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(Company's Full Name)

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

Mr. Gonzalo G. Ordoñez

(Contact Person)

859 - 0600

(Company Telephone Number)

1 2 3 1

Month Day
(Fiscal Year)

5 2 - A R

(Form Type)

Month Day
(Annual Meeting)

Broker Dealer

(Secondary License Type, If Applicable)

MRD

Dept. Requiring this Doc.

Articles I and VII

Amended Articles Number/Section

6

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

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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, 2012 and Ended December 31, 2012.

IDENTIFICATION OF BROKER OR DEALER	
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

IDENTIFICATION OF ACCOUNTANT	
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-3 (Group A), February 14, 2013, valid until February 13, 2016 Tax Identification No.: 129-434-735 BIR Accreditation No. 08-001998-53-2012, April 11, 2012, valid until April 10, 2015 PTR No.: 3669690, January 2, 2013, Makati City	





First Metro Securities
Brokerage Corporation

Metrobank Group

**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 the preparation and fair presentation of the consolidated financial statements for the years ended December 31, 2012 and 2011, including the additional components attached therein, in accordance with the accounting principles generally accepted in the Philippines as described in Note 2 to the financial statements. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements and submits the same to the stockholders.

SyCip Gorres Velayo & Co., the independent auditors, appointed by the stockholders has examined the consolidated 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 examination.

Mr. Roberto Juanchito T. Dispo
Chairman of the Board

Mr. Gonzalo G. Ordoñez
President

Ms. Marie Arabella D. Veron
Treasurer

Signed this 7th day of March 2013.

18/F PSBank Center, 777 Paseo de Roxas cor. Sedeño St., Makati City 1226
Tel. No: (63 2) 859-0600 to 02 Fax: (63 2) 859-0699 Member: Philippine Stock Exchange

www.firstmetrosec.com.ph



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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 consolidated 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 parent company statements of financial condition as of December 31, 2012 and 2011, and the consolidated and parent company statements of comprehensive income, statements of changes in equity, and 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 determines 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, 2012 and 2011, 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 19-2011 and 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 required under Revenue Regulations 19-2011 and 15-2010 in Notes 25 and 26 to the financial statements, respectively, 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 Lee Salas

Vicky Lee Salas

Partner

CPA Certificate No. 86838

SEC Accreditation No. 0115-AR-3 (Group A),

February 14, 2013, valid until February 13, 2016

Tax Identification No. 129-434-735

BIR Accreditation No. 08-001998-53-2012,

April 11, 2012, valid until April 10, 2015

PTR No. 3669690, January 2, 2013, Makati City

March 7, 2013





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			
	2012	2011	2012		2011	
			Money Balance	Security Valuation Long Short	Money Balance	Security Valuation Long Short
ASSETS						
Current Assets						
Cash and Cash Equivalents (Note 6)	P441,056,450	P283,813,443	P381,492,901	P155,329,663	P225,428,029	P111,030,002
Financial Assets at Fair Value through Profit or Loss (Note 7)	162,250,985	117,237,041	162,250,985	35,854,600	117,237,041	-
Available-for-sale Investments (Notes 7 and 21)	35,854,600	-	35,854,600	-	-	-
Receivable from:						
Clearing house and other brokers (Note 8)	30,934,422	-	30,934,422	-	-	-
Customers (Notes 9 and 21)	42,967,219	141,127,143	42,967,219	5,040,154,492	141,127,143	7,865,577,485
Others (Note 10)	1,985,848	802,278	1,933,765	-	757,408	-
Other Current Assets (Note 15)	2,306,754	2,030,211	2,306,754	-	2,030,211	-
	717,356,278	545,010,116	657,740,646	-	486,579,832	-
Noncurrent Assets						
Available-for-sale Investments (Notes 7 and 14)	83,200,000	45,600,000	83,200,000	83,200,000	45,600,000	45,600,000
Receivable from Others (Note 10)	136,948	707,636	136,948	-	707,636	-
Investment in a Subsidiary (Note 11)	-	-	50,000,000	-	50,000,000	-
Property and Equipment (Note 12)	6,972,556	4,077,984	6,972,536	-	4,077,964	-
Investment Property (Note 13)	1,601,911	1,790,371	1,601,911	-	1,790,371	-
Exchange Trading Right (Note 14)	4,750,000	4,750,000	4,750,000	-	4,750,000	-
Other Noncurrent Assets (Note 15)	1,575,963	684,320	1,557,143	-	665,500	-
	98,237,378	57,610,311	148,218,538	-	107,591,471	-
	P815,593,656	P602,620,427	P805,959,184	-	P594,171,303	-
TOTAL ASSETS						
				P28,642,123,914		P25,367,856,132
Securities in Box, Transfer Offices and Philippine Depository and Trust Corp.						
LIABILITIES AND EQUITY						
LIABILITIES						
Current Liabilities						
Payable to:						
Clearing house (Note 16)	36,508,208	91,484,727	36,508,208	-	91,484,727	-
Customers (Notes 6, 17 and 21)	298,465,970	150,842,532	298,465,970	23,332,836,159	150,842,532	17,345,648,645
Loans Payable (Note 21)	-	20,000,000	-	5,251,000	20,000,000	-
Accrued Expenses and Other Current Liabilities (Note 18)	16,614,660	7,912,896	16,582,161	-	7,880,398	-
Income Tax Payable (Note 19)	10,893,569	3,596,110	10,893,569	-	3,596,110	-
	362,482,407	273,836,265	362,449,908	-	273,803,767	-
(Forward)						



	Consolidated		Parent Company					
	December 31		December 31					
	2012	2011	2012		2011			
			Money	Security Valuation	Money	Security Valuation	Long	Short
	Balance		Balance	Long	Balance	Long		
Noncurrent Liabilities								
Deferred Tax Liabilities (Note 19)	P22,686,499	P10,649,622	P22,686,499		P10,649,622			
Retirement Liability (Note 20)	4,747,834	2,354,198	4,747,834		2,354,198			
Accrued Expenses and Other Noncurrent Liabilities (Note 18)	826,125	571,246	826,125		571,246			
	28,260,458	13,575,066	28,260,458		13,575,066			
	390,742,865	287,411,331	390,710,366		287,378,833			
TOTAL LIABILITIES								
EQUITY								
Share Capital (Note 22)	130,000,000	130,000,000	130,000,000		130,000,000			
Stock Dividends Distributable (Note 22)	39,000,000	-	39,000,000		-			
Retained Earnings (Note 22):								
Unappropriated	164,102,000	134,005,369	154,500,027		125,588,743			
Appropriated	30,329,426	22,783,727	30,329,426		22,783,727			
Net Unrealized Gain on Available-for-sale Investments (Note 7)	61,419,365	28,420,000	61,419,365		28,420,000			
	424,850,791	315,209,096	415,248,818		306,792,470			
TOTAL EQUITY	P815,593,656	P602,620,427	P805,959,184	P28,647,374,914	P594,171,303	P25,367,856,132		P25,367,856,132

See accompanying Notes to Financial Statements.

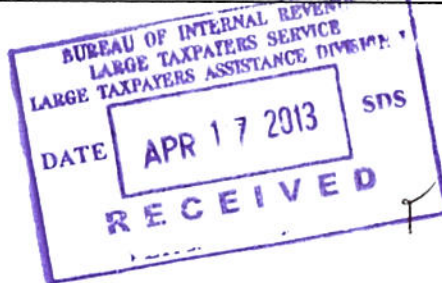


FIRST METRO SECURITIES BROKERAGE CORPORATION
(A Wholly Owned Subsidiary of First Metro Investment Corporation)
AND SUBSIDIARY

STATEMENTS OF COMPREHENSIVE INCOME

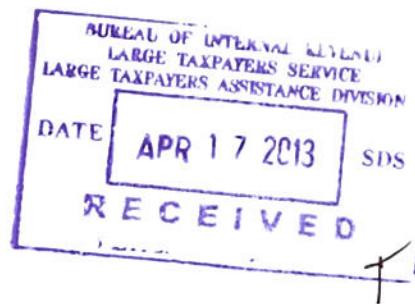
	Consolidated		Parent Company	
	Years Ended December 31			
	2012	2011	2012	2011
REVENUE				
Commissions (Note 21)	₱124,671,572	₱103,663,625	₱124,671,572	₱103,663,625
Trading gains - net (Note 7)	62,502,904	15,788,584	62,502,904	15,788,584
Dividend	3,607,007	4,190,819	3,607,007	4,190,819
Interest (Notes 6 and 21)	3,377,089	2,978,646	1,895,403	1,508,102
Miscellaneous (Note 23)	1,446,656	2,747,213	1,446,656	2,747,213
	195,605,228	129,368,887	194,123,542	127,898,343
COST OF SERVICE				
Salaries and benefits - operations (Notes 20 and 21)	32,369,428	20,449,695	32,369,428	20,449,695
Research and other technical costs (Note 21)	12,988,532	6,839,905	12,988,532	6,839,905
Transfer and exchange fees	10,577,503	9,050,774	10,577,503	9,050,774
Communications	2,047,606	2,160,302	2,047,606	2,160,302
Messengerial and clerical services	1,617,478	1,417,193	1,617,478	1,417,193
	59,600,547	39,917,869	59,600,547	39,917,869
GROSS PROFIT	136,004,681	89,451,018	134,522,995	87,980,474
OPERATING EXPENSES				
Management and professional fees (Note 21)	3,802,418	2,364,340	3,802,418	2,364,340
Advertising	3,332,452	1,360,273	3,332,452	1,360,273
Rent, power and light (Notes 21 and 23)	3,248,287	2,677,731	3,248,287	2,677,731
Depreciation and amortization (Notes 12 and 13)	2,640,240	2,082,248	2,640,240	2,082,248
Salaries and benefits - administration (Notes 20 and 21)	2,586,971	1,389,000	2,586,971	1,389,000
Entertainment, amusement and recreation (Note 19)	2,361,922	1,555,708	2,361,922	1,555,708
Transportation and travel	2,019,087	1,102,447	2,019,087	1,102,447
Office supplies	1,513,100	1,547,311	1,513,100	1,547,311
Insurance	1,207,671	685,668	1,207,671	685,668
Repairs and maintenance	617,941	382,214	617,941	382,214
Taxes and licenses	546,945	364,707	546,945	364,707
Association dues	255,696	269,321	255,696	269,321
Provision for impairment losses (Note 15)	-	52,766	-	52,766
Miscellaneous (Notes 9 and 21)	4,211,232	1,768,322	4,211,232	1,768,322
	28,343,962	17,602,056	28,343,962	17,602,056

(Forward)



	Consolidated		Parent Company	
	Years Ended December 31			
	2012	2011	2012	2011
INCOME BEFORE INCOME TAX	₱107,660,719	₱71,848,962	₱106,179,033	₱70,378,418
PROVISION FOR INCOME TAX (Note 19)	31,018,389	19,925,777	30,722,050	19,631,668
NET INCOME	76,642,330	51,923,185	75,456,983	50,746,750
OTHER COMPREHENSIVE INCOME				
Net changes in fair values of available-for-sale investments (Note 7)	32,999,365	6,370,000	32,999,365	6,370,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	₱109,641,695	₱58,293,185	₱108,456,348	₱57,116,750

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					
	Stock Dividends			Net Unrealized			Stock Dividends			Net Unrealized		
	Share Capital (Note 22)	Distributable (Note 22)	Retained Earnings (Note 22)	Appropriated	Investments (Note 7)	Total	Share Capital (Note 22)	Distributable (Note 22)	Retained Earnings (Note 22)	Appropriated	Investments (Note 7)	Total
Balance at January 1, 2012	P130,000,000	P-	P134,005,369	P22,783,727	P28,420,000	P315,209,096	P130,000,000	P-	P125,588,743	P22,783,727	P28,420,000	P306,792,470
Total comprehensive income	-	-	76,642,330	-	32,999,365	109,641,695	-	-	75,456,983	-	32,999,365	108,456,348
Stock dividends	-	39,000,000	(39,000,000)	-	-	-	-	39,000,000	(39,000,000)	-	-	-
Appropriations	-	-	(7,545,699)	7,545,699	-	-	-	-	(7,545,699)	7,545,699	-	-
Balance at December 31, 2012	P130,000,000	P39,000,000	P164,102,000	P30,329,426	P61,419,365	P424,850,791	P130,000,000	P39,000,000	P154,500,027	P30,329,426	P61,419,365	P415,248,818
Balance at January 1, 2011	P130,000,000	P-	P87,156,859	P17,709,052	P22,050,000	P256,915,911	P130,000,000	P-	P79,916,668	P17,709,052	P22,050,000	P249,675,720
Total comprehensive income	-	-	51,923,185	-	6,370,000	58,293,185	-	-	50,746,750	-	6,370,000	57,116,750
Appropriations	-	-	(5,074,675)	5,074,675	-	-	-	-	(5,074,675)	5,074,675	-	-
Balance at December 31, 2011	P130,000,000	P-	P134,005,369	P22,783,727	P28,420,000	P315,209,096	P130,000,000	P-	P125,588,743	P22,783,727	P28,420,000	P306,792,470

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			
	2012	2011	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	₱107,660,719	₱71,848,962	₱106,179,033	₱70,378,418
Adjustments for:				
Depreciation and amortization (Notes 12 and 13)	2,640,240	2,082,248	2,640,240	2,082,248
Retirement expense (Note 20)	2,393,636	1,699,086	2,393,636	1,699,086
Provision for impairment losses (Note 15)	–	52,766	–	52,766
Provision for allowance for credit losses (Note 9)	11,005	27,408	11,005	27,408
Gain on sale of available-for-sale investments	(1,048)	(787,050)	(1,048)	(787,050)
Gain on sale of property and equipment	(3,489)	–	(3,489)	–
Unrealized gain on financial assets at fair value through profit or loss (Note 7)	(4,997,120)	(1,901,002)	(4,997,120)	(1,901,002)
Miscellaneous loss (Note 12)	30,872	–	30,872	–
Changes in operating assets and liabilities:				
Decrease (increase) in the amounts of:				
Financial assets at fair value through profit or loss	(40,016,824)	(38,900,502)	(40,016,824)	(38,900,502)
Receivables from clearing house and other brokers	(30,934,422)	8,672,320	(30,934,422)	8,672,320
Receivable from customers	98,148,919	(70,490,888)	98,148,919	(70,490,888)
Other receivables	(612,883)	1,614,455	(605,671)	1,614,022
Other assets	(8,371,373)	(696,173)	(8,371,373)	(696,173)
Increase (decrease) in the amounts of:				
Payables to clearing house	(54,976,519)	81,680,309	(54,976,519)	81,680,309
Payable to customers	147,623,438	8,997,314	147,623,438	8,997,314
Accrued expenses and other liabilities	8,956,643	(3,859,226)	8,956,643	(3,859,226)
Retirement liability	–	(900,000)	–	(900,000)
Net cash generated from operations	227,551,794	59,140,027	226,077,320	57,669,050
Income taxes paid	(18,623,450)	(25,232,632)	(18,327,111)	(24,938,523)
Net cash provided by operating activities	208,928,344	33,907,395	207,750,209	32,730,527
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of available-for-sale investments	988,398	11,384,200	988,398	11,384,200
Acquisition of available-for-sale investment	(27,300,000)	(10,597,150)	(27,300,000)	(10,597,150)
Proceeds from sale of property and equipment	3,500	–	3,500	–
Acquisitions of property and equipment (Note 12)	(5,377,235)	(2,911,084)	(5,377,235)	(2,911,084)
Net cash used in investing activities	(31,685,337)	(2,124,034)	(31,685,337)	(2,124,034)

(Forward)



	Consolidated		Parent Company	
	Years Ended December 31			
	2012	2011	2012	2011
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from availment of loan (Note 21)	₱320,000,000	₱20,000,000	₱320,000,000	₱20,000,000
Payments of loan (Note 21)	(340,000,000)	–	(340,000,000)	–
Net cash provided by (used in) financing activities	(20,000,000)	20,000,000	(20,000,000)	20,000,000
NET INCREASE IN CASH AND CASH EQUIVALENTS	157,243,007	51,783,361	156,064,872	50,606,493
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	283,813,443	232,030,082	225,428,029	174,821,536
CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)	₱441,056,450	₱283,813,443	₱381,492,901	₱225,428,029

OPERATING CASH FLOWS FROM INTEREST AND DIVIDENDS

	Consolidated		Parent Company	
	Years Ended December 31			
	2012	2011	2012	2011
Interest received	₱3,373,764	₱3,002,927	₱1,899,292	₱1,531,950
Dividends received	3,607,007	4,190,819	3,607,007	4,190,819
Interest paid	(1,188,055)	–	(1,188,055)	–
	₱5,792,716	₱7,193,746	₱4,318,244	₱5,722,769

See accompanying Notes to Financial Statements.



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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, 2012, on which we have rendered the attached report dated March 7, 2013.

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 Lee Salas

Vicky Lee Salas
Partner

CPA Certificate No. 86838

SEC Accreditation No. 0115-AR-3 (Group A),

February 14, 2013, valid until February 13, 2016

Tax Identification No. 129-434-735

BIR Accreditation No. 08-001998-53-2012,

April 11, 2012, valid until April 10, 2015

PTR No. 3669690, January 2, 2013, Makati City

March 7, 2013



-58-

**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 consolidated financial statements of First Metro Securities Brokerage Corporation and its subsidiary as at and for the years ended December 31, 2012 and 2011 and have issued our report thereon dated March 7, 2013. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. Schedules I to VIII on pages 59 to 70 are the responsibility of the Company's management. These schedules are presented for the purpose of complying with the Securities Regulation Code Rule 68, as amended (2011), 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 information required to be set forth therein in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Vicky Lee Salas

Vicky Lee Salas

Partner

CPA Certificate No. 86838

SEC Accreditation No. 0115-AR-3 (Group A),

February 14, 2013, valid until February 13, 2016

Tax Identification No. 129-434-735

BIR Accreditation No. 08-001998-53-2012,

April 11, 2012, valid until April 10, 2015

PTR No. 3669690, January 2, 2013, Makati City

March 7, 2013



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, 2012

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, 2012

Assets	
Liabilities	P805,959,184
Equity as per books	390,710,366
	415,248,818
Adjustments to Equity per books	
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	
Adjustments to Equity per books	
Equity Eligible For Net Liquid Capital	415,248,818
Contingencies and Guarantees	
Deduct: Contingent Liability	
Guarantees or indemnities	
Ineligible Assets	
a. Trading Right and all Other Intangible Assets (net)	
b. Intercompany Receivables	4,750,000
c. Fixed Assets, net of accumulated and excluding those used as collateral	
d. All Other Current Assets	8,574,447
e. Securities Not Readily Marketable	46,025,530
f. Negative Exposure (SCCP)	50,000,000
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	
Total ineligible assets	85,882,668
Net Liquid Capital (NLC)	195,232,646
Less:	220,016,172
Operational Risk Reqt (Schedule ORR-1)	
Position Risk Reqt (Schedule PRR-1)	20,604,721
Counterparty Risk (Schedule CRR-1 and detailed schedules)	39,842,716
Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)	36,278
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)	
	1,510,188
Total Risk Capital Requirement (TRCR)	61,993,903
Net RBCA Margin (NLC-TRCR)	
Liabilities	158,022,269
Add: Deposit for Future Stock Subscription (No application with SEC)	390,710,366
Less: Exclusions from Aggregate Indebtedness	
Subordinated Liabilities	
Loans secured by securities	
Loans secured by fixed assets	
Others	
Total adjustments to AI	22,686,499
Aggregate Indebtedness	(22,686,499)
5% of Aggregate Indebtedness	368,023,867
Required Net Liquid Capital (> of 5% of AI or P5M)	18,401,193
Net Risk-based Capital Excess / (Deficiency)	18,401,193
Ratio of AI to Net Liquid Capital	201,614,979
RBCA Ratio (NLC / TRCR)	167.3%
	354.9%



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, 2012**

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 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, 2012**

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, 2012

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

