	–	–	–	–	(3,853,765)	(3,853,765)
Balances at December 31, 2019		₱200,000,000	₱300,000,000	₱–	(₱27,445,895)	(₱27,445,895)	₱600,307	₱473,154,412

See accompanying Notes to Financial Statements.

CTS GLOBAL EQUITY GROUP, INC.

STATEMENTS OF CASH FLOWS

		Years Ended December 31		
		2021	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES				
Income (loss) before income tax		**₱26,306,488**	₱56,004,041	(₱44,799,396)
Adjustments for:				
Unrealized foreign exchange losses (gains) - net		**(20,273,666)**	14,634,930	6,655,943
Depreciation and amortization	10	**4,415,310**	8,121,609	9,639,318
Interest income	6	**(3,018,162)**	(7,288,079)	(11,259,738)
Dividend income	7	**(2,590,755)**	(1,201,085)	(3,310,176)
Retirement benefit expense	18	**2,509,133**	2,018,138	1,359,865
Interest expense	18	**940,230**	1,414,758	1,469,085
Provision for (reversal of) credit losses	8	**213,467**	(43,030)	(57,881)
Gain on cancellation of leases	11	**–**	(762,467)	–
Gain on disposal of equipment	11	**–**	(52,625)	(500)
Unrealized losses on financial assets at FVPL - net	7	**105,380**	424	754,525
Operating income (loss) before working capital changes		**8,607,425**	72,846,614	(39,548,955)
Decrease (increase) in:				
Financial assets at FVPL		**5,314**	41,067,709	(17,152,106)
Trade receivables		**(65,188,133)**	(78,387,317)	(42,597,832)
Other current assets		**736,487**	(96,251)	(1,186,133)
Other noncurrent assets		**(629,324)**	882,139	(322,887)
Increase (decrease) in:				
Trade payables		**39,226,132**	(42,407,485)	(123,975,030)
Other current liabilities		**(2,097,399)**	9,732,043	(688,039)
Net cash generated from (used for) operations		**(19,339,498)**	3,637,452	(225,470,982)
Income taxes paid		**(11,152,433)**	(481,839)	(397,300)
Interest received		**3,017,949**	7,512,348	11,583,276
Dividend received		**2,592,718**	1,252,486	3,223,056
Net cash provided by (used in) operating activities		**(24,881,264)**	11,920,447	(211,061,950)
CASH FLOWS FROM INVESTING ACTIVITIES				
Acquisitions of:				
Intangible assets	10	**(415,893)**	(90,640)	(815,760)
Property and equipment	11	**(398,985)**	(125,968)	(772,323)
Investment in a retail treasury bond	13	**–**	(50,000,000)	–
Proceeds from disposal of equipment	11	**–**	52,625	500
Net cash used in investing activities		**(814,878)**	(50,163,983)	(1,587,583)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from capital stock issuance	4	**50,000,000**	–	–
Payment of stock issuance costs	4	**(1,613,617)**	(4,200,000)	–
Payments on lease liabilities	19	**(1,429,889)**	(3,745,242)	(4,617,355)
Deposits for future stock subscriptions	4	**–**	–	300,000,000
Net cash provided by (used in) financing activities		**46,956,494**	(7,945,242)	295,382,645

(Forward)

	Years Ended December 31		
	2021	2020	2019
NET INCREASE (DECREASE) IN CASH	**₱21,260,352**	(₱46,188,778)	₱82,733,112
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	**17,352**	(17,639)	(12,670)
CASH AT BEGINNING OF YEAR	**423,021,672**	469,228,089	386,507,647
CASH AT END OF YEAR	**₱444,299,376**	₱423,021,672	₱469,228,089

See accompanying Notes to Financial Statements.

CTS GLOBAL EQUITY GROUP, INC.
NOTES TO FINANCIAL STATEMENTS

1. Corporate Information

CTS Global Equity Group, Inc. (the Company) was incorporated and registered with the Philippine Securities and Exchange Commission (SEC) on June 26, 1986. The Company is a licensed broker/dealer of securities with the SEC, and both a stockholder and holder of a trading right of the Philippine Stock Exchange (PSE).

On October 16, 2019, the Board of Directors (BOD) and stockholders of the Company approved the following amendments to the Company's Articles of Incorporation (AOI): (a) change in primary purpose to include incidental activities of the Company to buy, sell or otherwise deal in foreign exchange; to hold interest in any form of association; to purchase, hire, own, or otherwise acquire and dispose of any lands, tenants, buildings, or property, which may be necessary or convenient for the immediate needs of the corporation and its staff; (b) change in the term of existence from 50 years from and after the date of incorporation to a perpetual existence; and (c) increase in authorized capital stock of the corporation from ₱200.0 million divided into 2.0 million shares of common stock at ₱100.0 par value per share to ₱800.0 million divided into 800.0 million shares of common stock at ₱1.0 par value per share. These amendments were approved by the SEC on January 22, 2020.

On April 8, 2020, the BOD and stockholders of the Company approved the following amendments to the Company's AOI: (a) the name of the Company shall be "CTS Global Equity Group, Inc." doing business under the trade names and styles of CTS Global, CTS Global Equities, CTS Global Securities, CTS Securities, Citisecurities (formerly Citisecurities, Inc.); and (b) the authorized capital stock of the corporation amounting to ₱800.0 million shall be divided into 8.0 billion shares of common stock at ₱0.10 par value per share. These amendments were approved by the SEC on April 14, 2021 (see Note 4).

On November 5, 2021, the BOD and stockholders of the Company authorized the Company to undertake an initial public offering (IPO) of its shares with the Philippine Stock Exchange, Inc. (PSE). Subsequently, on March 10, 2022 and March 16, 2022, the SEC and the PSE, respectively, approved the Company's application for IPO.

On April 13, 2022, the Company completed its initial public offering and was listed in the Philippine Stock Exchange (PSE) under the stock symbol CTS. The Company listed 1,375,000,000 common shares at an offer price of ₱1.00 per share. The proceeds from the IPO amounted to ₱1,375,000,000.

The registered office address of the Company is 27/F East Tower, Tektite Towers, Exchange Road, Ortigas Center, Pasig City.

The financial statements of the Company as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019 were approved and authorized for issue by the Board of Directors (BOD) on April 18, 2022.

2. **Summary of Significant Accounting Policies**

Basis of Preparation

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) issued by the Philippine Financial Reporting Standards Council and adopted by the SEC. This financial reporting framework includes PFRS, Philippine Accounting Standards (PAS) and Philippine interpretations from International Financial Reporting Interpretations Committee (IFRIC).

The significant accounting policies used in the preparation of the financial statements are consistently applied to all the years presented, unless otherwise stated.

The statements of financial position contain some additional information in line with the requirements of Rule 52.1 of the Implementing Rules and Regulations of the Securities Regulation Code.

Measurement Bases

The financial statements are presented in Philippine Peso (Peso), the Company's functional currency. All values are stated in absolute amounts, unless otherwise indicated.

The financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL).

Historical cost is generally based on the fair value of the consideration given in exchange for an asset and fair value of the consideration received in exchange for incurring a liability. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company uses observable market data to the extent possible when measuring the fair value of an asset or a liability. Fair values are categorized into different levels in a fair value hierarchy based on inputs used in the following valuation techniques:

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

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is disclosed in the following notes to the financial statements:

- Note 5 - Fair Value Measurement
- Note 7 - Financial Assets at FVPL
- Note 12 - Investment Property

Adoption of Amended PFRS

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the following amended PFRS –

- Amendment to PFRS 16, *Leases* - COVID-19-Related Rent Concessions beyond June 30, 2021 – In 2020, PFRS 16 was amended to provide practical expedient to lessees from applying the requirements on lease modifications for eligible rent concessions that is a direct consequence of COVID-19 pandemic. A lessee may elect not to assess whether eligible rent concessions from a lessor is a lease modification. A lessee that makes this election account for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for a change that is not a lease modification, e.g., as a variable lease payment. This amendment is effective for annual reporting periods beginning on or after June 1, 2020, with earlier application permitted, and covers eligible rent concessions until June 30, 2021.

  Due to the continuing impact of the pandemic, another amendment to PFRS 16 was issued in 2021, which allows lessees to extend the application of the practical expedient regarding COVID-19-related rent concessions to reduction in lease payments that are due on or before June 30, 2022. The 2021 amendment is mandatory for entities that elected to apply the previous amendment.

The adoption of the amended PFRS did not materially affect the financial statements of the Company. Additional disclosures were included in the financial statements, as applicable.

Amended PFRS Issued But Not Yet Effective

Relevant amended PFRS, which are not yet effective as at December 31, 2021 and have not been applied in preparing the financial statements, are summarized below.

Effective for annual periods beginning on or after January 1, 2022:

- Amendments to PFRS 3, *Reference to Conceptual Framework* - The amendments will replace the reference of PFRS 3 from the 1989 Framework to the current 2018 Conceptual Framework. The amendments include an exception that specifies that, for some types of liabilities and contingent liabilities, an entity applying PFRS 3 should refer to PAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, or IFRIC 21, *Levies*, instead of the Conceptual Framework. The requirement will ensure that the liabilities recognized in a business combination will remain the same as those recognized applying the current requirements in PFRS 3. The amendments also clarified that an acquirer shall not recognize contingent assets acquired in a business combination. The amendments should be applied prospectively.

- Amendments to PAS 16, *Property, Plant and Equipment - Proceeds Before Intended Use* - The amendments prohibit deducting from the cost of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for its intended use. Instead, the proceeds and related costs from such items shall be recognized in profit or loss. The amendments must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when an entity first applied the amendments.

- Amendments to PAS 37, *Onerous Contracts - Cost of Fulfilling a Contract* - The amendments clarify that for the purpose of assessing whether a contract is onerous, the cost of fulfilling a contract comprises both the incremental costs of fulfilling that contract and an allocation of costs directly related to contract activities. The amendments apply to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognized as an opening balance adjustment to retained earnings or other component of equity, as applicable. Accordingly, the comparatives are not restated. Earlier application is permitted.

- Amendment to PFRS 9, *Financial Instruments - Fees in the '10 per cent' Test for Derecognition of Financial Liabilities* – The amendment clarifies which fees an entity shall include when it applies the '10 per cent' test in assessing whether to derecognize a financial liability (i.e. whether the terms of a new or modified financial liability is substantially different from the terms of the original financial liability). These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or the lender on the other's behalf. The amendment applies to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applied the amendments. Earlier application is permitted.

- Amendments to PFRS 16, *Leases - Lease Incentives* – The amendment removes from the Illustrative Example 13 the illustration of the reimbursement of leasehold improvements by the lessor. The objective of the amendment is to avoid any potential confusion regarding the treatment of lease incentives because of how the requirements for lease incentives are illustrated.

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

- Amendments to PAS 1, *Classification of Liabilities as Current or Non-current* - The amendments clarify the requirements for an entity to have the right to defer settlement of the liability for at least 12 months after the reporting period. The amendments also specify and clarify the following: (i) an entity's right to defer settlement must exist at the end of the reporting period, (ii) the classification is unaffected by management's intentions or expectations about whether the entity will exercise its right to defer settlement, (iii) how lending conditions affect classification, and (iv) requirements for classifying liabilities where an entity will or may settle by issuing its own equity instruments. The amendments must be applied retrospectively. Earlier application is permitted.

- Amendments to PAS 1 and PFRS Practice Statement 2, *Disclosure Initiative – Accounting Policies* – The amendments require an entity to disclose its material accounting policies, instead of its significant accounting policies and provide guidance on how an entity applies the concept of materiality in making decisions about accounting policy disclosures. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and its nature. The amendments clarify (1) that accounting policy information may be material because of its nature, even if the related amounts are immaterial, (2) 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 (3) if an entity discloses immaterial accounting policy information, such information should not obscure material accounting policy information. In addition, PFRS Practice Statement 2, *Making Materiality Judgements*, is amended by adding guidance and examples to explain and

demonstrate the application of the 'four-step materiality process' to accounting policy information. The amendments should be applied prospectively. Earlier application is permitted.

- Amendments to PAS 8, *Definition of Accounting Estimates* - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies, and the correction of errors. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". An entity develops an accounting estimate if an accounting policy require an item in the financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not a correction of an error, and that 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. A change in an accounting estimate may affect only the profit or loss in the current period, or the profit or loss of both the current and future periods. Earlier application is permitted.

- Amendments to PAS 12, *Deferred Tax Related Assets and Liabilities from a Single Transaction* - The amendments require companies to recognize deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Earlier application is permitted.

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

Financial Instruments

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

Date of Recognition. The Company recognizes a financial asset or a financial liability in the statements of financial position when it becomes a party to the contractual provisions of a financial instrument. In the case of a regular way purchase or sale of financial assets, recognition and derecognition, as applicable, is done using settlement date accounting.

"Day 1" Difference. Where the transaction in a non-active market is different from the fair value of other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Company recognizes the difference between the transaction price and fair value (a "Day 1" difference) in profit or loss. In cases where there is no observable data on inception, the Company deems the transaction price as the best estimate of fair value and recognizes "Day 1" difference in profit or loss when the inputs become observable or when the instrument is derecognized. For each transaction, the Company determines the appropriate method of recognizing the "Day 1" difference.

Financial Assets

Initial Recognition and Measurement. Financial assets are recognized initially at fair value, which is the fair value of the consideration given. The initial measurement of financial instruments, except for those designated at FVPL, includes transaction cost.

Classification. The Company classifies its financial assets at initial recognition under the following categories: (a) financial assets at FVPL, (b) financial assets at amortized cost, and (c) financial assets at fair value through other comprehensive income (FVOCI). The classification of a financial

instrument largely depends on the Company's business model and its contractual cash flow characteristics.

As at December 31, 2021 and 2020, the Company does not have financial assets at FVOCI.

Financial Assets at Amortized Cost. Financial assets shall be measured at amortized cost if both of the following conditions are met:

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

After initial recognition, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. Gains and losses are recognized in profit or loss when the financial assets are derecognized and through amortization process. Financial assets at amortized cost are included under current assets if realizability or collectability is within 12 months after the reporting period. Otherwise, these are classified as noncurrent assets.

As at December 31, 2021 and 2020, the Company's cash, trade receivables, interest and dividend receivables (included under "Other current assets" account in the statements of financial position), and investment in a retail treasury bond and refundable deposits (included under "Other noncurrent assets" account in the statements of financial position) are classified under this category (see Notes 6, 8, 9 and 13).

Financial Assets at FVPL. Financial assets at FVPL are either classified as held for trading or designated at FVPL. A financial instrument is classified as held for trading if it meets either of the following conditions:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

This category includes debt instruments whose cash flows, based on the assessment at initial recognition of the assets, are not "solely for payment of principal and interest", and which are not held within a business model whose objective is either to collect contractual cash flows or to both collect contractual cash flows and sell. The Company may, at initial recognition, designate a debt instrument meeting the criteria to be classified at amortized cost or at FVOCI, as a financial asset at FVPL, if doing so eliminates or significantly reduces accounting mismatch that would arise from measuring these assets.

This category also includes equity instruments which the Company had not irrevocably elected to classify at FVOCI at initial recognition.

Dividends from equity instruments held at FVPL are recognized in profit or loss when the right to

receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

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

As at December 31, 2021 and 2020, the Company's investments in various listed equity securities are classified under this category (see Note 7).

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

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

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at amortized cost, its fair value at the reclassification date becomes its new carrying amount.

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

For a financial asset reclassified out of the financial assets at FVOCI category to financial assets at amortized cost, any gain or loss previously recognized in OCI, and any difference between the new amortized cost and maturity amount, are amortized to profit or loss over the remaining life of the investment using the effective interest method. If the financial asset is subsequently impaired, any gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

In the case of a financial asset that does not have a fixed maturity, the gain or loss shall be recognized in profit or loss when the financial asset is sold or disposed. If the financial asset is subsequently impaired, any previous gain or loss that has been recognized in OCI is reclassified from equity to profit or loss.

For a financial asset reclassified out of the financial assets at FVPL category to financial assets at FVOCI, its fair value at the reclassification date becomes its new gross carrying amount. Meanwhile, for a financial asset reclassified out of the financial assets at FVOCI category to financial assets at FVPL, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss as a reclassification adjustment at the reclassification date.

Impairment of Financial Assets at Amortized Cost. For trade receivables, the Company has applied the simplified approach and has calculated expected credit losses (ECL) based on the lifetime ECL. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to its customers and the economic environment.

For other financial assets measured at amortized cost, the Company applies a general approach in calculating ECL. The Company recognizes a loss allowance based on either 12-month ECL or lifetime ECL, depending on whether there has been a significant increase in credit risk on its other receivables since initial recognition.

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

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

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

When the Company has transferred its right to receive cash flows from a financial asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset nor transferred control of the financial asset, the financial asset is recognized to the extent of the Company's continuing involvement in the financial asset. Continuing involvement that takes the form of a guarantee over the transferred financial asset is measured at the lower of the original carrying amount of the financial asset and the maximum amount of consideration that the Company could be required to repay.

Financial Liabilities

Initial Recognition and Measurement. Financial liabilities are recognized initially at fair value, which is the fair value of the consideration received. In case of financial liabilities at amortized costs, the initial measurement is net of any directly attributable transaction costs.

Classification. The Company classifies its financial liabilities at initial recognition as either financial liabilities at FVPL or financial liabilities at amortized cost.

As at December 31, 2021 and 2020, the Company does not have financial liabilities at FVPL.

Financial Liabilities at Amortized Cost. Financial liabilities are categorized as financial liabilities at amortized cost when the substance of the contractual arrangement results in the Company having an obligation either to deliver cash or another financial asset to the holder, or to settle the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

These financial liabilities are initially recognized at fair value less any directly attributable transaction costs. After initial recognition, these financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the effective interest rate.

Gains and losses are recognized in profit or loss when the liabilities are derecognized or through the amortization process.

As at December 31, 2021 and 2020, the Company's trade payables, other current liabilities (excluding statutory payables), and lease liabilities are classified under this category (see Notes 14, 15 and 19).

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

Classification of Financial Instrument between Liability and Equity. A financial instrument is classified as liability if it provides for a contractual obligation to:

- Deliver cash or another financial asset to another entity;
- Exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Company; or
- Satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

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

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

Other Current Assets
Other current assets are comprised mainly of excess tax credits, prepayments, advances to officers and employees, prepayments and input value-added tax (VAT).

Excess Tax Credits. Excess tax credits pertain to creditable withholding tax (CWT) and prepaid income tax. CWT pertains to tax on the Company's income withheld and remitted to the Bureau of Internal Revenue (BIR) by customers and deducted from income tax payable on the same year the income was recognized. Prepaid income tax pertains to excess income tax payments of the Company over the amount due. Unapplied or excess income tax payments are carried forward and can be utilized in succeeding years.

Prepayments. Prepayments are expenses paid in advance and recorded as assets before these are utilized. Prepayments are apportioned over the period covered by the payment and included in profit or loss when incurred. Prepayments that are expected to be realized for not more than 12 months after the financial reporting period are classified as current assets. Otherwise, these are classified as noncurrent assets.

Advances to Officers and Employees. Advances to officers and employees are measured at face amount. These pertain to payments made to the Company's officers and employees in relation to the operations of the Company. These are recognized as expense upon liquidation of said advances.

Value-Added Tax (VAT)

VAT is a tax on consumption levied on the sale, barter, exchange, or lease of goods or properties and services, and on importation of goods in the Philippines. It is an indirect tax, which may be shifted or passed on to the buyer, transferee or lessee of goods, properties or services.

Revenue, expenses, and assets are recognized net of the amount of VAT, except:

- Where the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from or payable to the taxation authority is included as part of "Other current assets" or "Other current liabilities" accounts, respectively, in the statements of financial position.

Deferred Input VAT

In accordance with the Revenue Regulation (RR) No. 16-2005, input VAT on purchases or imports of the Company of capital goods (depreciable assets for income tax purposes) with an aggregate acquisition cost (exclusive of VAT) in each of the calendar month exceeding ₱1.0 million are claimed as credit against output VAT over 60 months or the estimated useful lives of capital goods, whichever is shorter.

Deferred input VAT represents the unamortized amount of input VAT on capital goods and input VAT on the unpaid portion of availed services. Deferred input VAT on capital goods is classified as current assets if it is expected to be claimed against output VAT within twelve (12) months after the reporting date. Otherwise, these are classified as noncurrent assets. Where the aggregate acquisition cost (exclusive of VAT) of the existing or finished depreciable capital goods purchased or imported during any calendar month does not exceed ₱1.0 million, the total input VAT will be allowable as credit against output VAT in the month of acquisition.

Intangible Assets

Intangible assets pertain to software and licenses and exchange trading right.

Software and Licenses. Software and licenses are measured on initial recognition at cost. Subsequent to initial recognition, software and licenses are carried at cost less accumulated amortization and any accumulated impairment losses. Software and licenses are amortized over its estimated economic life of 10 years and assessed for impairment whenever there is an indication that the software and licenses may be impaired.

The amortization period and method are reviewed at least at each reporting date. Changes in the expected economic life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Exchange Trading Right. Exchange trading right is initially measured at cost. It is an intangible asset with indefinite useful life and is tested for impairment annually. Exchange trading right is not

amortized but is carried at cost less accumulated impairment losses, if any. The exchange trading right is deemed to have indefinite useful lives as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The assumption that the exchange trading right remains to be an intangible asset with an indefinite life is reviewed annually to determine whether this continues to be supportable as such. If not, the carrying amount of the asset is amortized over its remaining useful life on a straight line basis unless a more appropriate amortization method is warranted. Any impairment losses determined are recognized in profit or loss.

Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset, and recognized in profit or loss in the period of derecognition.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization and any accumulated impairment losses.

The initial cost of property and equipment comprises its purchase price, after deducting trade discounts and rebates, and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditures incurred after the property and equipment have been put into operation, such as repairs, maintenance, and overhaul costs, are normally recognized in profit or loss in the year the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as additional costs of property and equipment.

Depreciation and amortization is computed using the straight-line method over the following estimated useful lives of the property and equipment:

	Number of Years
Office condominium units and improvements	10 to 20
Leasehold improvements	10 or lease term, whichever is shorter
Furniture, fixtures, and office equipment	2 to 5

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

Fully-depreciated assets are retained in the account until they are no longer in use and no further change for depreciation is made in respect of those assets.

When assets are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization and any accumulated impairment losses are removed from the accounts. Any resulting gain or loss is recognized in profit or loss.

Investment Property

Investment property is property held either to earn rental income or for capital appreciation or both, but not for sale in the ordinary course of business or for administrative purposes.

Investment property is measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is measured at cost, less accumulated depreciation and any impairment in value. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Depreciation of investment property is calculated on a straight-line basis over a 20-year estimated useful life. The estimated useful life and depreciation method are reviewed periodically to ensure that these are consistent with expected pattern of economic benefits of investment property.

Investment property is derecognized when either they have been disposed of or the investment property is permanently withdrawn from use and no future economic benefit is expected from their disposal. Any gains or losses on the retirement or disposal of investment property are recognized in profit or loss in the period of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by the end of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when, and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

For transfers from investment property to owner-occupied properties or inventories, the cost for subsequent accounting is its carrying amount at the date of change in use. If the property occupied by the Company as an owner-occupied property becomes an investment property, the Company accounts for such in accordance with the policy under property and equipment up to the date of change in use.

Impairment of Nonfinancial Assets

The carrying amounts of nonfinancial assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, except for the exchange trading right where test of impairment is done annually. If any such indication exists and when the carrying amounts exceed the estimated recoverable amounts, the assets or cash-generating units (CGU) are written down to their recoverable amounts. The recoverable amount of the asset is the greater of the fair value less cost to sell or value in use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the CGU to which the asset belongs. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such instance, the carrying amount of the asset is increased to its recoverable amount. However, that increased amount cannot exceed the carrying amount that would have been determined, net of depreciation and amortization, had no

impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss. After such reversal, the depreciation and amortization charges are adjusted in future years to allocate the asset's revised carrying amount, on a systematic basis over its remaining useful life.

Equity

Capital Stock. Capital stock is measured at par value for all shares issued and outstanding.

Deposit for Future Stock Subscriptions. Deposit for future stock subscription represents funds received from existing or potential stockholders to be applied as payment for future issuance of capital stock. Proceeds are recognized as equity if and only if, all of the following set forth by the SEC are present as of the end of the reporting period:

- There is a lack or insufficiency of authorized unissued shares of stock to cover the deposit;
- The Company's Board of Directors and stockholders have approved an increase in capital stock to cover the shares corresponding to the amount of the deposit; and
- An application for the approval of the increase in capital stock has been presented for filling or filed with the SEC.

If any or all of the foregoing elements are not present, the transaction should be recognized as a liability.

Retained Earnings (Deficit). Retained earnings (deficit) represent the cumulative balance of net income or loss, net of any dividend declarations. At each reporting date, net income or loss of the Company is transferred to retained earnings. Appropriated retained earnings pertain to the restricted portion which is intended for the reserve fund in compliance with the SRC Rule 49.1 (B). When the retained earnings amount has a debit balance, it is called 'deficit'. A deficit is a deduction from equity.

Incremental costs directly attributable to the issuance of new common stock are recognized as a deduction from equity, net of any tax effects.

Other Comprehensive Income (OCI). OCI pertains to cumulative remeasurement gains or losses on net retirement benefit liability, net of related deferred tax.

Revenue Recognition

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

The Company also assesses its revenue arrangements to determine if it is acting as a principal or as an agent. The Company has assessed that it acts as agent in its brokerage transactions. The Company acts as a principal in its income from other sources.

Commissions. These pertain to the revenue from brokerage transactions, which are recorded on trade date basis as trade transaction occurs.

The following specific recognition criteria must also be met for other revenues:

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

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

Dividends. Dividend income is recognized when the Company's right to receive the payment is established, which is generally when the board of directors approves the dividend declaration.

Other Income. Income from other sources is recognized when earned during the period.

Cost and Expense Recognition

Costs and expenses are recognized in profit or loss when a decrease in future economic benefit related to a decrease in an asset or an increase of a liability has arisen that can be measured reliably.

Costs of Services. Costs of services such as commissions, direct personnel costs, transaction costs, research costs, stock exchange dues and fees, central depository fees and communication costs are recognized when the related revenue is recognized or when the service is rendered.

Operating Expenses. Operating expenses incurred by the Company such as indirect personnel costs, utility costs, and other operating expenses are administrative overhead costs and are recognized in profit or loss when incurred.

Employee Benefits

Short-term Benefits. The Company recognizes short-term employee benefits based on contractual arrangements with employees. Unpaid portion of the short-term employee benefits are measured on an undiscounted basis and is included as part of "Other current liabilities" account in the statements of financial position.

Retirement Benefits. Retirement benefit costs are actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. The calculation of defined benefit liability is performed annually by a qualified actuary. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in the future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Company recognizes service costs, comprising of current service costs and past service costs in profit or loss. Net interest costs on retirement benefit liability is presented as part of "Interest expense" account in the statements of comprehensive income.

The Company determines the net interest expense by applying the discount rate to the net defined liability at the beginning of the year, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments.

Remeasurements of the retirement benefit liability, comprising of actuarial gains and losses, return on plan assets (excluding interest), and effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI and are not reclassified to profit or loss in subsequent periods.

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

The net retirement benefit liability recognized by the Company is the aggregate of the present value of the defined benefit liability reduced by the fair value of plan assets, out of which the obligations are to be settled directly. The present value of the defined benefit liability is determined by discounting the estimated future cash outflows using risk-free interest rates of government bonds that have terms to maturity approximating the terms of the related retirement benefit liability. Actuarial valuations are made so that the amounts recognized in the financial statements do not differ materially from the amounts that would be determined at the reporting date.

Leases

The Company assesses whether the contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified assets for a period of time, the Company assesses whether, throughout the period of use, it has both of the following:

i. The right to obtain substantially all of the economic benefits from use of the identified asset; and

ii. The right to direct the use of the identified asset.

If the Company has the right to control the use of an identified asset for only a portion of the term of the contract, the contract contains a lease for that portion of the term.

The Company also assesses whether a contract contains a lease for each potential separate lease component. The Company recognizes a ROU asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee.

Company as a Lessee. At the commencement date, the Company recognizes a ROU asset and a lease liability for all leases, except for leases with lease terms of 12 months or less (short-term leases) and leases for which the underlying asset is of low value in which case the lease payments associated with those leases are recognized as an expense on a straight-line basis.

ROU Assets. At commencement date of the lease contract, the Company measures a ROU asset (presented as part of property and equipment account) at cost. The initial measurement of ROU assets includes the following:

- The amount of the initial measurement of lease liability;
- Lease payments made at or before the commencement date less any lease incentives received;
- Initial direct costs; and
- An estimation of costs to be incurred by the Company in dismantling and removing the underlying asset, when applicable.

After the commencement date, the ROU assets are carried at cost less any accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the

related lease liabilities. The ROU assets are depreciated over the shorter of the lease terms or the useful lives of the underlying assets.
Lease Liabilities. At commencement date, the Company measures a lease liability at the present value of future lease payments using the interest rate implicit in the lease, if that rate can be readily determined. Otherwise, the Company uses its incremental borrowing rate.

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

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

A lease liability is subsequently measured at amortized cost. Interest expense on the lease liability and any variable lease payments not included in the measurement of lease liability are recognized in profit or loss unless these are capitalized as costs of another asset. Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss when the event or condition that triggers those payments occurs.

If there is a change in the lease term or if there is a change in the assessment of an option to purchase the underlying asset, the lease liability is remeasured using a revised discount rate considering the revised lease payments on the basis of the revised lease term or reflecting the change in amounts payable under the purchase option. The lease liability is also remeasured using the revised lease payments if there is a change in the amounts expected to be payable under a residual value guarantee or a change in future lease payments resulting from a change in an index or a rate used to determine those payments.

Income Taxes

Current Tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rate and tax laws used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

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

Deferred tax liabilities are recognized for all taxable temporary differences that are expected to increase future taxable income. Deferred tax assets are recognized for all deductible temporary differences and carryforward benefits of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular corporate income tax (RCIT) and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and carryforward benefits of unused tax credits and unused tax losses can be utilized. Deferred tax, however, is not recognized when it arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered.

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

Deferred tax is recognized in profit or loss except to the extent that it relates to a business combination, or items directly recognized to equity or in OCI.

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

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individual or corporate entities. Transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related parties in an economically comparable market. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely on legal form.

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Related party transactions are considered material and/or significant if i) these transactions amount to 10% or higher of the Company's total assets or, ii) there are several transactions or a series of transactions over a 12-month period with the same related party amounting to 10% or higher of the Company's total assets.

Foreign Currency-Denominated Transactions

Transactions denominated in foreign currencies are recorded using the exchange rate at the date of the transaction. Outstanding monetary assets and liabilities denominated in foreign currencies are translated using the closing exchange rate at reporting date. Differences arising on settlement or translation of monetary assets and liabilities are recognized in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item. Differences arising on settlement or translation of monetary items are recognized in profit or loss.

Segment Reporting

The Company reports separate information about each operating segment identified. An operating segment is a component of the Company that engages in business activities: from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components; from whose operating results are regularly reviewed to make decisions about resources to be allocated to the segment; and for which discrete information is

available.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in profit or loss, net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Contingencies

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

Earnings per Share (EPS)

Basic EPS is calculated by dividing the net income (less preferred dividends net of tax, if any) for the year attributable to common stockholders by the weighted average number of common stocks outstanding during the year, with retroactive adjustment for any stock dividends or stock splits declared during the year.

Diluted EPS is computed by dividing net income by the weighted average number of common stocks outstanding during the year, after giving retroactive effect for any stock dividends, stock splits or reverse stock splits during the year, and adjusted for the effect of dilutive options.

Events after the Reporting Date

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

3. Summary of Significant Judgments, Accounting Estimates, and Assumptions

The preparation of the financial statements requires management to exercise judgments and make accounting estimates and assumptions that affect the amounts reported in the financial statements and related notes. The judgments and accounting estimates, and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances as at the reporting date. While the Company believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the estimated amounts. Actual results could differ from such estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The following are the significant judgments, accounting estimates, and assumptions by the Company:

Judgments

Determination the of Functional Currency. Based on the economic substance of the underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be Philippine Peso, which is the currency of the primary economic environment in which the Company operates. It is the currency that mainly influences economic value of the income and costs from the Company's operations.

Classification and Measurement of Financial Assets. Classification and measurement of financial assets depends on the results of the "solely for payments of principal and interests" and the business model test. The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment reflecting all relevant evidence including how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how these risks are managed.

The Company monitors financial assets measured at FVPL or amortized cost that are derecognized prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate. Otherwise, change in the business model should result to a change in the classification of those financial assets.

As at December 31, 2021 and 2020, the Company's investments in various listed equity securities and investment in a retail treasury bond are classified as financial assets at FVPL and amortized cost, respectively (see Notes 7 and 12).

Fair Value Measurement of Financial Instruments. The fair values of securities that are actively traded in organized financial markets are determined by reference to unadjusted quoted market prices at the close of business on the reporting date.

When the fair values of financial assets recorded in the statements of financial position cannot be measured based on quoted prices in active market, their fair value is measured using valuation techniques including the discounted cash flow model. The inputs to this model are taken from observable market when possible, but when this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

In accordance with the amendments to PFRS 7, disclosures about the level in the fair value hierarchy are required in which the fair value measurements are categorized for assets and liabilities measured in the statements of financial position.

Assumptions and methods of determining the fair values of financial instruments are presented in Note 5 to the financial statements.

Determination of the Operating Segments. The Company is organized into operating segments based on business activities as allowed under PFRS 8, *Operating Segments* due to their similar

characteristics. This is evidenced by a consistent range of gross margin across all business activities as well as uniformity in revenue trend for all business activities. Moreover, all business activities have the following business characteristics:

- Similar nature of products/services offered and methods to distribute products and provide services;
- Similar class of target customers; and
- Primary place of operations is in the Philippines.

As at December 31, 2021 and 2020, the Company determined that it has two operating segments which pertain to local and global trading (see Note 22).

Evaluation of the Adequacy of Tax Liabilities. The Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretation of tax laws and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Accounting Estimates and Assumptions

Assessment of the ECL on Trade Receivables. The Company, applying the simplified approach in the computation of ECL, initially uses a provision matrix based on historical default rates for trade receivables. The provision matrix specifies provision rates depending on the number of days that a trade receivable is past due. The Company also uses appropriate groupings if its historical credit loss experience show significantly different loss patterns for different customer segments. The Company then adjusts the historical credit loss experience with forward-looking information on the basis of current observable data affecting each customer segment to reflect the effects of current and forecasted economic conditions. The Company regularly reviews the methodology and assumptions used for estimating ECL to reduce any differences between estimates and actual credit loss experience.

The determination of the relationship between historical default rates and forecasted economic conditions is a significant accounting estimate. Accordingly, the provision for credit losses on trade receivables is sensitive to changes in assumptions about forecasted economic conditions.

Provision for (reversal of) credit losses on trade receivables are as follows:

	Note	**2021**	2020	2019
Provision for (reversal of) credit losses on trade receivables	8	**₱213,467**	(₱43,030)	(₱57,881)

The carrying amounts of trade receivables and related allowance for credit losses are as follows:

	Note	**2021**	2020
Trade receivables	8	**₱406,426,557**	₱321,195,364
Allowance for credit losses	8	**502,152**	288,685

Assessment of the ECL on Other Financial Assets at Amortized Cost. The Company determines the allowance for ECL using general approach. The Company calculates ECL for its other financial assets at amortized cost at initial recognition by considering the occurrences and probabilities of possible defaults only for the next 12 months, rather than the life of the asset. It continues to apply this method until a significant increase in credit risk has occurred, at which point the loss allowance is measured based on lifetime ECL.

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

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

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

The Company has assessed that the ECL on other financial assets at amortized cost is not material because the transactions with respect to these financial assets were entered into by the Company only with reputable banks and companies with good credit standing and relatively low risk of defaults. Accordingly, no provision for credit losses on other financial assets at amortized cost was recognized in 2021, 2020 and 2019.

The carrying amounts of other financial assets at amortized cost are as follows:

	Note	**2021**	2020
Cash	6	**₱444,299,376**	₱423,021,672
Interest receivables*	9	**237,772**	237,772
Dividend receivables*	9	**–**	1,963
Investment in a retail treasury bond**	13	**50,000,000**	50,000,000
Refundable deposits**	13	**10,277,093**	9,640,526

**Included under "Other current assets" account in the statements of financial position.*
***Included under "Other noncurrent assets" account in the statements of financial position.*

Estimation of the Useful Lives of Intangible Assets, Property and Equipment (including Right-of-Use Assets), and Investment Property. The exchange trading right is deemed to have indefinite useful life as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. The useful lives of software and licenses, property and equipment, and investment property are estimated based on the period over which the assets are expected to be available for use and are reviewed periodically to ensure that the method and period of depreciation and amortization are consistent with the expected pattern of economic benefits from items of software and licenses, property and equipment and investment property.

The useful lives are updated if expectations differ from previous estimates due to physical wear and tear, and technical and commercial obsolescence. Any reduction in the estimated useful lives of these assets would increase the Company's recorded operating expenses and decrease noncurrent assets.

There is no change in the estimated useful lives of software and licenses, property and equipment and investment property in 2021, 2020 and 2019.

Assessment of the Impairment of Nonfinancial Assets. The Company assesses impairment on intangible assets, property and equipment (including right-of-use assets), investment property, and other nonfinancial assets whenever events or changes in circumstances indicate that the carrying amount of the assets or Company of assets may not be recoverable. The relevant factors that the Company considers in deciding whether to perform an asset impairment review include, among others, the following:

- Significant underperformance of a business in relation to expectations;
- Significant negative industry or economic trends; and
- Significant changes or planned changes in the use of the assets.

Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognized. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

The recoverable amount of the asset is the greater of the fair value less cost of disposal or value in use. The fair value less cost to sell is the net amount obtainable from the sale of an asset in an arm's-length transaction. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

No impairment loss on intangible assets, property and equipment, investment property and other nonfinancial assets was recognized in 2021, 2020 and 2019.

The carrying amounts of nonfinancial assets are as follows:

	Note	**2021**	2020
Property and equipment	11	**₱11,135,896**	₱11,945,183
Investment property	12	**10,285,195**	10,928,018
Intangible assets	10	**2,536,165**	2,494,683
Other current assets*	9	**9,682,656**	2,507,086
Other noncurrent assets**	13	**253,655**	260,898

**Excluding interest and dividends receivable aggregating ₱0.2 million as at December 31, 2021 and 2020, respectively.*
***Excluding investment in a retail treasury bond and refundable deposits aggregating ₱60.3 million and ₱59.6 million as at December 31, 2021 and 2020, respectively.*

Determination of the Retirement Benefits. The determination of the obligation and cost of retirement benefit is dependent on the assumptions used by the actuary in calculating such amounts. The assumptions are described in Note 18 to the financial statements and include, among others, discount rates and salary increase rates. Actual results that differ from the Company's assumptions are recognized in OCI and, therefore, generally affect the recorded obligation in such future periods.
Net retirement benefit liability amounted to ₱19.7 million and ₱22.1 million as at December 31, 2021 and 2020, respectively (see Note 18).

Recognition of Deferred Tax Assets. The Company reviews the carrying amount of deferred tax assets at each reporting date and adjusts the balance 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 within the period allowed by the tax regulations.

The Company recognized deferred tax assets amounting to ₱5.6 million and ₱10.9 million as at December 31, 2021 and 2020, respectively, because management believes that the Company will be able to generate sufficient taxable income against which these deferred tax assets can be utilized (see Note 20).

4. Financial Risk Management Objectives and Policies

The Company's financial instruments consist mainly of cash, financial assets at FVPL, trade receivables, interest and dividend receivables (included under "Other current assets" account in the statements of financial position), investment in a retail treasury bond and refundable deposits (included under "Other noncurrent assets" account in the statements of financial position), trade payables, other current liabilities (excluding statutory liabilities), and lease liabilities.

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

Credit Risk

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

The carrying amounts of the financial assets at amortized cost represent its maximum credit exposure, without taking into account any collateral, other credit enhancements or credit risk mitigating features. The table below presents the credit quality of the assets by indicating whether the assets are subjected to 12-month ECL or lifetime ECL. Assets that are credit-impaired, if any, are separately presented.

	2021			
	12-month ECL	**Lifetime ECL – Not Credit-Impaired**	**Lifetime ECL – Credit-Impaired**	**Total**
Financial assets at amortized cost:				
Cash	**₱444,287,376**	**₱–**	**₱–**	**₱444,287,376**
Trade receivables	**–**	**406,928,709**	**–**	**406,928,709**
Interest receivables*	**237,772**	**–**	**–**	**237,772**
Investment in a retail treasury bond**	**50,000,000**	**–**	**–**	**50,000,000**
Refundable deposits**	**–**	**10,277,093**	**–**	**10,277,093**
	₱494,525,148	**₱417,205,802**	**₱–**	**₱911,730,950**

**Included under "Other current assets" account in the statements of financial position.*
***Included under "Other noncurrent assets" account in the statements of financial position.*

	2020			
	12-month ECL	Lifetime ECL – Not Credit-Impaired	Lifetime ECL – Credit Impaired	Total
Financial assets at amortized cost:				
Cash in banks and cash equivalents	₱423,009,672	₱–	₱–	₱423,009,672
Trade receivables	–	321,484,049	–	321,484,049
Interest receivables*	237,772	–	–	237,772
Dividend receivables*	1,963	–	–	1,963
Investment in a retail treasury bond**	50,000,000	–	–	50,000,000
Refundable deposits**	–	9,640,526	–	9,640,526
	₱473,249,407	₱331,124,575	₱–	₱804,373,982

**Included under "Other current assets" account in the statements of financial position.*
***Included under "Other noncurrent assets" account in the statements of financial position.*

The Company limits its exposure to credit risk by mainitaining its deposit with highly reputable and pre-approved financial institutions. In addition, customers are initially assessed for creditworthiness based on their profile (i.e., financial capacity, reputation, collateral). The Company mitigates its credit risk by transacting with recognized and creditworthy counterparties. The Company also monitors receivable balances regularly. In accordance with the Risk-Based Capital Adequacy (RBCA) requirements, limits are imposed to avoid large exposure to a single client or counterparty and single equity relative to a particular issuer company or group of companies. Furthermore, credit exposures are minimized by collateral held in the form of securities purchased.

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

Trade Receivables
The Company uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments analyzed by customer type, credit terms, and number of days outstanding. The Company adjusts historical default rates to forward-looking default rate by determining the closely related economic factor affecting each customer segment (i.e. percentage change in GDP). At each reporting date, the observed historical default rates are updated and changes in the forward-looking estimates are analyzed.

The aging analysis of the Company's receivables from customers is as follows:

	2021		
Days from Transaction Date of Counterparty	**Amount**	**Collateral (net of haircut)**	**Counterparty Exposure**
1 - 3 days	**₱26,854**	**₱118,243**	**₱–**
4 - 14 days	**42,644**	**32,460**	**852**
15 - 31 days	**2,709**	**755,205**	**–**
Over 31 days	**980,129**	**27,013,803**	**501,300**
	₱1,052,336	**₱27,919,711**	**₱502,152**

	2020		
Days from Transaction Date of Counterparty	Amount	Collateral (net of haircut)	Counterparty Exposure
1 - 3 days	₱121,342	₱7,514,251	₱–
4 - 14 days	299,389	36,410,932	61,907
15 - 31 days	1,745,348	1,542,062	245,893
Over 31 days	2,622,064	127,553,775	159,751
	₱4,788,143	₱173,021,020	₱467,551

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

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

As at December 31, 2021 and 2020, receivables from customers amounting to ₱1.1 million and ₱4.8 million respectively, are secured by collateral comprising of equity securities of listed companies with a total market value of ₱42.6 million and ₱257.2 million, respectively (see Note 8).

Receivables from other brokers pertain to funds held by other brokers for the Company's global trading activities. The Company has assessed that ECL on these receivables are insignificant because the counterparties are companies with good credit standing and low risk of defaults. Further, the funds held by other brokers as at the end of the reporting period were subsequently reinvested to various equity and debt securities in other foreign markets. On the other hand, receivables from clearing house are due and collectible after three (3) business days from transaction date. Accordingly, no provision for credit losses on receivables from other brokers and clearing house was recognized in 2021, 2020 and 2019.

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

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

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

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

The Company has assessed that the ECL on other financial assets at amortized cost is insignificant because the transactions with respect to these financial assets are with reputable banks and companies with good credit standing and low risk of defaults. Accordingly, no provision for credit losses on other financial assets at amortized cost was recognized in 2021, 2020 and 2019.

Liquidity Risk
Liquidity risk arises when the Company encounters difficulties in raising adequate funds to meet its financial commitments at a reasonable cost. The Company's objectives in effectively managing its liquidity are: (a) to ensure that adequate funding is available at all times; (b) to meet the commitments as they arise without incurring unnecessary costs; and (c) to be able to access funding when needed at the least possible cost.

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

The table below summarizes the maturity profile of the financial liabilities of the Company based on remaining undiscounted cash flows:

	2021				
	On Demand	**1 to 3 Months**	**3 to 12 Months**	**1 to 5 Years**	**Total**
Trade payables	**₱331,096,290**	**₱–**	**₱–**	**₱–**	**₱331,096,290**
Lease liabilities	**–**	**359,884**	**959,356**	**929,500**	**2,248,740**
Other current liabilities*	**–**	**6,492,533**	**–**	**–**	**6,492,533**
	₱331,096,290	**₱6,852,417**	**₱959,356**	**₱929,500**	**₱339,837,563**

Excluding statutory liabilities amounting to ₱2.4 million as at December 31, 2021.

	2020				
	On Demand	1 to 3 Months	3 to 12 Months	1 to 5 Years	Total
Trade payables	₱291,870,158	₱–	₱–	₱–	₱291,870,158
Lease liabilities	–	77,175	411,300	2,558,910	3,047,385
Other current liabilities*	–	2,921,814	–	–	2,921,814
	₱291,870,158	₱2,998,989	₱411,300	₱2,558,910	₱297,839,357

Excluding statutory liabilities amounting to ₱8.1 million as at December 31, 2020.

Market Risks

The Company is exposed to market risks, primarily those related to foreign currency risk and equity price risk. Management actively monitors these exposures, as follows:

Foreign Currency Risk. Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company periodically reviews the trend of the foreign exchange rates to address its exposure in foreign currency risk. The Company's policy is to maintain foreign currency exposure within acceptable limits and within the existing regulatory guidelines. The Company believes that its profile of foreign currency exposure on its assets is within conservative limits for a financial institution engaged in the type of business in which the Company is engaged.

The following table shows the Company's US dollar-denominated monetary financial assets:

	December 31, 2021			
	US Dollar	**Philippine Peso**	**HK Dollar**	**Philippine Peso**
Financial assets:				
Cash in banks	**$6,360**	**₱322,944**	**$–**	**₱–**
Receivables from other brokers	**6,330,235**	**321,411,360**	**6,694,793**	**43,583,778**
	$6,336,595	**₱321,734,304**	**$6,694,793**	**₱43,583,778**

	December 31, 2020			
	US Dollar	Philippine Peso	HK Dollar	Philippine Peso
Financial assets:				
Cash in banks	$6,516	₱312,981	$–	₱–
Receivables from other brokers	4,930,846	236,858,140	11,542,244	71,486,887
	$4,937,362	₱237,171,121	$11,542,244	₱71,486,887

For purposes of restating the outstanding balances of the Company's foreign currency-denominated monetary financial assets as at December 31, 2021, the exchange rates applied were ₱50.77 and ₱6.51 per US$1 and HK$1, respectively. As at December 31, 2020, the exchange rates applied ₱48.04 and ₱6.19 per US$1 and HK$1, respectively.

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar and HK dollar exchange rates, with all other variables held constant, of the Company's income before tax in 2021 and 2020. There is no other impact on the Company's equity other than those already affecting profit or loss.

	Increase/Decrease in Exchange Rate		Effect on Income before Tax	
	US Dollar	HK Dollar	US Dollar	HK Dollar
December 31, 2021	**+1.08**	**+0.13**	**₱6,852,115**	**₱870,367**
	-1.08	**-0.13**	**(6,852,115)**	**(870,367)**
December 31, 2020	+1.09	+0.14	₱5,381,725	₱1,615,914
	-1.09	-0.14	(5,381,725)	(1,615,914)

Equity Price Risk. Equity price risk arise when the fair values of quoted equity securities decrease as the result of the adverse changes in the quoted equity prices as affected by both rational and irrational market forces. The Company's equity risk exposure is mainly from its financial assets at FVPL.

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

The table below sets forth the impact of changes in PSE index (PSEi) in the Company's unrealized gain or loss on fair value changes of its financial assets at FVPL:

	2021		2020		2019	
Changes in PSEi	**18.63%**	**(18.63%)**	14.59%	(14.59%)	17.62%	(17.62%)
Changes in trading income at equity portfolio under:						
Property	**₱83**	**(₱83)**	₱11,925	(₱11,925)	₱62,576	(₱62,576)
Holding firms	**68**	**(68)**	23,950	(23,950)	321,497	(321,497)
Food, beverage, and tobacco	**30**	**(30)**	2,421,006	(2,421,006)	1,557,443	(1,557,443)
Banks	**6**	**(6)**	265,821	(265,821)	112,447	(112,447)
Education	**5**	**5**	–	–	–	–
Other financial institution	**–**	**–**	42	(42)	99,372	(99,372)
Mining	**–**	**–**	219,845	(219,845)	8,234	(8,234)
Transportation services	**–**	**–**	41,133	(41,133)	8,878	(8,878)
Information technology	**–**	**–**	11,213	(11,213)	10,069	(10,069)
Electricity, energy, power, and water	**–**	**–**	–	–	238,808	(238,808)
Others	**–**	**–**	13,415	(13,415)	38,385	(38,385)
	₱192	**(₱192)**	₱3,008,350	(₱3,008,350)	₱2,457,709	(₱2,457,709)

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

Capital Management

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

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

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

Required Capitalization for Broker/Dealers

In compliance with SRC Rule 28 of the 2015 *Implementing Rules and Regulations of Securities Regulation Code*, trading participants, who will be participating in a registered clearing agency, are required to have a minimum unimpaired capital of ₱100.0 million effective November 9, 2015.

Unimpaired paid-up capital pertains to the Company's paid-up capital less any deficit. The unimpaired paid-up capital of the Company amounted to ₱550.0 million, ₱500.0 million and ₱172.6 million as at December 31, 2021, 2020 and 2019, respectively.

Details of the Company's common shares at ₱0.10 par value per share are as follows:

	2021		2020		2019	
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorized Capital Stock						
Balance at beginning of year	800,000,000	₱800,000,000	200,000,000	₱200,000,000	200,000,000	₱200,000,000
Effect of stock split	7,200,000,000	–	–	–	–	–
Addition	–	–	600,000,000	600,000,000	–	–
Balance at end of year	8,000,000,000	₱800,000,000	800,000,000	₱800,000,000	200,000,000	₱200,000,000
Issued and Outstanding						
Balance at beginning of year	500,000,000	₱500,000,000	200,000,000	₱200,000,000	200,000,000	₱200,000,000
Effect of stock split	4,500,000,000	–	–	–	–	–
Addition	500,000,000	50,000,000	300,000,000	300,000,000	–	–
Balance at end of year	5,500,000,000	₱550,000,000	500,000,000	₱500,000,000	200,000,000	₱200,000,000

On October 16, 2019, the BOD and stockholders of the Company approved the increase in authorized capital stock from ₱200.0 million divided into 2.0 million common shares at ₱100 par value per share to ₱800.0 million divided into 800.0 million common shares at ₱1 par value per share. The amount of cash received from stockholders amounted to ₱300.0 million.

On November 6, 2019, the Company submitted the application for the increase in authorized capital stock to the SEC.

On January 22, 2020, the SEC approved the Company's increase in authorized capital stock. Accordingly, deposit for future stock subscription of ₱300.0 million was applied against the issuance of additional 300.0 million shares at ₱1.0 par value per share from the Company's unissued capital stock. In 2020, the directly attributable costs on the increase in authorized capital stock and issuance of additional shares amounted to ₱4.2 million.

On April 8, 2020, the BOD and stockholders of the Company approved the change in the par value of the authorized capital stock from ₱1 per share to ₱0.10 per share.

On April 14, 2021, the SEC approved the Company's change in par value of its authorized capital stock.

On July 15, 2021, the Company issued additional 500.0 million shares at ₱0.10 par value per share from the Company's unissued capital stock. Stock issuance costs pertaining to documentary stamp tax paid by the Company amounted to ₱0.5 million.

On December 13, 2021, the Company incurred additional stock issuance costs amounting to ₱1.1 million in relation to the application for registration of securities with SEC for its initial public offering.

Reserve Fund

The Company shall annually appropriate a certain minimum percentage of its previous year's audited net income and transfer the same to "Appropriated Retained Earnings" in compliance with SRC Rule 49.1 (B). The Company appropriated a reserve fund amounting to ₱4.7 million in 2021. The Company has no appropriation for reserve fund in 2020 because of the audited net loss position in 2019. The Company reversed the appropriated retained earnings amounting to ₱3.8 million in 2019 because it incurred a deficit as at December 31, 2019.

Net Liquid Capital (NLC)

The Company is required, at all times, to have and maintain an NLC of at least ₱5.0 million or 5% of its Aggregate Indebtedness (AI), whichever is higher.

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

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

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

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

a. Adding unrealized gains (or deducting unrealized losses) in the accounts of the Company;
b. Deducting fixed assets and assets which cannot be readily converted into cash (less any AI in accordance with SRC Rule 49.1);
c. Deducting general guarantees and indemnities for loans and indebtedness other than those incurred by the Company, unless otherwise permitted by the SEC; and
d. Deducting long and short securities differences.

AI shall mean the total money liabilities of a broker/dealer arising in connection with any transaction whatsoever and includes, among others, money borrowed, money payable against securities loaned and securities failed to receive, market value of securities borrowed to the extent to which no equivalent value is paid or credited (other than the market value of margin securities borrowed from customers and margin securities borrowed from non-customers), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' accounts having short positions in securities, but excluding the items set out in SRC Rule 49.1 (1) (D).

The Company's NLC met the minimum prescribed amounts as shown below:

	2021	2020	2019
NLC:			
Equity eligible for NLC	**₱580,760,857**	₱504,982,184	₱457,644,316
Less ineligible assets	**44,170,660**	37,801,236	56,730,319
	536,590,197	467,180,948	400,913,997
Required NLC:			
Higher of:			
5% of AI	**10,875,773**	9,869,863	8,563,243
Minimum amount	**5,000,000**	5,000,000	5,000,000
	10,875,773	9,869,863	8,563,243
Net risk-based capital excess	**₱525,714,424**	₱457,311,085	₱392,350,754

Ratio of AI to NLC

The Company shall not permit its AI to all other persons to exceed 2,000% of its NLC.

The Company's ratio of AI to NLC is 41%, 42% and 43% as at December 31, 2021, 2020 and 2019, respectively.

RBCA Requirement/Ratio

The RBCA requirement/ratio refers to the minimum level of capital to be maintained by firms which are licensed or securing a broker/dealer license, taking into consideration the firm size, complexity, and business risk. Such risks that are considered in determining the capital requirement include, among others, operational, position, counterparty, large exposure, underwriting, and margin financing risks. The RBCA ratio should be greater than or equal to 1:1.

The RBCA ratio is the ratio linking the NLC of the Company to its Total Risk Capital Requirement (TRCR), calculated as the Company's NLC divided by its TRCR. The TRCR is the sum of:

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

	2021	2020	2019
NLC	**₱536,590,197**	₱467,180,948	₱400,913,997
TRCR:			
Operational risk	**20,232,681**	15,640,329	18,071,422
Credit risk	**–**	2,077,420	14,247,566
Position risk	**1,976,552**	2,014,495	4,717
Total risk capital requirement	**22,209,233**	₱19,732,244	₱32,323,705
RBCA ratio	**2,416%**	2,368%	1,240%

As at December 31, 2021, 2020 and 2019, the Company is compliant with the required RBCA ratio.

Ratio of Core Equity to ORR

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

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

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

	2021	2020	2019
Capital stock	**₱550,000,000**	₱500,000,000	₱200,000,000
Beginning retained earnings (deficit)	**15,249,292**	(27,445,895)	5,045,987
Core equity	**565,249,292**	472,554,105	205,045,987
ORR	**20,232,681**	15,640,329	18,071,422
Ratio of Core Equity to ORR	**2,794%**	3,021%	1,135%

5. Fair Value Measurement

The following table presents the carrying amount and fair value of the Company's assets measured at fair value and for which fair value is disclosed, and the corresponding fair value hierarchy:

		2021			
			Fair Value		
	Note	**Carrying Amount**	**Quoted Prices in Active Markets (Level 1)**	**Significant Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Asset measured at fair value -					
Financial assets at FVPL	7	**₱2,061**	**₱2,061**	**₱–**	**₱–**
Assets for which fair value is disclosed:					
Investment property	12	**10,285,195**	**–**	**–**	**35,830,800**
Investment in a retail treasury bond	13	**50,000,000**	**–**	**49,027,064**	**–**
		₱60,287,256	**₱2,061**	**₱49,027,064**	**₱35,830,800**

		2020			
			Fair Value		
	Note	Carrying Amount	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Asset measured at fair value -					
Financial assets at FVPL	7	₱112,755	₱112,755	₱–	₱–
Assets for which fair value is disclosed:					
Investment property	12	10,928,018	–	–	35,830,800
Investment in a retail treasury bond	13	50,000,000	–	48,102,533	–
		₱61,040,773	₱112,755	₱48,102,533	₱35,830,800

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

Financial Assets at FVPL. The Company's financial assets at FVPL as at December 31, 2021 and 2020 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on prevailing quoted market prices, which are usually the closing prices from active markets as at reporting date.

Investment Property. Valuations were derived on the basis of recent sales of similar properties in the same areas as the investment property and taking into account the economic conditions prevailing at the time the valuations were made and comparability of similar properties sold with the property being valued. The fair valuation is classified under Level 3 category.

The significant unobservable inputs used in the fair value measurement of the Company's investment property are the estimated net price per square meter and various factors such as size, location, and utility, among others. Significant increases (decreases) in the estimated net price per square meter in isolation would result in a significantly higher (lower) fair value measurement. Further, choosing comparables with different inputs would result in a significantly different fair value measurement.

The Company has determined that the current use of its investment property as at December 31, 2021 is its highest and best use.

Investment in a Retail Treasury Bond. The fair value of investment in a retail treasury bond was determined as the sum of all the future cash flows discounted at 1.78% and 1.85% as at December 31, 2021 and 2020, respectively, which is the prevailing market rate of instruments with similar maturities. The fair valuation is classified under Level 2 category.

There were no transfers between Level 1, Level 2 and Level 3 fair value measurements in 2021, 2020 and 2019.

The table below presents the financial assets and liabilities whose carrying amount approximates their fair value because of their short term nature or their fair value cannot be reliably determined:

	2021	2020
Financial assets at amortized cost:		
Cash	**₱444,299,376**	₱423,021,672
Trade receivables	**406,426,557**	321,195,364
Interest receivables*	**237,772**	237,772
Dividend receivables*	**–**	1,963
Refundable deposits**	**10,277,093**	9,640,526
	₱861,240,798	₱754,097,297

**Included under "Other current assets" account in the statements of financial position.*
***Included under "Other noncurrent assets" account in the statements of financial position.*

	2021	2020
Other financial liabilities at amortized cost:		
Trade payables	**₱331,096,290**	₱291,870,158
Other current liabilities*	**6,492,533**	2,921,814
	₱337,588,823	₱294,791,972

**Excluding statutory liabilities aggregating to ₱2.4 million and ₱8.1 million as at December 31, 2021 and 2020, respectively.*

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

Refundable Deposits. The carrying amount of refundable deposits approximates fair value. The management believes that the effect of discounting the future receipts from these financial instruments using the prevailing market rates is not significant.

6. Cash

This account consists of:

	2021	2020
Cash on hand	**₱12,000**	₱12,000
Cash in banks	**444,287,376**	423,009,672
	₱444,299,376	₱423,021,672

Cash in banks earn interest at prevailing bank deposit rates.

Short-term placements which were made for varying periods of up to three months, depending on the Company's immediate cash requirements, matured on July 9, 2020, earned interest at the respective short-term placement rates ranging from 1.5% to 4.0% per annum in 2020 and 3.5% to 4.0% per annum in 2019.

Interest income were derived from:

	Note	**2021**	2020	2019
Cash in banks		**₱1,152,855**	₱2,928,725	₱2,323,283
Short-term placements		**–**	2,285,030	5,580,101
Receivables from other brokers	8	**115,307**	524,052	3,356,354
Investment in a retail treasury bond	13	**1,750,000**	1,550,272	–
		₱3,018,162	₱7,288,079	₱11,259,738

In compliance with SRC Rule 49.2-1 covering customer protection and custody of securities, the Company maintains a special reserve bank account for the exclusive benefit of its customers amounting to ₱432.2 million and ₱402.1 million as at December 31, 2021 and 2020, respectively. The Company's reserve requirement is determined weekly based on the SEC's prescribed computation. As at December 31, 2021 and 2020, the Company's reserve accounts are adequate to cover its reserve requirements.

7. Financial Assets at FVPL

This account consists of shares listed in the PSE amounting to ₱2,061 and ₱112,755 as December 31, 2021 and 2020, respectively.

The Company's financial assets at FVPL as at December 31, 2021 and 2020 are carried at fair values based on sources classified under the Level 1 category. The fair values of financial assets at FVPL are based on prevailing quoted market prices or bidding dealer price quotations from active market as at the reporting date (see Note 5).

Dividend income earned from financial assets at FVPL amounted to ₱2.6 million, ₱1.2 million and ₱3.3 million in 2021, 2020 and 2019, respectively.

Net trading gains on financial assets at FVPL consist of the following:

	2021	2020	2019
Realized fair value gains from:			
Global trading	**₱40,709,268**	₱89,122,950	₱3,370,897
Local trading	**68,787,107**	68,690,790	23,022,160
Unrealized gains (losses) on fair value changes on stocks held from:			
Local trading	**(105,380)**	(424)	(1,555,945)
Global trading	**–**	–	801,420
	₱109,390,995	₱157,813,316	₱25,638,532

8. Trade Receivables

This account consists of:

	2021	2020
Receivables from:		
Other brokers	**₱364,995,138**	₱308,345,027
Clearing house	**40,881,235**	8,350,879
Customers	**1,052,336**	4,788,143
	406,928,709	321,484,049
Less allowance for credit losses	**502,152**	288,685
	₱406,426,557	₱321,195,364

Receivables from other brokers pertain to the funds deposited with other brokers as at December 31, 2021 and 2020 in order for the Company to trade in other foreign markets. Interest income earned from receivables from other brokers amounted to ₱0.1 million, ₱0.5 million and ₱3.4 million in 2021, 2020 and 2019, respectively.

Receivables from clearing house are due and collectible after three business days from the transaction date. Accordingly, balances as at December 31, 2021 and 2020, were fully collected in January 2022 and 2021, respectively.

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

	2021		2020	
	Money Balances	**Security Valuation - Long**	Money Balances	Security Valuation - Long
Cash and fully secured accounts:				
More than 250%	**₱481,884**	**₱42,458,796**	₱4,108,399	₱256,850,824
Between 200% and 250%	**–**	**–**	–	–
Between 150% and 200%	**–**	**–**	220	360
Between 100% and 150%	**2,610**	**2,980**	119,342	149,739
Partially secured accounts	**248,650**	**103,407**	552,888	175,413
Unsecured accounts	**319,192**	**–**	7,294	–
	1,052,336	**42,565,183**	4,788,143	257,176,336
Less allowance for credit losses	**502,152**	**–**	288,685	–
	₱550,184	**₱42,565,183**	₱4,499,458	₱257,176,336

Collaterals related to receivables from customers pertain to listed equity securities amounting to ₱42.6 million and ₱257.2 million as at December 31, 2021 and 2020, respectively. The fair values of these securities are based on prevailing quoted market prices, which are usually the closing prices from active markets as at the reporting date.

Provision for credit losses pertains to specific provisions on past due receivables. The movements in the allowance for credit losses are as follows:

	2021	2020
Balance at beginning of year	**₱288,685**	₱331,715
Provision for (reversal of) credit losses	**213,467**	(43,030)
Balance at end of year	**₱502,152**	₱288,685

Reversal of credit losses in 2019 amounted to ₱57,881.

9. Other Current Assets

This account consists of:

	2021	2020
Excess tax credits	**₱7,912,057**	₱–
Prepayments	**1,175,617**	1,041,796
Advances to officers and employees	**502,345**	1,070,438
Interest receivables	**237,772**	237,772
Dividend receivables	**–**	1,963
Other receivables	**92,637**	394,852
	₱9,920,428	₱2,746,821

Prepayments which are related to rentals, subscriptions, insurance, and taxes and licenses, are amortized over the period covered by the payment.

Advances to officers and employees pertain to cash advances subject to liquidation within 30 days after the transaction occurred.

Other receivables are noninterest-bearing and generally settled within one (1) year.

10. **Intangible Assets**

This account consists of:

	2021	2020
Software and licenses	**₱2,061,165**	₱2,019,683
Exchange trading right	**475,000**	475,000
	₱2,536,165	₱2,494,683

Software and Licenses

The balance and movements of software and licenses as at and for the years ended December 31, 2021 and 2020 are as follows:

	2021	2020
Cost		
Balance at beginning of year	**₱3,724,434**	₱3,633,794
Additions	**415,893**	90,640
Balance at end of year	**4,140,327**	3,724,434
Accumulated Amortization		
Balance at beginning of year	**1,704,751**	1,355,575
Amortization	**374,411**	349,176
Balance at end of year	**2,079,162**	1,704,751
Carrying Amount	**₱ 2,061,165**	₱2,019,683

Exchange Trading Right

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

Republic Act (RA) No. 8799 entitled SRC to prescribe the conversion of PSE from a non-stock corporation into a stock corporation (demutualization) effective August 8, 2001, pursuant to a conversion plan approved by the SEC.

As a result of the conversion plan and on the basis of the relative fair values of the PSE shares and the exchange trading right as of the time of the demutualization, the Company's membership in the PSE, originally amounting to ₱1.0 million was bifurcated equally into (a) investment in PSE shares (classified as financial assets at FVPL) and (b) exchange trading right. The investment in PSE shares was sold in 2020.

As at December 31, 2021 and 2020, the carrying amount of the exchange trading right is ₱475,000.

As at December 31, 2021 and 2020, the latest transacted price of the exchange trading right, as provided by the PSE, is ₱9.0 million and ₱8.5 million, respectively.

No impairment loss was recognized on intangible assets in 2021 2020 and 2019.

Details of depreciation and amortization are:

	Note	**2021**	2020	2019
Intangible assets		**₱374,411**	₱349,176	₱266,089
Property and equipment	11	**3,398,076**	7,129,610	8,730,406
Investment property	12	**642,823**	642,823	642,823
		₱4,415,310	₱8,121,609	₱9,639,318

11. Property and Equipment

The balances and movements of this account as at and for the years ended December 31, 2021 and 2020 are as follows:

		2021			
	Note	**Office Condominium Units and Improvements**	**Leasehold Improvements**	**Furniture, Fixtures, and Office Equipment**	**Total**
Cost					
Balances at beginning of year		**₱19,682,472**	**₱4,995,930**	**₱22,244,358**	**₱46,922,760**
Additions		**2,217,803**	**14,249**	**356,737**	**2,588,789**
Derecognition		**–**	**–**	**(747,321)**	**(747,321)**
Balances at end of year		**21,900,275**	**5,010,179**	**21,853,774**	**48,764,228**
Accumulated Depreciation and Amortization					
Balances at beginning of year		**11,988,955**	**1,641,069**	**21,347,553**	**34,977,577**
Depreciation and amortization	10	**2,299,221**	**506,285**	**592,570**	**3,398,076**
Derecognition		**–**	**–**	**(747,321)**	**(747,321)**
Balances at end of year		**14,288,176**	**2,147,354**	**21,192,802**	**37,628,332**
Carrying Amounts		**₱7,612,099**	**₱2,862,825**	**₱660,972**	**₱11,135,896**

		2020			
	Note	Office Condominium Units and Improvements	Leasehold Improvements	Furniture, Fixtures, and Office Equipment	Total
Cost					
Balances at beginning of year		₱33,290,102	₱11,863,472	₱24,411,561	₱69,565,135
Additions		6,216	3,163	116,589	125,968
Disposals		–	(6,870,705)	(2,283,792)	(9,154,497)
Derecognition		(13,613,846)	–	–	(13,613,846)
Balances at end of year		19,682,472	4,995,930	22,244,358	46,922,760
Accumulated Depreciation and Amortization					
Balances at beginning of year		12,835,927	8,006,125	21,396,506	42,238,558
Depreciation and amortization	10	4,389,122	505,649	2,234,839	7,129,610
Disposals		–	(6,870,705)	(2,283,792)	(9,154,497)
Derecognition		(5,236,094)	–	–	(5,236,094)
Balances at end of year		11,988,955	1,641,069	21,347,553	34,977,577
Carrying Amounts		₱7,693,517	₱3,354,861	₱896,805	₱11,945,183

Additions to ROU assets (included as part of "Office condominium units and improvements" in property and equipment) amounting to ₱2.2 million and ₱3.0 million in 2021 and 2019, respectively, are considered as noncash financial information in the statements of cash flows (see Note 19).

Fully depreciated property and equipment were sold for ₱52,625 and ₱500 in the years ended December 31, 2020 and 2019, respectively.

As at December 31, 2021 and 2020, cost of fully-depreciated assets still in use amounted to ₱27.8 million and ₱27.2 million, respectively.

Effective June 2020, the Company cancelled two (2) of its existing lease contracts. Accordingly, the related ROU assets (included as part of "Office condominium units and improvements" in property and equipment) and lease liabilities were written off during the year (see Note 19). This resulted to the recognition of gain on cancellation of leases included under "Other income" account in the statements of comprehensive income as follows:

Carrying amount of ROU assets	₱8,377,752
Carrying amount of lease liabilities	(9,140,219)
Gain on cancellation of leases	₱762,467

This is considered as noncash financial information in the statements of cash flows.

12. Investment Property

The balances and movements of this account are as follows:

	Note	**2021**	2020
Cost			
Balances at beginning and end of year		**₱12,856,487**	₱12,856,487
Accumulated Depreciation			
Balances at beginning of year		**1,928,469**	1,285,646
Depreciation	10	**642,823**	642,823
Balances at end of year		**2,571,292**	1,928,469
Carrying Amount		**₱10,285,195**	₱10,928,018

Investment property pertains to the condominium unit which is currently held by the Company for undetermined use.

The Company did not earn any rental income nor incurred any direct costs related to its investment property in 2021, 2020 and 2019.

The fair value of investment property amounted to ₱35.8 million as at December 31, 2021 and 2020. The fair value was determined using the Sales Comparison Approach. This approach compares sales of similar or substitute properties and related market data to establish an estimated value. The fair value of investment property is categorized under Level 3 (significant unobservable inputs) (see Note 5). As at December 31, 2021 and 2020, the investment property is not pledged as collateral.

13. Other Noncurrent Assets

This account consists of:

	Note	2021	2020
Investment in a retail treasury bond		**₱50,000,000**	₱50,000,000
Refundable deposits from:			
Clearing and Trade Guarantee Fund (CTGF) contributions		**10,193,868**	9,546,101
Rental and utility	19	**83,225**	94,425
Others		**253,655**	260,898
		₱60,530,748	₱59,901,424

On February 11, 2020, the Company purchased an investment in a retail treasury bond with a face value amounting to ₱50.0 million. The investment earns a coupon rate of 4.375% per annum, payable on a quarterly basis, and will mature on February 11, 2023. Interest income earned from the investment amounted to ₱1.8 million and ₱1.6 million in 2021 and 2020, respectively (see Note 6).

Refundable deposit from CTGF pertains to the monthly contributions paid by the Company, as a Clearing Member, to the CTGF maintained by the Securities Clearing Corporation of the Philippines (SCCP). The monthly contribution is equivalent to 1/500 of 1% applied to the Clearing Member's total monthly turnover value less block sales and cross transactions of the same flag. The deposit is refundable upon the cessation of the business and/or termination of the membership with the SCCP, provided that all liabilities owing to the SCCP at the time of termination, whether actual or contingent, shall have been satisfied or paid in full.

14. Trade Payables

This account consists of:

	2021		2020	
	Money Balance	**Security Valuation - Long**	Money Balance	Security Valuation - Long
Payable to customers:				
With money balance	**₱329,083,693**	**₱8,102,165,172**	₱288,879,542	₱6,648,068,049
Without money balance	–	**2,307,878,577**	–	1,787,039,977
	329,083,693	**10,410,043,749**	288,879,542	8,435,108,026
Dividends payable to customers	**1,331,028**	–	1,263,219	–
Others	**681,569**	–	1,727,397	–
	₱331,096,290	**₱10,410,043,749**	₱291,870,158	₱8,435,108,026

Payable to customers pertains to segregated bank balances received and held for customers in the course of its regulated trading activities. These are noninterest-bearing and payable on demand.

15. Other Current Liabilities

This account consists of:

	2021	2020
Due to the BIR	**₱2,186,306**	₱7,897,877
Accruals for:		
Commissions	**4,436,579**	1,758,203
Professional fees	**416,978**	408,800
Others	**411,765**	204,837
Accounts payable	**887,318**	331,899
Trading fee payable	**339,893**	218,075
Social Security System, Pag-IBIG, and PhilHealth payable	**244,076**	200,623
	₱8,922,915	₱11,020,314

Due to the BIR comprises output tax, withholding tax, and percentage tax payable to the Philippine BIR and are generally settled in the succeeding month from transaction date.

Accounts payable are noninterest-bearing and generally settled within one year.

16. Related Party Transactions

The Company has transactions with its related parties in the ordinary course of business as follows:

		Amount of Transactions		Outstanding Balance		
	Nature of Transactions	**2021**	2020	**2021**	2020	Terms and Conditions
Trade Receivables						
Affiliate with common officers and stockholders	Commission income	**₱1,805,721**	₱601,244	**₱43,583,778**	₱71,486,887	3-day; noninterest-bearing; secured; settled in cash
Trade Payables						
Affiliate with common officers and stockholders	Commission expense	**₱5,301,168**	₱11,633,389	**₱115,736,798**	₱122,247,520	3-day; noninterest-bearing; secured; no guarantee;
Key management personnel	Commission income	**126,458**	85,006	**28,715,757**	9,082,014	settled in cash
				₱144,452,555	₱131,329,534	
Other Current Liabilities						
Affiliate with common officers and stockholders	Purchase of goods	**₱–**	₱9,380	**₱–**	₱–	Noninterest-bearing, unsecured; settled in cash within one (1) year
Personnel Costs						
Key management personnel	Short-term employee benefits	**₱6,653,182**	₱6,194,084	**₱–**	₱–	
	Directors' fees	**25,000**	–	–	–	
	Retirement benefits	**347,120**	276,205	**3,505,956**	2,990,498	Noninterest-bearing, unsecured and payable upon retirement

RR No. 34-2020 of the BIR

In 2021 and 2020, the Company did not meet the criteria prescribed in RR No. 34-2020 to file and submit the Related Party Transaction Form or the BIR Form 1709 together with the Annual Income Tax Return. Accordingly, the Company is not also required to prepare and submit a transfer pricing documentation as prescribed in the said regulation.

17. Personnel Costs

This account consists of:

	Note	2021	2020	2019
Salaries and wages		**₱34,990,108**	₱28,982,533	₱30,806,059
Retirement benefit cost	18	**2,509,133**	2,018,138	1,359,865
Other benefits		**5,063,936**	3,216,523	5,190,791
		₱42,563,177	₱34,217,194	₱37,356,715

Personnel costs were distributed as follows:

	2021	2020	2019
Cost of services	**₱28,037,830**	₱22,539,339	₱25,197,795
Operating expenses	**14,525,347**	11,677,855	12,158,920
	₱42,563,177	₱34,217,194	₱37,356,715

18. Retirement Benefits

The Company has a funded, noncontributory defined benefit retirement plan covering substantially all of its regular employees. The benefits are based on a certain percentage of the final monthly basic salary for every year of credited service of the employees. The funded benefit obligation under the defined benefit retirement plan is determined using the projected unit credit method. The benefits to be received by the employees under the defined benefit retirement plan shall not be less than the minimum mandated benefit under RA No. 7641, *The Retirement Pay Law*. There were no termination, curtailment, or settlement in 2021 and 2020. The latest actuarial valuation report of the Company is dated October, 27 2021.

The components of retirement benefit costs included under "Personnel costs" and "Interest expense" accounts in the statements of comprehensive income are as follows:

	Note	2021	2020	2019
Current service cost	17	**₱2,509,133**	₱2,018,138	₱1,359,865
Net interest cost		**905,992**	853,518	639,211
		₱3,415,125	₱2,871,656	₱1,999,076

The components of net retirement benefit liability recognized in the statements of financial position are as follows:

	2021	2020
Balance at beginning of year	**₱22,097,367**	₱15,805,894
Current service cost	**2,509,133**	2,018,138
Net interest cost	**905,992**	853,518
Remeasurement loss (gain) recognized in OCI	**(5,772,318)**	3,419,817
Balance at end of year	**₱19,740,174**	₱22,097,367

The funded status and amounts recognized in the statements of financial position for the net retirement benefit liability are as follows:

	2021	2020
Present value of retirement benefit liability	**₱21,406,253**	₱24,738,246
Fair value of plan assets	**(1,666,079)**	(2,640,879)
	₱19,740,174	₱22,097,367

The changes in the present value of the retirement benefit liability are as follows:

	2021	2020
Balance at beginning of year	**₱24,738,246**	₱18,260,367
Current service cost	**2,509,133**	2,018,138
Interest cost	**1,014,268**	986,060
Benefits paid	**(965,355)**	–
Remeasurement loss (gain) recognized in OCI:		
Experience adjustments	**(324,241)**	(849,715)
Change in financial assumptions	**(5,565,798)**	4,323,396
Balance at end of year	**₱21,406,253**	₱24,738,246

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

	2021	2020
Balance at beginning of year	**₱2,640,879**	₱2,454,473
Interest income	**108,276**	132,542
Remeasurement gain (loss) recognized in OCI	**(117,721)**	53,864
Benefits paid	**(965,355)**	–
Balance at end of year	**₱1,666,079**	₱2,640,879
Actual return on plan assets	**(₱9,445)**	₱186,406

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	2021	2020
Debt securities	**99.14%**	98.80%
Cash in bank	**0.86%**	1.20%
	100.00%	100.00%

The principal assumptions used in determining retirement benefit liability are as follows:

	2021	2020
Discount rate	**5.70%**	4.10%
Future salary increase	**5.00%**	5.00%

Sensitivity analysis on retirement benefit liability as at December 31, 2021 is as follows:

	Change in Assumption	Effect on Retirement Benefit Liability	
		2021	2020
Discount rate	+1.00%	**(₱2,683,190)**	(₱3,424,846)
	-1.00%	**3,265,308**	4,221,544
Salary increase rate	+1.00%	**3,094,707**	3,957,536
	-1.00%	**(2,594,755)**	(3,285,460)

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the end of the reporting period.

The cumulative remeasurement gains (losses) on retirement benefits recognized in the statements of financial position are as follows:

	2021		
	Cumulative Remeasurement Gains (Losses)	**Deferred Tax Benefit (Expense)**	**Net**
Balances at beginning of year	**(₱2,562,234)**	**₱768,669**	**(₱1,793,565)**
Remeasurement loss	**5,772,318**	**(1,443,079)**	**4,329,239**
Effect of change in tax rates	**–**	**(128,112)**	**(128,112)**
Balances at end of year	**₱3,210,084**	**(₱802,522)**	**₱2,407,562**

	2020		
	Cumulative Remeasurement Gains (Losses)	Deferred Tax Benefit (Expense)	Net
Balances at beginning of year	₱857,583	(₱257,276)	₱600,307
Remeasurement loss	(3,419,817)	1,025,945	(2,393,872)
Balances at end of year	(₱2,562,234)	₱768,669	(₱1,793,565)

	2019		
	Cumulative Remeasurement Gains	Deferred Tax Benefit (Expense)	Net
Balances at beginning of year	₱6,362,961	(₱1,908,889)	₱4,454,072
Remeasurement loss	(5,505,378)	1,651,613	(3,853,765)
Balances at end of year	₱857,583	(₱257,276)	₱600,307

As at December 31, 2021, the maturity analysis of the undiscounted retirement benefit liability is as follows:

Year	Amount
More than one year to five years	₱6,125,176
More than five years to 10 years	11,134,381
More than 10 years to 15 years	9,609,278
More than 15 years	146,920,325
	₱173,789,160

As at December 31, 2021 and 2020, the average duration of the net retirement benefit liability at the end of the reporting period is 33.5 years and 32.9 years, respectively.

Interest expenses were derived from:

	Note	**2021**	2020	2019
Net retirement liability		**₱905,992**	₱853,518	₱639,211
Lease liabilities	19	**34,238**	561,240	829,874
		₱940,230	₱1,414,758	₱1,469,085

19. **Leases**

The Company, as lessee, has lease agreements for its office spaces with lease terms ranging from two (2) to three (3) years and one (1) to two (2) years as at December 31, 2021, and 2020, respectively. The leases are renewable upon mutual agreement of the parties. Refundable deposits on these lease agreements amounted to ₱0.1 million as at December 31, 2021 and 2020, respectively (see Note 14).

The Company has written off ROU assets and lease liabilities related to the cancellation of certain lease contracts in 2020 (see Note 11). This is considered as a noncash financial information in the statements of cash flows.

The balance and movements of the ROU assets (included as component of property and equipment) are as follows:

	Note	**2021**	2020
Cost			
Balance at beginning of year		**₱3,024,453**	₱16,638,299
Additions	11	**2,189,804**	–
Write-off	11	**–**	(13,613,846)
Balance at end of year		**5,214,257**	3,024,453
Accumulated Depreciation			
Balance at beginning of year		**1,655,980**	3,438,977
Depreciation		**1,361,951**	3,453,097
Write-off	11	**–**	(5,236,094)
Balance at end of year		**3,017,931**	1,655,980
Carrying Amount		**₱2,196,326**	₱1,368,473

The balance and movements of lease liabilities are as follows:

	Note	**2021**	2020
Balance at beginning of year		**₱1,414,475**	₱13,738,696
Additions		**2,189,804**	–
Interest expense	18	**34,238**	561,240
Lease payments		**(1,429,889)**	(3,745,242)
Write-off	11	**–**	(9,140,219)
Balance at end of year		**₱2,208,628**	₱1,414,475

Lease liabilities are presented in the statement of financial position as follows:

	2021	2020
Current	**₱1,287,355**	₱1,211,891
Noncurrent	**921,273**	202,584
	₱2,208,628	₱1,414,475

The Company recognized the following lease-related expenses:

	Note	**2021**	2020	2019
Depreciation		**₱1,361,951**	₱3,453,097	₱4,326,855
Interest expense on lease liabilities	18	**34,238**	561,240	829,874
		₱1,396,189	₱4,014,337	₱5,156,729

Future minimum lease commitments under non-cancellable leases as at December 31, 2021 are as follows:

Within one (1) year	₱1,319,240
After one (1) year but no more than two (2) years	929,500
	₱2,248,740

20. Income Taxes

The components of income taxes as reported in the statements of comprehensive income are as follows:

	2021	2020	2019
Reported in Profit or Loss			
Current tax expense (RCIT)	**₱485,389**	₱4,722,890	₱–
Less applied excess MCIT over RCIT	**–**	(1,282,662)	–
	485,389	3,440,228	–
Deferred tax expense (benefit)	**5,676,229**	5,668,626	(12,307,514)
	₱6,161,618	₱9,108,854	(₱12,307,514)
Reported in OCI			
Deferred tax benefit (expense) on remeasurement losses on net retirement benefit liability	**(₱1,571,191)**	₱1,025,945	₱1,651,613

The components of the Company's net deferred tax assets are as follows:

	2021	2020
Deferred tax assets:		
Net retirement benefit liability	**₱4,935,044**	₱6,629,209
Lease liabilities	**552,157**	424,342
Allowance for credit losses	**125,538**	86,606
Excess of cost over fair value of financial assets at FVPL	**32,196**	7,021
Unrealized foreign exchange loss	**–**	3,750,782
	5,644,935	10,897,960
Deferred tax liabilities:		
Unrealized foreign exchange gain	**1,942,765**	–
ROU asset	**549,082**	410,542
Excess of fair value over cost of financial assets at FVPL	**–**	60,809
Others	**133,400**	159,501
	2,625,247	630,852
	₱3,019,688	₱10,267,108

The reconciliation between the income tax expense (benefit) based on statutory income tax rate and effective income tax rate is as follows:

	2021	2020	2019
Income tax expense (benefit) at statutory tax rate	**₱6,576,622**	₱16,801,212	(₱13,439,819)
Effect of change in tax rate in deferred tax	**1,583,073**	–	–
Effect of change in tax rate in current tax	**(393,575)**	–	–
Tax effects of:			
Interest income already subjected to final tax	**(725,714)**	(2,029,208)	(2,371,015)
Dividend income exempt from tax	**(585,713)**	(314,225)	(816,862)
Stock issuance costs	**(403,404)**	(1,260,000)	–
Nondeductible expenses	**297**	–	300
Change in derecognized DTA on NOLCO and excess MCIT over RCIT	**–**	(4,088,925)	4,088,925
Expired NOLCO and excess MCIT over RCIT	**–**	–	230,957
Others	**110,032**	–	–
Income tax at effective tax rate	**₱6,161,618**	₱9,108,854	(₱12,307,514)

On March 26, 2021, RA No. 11534 or the Corporate Recovery and Tax Incentive for Enterprises (CREATE) Act was signed into law by the President of the Philippines. Under the CREATE law, the Company's Regular Corporate Income Tax (RCIT) is subjected to 25% instead of 30% income tax rate. In addition, the minimum corporate income tax (MCIT) is subjected to 1% instead of 2% of gross income for a period of three (3) years. The changes in the income tax rates shall be effective beginning July 1, 2020.

The income tax rates used in preparing the financial statements as at and for the year ended December 31, 2020 are still 30% and 2% for RCIT and MCIT, respectively. For tax purposes, the change in rates under the CREATE law was applied effective July 1, 2020. The effect of the reduction of tax rates were applied in the 2021 tax expense, as required by PAS 12, *Income Tax*es. Details of adjustments are as follows:

	Amount
Income tax due	₱878,964
Effect of change in tax rate	(393,575)
Adjusted current income tax expense	₱485,389

21. Earnings (Loss) per Share

Basic and diluted EPS are computed as follows:

	2021	2020	2019
Net income (loss) attributable to common stockholders of the Company	**₱20,144,870**	₱46,895,187	(₱32,491,882)
Divided by weighted average number of outstanding common shares	**5,229,167,083**	4,750,000,000	2,000,000,000
Per share amounts: Basic and diluted EPS	**₱0.0039**	₱0.0099	(₱0.0162)

Diluted EPS equals the basic EPS as the Company does not have any dilutive potential common shares at the end of each of the periods presented.

22. Segment Reporting

Business Segments

The Company's business segments consist of local and global trading.

Segment Assets and Liabilities

Segment assets include all operating assets used by a segment and consist primarily of operating cash, receivables, financial assets at FVPL, property and equipment, investment property, and intangible assets, net of allowances, accumulated depreciation and amortization, and impairment, and other current and noncurrent assets. Segment liabilities include all operating liabilities and consist primarily of trade payables and other current and noncurrent liabilities.

Major Customer

The Company does not have a single external customer from which sales revenue generated amounted to 10% or more of the total revenues of the Company.

Financial information about reportable segments are as follows:

	December 31, 2021		
	Local Trading	**Global Trading**	**Total**
REVENUES			
Trading gains on financial assets at FVPL - net	**₱68,681,727**	**₱40,709,268**	**₱109,390,995**
Commissions	**15,593,189**	**–**	**15,593,189**
Interests	**2,902,855**	**115,307**	**3,018,162**
Dividends	**2,342,852**	**247,903**	**2,590,755**
	89,520,623	**41,072,478**	**130,593,101**
COST OF SERVICES			
Commissions	**27,006,853**	**20,405,902**	**47,412,755**
Personnel costs	**14,018,915**	**14,018,915**	**28,037,830**
Transaction costs	**2,196,342**	**8,786,219**	**10,982,561**
Stock exchange dues and fees	**1,833,798**	**–**	**1,833,798**
Central depository fees	**1,031,627**	**–**	**1,031,627**
Communications	**851,271**	**–**	**851,271**
Research	**–**	**2,258,628**	**2,258,628**
	46,938,806	**45,469,664**	**92,408,470**
GROSS PROFIT (LOSS)	**42,581,817**	**(4,397,186)**	**38,184,631**
OPERATING EXPENSES	**(27,137,827)**	**(4,800,515)**	**(31,938,342)**
OTHER INCOME (EXPENSES)			
Provision for credit losses	**(213,467)**	**–**	**(213,467)**
Foreign exchange gains	**17,352**	**20,256,314**	**20,273,666**
INCOME BEFORE INCOME TAX	**15,247,875**	**11,058,613**	**26,306,488**
INCOME TAX EXPENSE	**3,092,501**	**3,069,117**	**6,161,618**
NET INCOME	**₱12,155,374**	**₱7,989,496**	**₱20,144,870**
SEGMENT ASSETS	**₱583,160,976**	**₱364,995,138**	**₱948,156,114**
SEGMENT LIABILITIES	**₱361,968,007**	**₱–**	**₱361,968,007**
CAPITAL EXPENDITURES -			
Fixed assets	**₱814,878**	**₱–**	**₱814,878**
CASH FLOWS ARISING FROM:			
Operating activities	**₱18,733,090**	**(₱43,614,354)**	**(₱24,881,264)**
Investing activities	**(814,878)**	**–**	**(814,878)**
Financing activities	**46,956,494**	**–**	**46,956,494**

	December 31, 2020		
	Local Trading	**Global Trading**	**Total**
REVENUES			
Trading gains on financial assets at FVPL - net	₱68,690,366	₱89,122,950	₱157,813,316
Commissions	5,958,726	–	5,958,726
Interests	6,764,027	524,052	7,288,079
Dividends	1,047,418	153,667	1,201,085
	82,460,537	89,800,669	172,261,206
COST OF SERVICES			
Commissions	15,829,485	10,350,970	26,180,455
Personnel costs	11,269,669	11,269,670	22,539,339
Communication	1,170,872	–	1,170,872
Transaction costs	1,140,945	16,694,839	17,835,784
Stock exchange dues and fees	872,653	–	872,653
Central depository fees	620,772	–	620,772
Research	–	2,500,607	2,500,607
	30,904,396	40,816,086	71,720,482

(Forward)

	December 31, 2020		
	Local Trading	**Global Trading**	**Total**
GROSS PROFIT	51,556,141	48,984,583	100,540,724
OPERATING EXPENSES	(27,258,473)	(3,501,402)	(30,759,875)
OTHER INCOME (EXPENSES)			
Reversal of provision for credit losses	43,030	–	43,030
Foreign exchange losses	(17,639)	(14,617,291)	(14,634,930)
Other income	815,092	–	815,092
INCOME BEFORE INCOME TAX	25,138,151	30,865,890	56,004,041
INCOME TAX EXPENSE	4,088,630	5,020,224	9,108,854
NET INCOME	₱21,049,521	₱25,845,666	₱46,895,187
SEGMENT ASSETS	₱534,266,038	₱308,346,990	₱842,613,028
SEGMENT LIABILITIES	₱329,157,301	₱–	₱329,157,301
CAPITAL EXPENDITURES -			
Fixed assets	₱216,608	₱–	₱216,608
CASH FLOWS ARISING FROM:			
Operating activities	₱49,376,497	(₱37,456,050)	₱11,920,447
Investing activities	(50,163,983)	–	(50,163,983)
Financing activities	(7,945,242)	–	(7,945,242)

	December 31, 2019		
	Local Trading	**Global Trading**	**Total**
REVENUES			
Trading gains on financial assets at FVPL - net	₱21,466,215	₱4,172,317	₱25,638,532
Commissions	6,779,289	–	6,779,289
Interests	7,903,384	3,356,354	11,259,738
Dividends	2,722,874	587,302	3,310,176
	38,871,762	8,115,973	46,987,735
COST OF SERVICES			
Personnel costs	13,858,787	11,339,008	25,197,795
Commissions	10,070,778	3,219,086	13,289,864
Transaction costs	2,027,752	2,614,308	4,642,060
Stock exchange dues and fees	1,481,247	–	1,481,247
Communication	1,216,508	–	1,216,508
Central depository fees	615,984	–	615,984
Research	–	2,744,564	2,744,564
	29,271,056	19,916,966	49,188,022
GROSS PROFIT (LOSS)	9,600,706	(11,800,993)	(2,200,287)
OPERATING EXPENSES	(32,671,654)	(3,329,893)	(36,001,547)
OTHER INCOME (EXPENSES)			
Reversal of provision for credit losses	57,881	–	57,881
Foreign exchange losses	(12,670)	(6,643,273)	(6,655,943)
Other income	500	–	500
LOSS BEFORE INCOME TAX	(23,025,237)	(21,774,159)	(44,799,396)
INCOME TAX BENEFIT	(6,316,013)	(5,991,501)	(12,307,514)
NET LOSS	(₱16,709,224)	(₱15,782,658)	(₱32,491,882)
SEGMENT ASSETS	₱598,405,543	₱240,093,119	₱838,498,662
SEGMENT LIABILITIES	₱365,344,250	₱–	₱365,344,250
CAPITAL EXPENDITURES -			
Fixed assets	₱1,588,083	₱–	₱1,588,083
CASH FLOWS ARISING FROM:			
Operating activities	(₱133,257,175)	(₱77,804,775)	(₱211,061,950)
Investing activities	(66,753,425)	65,165,842	(1,587,583)
Financing activities	295,382,645	–	295,382,645

REYES TACANDONG & CO.
FIRM PRINCIPLES. WISE SOLUTIONS.

BOA/PRC Accreditation No. 4782
August 16, 2021, valid until April 13, 2024
SEC Accreditation No. 0207-FR-3 (Group A)
August 29, 2019, valid until August 28, 2022

BDO Towers Valero
8741 Paseo de Roxas
Makati City 1226 Philippines
Phone : +632 8 982 9100
Fax : +632 8 982 9111
Website : www.reyestacandong.com

REPORT OF INDEPENDENT AUDITORS TO ACCOMPANY FINANCIAL STATEMENTS FOR FILING WITH THE SECURITIES AND EXCHANGE COMMISSION

The Stockholders and the Board of Directors
CTS Global Equity Group, Inc.
27/F East Tower, Tektite Towers, Exchange Road
Ortigas Center, Pasig City

We have audited the accompanying financial statements of CTS Global Equity Group, Inc. (the Company) as at and for the years ended December 31, 2021 and 2020, on which we have rendered our report dated April 18, 2022.

In compliance with the Revised Securities Regulations Code Rule 68, we are stating that the Company has 17 stockholders owning 100 or more shares each.

REYES TACANDONG & CO.



EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until April 13, 2024
SEC Accreditation No. 27455-SEC Group A
Issued January 28, 2020
Valid for Financial Periods 2019 to 2023
BIR Accreditation No. 08-005144-005-2019
Valid until October 16, 2022
PTR No. 8851704
Issued January 3, 2022, Makati City

April 18, 2022
Makati City, Metro Manila

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RSM

Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

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REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY SCHEDULES

The Stockholders and the Board of Directors
CTS Global Equity Group, Inc.
27/F East Tower, Tektite Towers, Exchange Road
Ortigas Center, Pasig City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of CTS Global Equity Group, Inc. (the Company) as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019 and have issued our opinion thereon dated April 18, 2022. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules are the responsibility of the Company's management. These supplementary schedules include the following:

- Statement of Changes in Liabilities Subordinated to Claims of General Creditors;
- Computation of Risk-Based Capital Adequacy Worksheet Pursuant to SEC Memorandum Circular No. 16;
- Information Relating to the Possession or Control Requirements of SRC Rule 49.2;
- Computation for Determination of Reserve Requirements under SRC Rule 49.2;
- A Report Describing Any Material Inadequacies Found to Exist or Found to Have Existed Since the Date of the Previous Audit;
- Results of Period-end Securities Count Conducted Pursuant to SRC Rule 52.1-10, as Amended;
- Reconciliation of Retained Earnings Available for Dividend Declaration under the Revised SRC Rule 68;
- Financial Soundness Indicators under the Revised SRC Rule 68; and
- Additional supplementary schedules under Annex 68-J of the Revised SRC Rule 68.

The 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. The components of these financial soundness indicators have been traced to the Company's financial statements as at December 31, 2021 and 2020 and for the years ended December 31, 2021, 2020 and 2019, and no material exceptions were noted.

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Reyes Tacandong & Co. is a member of the RSM network. Each member of the RSM network is an independent accounting and consulting firm, and practices in its own right. The RSM network is not itself a separate legal entity of any description in any jurisdiction.

The foregoing supplementary schedules are presented for purposes of complying with the Revised Securities Regulations Code Rule 68 issued by the SEC and are not part of the basic financial statements prepared in accordance with PFRS. These supplementary schedules have been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, fairly states, in all material respects, the financial data required to be set forth therein in relation to the financial statements taken as a whole.

REYES TACANDONG & CO.



EMMANUEL V. CLARINO
Partner
CPA Certificate No. 27455
Tax Identification No. 102-084-004-000
BOA Accreditation No. 4782; Valid until April 13, 2024
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Valid until October 16, 2022
PTR No. 8851704
Issued January 3, 2022, Makati City

April 18, 2022
Makati City, Metro Manila

SCHEDULE I

CTS GLOBAL EQUITY GROUP, INC.
STATEMENT OF CHANGES IN LIABILITIES
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS

DECEMBER 31, 2021

The Company has no subordinated liability.

SCHEDULE II

CTS GLOBAL EQUITY GROUP, INC.
COMPUTATION OF RISK-BASED CAPITAL ADEQUACY WORKSHEET PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16

DECEMBER 31, 2021

Assets	₱948,156,114
Liabilities	361,968,007
Equity per books	586,188,107
Adjustments to Equity per books	–
Add (Deduct):	–
Allowance for Market Decline	–
Subordinated Liability	–
Unrealized Gain / (Loss) in Proprietary Accounts	–
Deferred Income Tax	(3,019,688)
Revaluation Reserves	(2,407,562)
Deposit for Future Stock Subscription (No application with SEC)	–
Minority Interest	–
Total Adjustments to Equity per books	(5,427,250)
Equity Eligible For Net Liquid Capital	580,760,857
Contingencies and Guarantees	–
Deduct: Contingent Liability	–
Guarantees or Indemnities	–
Ineligible Assets	–
a. Trading Right and all Other Intangible Assets (net)	2,536,165
b. Intercompany Receivables	
c. Fixed Assets (net of accumulated and excluding those used as collateral)	21,421,091
d. All Other Current Assets	9,682,656
e. Securities Not Readily Marketable	–
f. Negative Exposure (SCCP)	–
g. Notes Receivable (non-trade related)	–
h. Interest and Dividends Receivables outstanding for more than 30 days	–
i. Ineligible Insurance Claims	–
j. Ineligible Deposits	–
k. Short Security Differences	–
l. Long Security Differences not Resolved prior to Sale	–
m. Other Assets including Equity Investment in PSE	10,530,748
Total Ineligible Assets	44,170,660
Net Liquid Capital (NLC)	536,590,197
Less:	–
Operating Risk Requirement	20,232,681
Position Risk Requirement	1,976,552
Counterparty Risk	–
Large Exposure Risk	–
LERR to a Single Client	–
LERR to a Single Debt	–
LERR to a Single Issuer and Company of Companies	–
Total Risk Capital Requirement (TRCR)	22,209,233
Net RBCA Margin (NLC-TRCR)	514,380,964
Liabilities	361,968,007
Add: Deposit for Future Stock Subscription (No application with SEC)	–
Less: Exclusions from Aggregate Indebtedness	–
Subordinated Liability	–
Loans and Secured Securities	–
Loans Secured by Fixed Assets	–
Others	144,452,555
Total Adjustments to AI	(144,452,555)
Aggregate Indebtedness	217,515,452
5% of Aggregate Indebtedness	10,875,773
Required Net Liquid Capital (> of 5% of AI or ₱5M)	10,875,773
Net Risk-Based Capital Excess / (Deficiency)	₱525,714,424
Ratio of AI to Net Liquid Capital	41%
RBCA Ratio (NLC/TRCR)	2,416%

SCHEDULE III

CTS GLOBAL EQUITY GROUP, INC.
INFORMATION RELATING TO THE POSSESSION OR CONTROL REQUIREMENTS UNDER SRC RULE 49.2

DECEMBER 31, 2021

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

Market valuation	NIL
Number of items	NIL

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

Market valuation	NIL
Number of items	NIL

SCHEDULE IV

CTS GLOBAL EQUITY GROUP, INC.
COMPUTATION FOR DETERMINATION OF
RESERVE REQUIREMENTS UNDER SRC RULE 49.2

DECEMBER 31, 2021

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱185,279,063	
2. Monies borrowed collateralized by securities carried for the account of customers.	–	
3. Monies payable against customers' securities loaned.	–	
4. Customers' securities failed to receive.	–	
5. Credit balances in firm accounts which are attributable to principal sales to customer.	–	
6. Market value of stock dividends stock splits and similar distributions receivable outstanding of 30 calendar days old.	1,331,028	
7. Market value of the short security count differences over 30 calendar days old.	–	
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.	–	
9. Market value of securities which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.	–	
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱22,754,494
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make delivery on customers' securities failed to delivery.		–
12. Failed to deliver customers' securities not older than 30 calendar days.		–
13. Others due from clearing house		–
Total	₱186,610,091	₱22,754,494
Net Credit (Debit)	₱163,855,597	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱163,855,597	

SCHEDULE V

CTS GLOBAL EQUITY GROUP, INC.
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO EXIST OR FOUND TO HAVE EXISTED SINCE THE DATE OF THE PREVIOUS AUDIT

DECEMBER 31, 2021

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

SCHEDULE VI

CTS GLOBAL EQUITY GROUP, INC.
RESULTS OF YEAR-END SECURITIES COUNT
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED

DECEMBER 31, 2021

There is no discrepancy in the results of the securities count conducted. Refer to page 71-75 for the results of year-end securities count conducted for the year ended December 31, 2021.

CTS GLOBAL EQUITY GROUP, INC.
RESULTS OF YEAR-END SECURITIES COUNT
CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED
DECEMBER 31, 2021

		Per Records		Per Count		Unlocated Difference	
CODE	NAME	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
2GO	2GO GROUP, INC.	1,000	₱7,610	1,000	₱7,610	–	₱–
AAA	ASIA AMALGAMATED HOLDINGS CORPORATION	9,700	–	9,700	–	–	–
AB	ATOK BIG WEDGE CO., INC.	1,170	7,079	1,170	7,079	–	–
ABA	ABACORE CAPITAL HOLDINGS, INC.	6,604,497	6,076,137	6,604,497	6,076,137	–	–
ABG	ASIABEST GROUP INTERNATIONAL INC.	13,400	79,060	13,400	79,060	–	–
ABS	ABS-CBN CORPORATION	60,330	760,158	60,330	760,158	–	–
ABSP	ABS-CBN PHIL. DEPOSIT	14,700	175,224	14,700	175,224	–	–
AC	AYALA CORPORATION	20,865	17,338,815	20,865	17,338,815	–	–
ACE	ACESITE (PHILS.) HOTEL CORPORATION	748,698	1,242,839	748,698	1,242,839	–	–
ACEN	AC ENERGY CORPORATION	10,810,679	118,917,469	10,810,679	118,917,469	–	–
ACEX	ACE ENEXOR, INC.	560,739	22,429,560	560,739	22,429,560	–	–
ACPB1	AYALA CORPORATION PREFERRED B1 SHARE	2,000	1,024,000	2,000	1,024,000	–	–
ACR	ALSONS CONSOLIDATED RES., INC.	20,723,000	24,867,600	20,723,000	24,867,600	–	–
AEV	ABOITIZ EQUITY VENTURES, INC.	1,243,120	67,687,884	1,243,120	67,687,884	–	–
AGI	ALLIANCE GLOBAL GROUP, INC.	2,721,600	32,114,880	2,721,600	32,114,880	–	–
ALCO	ARTHALAND CORPORATION	508,025	325,136	508,025	325,136	–	–
ALHI	ANCHOR LAND HOLDINGS, INC.	137,850	759,554	137,850	759,554	–	–
ALI	AYALA LAND, INC.	1,045,615	38,374,071	1,045,615	38,374,071	–	–
ALLDY	ALLDAY MARTS,INC.	5,559,000	3,390,990	5,559,000	3,390,990	–	–
ALLHC	AYALALAND LOGISTICS HOLDINGS CORP.	3,214,500	21,633,585	3,214,500	21,633,585	–	–
ANI	AGRINURTURE, INC.	87,900	437,742	87,900	437,742	–	–
ANS	A. SORIANO CORPORATION	2,057,568	16,357,666	2,057,568	16,357,666	–	–
AP	ABOITIZ POWER CORPORATION	1,200,773	35,662,958	1,200,773	35,662,958	–	–
APB2R	AYALA CORPORATION PREFERRED B2 SHARE	10,000	5,140,000	10,000	5,140,000	–	–
APC	APC GROUP, INC.	4,594,200	1,010,724	4,594,200	1,010,724	–	–
APL	APOLLO GLOBAL CAPITAL, INC.	15,794,500	1,263,560	15,794,500	1,263,560	–	–
APO	ANGLO PHILIPPINE HOLDINGS CORP	4,849,332	4,364,399	4,849,332	4,364,399	–	–
APVI	ALTUS PROPERTY VENTURES, INC.	2,803	54,210	2,803	54,210	–	–
APX	APEX MINING CO., INC.	73,072,332	117,646,455	73,072,332	117,646,455	–	–
AR	ABRA MINING & INDUSTRIAL CORP.	383,200,000	1,762,720	383,200,000	1,762,720	–	–
ARA	ARANETA PROPERTIES, INC.	1,582,425	1,534,952	1,582,425	1,534,952	–	–
AREIT	AREIT,INC.	1,259,000	61,187,400	1,259,000	61,187,400	–	–
AT	ATLAS CONSOLIDATED MINING AND DEVELOPMENT CORPORATION	5,444,224	33,590,862	5,444,224	33,590,862	–	–
ATI	ASIAN TERMINALS, INC.	192,499	2,694,986	192,499	2,694,986	–	–
ATN	ATN HOLDINGS, INC. A	14,513,000	5,660,070	14,513,000	5,660,070	–	–
ATNB	ATN HOLDINGS, INC. B	6,000	2,430	6,000	2,430	–	–
AUB	ASIA UNITED BANK CORPORATION	194,480	8,411,260	194,480	8,411,260	–	–
AXLM	AXELUM RESOURCES CORP	386,000	1,158,000	386,000	1,158,000	–	–
BC	BENGUET CORPORATION A	321,600	1,640,160	321,600	1,640,160	–	–
BCB	BENGUET CORPORATION B	1,029	4,980	1,029	4,980	–	–
BCP	BENGUET CORP. CONV. PREF. A	43	1,357	43	1,357	–	–
BDO	BDO UNIBANK, INC.	1,287,762	155,432,873	1,287,762	155,432,873	–	–
BEL	BELLE CORPORATION	61,377,564	82,859,711	61,377,564	82,859,711	–	–
BHI	BOULEVARD HOLDINGS, INC.	3,970,000	250,110	3,970,000	250,110	–	–
BKR	BRIGHT KINDLE RESOURCES & INVESTMENTS	727,740	1,222,603	727,740	1,222,603	–	–
BLFI	BDO LEASING & FINANCE, INC.	446,955	1,301,778	446,955	1,301,778	–	–
BLOOM	BLOOMBERRY RESORTS CORPORATION	292,200	1,840,860	292,200	1,840,860	–	–
BMM	BOGO MEDELLIN MILLING COMPANY	5,425	330,925	5,425	330,925	–	–
BPI	BANK OF THE PHILIPPINE ISLANDS	106,208	9,787,067	106,208	9,787,067	–	–
BRN	A BROWN COMPANY, INC.	5,330,935	4,211,439	5,330,935	4,211,439	–	–
BSC	BASIC ENERGY CORPORATION	5,519,695	3,477,408	5,519,695	3,477,408	–	–
C	CHELSEA LOGISTICS AND INFRASTRUCTURE HOLDINGS CORP.	256,800	426,288	256,800	426,288	–	–
CA	CONCRETE AGGREGATES	2,000	₱83,500	2,000	83,500	–	–
CAT	CENTRAL AZUCARERA DE TARLAC	112,000	1,456,000	112,000	1,456,000	–	–
CDC	CITYLAND DEVELOPMENT CORP.	184,494	134,681	184,494	134,681	–	–

		Per Records		Per Count		Unlocated Difference	
CODE	NAME	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
CEB	CEBU AIR, INC.	91,100	₱3,839,865	91,100	₱3,839,865	–	₱–
CEBCP	CEBU AIR, INC. CONVERTIBLE PREFERRED SH	42,179	1,889,619	42,179	1,889,619	–	–
CEI	CROWN EQUITIES, INC.	7,774,911	816,366	7,774,911	816,366	–	–
CHI	CEBU HOLDINGS	1,099,575	6,729,399	1,099,575	6,729,399	–	–
CHIB	CHINA BANKING CORPORATION	4,499,663	116,991,238	4,499,663	116,991,238	–	–
CHP	CEMEX HOLDINGS PHILS.	1,864,537	1,957,764	1,864,537	1,957,764	–	–
CIP	CHEMICAL INDUSTRIES PHILS	2,290	299,074	2,290	299,074	–	–
CLI	CEBU LANDMASTERS, INC.	2,438,710	7,316,130	2,438,710	7,316,130	–	–
CNPF	CENTURY PACIFIC FOOD, INC.	27,700	810,225	27,700	810,225	–	–
CNVRG	CONVERGE INFORMATION & COMM	343,900	10,970,410	343,900	10,970,410	–	–
COAL	COAL ASIA HOLDINGS, INC.	700,000	185,500	700,000	185,500	–	–
COL	COL FINANCIAL GROUP, INC.	1,760,072,850	7,304,302,328	1,760,072,850	7,304,302,328	–	–
COSCO	COSCO CAPITAL, INC.	5,175,094	26,910,489	5,175,094	26,910,489	–	–
CPG	CENTURY PROP. GRP. INC.	1,787,175	714,870	1,787,175	714,870	–	–
CPM	CENTURY PEAK HOLDINGS CORP.	174,000	511,560	174,000	511,560	–	–
CROWN	CROWN ASIA CHEMICALS	10,000	16,900	10,000	16,900	–	–
CYBR	CYBER BAY CORPORATION	3,630,550	1,198,082	3,630,550	1,198,082	–	–
DD	DOUBLEDRAGON PROPERTIES, CORP.	152,100	1,104,246	152,100	1,104,246	–	–
DDMPR	DDMP REIT INC	6,409,000	11,472,110	6,409,000	11,472,110	–	–
DDPR	DOUBLEDRAGON PREF.	2,000	201,400	2,000	201,400	–	–
DELM	DEL MONTE PACIFIC LIMITED	456,100	7,078,672	456,100	7,078,672	–	–
DFNN	DFNN INC.	2,000	4,900	2,000	4,900	–	–
DITO	DITO CME HOLDINGS CORPORATION	854,674	4,316,104	854,674	4,316,104	–	–
DITOR	DITO CME HOLDINGS CORPORATION: STOCK RIGHTS – FU	494,216	–	494,216	–	–	–
DIZ	DIZON MINES	286,412	1,400,555	286,412	1,400,555	–	–
DMC	DMCI HOLDINGS, INC.	3,845,530	29,649,036	3,845,530	29,649,036	–	–
DMW	D. M. WENCESLAO & ASSOC. INC.	244,500	1,657,710	244,500	1,657,710	–	–
DNL	D & L INDUSTRIES, INC.	4,210,600	39,790,170	4,210,600	39,790,170	–	–
DWC	DISCOVERY WORLD CORP.	2,113,100	3,803,580	2,113,100	3,803,580	–	–
EAGLE	EAGLE CEMENT CORPORATION	96,400	1,407,440	96,400	1,407,440	–	–
EEI	EEI CORPORATION	2,360,192	15,341,248	2,360,192	15,341,248	–	–
EG	IP E-GAME VENTURES, INC.	6,000,000	56,400	6,000,000	56,400	–	–
EIBA	EXPORT AND INDUSTRY BANK	5,356,970	–	5,356,970	–	–	–
EIBB	EXPORT AND INDUSTRY BANK "B"	200,000	–	200,000	–	–	–
ELI	EMPIRE EAST HOLDINGS, INC.	15,976,291	4,073,954	15,976,291	4,073,954	–	–
EMP	EMPERADOR, INC.	239,700	4,985,760	239,700	4,985,760	–	–
EVER	EVER GOTESCO HOLDINGS, INC.	525,000	173,250	525,000	173,250	–	–
EW	EAST WEST BANKING CORP.	273,589	2,626,454	273,589	2,626,454	–	–
FAF	FIRST ABACUS FINANCIAL HOLDING	172,000	123,840	172,000	123,840	–	–
FDC	FILINVEST DEVELOPMENT CORP.	1,134,283	8,733,979	1,134,283	8,733,979	–	–
FERRO	FERRONOUX HOLDINGS INC	100,000	332,000	100,000	332,000	–	–
FEU	FAR EASTERN UNIVERSITY, INC.	292	157,680	292	157,680	–	–
FFI	FILIPINO FUND, INC.	64,943	423,428	64,943	423,428	–	–
FGEN	FIRST GEN CORPORATION	60,000	1,671,000	60,000	1,671,000	–	–
FGENG	FIRST GEN CORP SERIES G PREFERRED SHAR	101,000	10,403,000	101,000	10,403,000	–	–
FILRT	FILINVEST REIT CORP	2,427,000	17,959,800	2,427,000	17,959,800	–	–
FLI	FILINVEST LAND, INC.	18,218,736	20,040,610	18,218,736	20,040,610	–	–
FNI	GLOBAL FERRONICKEL HOLDINGS INC	259,985	558,968	259,985	558,968	–	–
FOOD	ALLIANCE SELECT FOODS INTERNATIONAL, IN	603,197	355,886	603,197	355,886	–	–
FPH	FIRST PHIL. HOLDINGS CORP.	239,847	16,801,282	239,847	16,801,282	–	–
FPI	FORUM PACIFIC, INC.	9,964,260	2,640,529	9,964,260	2,640,529	–	–
FRUIT	FRUITAS HOLDINGS INC	99,000	120,780	99,000	120,780	–	–
FYN	FILSYN CORPORATION A	20,329	60,987	20,329	60,987	–	–
GEO	GEOGRACE RESOURCES PHILIPPINES	8,075,856	1,469,806	8,075,856	1,469,806	–	–
GERI	GLOBAL-ESTATE RESORTS, INC.	18,457,202	18,641,774	18,457,202	18,641,774	–	–
GLO	GLOBE TELECOMS, INC.	6,801	22,592,922	6,801	22,592,922	–	–
GMA7	GMA NETWORK, INC.	738,000	10,213,920	738,000	10,213,920	–	–
GMAP	GMA PHIL DEPOSITORY RECEIPTS	327,000	4,296,780	327,000	4,296,780	–	–
GO	GOTESCO LAND, INC. A	297,659	–	297,659	–	–	–
GOB	GOTESCO LAND, INC. B	71,360	–	71,360	–	–	–
GREEN	GREENERGY HOLDINGS INCORPORATED	347,998	793,435	347,998	793,435	–	–
GSMI	GINEBRA SAN MIGUEL INC.	58,300	6,634,540	58,300	6,634,540	–	–
GTCAP	GT CAPITAL HOLDINGS, INC.	48,090	25,968,600	48,090	25,968,600	–	–
GTPPA	GT CAPITAL HOLDINGS, INC. - SERIES A PERPE	10,000	9,950,000	10,000	9,950,000	–	–
HI	HOUSE OF INVESTMENTS, INC.	330,000	1,148,400	330,000	1,148,400	–	–
HLCM	HOLCIM PHILIPPINES, INC.	179,367	990,106	179,367	990,106	–	–
HOME	ALLHOME CORP	418,200	3,508,698	418,200	3,508,698	–	–

		Per Records		Per Count		Unlocated Difference	
CODE	NAME	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
I	I-REMIT, INC.	193,356	₱160,485	193,356	₱160,485	–	₱–
ICT	INTERNATIONAL CONTAINER	635,999	127,199,800	635,999	127,199,800	–	–
IDC	ITALPINAS DEVELOPMENT CORPORATION	2,700	3,267	2,700	3,267	–	–
IMI	INTEGRATED MICRO-ELECTRONICS, INC.	17,794	149,470	17,794	149,470	–	–
IMP	IMPERIAL RESOURCES, INC.	585,800	825,978	585,800	825,978	–	–
ION	IONICS, INC.	884,226	636,643	884,226	636,643	–	–
IPM	IPM HOLDINGS INC	300,067	2,115,472	300,067	2,115,472	–	–
IPO	IPEOPLE, INC.	103,679	724,716	103,679	724,716	–	–
IRC	PHILIPPINE INFRADEV HOLDINGS INC	397,000	444,640	397,000	444,640	–	–
IS	ISLAND INFORMATION	6,103,000	878,832	6,103,000	878,832	–	–
JAS	JACKSTONES, INC	2,110,000	3,671,400	2,110,000	3,671,400	–	–
JFC	JOLLIBEE FOODS CORPORATION	131,758	28,512,431	131,758	28,512,431	–	–
JFCPA	JOLLIBEE FOODS CORP SERIES A PREFERRED	2,500	2,500,000	2,500	2,500,000	–	–
JFCPB	JOLLIBEE FOODS CORP SERIES B PREFERRED	9,600	9,628,800	9,600	9,628,800	–	–
JGS	JG SUMMIT HOLDINGS, INC.	499,065	26,450,445	499,065	26,450,445	–	–
KEEPR	THE KEEPERS HOLDING INC	8,030,195	10,599,857	8,030,195	10,599,857	–	–
KPH	KEPPEL PHILIPPINES	137,781	840,464	137,781	840,464	–	–
KPHB	KEPPEL PHILIPPINES	134,000	820,080	134,000	820,080	–	–
LC	LEPANTO CONSOLIDATED MINING COMPANY A	99,530,219	13,934,231	99,530,219	13,934,231	–	–
LCB	LEPANTO CONSOLIDATED MINING COMPANY B	7,895,725	1,058,027	7,895,725	1,058,027	–	–
LFM	LIBERTY FLOUR MILLS, INC.	1,014,440	20,948,186	1,014,440	20,948,186	–	–
LODE	LODESTAR INVSMT HOLDINGS CORP.	555,000	349,650	555,000	349,650	–	–
LMG	LMG CHEMICALS CORPORATION	180,000	720,000	180,000	720,000	–	–
LOTO	PACIFIC ONLINE SYSTEMS CORP.	30,440,600	52,966,644	30,440,600	52,966,644	–	–
LPZ	LOPEZ HOLDINGS CORPORATION	1,342,975	3,908,057	1,342,975	3,908,057	–	–
LR	LEISURE & RESORTS WORLD	1,793,675	2,672,576	1,793,675	2,672,576	–	–
LSC	LORENZO SHIPPING CORP.	100,000	90,000	100,000	90,000	–	–
LTG	LT GROUP, INC.	435,697	4,313,400	435,697	4,313,400	–	–
MA	MANILA MINING CORP. A	485,492,488	5,340,417	485,492,488	5,340,417	–	–
MAB	MANILA MINING CORP. B	50,939,310	509,393	50,939,310	509,393	–	–
MAC	MACROASIA CORPORATION	1,486,860	7,880,358	1,486,860	7,880,358	–	–
MACAY	MACAY HOLDINGS, INC.	701,890	3,867,414	701,890	3,867,414	–	–
MAH	METRO ALLIANCE HOLDINGS &	24,000	28,560	24,000	28,560	–	–
MARC	MARCVENTURES HOLDINGS, INC.	21,480	25,132	21,480	25,132	–	–
MAXS	MAX'S GROUP, INC.	449,000	2,909,520	449,000	2,909,520	–	–
MB	MANILA BULLETIN PUBLISHING COR	3,199,973	1,327,989	3,199,973	1,327,989	–	–
MBT	METROPOLITAN BANK & TRUST COMPANY	1,698,070	94,582,499	1,698,070	94,582,499	–	–
MC	MARSTEEL CONSOLIDATED, INC A	150,000	–	150,000	–	–	–
MCB	MARSTEEL CONSOLIDATED	4,850,00	–	4,850,00	–	–	–
MEDIC	MEDILINES DISTRIBUTORS INCORPORATED	93,000	119,970	93,000	119,970	–	–
MEG	MEGAWORLD CORPORATION	22,445,291	70,702,667	22,445,291	70,702,667	–	–
MER	MANILA ELECTRIC COMPANY	245,363	72,431,158	245,363	72,431,158	–	–
MFC	MANULIFE FINANCIAL CORP.	368	348,312	368	348,312	–	–
MG	MILLENNIUM GLOBAL HOLDINGS, INC.	8,734,000	1,388,706	8,734,000	1,388,706	–	–
MGH	METRO GLOBAL HOLDINGS CORPORATION	76,400	71,500	76,400	71,500	–	–
MHC	MABUHAY HOLDINGS CORP.	3,098,000	1,161,750	3,098,000	1,161,750	–	–
MJC	MANILA JOCKEY CLUB, INC.	17,871,699	32,526,492	17,871,699	32,526,492	–	–
MJIC	MJC INVESTMENTS CORPORATION	3,400	3,910	3,400	3,910	–	–
MM	MERRYMART CONSUMER CORP.	57,000	143,070	57,000	143,070	–	–
MMC	MARCOPPER MINING CORP.	17	17	17	17	–	–
MONDE	MONDE NISSIN CORPORATION	1,029,800	16,682,760	1,029,800	16,682,760	–	–
MPI	METRO PACIFIC INVESTMENTS CORP	13,394,860	52,239,954	13,394,860	52,239,954	–	–
MRC	MRC ALLIED, INC.	6,720,000	1,713,600	6,720,000	1,713,600	–	–
MREIT	MREIT INC	3,012,300	59,342,310	3,012,300	59,342,310	–	–
MRSGI	METRO RETAIL STORES GROUP, INC.	121,000	174,240	121,000	174,240	–	–
MWC	MANILA WATER COMPANY, INC.	175,300	4,338,675	175,300	4,338,675	–	–
MWIDE	MEGAWIDE CONSTRUCTION CORPORATION	20,088	104,056	20,088	104,056	–	–
NI	NIHAO MINERAL RESOURCES INT'L	623,300	641,999	623,300	641,999	–	–
NIKL	NICKEL ASIA CORPORATION	7,714,471	41,272,420	7,714,471	41,272,420	–	–
NOW	NOW CORPORATION	2,098,500	2,707,065	2,098,500	2,707,065	–	–
NRCP	NATIONAL REINSURANCE CORP.	9,455,000	5,673,000	9,455,000	5,673,000	–	–
NXGEN	NEXTGENESIS CORPORATION	61,800	432,250	61,800	432,250	–	–
OM	OMICO CORPORATION	1,202,497	414,861	1,202,497	414,861	–	–
OPM	ORIENTAL PET. & MIN. CORP. A	1,113,309,304	12,246,402	1,113,309,304	12,246,402	–	–
OPMB	ORIENTAL PET. & MIN. CORP. B	660,207,685	7,262,285	660,207,685	7,262,285	–	–
ORE	ORIENTAL PENINSULA RESOURCES GROUP, INC.	1,573,700	1,227,486	1,573,700	1,227,486	–	–
OV	THE PHILODRILL CORPORATION	560,447,685	5,604,477	560,447,685	5,604,477	–	–
PA	PACIFICA HOLDINGS INC	69,050	220,960	69,050	220,960	–	–

		Per Records		Per Count		Unlocated Difference	
CODE	NAME	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
PAL	PAL HOLDINGS, INC.	69,828	₱422,459	69,828	₱422,459	–	₱–
PAX	PAXYS, INC.	10,829,000	17,651,270	10,829,000	17,651,270	–	–
PBB	PHILIPPINE BUSINESS BANK	68,610	686,100	68,610	686,100	–	–
PBC	PHIL. BANK OF COMMUNICATIONS	4,455	77,873	4,455	77,873	–	–
PCOR	PETRON CORPORATION	2,181,581	6,915,612	2,181,581	6,915,612	–	–
PCP	PICOP RESOURCES, INC.	1,520,420	311,686	1,520,420	311,686	–	–
PERC	PETROENERGY RESOURCES	3,035,607	12,142,428	3,035,607	12,142,428	–	–
PGOLD	PUREGOLD PRICE CLUB, INC.	93,800	3,686,340	93,800	3,686,340	–	–
PHA	PREMIERE HORIZON ALLIANCE CORPORATION	545,000	305,200	545,000	305,200	–	–
PHC	PHILCOMSAT HOLDINGS CORP.	10,000	14,000	10,000	14,000	–	–
PHN	PHINMA CORPORATION	2,645	53,297	2,645	53,297	–	–
PHR	PH RESORTS HOLDINGS, INC.	110,000	85,800	110,000	85,800	–	–
PIZZA	SHAKEYS PIZZA ASIA VENTURES INC	39,000	393,900	39,000	393,900	–	–
PLC	PREMIUM LEISURE CORP.	32,005,000	13,762,150	32,005,000	13,762,150	–	–
PMPC	PANASONIC MANUFACTURING	3,176	19,056	3,176	19,056	–	–
PMT	PRIMETOWN PROPERTY GROUP, INC.	155,600	57,572	155,600	57,572	–	–
PNB	PHILIPPINE NATIONAL BANK	125,245	2,517,425	125,245	2,517,425	–	–
PNC	PHIL. NATIONAL CONST. CORP.	5,153	25,152	5,153	25,152	–	–
PNX	PHOENIX PETROLEUM PHILIPPINES.	71,725	778,934	71,725	778,934	–	–
PNX3B	PHOENIX PETROLEUM PHILS INC SERIES 3B PR	15,000	1,536,000	15,000	1,536,000	–	–
PNX4	PHOENIX PETROLEUM PHILS INC SERIES 4 PR	600	598,800	600	598,800	–	–
PRC	PHIL. RACING CLUB, INC.	24,453	190,733	24,453	190,733	–	–
PRF3B	PETRON CORPORATION SERIES 3B PERPETUA	2,250	2,517,750	2,250	2,517,750	–	–
PRIM	PRIME MEDIA HOLDINGS, INC.	2,077	2,430	2,077	2,430	–	–
PSB	PHILIPPINE SAVINGS BANK	31,171	1,761,162	31,171	1,761,162	–	–
PSE	THE PHILIPPINE STOCK EXCHANGE,	3,088	663,920	3,088	663,920	–	–
PTT	PHILIPPINE TELEGRAPH	725,139	238,415	725,139	238,415	–	–
PX	PHILEX MINING CORP.	4,946,574	26,958,828	4,946,574	26,958,828	–	–
PXP	PXP ENERGY CORPORATION	1,049,564	6,454,819	1,049,564	6,454,819	–	–
RCB	RIZAL COMMERCIAL BANKING	2,258,565	45,171,300	2,258,565	45,171,300	–	–
RCI	ROXAS AND COMPANY, INC.	422,177	274,415	422,177	274,415	–	–
RCR	RL COMMERCIAL REIT, INC.	2,842,000	21,627,620	2,842,000	21,627,620	–	–
REG	REPUBLIC GLASS HOLDINGS CORP.	7,546	22,638	7,546	22,638	–	–
RFM	RFM CORPORATION	161,720	739,060	161,720	739,060	–	–
RLC	ROBINSON LAND CORPORATION	166,443	3,195,706	166,443	3,195,706	–	–
RLT	PHIL. REALTY & HOLDINGS CORP.	9,218,281	1,862,093	9,218,281	1,862,093	–	–
ROCK	ROCKWELL LAND CORPORATION	56,174,329	83,138,007	56,174,329	83,138,007	–	–
ROX	ROXAS HOLDINGS, INC.	109,710	114,098	109,710	114,098	–	–
RPC	REYNOLDS PHILIPPINE CORP.	75,271	–	75,271	–	–	–
RRHI	ROBINSONS RETAIL HOLDINGS, INC.	23,240	1,519,896	23,240	1,519,896	–	–
SBS	SBS PHILIPPINES CORPORATION COMMON SH	78,775	308,010	78,775	308,010	–	–
SCC	SEMIRARA MINING AND POWER CORPORATION	1,540,800	32,896,080	1,540,800	32,896,080	–	–
SDP	SIME DARBY PILIPINAS, INC.	60	–	60	–	–	–
SECB	SECURITY BANK CORPORATION	194,955	23,199,645	194,955	23,199,645	–	–
SFI	SWIFT FOODS, INC.	52,936,257	5,505,371	52,936,257	5,505,371	–	–
SFIP	SWIFT FOODS, INC. CONVERTIBLE	15,428	23,142	15,428	23,142	–	–
SGI	SOLID GROUP, INC.	4,510,850	4,871,718	4,510,850	4,871,718	–	–
SGP	SYNERGY GRID & DEVELOPMENT PHILS., INC.	491,350	6,446,512	491,350	6,446,512	–	–
SHLPH	PILIPINAS SHELL PETROLEUM CORPORATION	2,867,100	56,997,948	2,867,100	56,997,948	–	–
SHNG	SHANG PROPERTIES, INC.	40,827,274	106,559,185	40,827,274	106,559,185	–	–
SLF	SUN LIFE FINANCIAL, INC.	3,419	9,532,172	3,419	9,532,172	–	–
SLI	STA. LUCIA LAND, INC.	137,730	396,662	137,730	396,662	–	–
SM	SM INVESTMENTS CORPORATION	27,613	26,039,059	27,613	26,039,059	–	–
SMC	SAN MIGUEL CORP.	714,533	82,099,842	714,533	82,099,842	–	–
SMC2J	SAN MIGUEL CORPORATION SERIES 2 PREFER	40,000	3,060,000	40,000	3,060,000	–	–
SMC2K	SAN MIGUEL CORPORATION SERIES 2 PREFER	50,000	3,792,500	50,000	3,792,500	–	–
SMPH	SM PRIME HOLDINGS, INC.	4,182,684	141,792,988	4,182,684	141,792,988	–	–
SOC	SOCRESOURCES, INC.	110,000	68,200	110,000	68,200	–	–
SPC	SPC POWER CORPORATION	530,000	7,398,800	530,000	7,398,800	–	–
SPM	SEAFRONT RESOURCES CORPORATION	46,767	94,002	46,767	94,002	–	–
SPNEC	SOLAR PHILIPPINES NUEVA ECIJA	3,285,000	4,204,800	3,285,000	4,204,800	–	–
SSI	SSI GROUP, INC.	4,406,100	4,934,832	4,406,100	4,934,832	–	–
SSP	SFA SEMICON PHILIPPINES CORPORATION	64,000	70,400	64,000	70,400	–	–
STI	STI EDUCATION SYSTEM HOLDINGS, INC.	9,603,000	3,265,020	9,603,000	3,265,020	–	–
STN	STENIEL MANUFACTURING CORP.	384,895	97,589	384,895	97,589	–	–
STR	VISTAMALLS, INC.	31,300	116,436	31,300	116,436	–	–
SUN	SUNTRUST HOME DEVELOPERS, INC.	5,056,250	5,663,000	5,056,250	5,663,000	–	–
SWM	SANITARY WARES MFG. CORP.	40,700	–	40,700	–	–	–

		Per Records		Per Count		Unlocated Difference	
CODE	NAME	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
T	TKC METALS CORPORATION	290,000	₱226,200	290,000	₱226,200	–	₱–
TBGI	TRANSPACIFIC BROADBAND GROUP INT`L. INC.	1,800,000	540,000	1,800,000	540,000	–	–
TECH	CIRTEK HOLDINGS PHILIPPINES CORPORATION	98,356	370,802	98,356	370,802	–	–
TECHW	CIRTEK HOLDINGS PHILIPPINES CORPORATION	43,356	37,286	43,356	37,286	–	–
TEL	PLDT, INC.	37,672	68,261,664	37,672	68,261,664	–	–
TFHI	TOP FRONTIER INVESTMENTS HOLDINGS, INC.	51,266	6,546,668	51,266	6,546,668	–	–
TUGS	HARBOR STAR SHIPPING SERVICES, INC.	1,020,000	928,200	1,020,000	928,200	–	–
UBP	UNION BANK OF THE PHILS.	21,923	2,181,338	21,923	2,181,338	–	–
UNI	UNIOIL RESOURCES & HOLDINGS	7,823,500	1,924,581	7,823,500	1,924,581	–	–
UP	UNIVERSAL RIGHTFIELD PROPERTY	4,416,320	–	4,416,320	–	–	–
UPM	UNITED PARAGON MINING CORP.	68,675,000	473,857	68,675,000	473,857	–	–
URC	UNIVERSAL ROBINA CORPORATION	60,246	7,711,488	60,246	7,711,488	–	–
V	VANTAGE EQUITIES, INC.	1,511,250	1,239,225	1,511,250	1,239,225	–	–
VITA	VITARICH CORPORATION	2,326,756	1,721,799	2,326,756	1,721,799	–	–
VLL	VISTA LAND & LIFESCAPES, INC.	1,168,190	4,123,711	1,168,190	4,123,711	–	–
VMC	VICTORIAS MILLING COMPANY, INC	3,336,148	8,006,755	3,336,148	8,006,755	–	–
VUL	VULCAN INDUSTRIAL & MINING	1,212,560	1,164,057	1,212,560	1,164,057	–	–
VVT	VIVANT CORPORATION	625	9,062	625	9,062	–	–
WEB	PHILWEB CORPORATION	143,460	281,182	143,460	281,182	–	–
WIN	WELLEX INDUSTRIES, INC.	4,156,000	955,880	4,156,000	955,880	–	–
WLCON	WILCON DEPOT INC	390,300	11,904,150	390,300	11,904,150	–	–
WPI	WATERFRONT PHILIPPINES, INC.	779,138	358,403	779,138	358,403	–	–
X	XURPAS INC	146,000	80,300	146,000	80,300	–	–
ZHI	ZEUS HOLDINGS, INC.	200,000	36,000	200,000	36,000	–	–
			₱10,452,610,993		**₱10,452,610,993**	–	**₱–**

SCHEDULE VII

CTS GLOBAL EQUITY GROUP, INC.
SUPPLEMENTARY SCHEDULE ON RECONCILIATION OF
RETAINED EARNINGS AVAILABLE FOR DIVIDEND DECLARATION
UNDER THE REVISED SRC RULE 68

DECEMBER 31, 2021

Unappropriated retained earnings, as adjusted to available for dividend declaration, beginning		₱3,426,145
Add net income actually earned/realized during the year		
Net income based on the audited financial statements during the year	₱20,144,870	
Add (Deduct):		
Movements in net deferred tax assets	(5,676,229)	
Stock issuance cost directly recognized in equity	(1,613,617)	12,855,024
Unappropriated retained earnings available for dividend declaration, ending		₱16,281,169

SCHEDULE VIII

CTS GLOBAL EQUITY GROUP, INC. (CITISECURITIES, INC.)
SUPPLEMENTARY SCHEDULE OF
FINANCIAL SOUNDNESS INDICATORS UNDER REVISED SRC RULE 68

DECEMBER 31, 2021

	2021	2020
Current/liquidity ratio	**2.52**	2.43
Current assets	**₱860,648,422**	₱747,076,612
Current liabilities	**341,306,560**	306,857,350
Solvency ratio	**0.07**	0.17
After-tax income (loss) before depreciation	**₱24,560,180**	₱55,016,796
Total liabilities	**361,968,007**	329,157,301
Debt-to-equity ratio	**0.62**	0.64
Total liabilities	**₱361,968,007**	₱329,157,301
Total equity	**586,188,107**	513,455,727
Asset-to-equity ratio	**1.62**	1.64
Total assets	**₱948,156,114**	₱842,613,028
Total equity	**586,188,107**	513,455,727
Interest rate coverage ratio	**28.98**	40.59
Income (loss) before interest and taxes	**₱27,246,718**	₱57,418,799
Interest expense	**940,230**	1,414,758
Return on Equity	**0.03**	0.09
After-tax income (loss)	**₱20,144,870**	₱46,895,187
Total equity	**586,188,107**	513,455,727
Return on assets	**0.02**	0.06
After-tax income (loss)	**₱20,144,870**	₱46,895,187
Total assets	**948,156,114**	842,613,028
Other relevant ratios		
RBCA ratio	**2,416%**	2,368%
Ratio of AI to NLC	**41%**	42%
Ratio of Core Equity to ORR	**2,794%**	3,021%

SCHEDULE IX

CTS GLOBAL EQUITY GROUP, INC.
SUPPLEMENTARY SCHEDULES UNDER
ANNEX 68-J OF THE REVISED SRC RULE 68

DECEMBER 31, 2021

Schedule	Description	Page
A	Financial Assets	1
B	Amounts Receivable from Directors, Officers, Employees, Related Parties and Principal Stockholders (Other than related parties)	2
C	Amounts Receivable from Related Parties which are Eliminated During the Consolidation of the Financial Statements	3
D	Long-Term Debt	4
E	Indebtedness to Related Party	5
F	Guarantees of Securities of Other Issuers	6
G	Capital Stock	7

CTS GLOBAL EQUITY GROUP, INC.

SCHEDULE A
FINANCIAL ASSETS

DECEMBER 31, 2021

Name of issuing entity and association of each issue	Number of shares or principal amount of bonds and notes	Amount shown in the balance sheet	Income received and accrued
Financial assets at amortized cost:			
Cash	–	₱444,299,376	₱1,152,855
Trade and other receivables	–	406,426,557	115,307
Investment in a retail treasury bond	–	50,000,000	1,750,000
Refundable deposits	–	10,277,093	–
		911,003,026	2,902,855
Financial assets at fair value through profit or loss (FVPL) -			
Various securities	3,876	2,061	2,590,755
Total		₱911,005,087	₱5,493,610

CTS GLOBAL EQUITY GROUP, INC.

SCHEDULE B
AMOUNTS RECEIVABLE FROM
DIRECTORS, OFFICERS, EMPLOYEES, RELATED PARTIES
AND PRINCIPAL STOCKHOLDERS
(OTHER THAN RELATED PARTIES)

DECEMBER 31, 2021

Name and Designation of debtor	Balance at beginning of period	Additions	Amounts collected	Amounts written off	Current	Noncurrent	Balance at end of period
Not Applicable							

CTS GLOBAL EQUITY GROUP, INC.

SCHEDULE C
AMOUNTS RECEIVABLE FROM
RELATED PARTIES WHICH ARE ELIMINATED DURING
CONSOLIDATION OF FINANCIAL STATEMENTS

DECEMBER 31, 2021

Name and Designation of Debtor	Balance at Beginning of Period	Additions	Amounts Collected	Amounts Written Off	Current	Noncurrent	Balance at end of period
Not Applicable							

CTS GLOBAL EQUITY GROUP, INC.

SCHEDULE D
LONG-TERM DEBT

DECEMBER 31, 2021

Title of issue and type of obligation	Amount authorized by indenture	Amount shown under caption "Current portion of loans payable" in related balance sheet	Amount shown under caption “Loans Payable - net of current portion" in related balance sheet	Interest rate	Maturity dates
Not Applicable					

CTS GLOBAL EQUITY GROUP, INC.

SCHEDULE E
INDEBTEDNESS TO RELATED PARTIES

DECEMBER 31, 2021

Name of related party	Balance at beginning of period	Balance at end of period
	Not Applicable	

CTS GLOBAL EQUITY GROUP, INC.

SCHEDULE F
GUARANTEES OF SECURITIES AND OTHER ISSUERS

DECEMBER 31, 2021

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				

CTS GLOBAL EQUITY GROUP, INC.

SCHEDULE G
CAPITAL STOCK

DECEMBER 31, 2021

Title of issue	Number of shares authorized	Number of shares issued and outstanding at shown under related balance sheet 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 Stock	8,000,000,000	5,500,000,000	–	–	4,424,721,500	1,075,278,500