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SEC Registration Number

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(Company's Full Name)

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

<b>Mr. Gonzalo G. Ordoñez</b>
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(Contact Person)

<b>859 - 0600</b>
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(Company Telephone Number)

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Month Day  
(Fiscal Year)

5	2	-	A	R
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(Form Type)

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Month Day  
(Annual Meeting)

<b>Broker Dealer</b>
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(Secondary License Type, If Applicable)

<b>MRD</b>
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Dept. Requiring this Doc.

<b>Articles I and VII</b>
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Amended Articles Number/Section

<b>6</b>
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Total No. of Stockholders

Total Amount of Borrowings	

Domestic

Foreign

To be accomplished by SEC Personnel concerned

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File Number

LCU

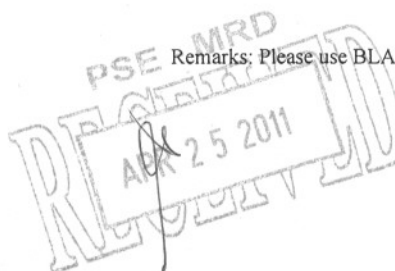
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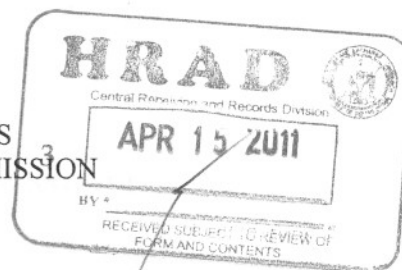
Cashier

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



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Information Required of Brokers and Dealers Pursuant to Rule 52.1-5 of the Securities Regulation Code (SRC).

Report for the Year Beginning January 1, 2010 and Ending December 31, 2010.

<b>IDENTIFICATION OF BROKER OR DEALER</b>	
Name of Broker/Dealer:	First Metro Securities Brokerage Corporation
Address of Principal Place of Business:	18th Floor, PSBank Center 777 Paseo de Roxas corner Sedeño Street, Makati City
Name and Phone Number of Person to Contact with Regard to this Report:	
Name: Mr. Gonzalo G. Ordoñez	Tel. No.: 859-0600 Fax No.: 859-0699

<b>IDENTIFICATION OF ACCOUNTANT</b>	
Name of Independent Auditors whose opinion is contained in this report:	
Name: SyCip Gorres Velayo & Co. BOA/PRC Reg. No. 0001 SEC Accreditation No. 0012-FR-2	Tel. No.: 891-0307 Fax No.: 818-1377
Address: 6760 Ayala Avenue, Makati City	
CPA Certificate No.: 86838 SEC Accreditation No.: 0115-AR-2 Tax Identification No.: 129-434-735 BIR Accreditation No. 08-001998-53-2009, June 1, 2009, Valid until May 31, 2012 PTR No.: 2641532	
Issued: January 3, 2011 Makati City	



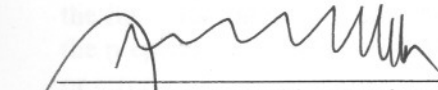
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY  
FOR FINANCIAL STATEMENTS**

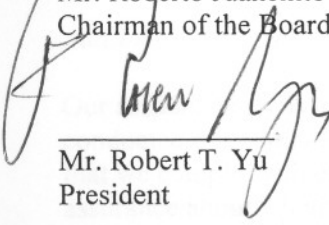
The management of First Metro Securities Brokerage Corporation (the Company), a wholly owned subsidiary of First Metro Investment Corporation, is responsible for all information and representations contained in the financial statements as of and for the years ended December 31, 2010 and 2009 and the schedules referred therein as of December 31, 2010. The financial statements have been prepared in accordance with accounting principles generally accepted in the Philippines as described in Note 2 to the financial statements and reflect amounts that are based on the best estimates and informed judgment of management with appropriate consideration to materiality.

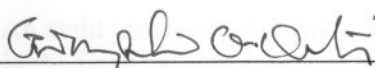
In this regard, management maintains a system of accounting and reporting which provides for the necessary internal controls to ensure that transactions are properly authorized and recorded, assets are safeguarded against unauthorized use or disposition and liabilities are recognized. The management likewise discloses to the audit committee and to its external auditors: (i) all significant deficiencies in the design or operation of internal controls that could adversely affect its ability to record, process and report financial data; (ii) material weaknesses in internal controls; and (iii) any fraud that involves management or other employees who exercise significant roles in internal controls.

The Board of Directors (BOD) reviews the financial statements before such statements are approved and submitted to the stockholders of the Company.

SyCip Gorres Velayo & Co., the independent auditors appointed by the BOD, has audited the financial statements of the Company as of and for the years ended December 31, 2010 and 2009 in accordance with Philippine Standards on Auditing and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the stockholders and the BOD.

  
Mr. Roberto Juanchito T. Dispo  
Chairman of the Board

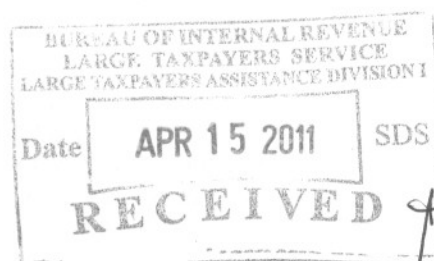
  
Mr. Robert T. Yu  
President

  
Mr. Gonzalo G. Ordoñez  
Senior Vice President/Chief Operating Officer



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
First Metro Securities Brokerage Corporation  
18th Floor, PSBank Center  
777 Paseo de Roxas corner Sedeño Street  
Makati City



### Report on the Financial Statements

We have audited the accompanying financial statements of First Metro Securities Brokerage Corporation, a wholly owned subsidiary of First Metro Investment Corporation, and Subsidiary (the Group), and the parent company financial statements of First Metro Securities Brokerage Corporation (the Parent Company), which comprise the consolidated and the parent company statements of financial condition as of December 31, 2010 and 2009, and the consolidated and the parent company statements of comprehensive income, the consolidated and the parent company statements of changes in equity, and the consolidated and the parent company statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the Philippines as described in Note 2 to the financial statements, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

*Opinion*

In our opinion, the consolidated and the parent company financial statements present fairly, in all material respects, the financial position of the Group and of the Parent Company as of December 31, 2010 and 2009, and their financial performance and their cash flows for the years then ended in conformity with accounting principles generally accepted in the Philippines as described in Note 2 to the financial statements.

**Report on the Supplementary Information Required Under Revenue Regulations 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on taxes and licenses in Note 24 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of First Metro Securities Brokerage Corporation. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

*Vicky B. Lee Salas*

Vicky B. Lee-Salas  
Partner

CPA Certificate No. 86838

SEC Accreditation No. 0115-AR-2

Tax Identification No. 129-434-735

BIR Accreditation No. 08-001998-53-2009,

June 1, 2009, Valid until May 31, 2012

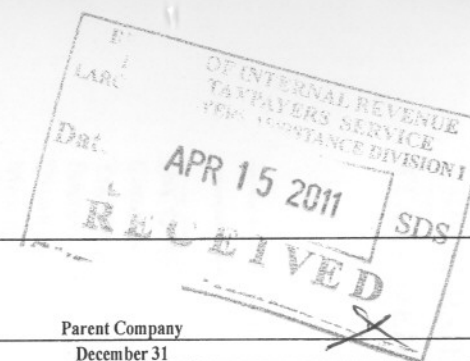
PTR No. 2641532, January 3, 2011, Makati City

March 3, 2011

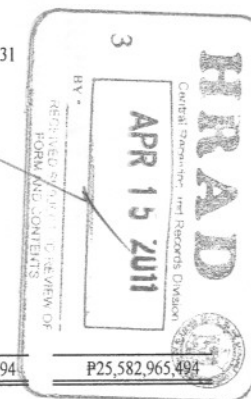


**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
**AND SUBSIDIARY**

**STATEMENTS OF FINANCIAL CONDITION**



	Consolidated		Parent Company					
	December 31		December 31					
	2010	2009	2010			2009		
			Money	Security Valuation		Money	Security Valuation	
			Balance	Long	Short	Balance	Long	Short
<b>ASSETS</b>								
Cash and Cash Equivalents (Note 6)	P232,030,082	P192,624,962	P174,821,536			P136,791,396		
Securities at Fair Value through Profit or Loss (Note 7)	76,435,537	45,521,618	76,435,537	P70,818,390		45,521,618	P31,400,410	
Available-for-sale Investments (Note 7)	36,500,000	32,750,000	36,500,000	36,500,000		32,750,000	31,250,000	
Receivable from:								
Clearing house (Note 8)	8,672,320	12,997,304	8,672,320			12,997,304		
Customers (Notes 9 and 21)	70,663,663	63,619,264	70,663,663	11,504,153,809		63,619,264	1,629,447,953	
Others (Note 10)	3,124,369	3,914,484	3,079,066			3,850,635		
Investment in a Subsidiary (Note 11)	-	-	50,000,000			50,000,000		
Property and Equipment (Note 12)	3,060,688	4,451,623	3,060,668			4,451,603		
Investment Property (Note 13)	1,978,831	2,167,291	1,978,831			2,167,291		
Exchange Trading Right (Note 14)	4,750,000	4,750,000	4,750,000			4,750,000		
Other Assets (Note 15)	2,071,124	3,573,099	2,052,304			3,554,279		
	<u>P439,286,614</u>	<u>P366,369,645</u>	<u>P432,013,925</u>			<u>P360,453,390</u>		
Securities in Box, Transfer Offices and Philippine Depository and Trust Corp.				P25,506,717,647			P25,582,965,494	
<b>LIABILITIES AND EQUITY</b>								
<b>Liabilities</b>								
Payable to:								
Clearing house and other brokers (Note 16)	P9,804,418	P43,926	P9,804,418			P43,926		
Customers (Note 17)	141,845,218	147,699,644	141,845,218	13,895,245,448		147,699,644	23,890,867,131	
Accrued Expenses and Other Liabilities (Note 18)	12,343,368	9,596,643	12,310,870			9,564,145		
Income Tax Payable (Note 19)	8,966,609	-	8,966,609			-		
Deferred Tax Liabilities (Note 19)	7,855,978	7,050,932	7,855,978			7,050,932		
Retirement Liability (Note 20)	1,555,112	1,748,641	1,555,112			1,748,641		
	<u>182,370,703</u>	<u>166,139,786</u>	<u>182,338,205</u>			<u>166,107,288</u>		
<b>Equity</b>								
Capital Stock (Note 22)	130,000,000	130,000,000	130,000,000			130,000,000		
Retained Earnings (Note 22):								
Unappropriated	87,156,859	39,311,269	79,916,668			33,427,512		
Appropriated	17,709,052	12,543,590	17,709,052			12,543,590		
Net Unrealized Gain on Available-for-sale Investments (Note 7)	22,050,000	18,375,000	22,050,000			18,375,000		
	<u>256,915,911</u>	<u>200,229,859</u>	<u>249,675,720</u>			<u>194,346,102</u>		
	<u>P439,286,614</u>	<u>P366,369,645</u>	<u>P432,013,925</u>	<u>P25,506,717,647</u>	<u>P25,506,717,647</u>	<u>P360,453,390</u>	<u>P25,582,965,494</u>	<u>P25,582,965,494</u>



See accompanying Notes to Financial Statements.



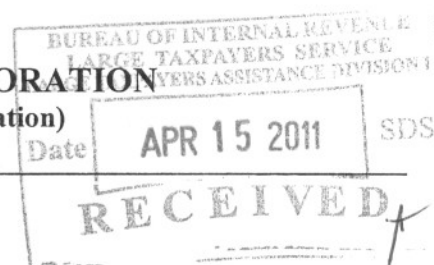


# FIRST METRO SECURITIES BROKERAGE CORPORATION

(A Wholly Owned Subsidiary of First Metro Investment Corporation)

## AND SUBSIDIARY

## STATEMENTS OF COMPREHENSIVE INCOME



	Consolidated		Parent Company	
	Years Ended December 31			
	2010	2009	2010	2009
<b>INCOME</b>				
Commissions (Note 21)	₱80,306,214	₱47,945,732	₱80,306,214	₱47,945,732
Trading gains - net (Note 7)	31,829,674	7,881,203	31,829,674	7,881,203
Interest (Notes 6, 7 and 21)	3,801,909	5,051,868	2,106,366	3,045,812
Dividend	2,284,765	1,372,479	2,284,765	1,372,479
Miscellaneous (Notes 9, 13, 21 and 23)	3,818,963	1,913,463	3,818,963	1,913,463
	122,041,525	64,164,745	120,345,982	62,158,689
<b>EXPENSES</b>				
Employees' compensation and fringe benefits (Notes 20 and 21)	20,614,884	16,851,445	20,614,884	16,851,445
Transfer and exchange fees	5,973,236	2,788,833	5,973,236	2,788,833
Advertising	2,902,511	560,304	2,902,511	560,304
Depreciation and amortization (Notes 12 and 13)	2,902,175	2,992,373	2,902,175	2,992,373
Rent, power and light (Notes 21 and 23)	2,839,649	2,534,527	2,839,649	2,534,527
Research and other technical costs (Note 21)	2,780,270	2,714,577	2,780,270	2,714,577
Communications	1,570,127	1,079,399	1,570,127	1,079,399
Messengerial and clerical services	1,387,251	1,156,961	1,387,251	1,156,961
Management and professional fees (Note 21)	982,647	1,369,482	982,647	1,369,482
Entertainment, amusement and recreation (Note 19)	895,539	737,469	895,539	737,469
Office supplies	799,374	573,544	799,374	573,544
Transportation and travel	576,630	598,548	576,630	598,548
Insurance	461,552	480,614	461,552	480,614
Repairs and maintenance	426,223	318,966	426,223	318,966
Association dues	255,860	228,112	255,860	228,112
Taxes and licenses (Note 24)	221,519	416,845	221,519	416,845
Provision for impairment losses (Note 15)	197,102	998,030	197,102	998,030
Miscellaneous (Note 9)	2,584,001	2,772,680	2,584,001	2,772,680
	48,370,550	39,172,709	48,370,550	39,172,709
<b>INCOME BEFORE INCOME TAX</b>	73,670,975	24,992,036	71,975,432	22,985,980
<b>PROVISION FOR INCOME TAX</b> (Note 19)	20,659,923	5,682,319	20,320,814	5,281,108
<b>NET INCOME</b>	53,011,052	19,309,717	51,654,618	17,704,872
<b>OTHER COMPREHENSIVE INCOME</b>				
Changes in fair values of available-for-sale investments (Note 7)	5,250,000	17,750,000	5,250,000	17,750,000
Net gain from sale of available-for-sale investments taken to profit or loss	—	(87,424)	—	(87,424)
Changes in deferred tax due to fair value changes of available-for-sale investments (Note 19)	(1,575,000)	(5,325,000)	(1,575,000)	(5,325,000)
	3,675,000	12,337,576	3,675,000	12,337,576
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	₱56,686,052	₱31,647,293	₱55,329,618	₱30,042,448

See accompanying Notes to Financial Statements.



**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**(A Wholly Owned Subsidiary of First Metro Investment Corporation)**  
**AND SUBSIDIARY**  
**STATEMENTS OF CHANGES IN EQUITY**

	Consolidated					Parent Company				
	Capital Stock (Note 22)	Retained Earnings (Note 22)		Net Unrealized Gain on Available- for-Sale Investments (Note 7)	Total	Capital Stock (Note 22)	Retained Earnings (Note 22)		Net Unrealized Gain on Available- for-Sale Investments (Note 7)	Total
		Unappropriated	Appropriated				Unappropriated	Appropriated		
Balance at January 1, 2010	₱130,000,000	₱39,311,269	₱12,543,590	₱18,375,000	₱200,229,859	₱130,000,000	₱33,427,512	₱12,543,590	₱18,375,000	₱194,346,102
Total comprehensive income	—	53,011,052	—	3,675,000	56,686,052	—	51,654,618	—	3,675,000	55,329,618
Appropriations	—	(5,165,462)	5,165,462	—	—	—	(5,165,462)	5,165,462	—	—
Balance at December 31, 2010	₱130,000,000	₱87,156,859	₱17,709,052	₱22,050,000	₱256,915,911	₱130,000,000	₱79,916,668	₱17,709,052	₱22,050,000	₱249,675,720
Balance at January 1, 2009	₱130,000,000	₱21,917,905	₱10,627,237	₱6,037,424	₱168,582,566	₱130,000,000	₱17,638,993	₱10,627,237	₱6,037,424	₱164,303,654
Total comprehensive income	—	19,309,717	—	12,337,576	31,647,293	—	17,704,872	—	12,337,576	30,042,448
Appropriations	—	(1,916,353)	1,916,353	—	—	—	(1,916,353)	1,916,353	—	—
Balance at December 31, 2009	₱130,000,000	₱39,311,269	₱12,543,590	₱18,375,000	₱200,229,859	₱130,000,000	₱33,427,512	₱12,543,590	₱18,375,000	₱194,346,102

See accompanying Notes to Financial Statements.





**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**(A Wholly Owned Subsidiary of First Metro Investment Corporation)**  
**AND SUBSIDIARY**

**STATEMENTS OF CASH FLOWS**

	Consolidated		Parent Company	
	Years Ended December 31			
	2010	2009	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Income before income tax	₱73,670,975	₱24,992,036	₱71,975,432	₱22,985,980
Adjustments for:				
Depreciation and amortization (Notes 12 and 13)	2,902,175	2,992,373	2,902,175	2,992,373
Retirement expense (Note 20)	1,696,604	332,462	1,696,604	332,462
Provision for impairment losses (Note 15)	197,102	998,030	197,102	998,030
Provision for (reversal of) allowance for credit losses (Note 9)	28,737	(8,794)	28,737	(8,794)
Unrealized foreign exchange loss - net	—	3,636	—	—
Gain on sale of available-for-sale investments	(700,000)	(169,390)	(700,000)	(169,390)
Unrealized gain on securities at fair value through profit or loss (Note 7)	(5,804,095)	(1,255,604)	(5,804,095)	(1,255,604)
Changes in operating assets and liabilities:				
Decrease (increase) in the amounts of:				
Securities at fair value through profit or loss	(25,109,824)	(41,121,860)	(25,109,824)	(41,121,860)
Receivables from clearing house	4,324,984	(12,997,304)	4,324,984	(12,997,304)
Receivable from customers	(7,073,136)	(17,440,056)	(7,073,136)	(17,440,056)
Other receivables	790,115	2,881,661	771,569	2,945,510
Other assets	1,304,873	(1,708,652)	1,304,873	(2,317,577)
Increase (decrease) in the amounts of:				
Payables to clearing house and other brokers	9,760,492	(14,514,569)	9,760,492	(14,514,569)
Payable to customers	(5,854,426)	107,145,501	(5,854,426)	107,145,501
Accrued expenses and other liabilities	2,746,725	3,691,122	2,746,725	3,691,122
Retirement liability	(1,890,133)	(256,709)	(1,890,133)	(256,709)
Net cash generated from operations	50,991,168	53,563,883	49,277,079	51,009,115
Income taxes paid	(16,138,268)	(2,700,877)	(15,799,159)	(2,299,666)
Net cash provided by operating activities	34,852,900	50,863,006	33,477,920	48,709,449
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale of available-for-sale investments	5,875,000	11,038,573	5,875,000	11,038,573
Acquisitions of property and equipment (Note 12)	(1,322,780)	(350,540)	(1,322,780)	(350,540)
Net cash provided by investing activities	4,552,220	10,688,033	4,552,220	10,688,033

(Forward)



	Consolidated		Parent Company	
	Years Ended December 31			
	2010	2009	2010	2009
CASH FLOWS FROM FINANCING ACTIVITY				
Cash dividends paid (Note 22)	P=	(P50,000,000)	P=	(P50,000,000)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	—	(3,636)	—	—
NET INCREASE IN CASH AND CASH EQUIVALENTS	39,405,120	11,547,403	38,030,140	9,397,482
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	192,624,962	181,077,559	136,791,396	127,393,914
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	P232,030,082	P192,624,962	P174,821,536	P136,791,396

**OPERATIONAL CASH FLOWS FROM  
INTEREST AND DIVIDENDS**

	Consolidated		Parent Company	
	Years Ended December 31			
	2010	2009	2010	2009
Interest received	<b>₱3,846,594</b>	₱5,393,634	<b>₱2,132,505</b>	₱3,451,427
Dividends received	<b>2,284,765</b>	1,372,479	<b>2,284,765</b>	1,372,479
	<b>₱6,131,359</b>	₱6,766,113	<b>₱4,417,270</b>	₱4,823,906

See accompanying Notes to Financial Statements.



## INDEPENDENT AUDITORS' REPORT

The Stockholders and the Board of Directors  
First Metro Securities Brokerage Corporation  
18th Floor, PSBank Center  
777 Paseo de Roxas corner Sedeño Street  
Makati City

We have audited the financial statements of First Metro Securities Brokerage Corporation (the Parent Company) as of and for the year ended December 31, 2010, on which we have rendered the attached report dated March 3, 2011.

In compliance with Securities Regulation Code Rule 68, we are stating that the Parent Company has (1) stockholder owning more than one hundred (100) or more shares.

SYCIP GORRES VELAYO & CO.

  
Vicky B. Lee-Salas  
Partner

CPA Certificate No. 86838  
SEC Accreditation No. 0115-AR-2  
Tax Identification No. 129-434-735  
BIR Accreditation No. 08-001998-53-2009,  
June 1, 2009, Valid until May 31, 2012  
PTR No. 2641532, January 3, 2011, Makati City

March 3, 2011



## **INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
First Metro Securities Brokerage Corporation  
18th Floor, PSBank Center  
777 Paseo de Roxas corner Sedeño Street  
Makati City

We have audited in accordance with Philippine Standards on Auditing, the financial statements of First Metro Securities Brokerage Corporation (the Parent Company), a wholly owned subsidiary of First Metro Investment Corporation, and have issued our report thereon dated March 3, 2011. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedules I to VI on pages 49 to 54 are the responsibility of the Parent Company's management. These schedules are presented for the purpose of complying with the Securities Regulation Code (SRC) Rules of the Securities and Exchange Commission and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly state in all material respects the financial data required to be set forth therein in relation to the basic financial statements taken as a whole.

**SYCIP GORRES VELAYO & CO.**



Vicky B. Lee-Salas  
Partner

CPA Certificate No. 86838  
SEC Accreditation No. 0115-AR-2  
Tax Identification No. 129-434-735  
BIR Accreditation No. 08-001998-53-2009,  
June 1, 2009, Valid until May 31, 2012  
PTR No. 2641532, January 3, 2011, Makati City

March 3, 2011



**SCHEDULE I**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS  
DECEMBER 31, 2010**

There are no liabilities subordinated to claims of general creditors.



**SCHEDULE II**

**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**(A Wholly Owned Subsidiary of First Metro Investment Corporation)**  
**RISK-BASED CAPITAL ADEQUACY WORKSHEET**  
**PURSUANT TO SEC MEMORANDUM CIRCULAR NO. 16**  
**DECEMBER 31, 2010**

<b>Assets</b>	432,013,925
<b>Liabilities</b>	182,338,205
<b>Equity as per books</b>	249,675,720
<b>Adjustments to Equity per books</b>	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / ( Loss ) in proprietary accounts	
Deferred Income Tax	
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
<b>Adjustments to Equity per books</b>	
<b>Equity Eligible For Net Liquid Capital</b>	249,675,720
<b>Contingencies and Guarantees</b>	
Deduct: Contingent Liability	
Guarantees or indemnities	
<b>Ineligible Assets</b>	
a. Trading Right and all Other Intangible Assets (net)	4,750,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	5,039,499
d. All Other Current Assets	8,737,138
e. Securities Not Readily Marketable	50,000,000
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	38,481,308
Total ineligible assets	107,007,945
<b>Net Liquid Capital (NLC)</b>	142,667,775
<b>Less:</b>	
Operational Risk Reqt (Schedule ORR-1)	11,939,158
Position Risk Reqt (Schedule PRR-1)	21,722,386
Counterparty Risk (Schedule CRR-1 and detailed schedules)	737
<b>Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)</b>	
LERR to a single client (LERR-1)	
LERR to a single debt (LERR-2)	
LERR to a single issuer and group of companies (LERR-3)	
<b>Total Risk Capital Requirement ( TRCR )</b>	33,662,281
<b>Net RBCA Margin (NLC-TRCR)</b>	109,005,494
<b>Liabilities</b>	182,338,204
<b>Add: Deposit for Future Stock Subscription (No application with SEC)</b>	
<b>Less: Exclusions from Aggregate Indebtedness</b>	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	
Others	7,855,978
<b>Total adjustments to AI</b>	(7,855,978)
<b>Aggregate Indebtedness</b>	174,482,226
<b>5% of Aggregate Indebtedness</b>	8,724,111
<b>Required Net Liquid Capital (&gt; of 5% of AI or P5M)</b>	8,724,111
<b>Net Risk-based Capital Excess / ( Deficiency )</b>	133,943,663
<b>Ratio of AI to Net Liquid Capital</b>	122%
<b>RBCA Ratio (NLC / TRCR)</b>	424%





**SCHEDULE III**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
INFORMATION RELATING TO THE POSSESSION OR  
CONTROL REQUIREMENTS UNDER SRC RULE 49.2  
DECEMBER 31, 2010**

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

Market Valuation:	<u>NIL</u>
Number of Items:	<u>NIL</u>

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

Market Valuation:	<u>NIL</u>
Number of Items:	<u>NIL</u>



**SCHEDULE IV**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
COMPUTATION FOR DETERMINATION OF  
RESERVE REQUIREMENTS UNDER SRC RULE 49.2  
DECEMBER 31, 2010**

Particulars	Credits	Debits
1. Free credit balance and other credit balance in customers' security accounts.	₱151,649,636	
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 customers.		
6. Market value of stock dividends stock splits and similar distribution receivable outstanding over 30 calendar days old.		
7. Market value of the short security count differences over 30 calendar days old.		
8. Market value of short securities and credits (not to be offset by long or by debits) in all suspense accounts over 30 calendar days.		
9. Market value of securities, which are in transfer in excess of 40 calendar days and have not been confirmed to be in transfer by the transfer agent or the issuer during the 40 days.		
10. Debit balances in customers' cash or margin accounts excluding unsecured accounts and accounts doubtful of collection.		₱78,542,623
11. Securities borrowed to effectuate short sales by customer and securities borrowed to make deliver on customers' securities failed to delivery.		
12. Failed to delivery customers' securities not older than 30 calendar days.		
13. Others - sales/purchases of marketable securities.		
Total	₱151,649,636	₱78,542,623
Net Credit (Debit)	₱73,107,013	
Required Reserve (100% of net credit if making a weekly computation and 105% if monthly)	₱76,762,364	



**SCHEDULE V**

**FIRST METRO SECURITIES BROKERAGE CORPORATION  
(A Wholly Owned Subsidiary of First Metro Investment Corporation)  
A REPORT DESCRIBING ANY MATERIAL INADEQUACIES  
FOUND TO EXIST OR FOUND TO HAVE EXISTED  
SINCE THE DATE OF THE PREVIOUS AUDIT  
DECEMBER 31, 2010**

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



SCHEDULE VI

**FIRST METRO SECURITIES BROKERAGE CORPORATION**  
**(A Wholly Owned Subsidiary of First Metro Investment Corporation)**  
**RESULTS OF MONTHLY SECURITIES COUNT**  
**CONDUCTED PURSUANT TO SRC RULE 52.1-10, AS AMENDED**  
**DECEMBER 31, 2010**

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

