

EXHIBITS, FINANCIAL STATEMENT SCHEDULES including Financial Statement Schedules, Exhibits, Signatures, Power of Attorney

Octank Financial's 10K report includes several financial statement schedules and exhibits that provide important information to investors and other stakeholders. These schedules and exhibits are essential components of the report, offering detailed data and insights that supplement the financial statements.

****Financial Statement Schedules****

Financial statement schedules offer additional information about specific line items in the financial statements. At Octank, we provide the following financial statement schedules:

1. ****Schedule of Assets:**** This schedule provides a detailed breakdown of our assets, including a list of our major customers, the carrying amounts and fair values of our financial assets, and the gross and net amounts of our impaired assets.
2. ****Schedule of Liabilities:**** This schedule offers a comprehensive view of our liabilities, including a list of our major suppliers, the carrying amounts and fair values of our financial liabilities, and the gross and net amounts of our contingent liabilities.
3. ****Schedule of Stockholders' Equity:**** This schedule details the changes in our stockholders' equity during the reporting period, including the number of shares issued, repurchased, and outstanding, as well as the changes in our accumulated other comprehensive income.
4. ****Schedule of Cash Flows:**** This schedule provides a detailed analysis of our cash flows, including the cash flows from operating, investing, and financing activities, as well as the changes in our cash and cash equivalents.

****Exhibits****

Exhibits are supplementary documents that provide additional information about various aspects of our business. At Octank, we include the following exhibits in our 10K report:

1. ****Articles of Incorporation and Bylaws:**** These documents outline the legal structure and governance of our company, including our purpose, powers, and the rights and duties of our officers and directors.
2. ****List of Subsidiaries:**** This exhibit provides a comprehensive list of our subsidiaries, including their names, locations, and the percentage of ownership that Octank holds.

3. ****Management's Discussion and Analysis (MD&A):**** This section provides an overview of our financial condition and operating results, as well as a discussion of the key factors that have affected our performance.
4. ****Market Information:**** This exhibit includes information about our stock, including the high and low sales prices for the reporting period, the number of shares outstanding, and the names of our stock exchanges.
5. ****Legal Proceedings:**** This exhibit provides a list of any legal proceedings in which Octank is involved, including the nature of the proceedings, the parties involved, and the estimated costs and potential outcomes.
6. ****Executive Compensation:**** This exhibit details the compensation paid to our executive officers, including their base salaries, bonuses, stock options, and other benefits.

****Signatures and Power of Attorney****

The 10K report is signed by our principal executive officer, principal financial officer, and principal accounting officer, as well as our chairman of the board, chief executive officer, and chief financial officer. These individuals attest to the accuracy and completeness of the report, as well as their responsibility for its preparation.

In addition, our report includes a power of attorney, which authorizes certain individuals to sign the report on behalf of the company. This power of attorney is typically granted to our chief financial officer and chief legal officer.

In conclusion, Octank's 10K report includes a variety of financial statement schedules and exhibits that provide important information about our financial condition, operating results, and other aspects of our business. These schedules and exhibits are essential components of the report, offering detailed data and insights that supplement the financial statements. Our report is signed by our principal executive officer, principal financial officer, and principal accounting officer, as well as our chairman of the board, chief executive officer, and chief financial officer, and includes a power of attorney that authorizes certain individuals to sign the report on behalf of the company.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions, and Director Independence

At Octank Financial, we are committed to maintaining the highest standards of corporate governance and transparency. In this section, we will discuss certain relationships and related transactions, as well as director independence.

Certain Relationships and Related Transactions

Octank Financial is committed to ensuring that all related party transactions are conducted at arm's length and on normal commercial terms. During the fiscal year, the company entered into the following material related party transactions:

* **Lease Agreement with PersonA**: Octank Financial leased office space from PersonA, who is a significant shareholder of the company. The lease agreement was entered into on January 1, 2021, and will expire on December 31, 2023. The annual rent is \$500,000, which is consistent with market rates for similar properties in the area.

* **Service Agreement with PersonB**: Octank Financial entered into a service agreement with PersonB, who is a director of the company. PersonB provided consulting services to the company for a fee of \$100,000. The fee was approved by the board of directors, excluding PersonB, and was consistent with the market rate for similar services.

* **Loan to PersonC**: Octank Financial provided a loan to PersonC, who is an employee of the company. The loan was granted for personal reasons and has a interest rate of 5%. The loan amount is \$50,000 and is repayable over a period of 5 years.

The audit committee of the board of directors reviews all related party transactions on a quarterly basis to ensure that they are conducted at arm's length and on normal commercial terms.

Director Independence

The board of directors of Octank Financial is committed to maintaining its independence. The board has adopted a policy that requires all directors to be independent, except for the CEO and CFO. The board has determined that the following directors are independent:

* **PersonD**: PersonD has been a director of the company since 2018. She is the founder and CEO of XYZ Corporation, a company that is not a significant shareholder of Octank Financial and does not have any business relationship with the company.

* **PersonE**: PersonE has been a director of the company since 2019. He is a partner at ABC Law Firm, a law firm that does not have any business relationship with Octank Financial.

* **PersonF**: PersonF has been a director of the company since 2020. She is the founder and CEO of LMN Inc., a company that is not a significant shareholder of Octank Financial and does not have any business relationship with the company.

The board of directors has established the following committees, each of which is composed entirely of independent directors:

* **Audit Committee**: The audit committee is responsible for overseeing the company's financial reporting process, internal control system, and audit process.

* **Compensation Committee**: The compensation committee is responsible for determining the compensation of the company's executive officers.

* **Nominating and Corporate Governance Committee**: The nominating and corporate governance committee is responsible for identifying and recommending candidates to serve on the board of directors and for developing and recommending corporate governance principles.

The following table sets forth the membership of the committees of the board of directors:

Committee	Members
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Audit	PersonD, PersonE
Compensation	PersonD, PersonF
Nominating and Corporate Governance	PersonE, PersonF

In conclusion, Octank Financial is committed to maintaining the highest standards of corporate governance and transparency. We have established policies and procedures to ensure that all related party transactions are conducted at arm's length and on normal commercial terms, and that our board of directors is independent.

EXECUTIVE COMPENSATION

Octank Financial is committed to attracting, retaining, and motivating top talent by offering competitive executive compensation packages. Our compensation program is designed to align the interests of our executives with the long-term success of the company and its shareholders. This report provides an overview of Octank's executive compensation practices.

Executive Compensation Components

Our executive compensation program consists of the following components:

- Base Salary:** The fixed component of compensation, determined based on the executive's role, responsibilities, and performance.
- Annual Bonus:** A performance-based cash award tied to the achievement of specific individual and company-wide objectives.
- Long-Term Incentives (LTIs):** Equity-based awards designed to incentivize long-term value creation and alignment with shareholder interests.
- Benefits and Perquisites:** A comprehensive benefits package, including health insurance, retirement plans, and other perquisites.

Executive Compensation Philosophy

Our compensation philosophy is to:

- Attract, retain, and motivate high-performing executives.
- Align executives' interests with the long-term success of the company and its shareholders.
- Reward performance and contributions to Octank's growth and financial performance.
- Ensure that compensation practices are transparent, fair, and competitive within the industry.

Executive Compensation Data

We have compiled the following data to provide a snapshot of Octank's executive compensation practices (all figures are in USD):

Position	Base Salary	Annual Bonus	LTIs (Stock Options)	Total Compensation
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CEO (PersonA)	2,000,000	1,500,000	3,000,000	6,500,000
CFO (PersonB)	1,200,000	800,000	1,500,000	3,500,000
COO (PersonC)	1,400,000	1,000,000	2,000,000	4,400,000

Peer Group Comparison

To ensure our compensation practices are competitive within the industry, we regularly compare our executive compensation packages to those of our peers. Our peer group includes the following companies:

- Acme Corp
- Initech
- GlobalTech
- Innovatech

Based on our analysis, Octank's total executive compensation is within the median range compared to our peer group.

Say-on-Pay Vote

In accordance with regulatory requirements, Octank holds an annual Say-on-Pay vote, allowing shareholders to express their opinions on our executive compensation practices. In the most recent vote, 89% of shareholders approved of Octank's executive compensation program.

Conclusion

Octank Financial's executive compensation program is designed to attract, retain, and motivate top talent while aligning executives' interests with the long-term success of the company and its shareholders. Our compensation practices are transparent, fair, and competitive within the industry, as evidenced by our peer group comparison and Say-on-Pay vote results.

Investments under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Under the "Investments" section of the Notes to Consolidated Financial Statements, Octank Financial provides details on its investment portfolio, including the fair value, classification, and significant investment positions.

As of December 31, 2021, Octank Financial's investment portfolio had a fair value of \$5.2 billion, which represents an increase of 12% from the prior year. The portfolio is classified into three categories: available-for-sale (AFS), held-to-maturity (HTM), and trading securities.

The AFS portfolio consists of debt and equity securities that are not classified as HTM or trading securities. The fair value of the AFS portfolio was \$3.1 billion as of December 31, 2021, representing 60% of the total investment portfolio. The AFS portfolio had an unrealized gain of \$150 million as of December 31, 2021.

The HTM portfolio consists of debt securities that the company has the intent and ability to hold to maturity. The fair value of the HTM portfolio was \$1.2 billion as of December 31, 2021, representing 23% of the total investment portfolio.

The trading securities portfolio consists of debt and equity securities that the company actively manages for short-term gains. The fair value of the trading securities portfolio was \$900 million as of December 31, 2021, representing 17% of the total investment portfolio. The trading securities portfolio had an unrealized loss of \$50 million as of December 31, 2021.

Octank Financial's investment portfolio includes significant investment positions in the following companies:

- * Company A: \$400 million
- * Company B: \$350 million
- * Company C: \$250 million

These significant investment positions represent 22% of the total investment portfolio.

The company's investment strategy is to generate long-term capital appreciation and income while managing risk. The investment portfolio is diversified across various sectors, including technology, healthcare, financial services, and consumer goods. The company's investment policy requires that the investment portfolio be diversified and that no single investment position exceeds 10% of the total investment portfolio.

The company's investment policy also requires that the investment portfolio be valued at fair value, which is defined as 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 fair value of the investment portfolio is determined using quoted market prices, observable inputs, and unobservable inputs.

The company's investment portfolio is subject to various risks, including market risk, credit risk, and liquidity risk. Market risk is the risk that the

value of the investment portfolio will decrease due to changes in market prices. Credit risk is the risk that the issuer of a security will default on its obligations. Liquidity risk is the risk that the company will not be able to sell securities in a timely manner or at a price that reflects fair value.

The company manages these risks by diversifying the investment portfolio, monitoring the creditworthiness of issuers, and regularly assessing the liquidity of the investment portfolio. The company also has policies and procedures in place to manage the risks associated with the investment portfolio.

In conclusion, Octank Financial's investment portfolio had a fair value of \$5.2 billion as of December 31, 2021, representing an increase of 12% from the prior year. The portfolio is classified into three categories: available-for-sale, held-to-maturity, and trading securities. The company's investment strategy is to generate long-term capital appreciation and income while managing risk. The investment portfolio is diversified across various sectors and is subject to various risks, which are managed through diversification, monitoring, and policies and procedures.

Table for Property and Equipment, Net under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

****Table for Property and Equipment, Net under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****

Asset Class	Cost	Accumulated Depreciation	Net Book Value
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Land	\$50,000,000	\$0	\$50,000,000
Buildings	\$200,000,000	\$40,000,000	\$160,000,000
Machinery and Equipment	\$150,000,000	\$75,000,000	\$75,000,000
Furniture and Fixtures	\$20,000,000	\$10,000,000	\$10,000,000
Vehicles	\$15,000,000	\$7,500,000	\$7,500,000
Total Property and Equipment, Net	**\$440,000,000**	**\$132,500,000**	**\$307,500,000**

The following table provides a summary of Octank Financial's property and equipment, net, as of December 31, 2022. The table is organized by asset class and includes the cost, accumulated depreciation, and net book value of each class.

Land is recorded at its original cost, with no accumulated depreciation, as it is not subject to depreciation. The buildings, machinery and equipment, furniture and fixtures, and vehicles are subject to depreciation over their useful lives. The accumulated depreciation represents the total amount of depreciation expense that has been recognized on these assets since they were acquired. The net book value of each asset class is calculated as the cost less the accumulated depreciation.

The total property and equipment, net, as of December 31, 2022, is \$307,500,000, which represents a significant investment in the long-lived assets that Octank Financial uses in its operations. These assets are expected to provide benefits to the company for many years to come.

The property and equipment, net, is reported on the balance sheet under the non-current assets section. The net book value of these assets is used in the calculation of Octank Financial's shareholders' equity, which is an important measure of the company's financial position.

The property and equipment, net, is managed by the Octank Financial's finance and accounting team, led by PersonA, the Vice President of Finance. The team is responsible for the accurate accounting and reporting of these assets, as well as for developing and implementing policies and procedures to ensure the proper maintenance and use of these assets.

The property and equipment, net, is regularly reviewed by Octank Financial's management, including PersonB, the Chief Financial Officer, and PersonC, the Chief Operating Officer. The reviews include an analysis of the assets' useful lives, depreciation methods, and residual values. The reviews also consider the impact of changes in technology and industry trends on the assets' future usefulness and value to the company.

In conclusion, the table for property and equipment, net, provides important information about Octank Financial's long-lived assets. These assets are a significant investment in the company's future and are managed and reviewed regularly to ensure their continued value and usefulness.

Cash and Cash Equivalents under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cash and cash equivalents are current assets that include cash on hand, undeposited checks, and highly liquid investments with maturities of three months or less. These assets are reported on the balance sheet and are crucial for a company's daily operations and short-term liquidity. This section will discuss Octank Financial's cash and cash equivalents as presented in the notes to the consolidated financial statements.

As of December 31, 2021, Octank had cash and cash equivalents of \$12,567,000, compared to \$9,854,000 in the previous year, representing an increase of 27.5%. This growth can be attributed to PersonA, the Treasurer, who implemented a more aggressive cash management strategy, focusing on cash flow optimization and short-term investments.

The following table provides a breakdown of the cash and cash equivalents for the years ended December 31, 2021, and 2020:

Category	2021 (\$)	2020 (\$)
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Cash on hand	3,500,000	3,000,000
Undeposited checks	520,000	450,000
Short-term investments	8,547,000	6,354,000
Total	**12,567,000**	**9,854,000**

Cash on hand includes currency, coins, and demand deposits in banks. Undeposited checks are checks received by Octank that have not been deposited in a bank. Short-term investments are highly liquid investments with original maturities of three months or less, which include commercial paper, treasury bills, and money market funds.

The increase in short-term investments is primarily due to PersonB, the Investment Manager, who focused on purchasing high-quality, short-term securities to maximize returns while maintaining liquidity. The investment portfolio's yield has increased from 1.2% in 2020 to 1.6% in 2021, contributing to Octank's net income growth.

Octank's cash and cash equivalents are managed in accordance with the company's cash management policy, which is reviewed and approved annually by the Board of Directors. The policy establishes guidelines for cash handling, investment objectives, and risk management. The policy aims to maintain sufficient liquidity to meet operational requirements, maximize returns on excess cash, and manage risk through diversification and prudent security selection.

Octank's cash and cash equivalents are held in various financial institutions, primarily in the United States. The company has established relationships with several reputable banks to ensure adequate liquidity and to diversify counterparty risk. To further mitigate risk, Octank

maintains bank relationships below the FDIC insurance limit of \$250,000 per account.

In conclusion, Octank Financial's cash and cash equivalents have increased significantly in 2021 due to strategic cash management and short-term investment decisions. The company's cash and cash equivalents are managed in accordance with a well-defined cash management policy, ensuring sufficient liquidity, maximized returns, and managed risk.

Concentration of Credit Risk under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The concentration of credit risk is a crucial aspect of Octank Financial's financial stability, and it is essential to understand how this risk is managed within the company. Credit risk refers to the potential loss that could occur if a borrower fails to meet its debt obligations. At Octank, we manage credit risk through a variety of methods, including diversification, credit analysis, and risk limits.

One of the ways we manage credit risk is by diversifying our portfolio. We lend to a wide range of borrowers across different industries, geographies, and credit qualities. This diversification helps to reduce the impact of any single borrower's default on our overall portfolio. For example, in the past year, our top five borrowers accounted for only 15% of our total loan portfolio, down from 18% the previous year. This reduction in concentration demonstrates our commitment to diversification and risk management.

Another way we manage credit risk is through rigorous credit analysis. Our team of experienced analysts evaluates each borrower's creditworthiness before extending credit. We consider a variety of factors, including the borrower's financial statements, industry trends, and economic conditions. We also use credit scoring models to help us assess the probability of default. For example, in the past year, our analysts reviewed over 500 credit applications, approving only 60% of them. This selective approach to lending helps to ensure that we are extending credit only to borrowers who are likely to repay their debts.

We also set risk limits to manage credit risk. These limits specify the maximum amount of credit that can be extended to any single borrower or group of related borrowers. Our risk limits are based on a variety of factors, including the borrower's creditworthiness, industry conditions, and the overall risk appetite of the company. For example, our risk limit for any single borrower is set at no more than 5% of our total capital. This limit helps to ensure that we are not over-exposed to any single borrower.

In addition to these methods, we also monitor our credit risk on an ongoing basis. We use a variety of tools and techniques to track the performance of our loan portfolio, including stress testing, scenario analysis, and credit rating migrations. These tools help us to identify potential risks and take action to mitigate them. For example, in the past year, we identified a potential risk in the oil and gas industry due to falling commodity prices. We proactively reduced our exposure to this industry, selling off loans to borrowers with high concentrations in this sector.

To further illustrate our concentration of credit risk, we have provided the following table:

Borrower Category Percentage of Loan Portfolio	
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Top 5 Borrowers	15%
Top 10 Borrowers	25%
Top 20 Borrowers	40%

| Remaining Borrowers | 60% |

As shown in the table, our top five borrowers account for 15% of our loan portfolio, while our top 10 and 20 borrowers account for 25% and 40%, respectively. This concentration of credit risk is relatively low compared to industry peers, and we will continue to focus on diversification to further reduce our exposure to any single borrower.

In conclusion, Octank Financial takes credit risk management seriously. We manage credit risk through diversification, rigorous credit analysis, risk limits, and ongoing monitoring. Our concentration of credit risk is relatively low compared to industry peers, and we will continue to focus on risk management to ensure the stability and success of our company.

Use of Estimates under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Under the "Notes to Consolidated Financial Statements" section of Octank Financial's 10K report, the use of estimates is a critical component to accurately represent the company's financial position. Estimates are necessary due to the inherent uncertainty and complexity involved in financial reporting. The following outlines the use of estimates in various areas of Octank's financial statements.

1. Allowance for Doubtful Accounts:

Octank Financial extends credit to its customers, and it is inevitable that a portion of these accounts will become uncollectible. To account for this uncertainty, an allowance for doubtful accounts is established. This estimate is based on historical trends, current economic conditions, and specific customer information. For instance, PersonA, Octank's Credit Manager, reviews historical data and identifies a pattern of uncollectible accounts. Based on this analysis, she estimates that 1% of the outstanding accounts receivable will ultimately be uncollectible. As a result, Octank recognizes an allowance for doubtful accounts expense of \$100,000 in its income statement.

2. Inventory Valuation:

Octank Financial maintains an inventory of raw materials, work-in-progress, and finished goods. The company uses the Last In, First Out (LIFO) method for inventory valuation. This method assumes that the most recently produced items are the first to be sold. However, due to the volatile nature of raw material prices, Octank estimates the future cost of these materials to determine the value of its inventory. PersonB, Octank's Inventory Manager, analyzes historical trends and current market conditions to estimate future raw material costs. Based on this analysis, she estimates an average raw material cost of \$50 per unit for the upcoming year.

3. Depreciation Expense:

Octank Financial has various long-lived assets, such as property, plant, and equipment, that are subject to depreciation. The company uses the straight-line method for depreciation, which allocates an equal amount of the asset's cost over its useful life. However, the estimated useful life and residual value of these assets can vary, leading to differences in depreciation expense. PersonC, Octank's Asset Manager, evaluates the condition and remaining life of these assets to estimate their useful lives and residual values. Based on this analysis, she estimates a useful life of 10 years and a residual value of 10% for the company's production machinery.

4. Warranty Liability:

Octank Financial offers warranties on its products, which creates a potential obligation to provide future services or replacement parts. To estimate the warranty liability, Octank considers historical warranty data, product design, and manufacturing processes. Based on this analysis, the company estimates a warranty liability of \$250,000 for the current period.

5. Pension and Postretirement Benefits:

Octank Financial offers defined benefit pension plans and postretirement benefits to its employees. The company estimates the obligation for these benefits using actuarial assumptions, such as discount rates, expected salary increases, and employee turnover rates. Based on these assumptions, Octank estimates a pension and postretirement benefit obligation of \$5,000,000 for the current period.

In conclusion, the use of estimates in Octank Financial's consolidated financial statements is a critical component of accurate financial reporting.

By using estimates, Octank can provide a more realistic representation of its financial position, taking into account the inherent uncertainty and complexity involved in financial reporting.

Estimate Category	Estimated Amount
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Allowance for Doubtful Accounts	\$100,000
Inventory Valuation (Raw Materials)	\$50 per unit
Depreciation Expense (Useful Life)	10 years
Depreciation Expense (Residual Value)	10%
Warranty Liability	\$250,000
Pension and Postretirement Benefits	\$5,000,000

Business details under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Basis of Presentation under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Business Details

Octank Financial is a leading financial services company that operates in the United States and Canada. The company was founded in 2010 by PersonA and PersonB, who saw an opportunity to provide innovative financial solutions to individuals and businesses. Today, Octank Financial is a publicly traded company with a market capitalization of \$5 billion.

Octank Financial's primary business is providing financial services to individuals and businesses. The company offers a range of products and services, including personal loans, business loans, credit cards, and investment services. Octank Financial's target market is middle-income individuals and small to medium-sized businesses.

Octank Financial has a strong reputation for providing excellent customer service and innovative financial solutions. The company has won numerous awards for its products and services, including the "Best Personal Loan Provider" award from Money Magazine in 2021.

Basis of Presentation

The consolidated financial statements of Octank Financial are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The financial statements include the accounts of Octank Financial and its subsidiaries, which are wholly owned by Octank Financial.

The financial statements are presented in U.S. dollars and are rounded to the nearest thousand dollars, except for per share amounts, which are presented in decimal form. The financial statements include notes, which provide additional information about the company's financial position, results of operations, and cash flows.

The consolidated financial statements include the following:

- * Balance sheets as of December 31, 2022, and 2021
- * Statements of comprehensive income for the years ended December 31, 2022, 2021, and 2020
- * Statements of cash flows for the years ended December 31, 2022, 2021, and 2020
- * Notes to consolidated financial statements

The financial statements are prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The

company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, and long-term debt.

The company's revenue is recognized when it is earned, and its expenses are recognized when they are incurred. The company's income tax expense is calculated using the liability method, which recognizes income taxes payable or refundable based on the company's taxable income.

The company's financial statements are audited by an independent accounting firm. The audit report is included in the company's annual report on Form 10-K, which is filed with the Securities and Exchange Commission.

In conclusion, Octank Financial is a leading financial services company that provides innovative financial solutions to individuals and businesses. The company's consolidated financial statements are prepared in accordance with U.S. GAAP and are audited by an independent accounting firm. The financial statements provide detailed information about the company's financial position, results of operations, and cash flows.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Octank Financial include the financial statements of Octank and its subsidiaries, which are fully owned by Octank. The financial statements of the subsidiaries have been combined with those of Octank to present a comprehensive picture of the financial position and performance of the company as a whole.

The preparation of consolidated financial statements requires the elimination of intercompany transactions and balances to avoid double-counting. For example, if Octank sells goods to one of its subsidiaries, the sale is eliminated from both the revenue of Octank and the expense of the subsidiary. Similarly, any intercompany balances, such as accounts receivable or payable, are also eliminated.

The consolidated financial statements are prepared using the acquisition method, which means that the assets and liabilities of the subsidiaries are recorded at their fair values as of the date of acquisition. Any goodwill arising from the acquisition is recognized as an intangible asset and amortized over a period of time.

The following table presents the significant subsidiaries of Octank as of December 31, 2021:

Subsidiary Name	Percentage Owned by Octank
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Octank Energy	100%
Octank Technology	100%
Octank Services	100%
Octank Holdings	100%

The financial statements of Octank Energy, Octank Technology, Octank Services, and Octank Holdings have been consolidated with those of Octank for the year ended December 31, 2021.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards (IFRS). The preparation of financial statements in conformity with IFRS requires the use of certain estimates and assumptions, which are based on the best available information at the time of preparation and which are expected to have a significant impact on the financial statements.

The significant accounting policies of Octank are disclosed in the separate financial statements of Octank. The accounting policies of the subsidiaries are consistent with those of Octank, except where otherwise noted.

The consolidated financial statements have been approved by the Board of Directors of Octank and authorized for issue on February 15, 2022. They are signed on behalf of the Board by PersonA, Chairperson, and PersonB, Chief Financial Officer.

Table for CONSOLIDATED STATEMENTS OF CASH FLOWS in In millions, except share amounts which are reflected in thousands, and per share amounts

****Octank Financial Consolidated Statements of Cash Flows****

The following table presents the consolidated statements of cash flows of Octank Financial for the fiscal years ended December 31, 2021, 2020, and 2019. All amounts are in millions, except share amounts which are reflected in thousands, and per share amounts.

(In millions)	2021	2020	2019
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Cash flows from operating activities:			
Net income	\$1,200	\$900	\$700
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	\$250	\$220	\$190
Stock-based compensation	\$120	\$100	\$80
Deferred income tax benefit	(\$50)	(\$30)	(\$20)
Changes in operating assets and liabilities:			
Accounts receivable	(\$100)	(\$80)	(\$60)
Inventory	(\$150)	(\$130)	(\$110)
Prepaid expenses and other current assets	\$50	\$40	\$30
Accounts payable	\$100	\$80	\$60
Accrued liabilities and other	\$80	\$60	\$40
Net cash provided by operating activities	\$1,100	\$880	\$710
Cash flows from investing activities:			
Purchases of property, plant, and equipment	(\$300)	(\$250)	(\$200)
Proceeds from sales of property, plant, and equipment	20	30	40
Purchases of marketable securities	(\$100)	(\$80)	(\$60)
Maturing marketable securities	40	30	20
Net cash used in investing activities	(\$360)	(\$290)	(\$240)
Cash flows from financing activities:			
Proceeds from issuance of common stock	400	300	200
Repurchase of common stock	(\$150)	(\$100)	(\$50)
Proceeds from issuance of long-term debt	500	400	300

Payments of long-term debt	(\$200)	(\$150)	(\$100)	
Net cash provided by financing activities	\$600	\$450	\$350	
Net increase in cash and cash equivalents	\$130	\$140	\$120	
Cash and cash equivalents, beginning of year	\$350	\$210	\$90	
Cash and cash equivalents, end of year	\$480	\$350	\$210	

The consolidated statements of cash flows provide information about the cash receipts and payments of Octank Financial during the fiscal years ended December 31, 2021, 2020, and 2019. The statement is divided into three main parts: cash flows from operating activities, investing activities, and financing activities.

In 2021, Octank Financial had net cash provided by operating activities of \$1,100 million, compared to \$880 million in 2020 and \$710 million in 2019. The increase in net cash provided by operating activities was primarily due to an increase in net income and favorable changes in operating assets and liabilities.

Cash flows from investing activities in 2021 resulted in net cash used of \$360 million, compared to \$290 million in 2020 and \$240 million in 2019. The decrease in net cash provided by investing activities was primarily due to an increase in purchases of property, plant, and equipment and marketable securities.

In 2021, Octank Financial had net cash provided by financing activities of \$600 million, compared to \$450 million in 2020 and \$350 million in 2019. The increase in net cash provided by financing activities was primarily due to an increase in proceeds from issuance of common stock and long-term debt.

Overall, Octank Financial had a net increase in cash and cash equivalents of \$130 million in 2021, compared to \$140 million in 2020 and \$120 million in 2019. The company's cash and cash equivalents at the end of 2021 were \$480 million, compared to \$350 million at the end of 2020 and \$210 million at the end of 2019.

In conclusion, Octank Financial's consolidated statements of cash flows demonstrate the company's ability to generate cash from its operations, invest in long-term assets, and finance its growth through various sources. The company's cash position has steadily increased over the past three years, providing a strong foundation for future growth and investment.

Table for CCONSOLIDATED STATEMENTS OF REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY in In millions, except share amounts which are reflected in thousands, and per share amounts

This 10K report includes the Consolidated Statements of Redeemable Non-Controlling Interests and Equity for Octank Financial. The table below presents the relevant financial data in millions, except for share amounts which are reflected in thousands, and per share amounts.

Item	Dec. 31, 2022	Dec. 31, 2021
----- ----- -----		
I. Share Capital		
- Common Shares, \$0.01 par value; outstanding:		
PersonA, 10,000 shares	100	100
PersonB, 20,000 shares	200	200
PersonC, 30,000 shares	300	300
- Total Common Shares Outstanding (thousands)	60,000	60,000
- Common Shares, \$0.01 par value; authorized but unissued:	1,000,000	1,000,000
II. Redeemable Non-Controlling Interests		
- Redeemable preferred shares, \$0.01 par value;		
outstanding:		
Investment Group X, 5,000 shares	50	50
Investment Group Y, 10,000 shares	100	100
- Total Redeemable Preferred Shares Outstanding (thousands)	15,000	15,000
- Redeemable preferred shares, \$0.01 par value;		
authorized but unissued:		
Investment Group Z, 5,000 shares	50	50
III. Accumulated Other Comprehensive Income (Loss)	(10)	20
IV. Retained Earnings	1,200	1,000
V. Total Octank Financial Equity	\$1,310	\$1,270

The table above consists of five main sections. Section I, Share Capital, displays the details of Octank Financial's common shares. The company has authorized 1,000,000 common shares with a par value of \$0.01, and 60,000 shares are currently outstanding. The shareholders include PersonA, PersonB, and PersonC.

Section II, Redeemable Non-Controlling Interests, shows the outstanding and authorized but unissued redeemable preferred shares. Octank

Financial has issued 15,000 redeemable preferred shares, with Investment Groups X and Y holding 5,000 and 10,000 shares, respectively. An additional 5,000 shares are authorized but unissued, held by Investment Group Z.

Section III, Accumulated Other Comprehensive Income (Loss), indicates the company's accumulated comprehensive income, which is currently at a loss of \$10 million.

Section IV, Retained Earnings, presents Octank Financial's accumulated earnings since its inception, which amounted to \$1,200 million as of December 31, 2022.

Finally, Section V, Total Octank Financial Equity, displays the total equity of the company, which is the sum of share capital, redeemable non-controlling interests, accumulated other comprehensive income (loss), and retained earnings. As of December 31, 2022, Octank Financial's total equity stands at \$1,310 million.

This table offers a clear and concise overview of Octank Financial's equity structure, allowing stakeholders to understand the company's financial position and performance.

Table for CONSOLIDATED STATEMENTS OF REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY in In millions, except share amounts which are reflected in thousands, and per share amounts

****Consolidated Statements of Redeemable Non-Controlling Interests and Equity****

Item (In millions, except share amounts which are reflected in thousands)	2022	2021
---	---	---
I. Stockholders' Equity		
A. Common stock	\$12,500	\$10,000
B. Additional paid-in capital	\$45,000	\$38,000
C. Retained earnings	\$110,000	\$90,000
D. Accumulated other comprehensive income (loss)	\$(2,000)	\$(1,000)
E. Less: Treasury stock (at cost), 1,000 shares	\$(5,000)	\$(4,000)
Total Octank Financial common stockholders' equity	\$156,500	\$135,000
II. Redeemable Non-Controlling Interests		
A. Redeemable non-controlling interests in subsidiaries		
1. Redeemable preferred shares, 1,500 shares	\$15,000	\$12,000
2. Less: Treasury shares, 100 shares	\$(1,000)	\$(800)
Total redeemable non-controlling interests in subsidiaries	\$14,000	\$11,200
B. Redeemable non-controlling interests in associates		
1. Redeemable preferred shares, 500 shares	\$5,000	\$4,000
2. Less: Treasury shares, 50 shares	\$(500)	\$(400)
Total redeemable non-controlling interests in associates	\$4,500	\$3,600
Total redeemable non-controlling interests	\$18,500	\$14,800
III. Total Equity	\$175,000	\$149,800
IV. Preferred stock dividends declared and unpaid	\$(1,000)	\$(800)
V. Weighted-average number of common shares outstanding	15,650,000	13,500,000
VI. Earnings per common share - basic	\$3.25	\$2.70
VII. Earnings per common share - diluted	\$3.18	\$2.64

The Consolidated Statements of Redeemable Non-Controlling Interests and Equity for Octank Financial provides detailed information about the company's equity, including redeemable non-controlling interests in subsidiaries and associates. The table shows a comparison of 2022 and 2021 data.

In 2022, Octank Financial's total common stockholders' equity amounted to \$156,500 million, an increase of \$21,500 million from the previous year. This growth was primarily driven by increased additional paid-in capital and retained earnings. The company's common stock increased by \$2,500 million, while accumulated other comprehensive income (loss) decreased by \$1,000 million. Treasury stock at cost decreased by \$1,000 million due to share buybacks.

Redeemable non-controlling interests in subsidiaries and associates amounted to \$18,500 million in 2022, up from \$14,800 million in 2021. This increase was mainly due to the growth in redeemable preferred shares in subsidiaries and associates. Treasury shares in both subsidiaries and associates also decreased, contributing to the overall rise in redeemable non-controlling interests.

The total equity for Octank Financial was \$175,000 million in 2022, a \$25,200 million increase from 2021. This growth reflects the combined increase in common stockholders' equity and redeemable non-controlling interests. The company's preferred stock dividends declared and unpaid decreased slightly from \$800 million in 2021 to \$1,000 million in 2022.

The weighted-average number of common shares outstanding was 15,650,000 in 2022, compared to 13,500,000 in 2021. This increase in shares outstanding resulted in a slight decrease in earnings per common share - basic and diluted from the previous year. Earnings per common share - basic was \$3.25 in 2022, while earnings per common share - diluted was \$3.18.

In summary, Octank Financial's Consolidated Statements of Redeemable Non-Controlling Interests and Equity demonstrate strong growth in common stockholders' equity and redeemable non-controlling interests, contributing to an overall increase in total equity. Despite the increase in shares outstanding, Octank Financial maintained solid earnings per share in 2022.

Financial securities and disclosures

At Octank Financial, we are committed to maintaining the highest standards of financial reporting and disclosure. In this section, we will discuss our approach to financial securities and disclosures.

Financial Securities

Octank Financial offers a range of financial securities to our investors, including stocks, bonds, and mutual funds. Our securities are designed to meet the diverse needs of our investors, providing them with opportunities for growth, income, and capital preservation.

Stocks: Octank Financial offers common and preferred stocks to our investors. Our stocks provide investors with ownership in the company and the potential for capital appreciation. We are proud to have a strong and growing dividend payout history, reflecting our commitment to creating value for our shareholders.

Bonds: Octank Financial offers both corporate and municipal bonds. Our corporate bonds provide investors with a fixed income stream and the potential for capital appreciation. Our municipal bonds are exempt from federal income tax and, in some cases, state and local income taxes, making them an attractive option for income-focused investors.

Mutual Funds: Octank Financial offers a range of mutual funds, including equity, fixed income, and balanced funds. Our mutual funds provide investors with diversified portfolios, professional management, and the potential for long-term growth.

Disclosures

Octank Financial is committed to providing timely and accurate disclosures to our investors. We provide regular financial reports, including quarterly and annual reports, that are filed with the Securities and Exchange Commission (SEC) and are available to the public. Our financial reports include detailed financial statements, management's discussion and analysis, and other important information about our company and our financial performance.

In addition to our regular financial reports, we also provide ad hoc disclosures as necessary. For example, we may disclose material information about our company, such as changes in our business strategy, acquisitions or dispositions of significant assets, or other significant events that may affect our financial performance.

We have established policies and procedures to ensure that our disclosures are accurate, complete, and not misleading. Our disclosure controls and procedures are designed to ensure that information is recorded, processed, summarized, and reported within the time periods specified in

our SEC filings.

Our disclosure committee is responsible for overseeing our disclosure process. The committee is comprised of senior executives from various departments, including finance, legal, and investor relations. The committee meets regularly to review our disclosure practices and to ensure that we are complying with all applicable laws and regulations.

Table: Disclosure Committee Members

Name	Role
---	---
PersonA	Chief Financial Officer
PersonB	General Counsel
PersonC	Vice President of Investor Relations

Conclusion

At Octank Financial, we are committed to maintaining the highest standards of financial reporting and disclosure. We offer a range of financial securities to our investors, and we provide timely and accurate disclosures to help them make informed investment decisions. Our disclosure committee oversees our disclosure process, ensuring that we are complying with all applicable laws and regulations.

Legal proceedings

As a publicly traded company, Octank Financial is subject to various legal proceedings and regulations. This section will provide an overview of the legal proceedings that Octank has been involved in, as well as any ongoing or potential legal issues.

In the past year, Octank has been involved in two major legal proceedings. The first was a lawsuit brought against the company by a former employee, PersonA, who claimed that they were wrongfully terminated due to their race. The lawsuit was settled out of court for an undisclosed sum.

The second legal proceeding was a patent infringement lawsuit brought against Octank by a rival company, PersonB Inc. PersonB Inc. claimed that Octank's flagship product, the Octank Financial Platform, infringed upon a patent they held for a similar financial platform. The case was settled out of court, with Octank agreeing to pay PersonB Inc. a licensing fee for the use of their patent.

In addition to these legal proceedings, Octank is also currently facing a regulatory investigation by the Securities and Exchange Commission (SEC). The investigation is related to allegations of insider trading by several high-ranking Octank executives. The SEC has not yet brought any charges against the company or the executives in question, and Octank is cooperating fully with the investigation.

Octank is also currently involved in a class-action lawsuit brought by a group of shareholders. The shareholders allege that Octank made false or misleading statements in its financial reports, which caused the share price to be artificially inflated. Octank has denied the allegations and is vigorously defending itself in the lawsuit.

In terms of potential legal issues, Octank is currently facing a potential lawsuit from a customer who claims that the company's financial advice caused them to lose a significant amount of money. The customer has not yet filed a lawsuit, but Octank's legal team is monitoring the situation closely.

To mitigate legal risks, Octank has implemented a comprehensive compliance program, which includes regular training for employees on legal and ethical issues, as well as a hotline for reporting suspected legal violations. The company also has a dedicated legal team that monitors legal developments and provides advice to management on legal and regulatory issues.

In conclusion, while Octank has been involved in several legal proceedings in the past year, the company is taking steps to mitigate legal risks and is cooperating fully with ongoing investigations. The company remains committed to operating in a legal and ethical manner and will continue to monitor legal developments closely.

Table of Legal Proceedings:

Legal Proceeding	Description	Status
------------------	-------------	--------

| --- | --- | --- |

| Former Employee Lawsuit | Lawsuit brought by a former employee alleging wrongful termination due to race | Settled out of court |

| Patent Infringement Lawsuit | Lawsuit brought by a rival company alleging patent infringement | Settled out of court |

| SEC Investigation | Regulatory investigation related to allegations of insider trading | Ongoing |

| Class-Action Lawsuit | Lawsuit brought by a group of shareholders alleging false or misleading financial statements | Ongoing |

| Potential Customer Lawsuit | Potential lawsuit from a customer claiming financial losses due to Octank's advice | Monitoring |

Property details

Octank Financial is proud to present a detailed overview of our company's property holdings, which are a vital component of our business operations and growth strategy. Our real estate portfolio is diverse, spanning multiple locations and property types, and plays a crucial role in supporting our workforce and enhancing our brand image.

****Headquarters: Octank Tower****

Our global headquarters, Octank Tower, is a 40-story state-of-the-art building located in the heart of downtown Metropolis. This iconic structure, designed by renowned architect PersonA, is a symbol of our commitment to innovation and sustainability. Octank Tower boasts 800,000 square feet of office space, housing more than 3,500 employees across various departments, including research and development, marketing, finance, and human resources.

The building is equipped with cutting-edge technology, including a sophisticated building management system that optimizes energy efficiency and indoor air quality. Octank Tower has received several awards for its green initiatives, including LEED Platinum certification, and features a range of eco-friendly amenities, such as solar panels, rainwater harvesting systems, and electric vehicle charging stations.

****Regional Offices: A Network of Strategic Locations****

Octank Financial has a strong presence in major cities across the globe, with 15 regional offices in North America, Europe, Asia, and Oceania. These offices range from 50,000 to 200,000 square feet and accommodate between 250 and 1,000 employees, depending on the location.

Some of our key regional offices include:

1. Octank West, located in San Francisco, California, is a 120,000-square-foot building that serves as our hub for software engineering and product management. This office is home to more than 600 employees, including PersonB, our Vice President of Software Engineering.
2. Octank Europe, situated in London, United Kingdom, is a 150,000-square-foot facility that houses our European sales, marketing, and customer support teams. PersonC, our Director of European Operations, leads a team of 700 professionals in this location.
3. Octank Asia, based in Singapore, is a 200,000-square-foot building that serves as our center of excellence for data analytics and artificial intelligence. This office is home to over 1,000 employees, including our Chief Data Scientist, Dr. PersonD.

****Research and Development Facilities: Innovation at the Core****

Octank Financial is committed to driving innovation in our industry, and our research and development (R&D;) facilities are a testament to this commitment. We operate four dedicated R&D; centers worldwide, focusing on cutting-edge technologies such as blockchain, artificial intelligence, and the Internet of Things (IoT).

Our primary R&D; center, Octank Labs, is located in Austin, Texas, and spans 100,000 square feet. This facility is home to more than 500 researchers, engineers, and scientists, including our Chief Technology Officer, PersonE.

****Data Centers: Powering Our Digital Infrastructure****

Octank Financial operates three Tier IV data centers, strategically located in the United States, Europe, and Asia. These data centers provide a combined 150,000 square feet of raised floor space and are designed to deliver the highest levels of availability, security, and performance.

Our data centers are equipped with advanced cooling, power, and networking systems, ensuring uninterrupted service for our mission-critical applications and data. They are also designed to meet stringent environmental and energy efficiency standards, reducing our carbon footprint and minimizing operational costs.

****Table: Octank Financial Property Portfolio****

Property Type	Square Feet	Employees	Key Location(s)
---	---	---	---
Headquarters	800,000	3,500+	Metropolis
Regional Offices	50,000 - 200,000	250 - 1,000	North America, Europe, Asia, Oceania
Research and Development	100,000	500+	Austin, Texas
Data Centers	150,000 (raised floor)	N/A	United States, Europe, Asia

In conclusion, Octank Financial's diverse property portfolio is a critical asset that supports our business operations, fosters innovation, and strengthens our presence in key markets. We are committed to investing in and maintaining our properties to ensure they meet the evolving needs of our employees, customers, and stakeholders.

Risk Factors about Octank financial

Risk Factors

Investing in Octank Financial involves various risks, including those outlined below. An investment in Octank Financial should be considered only by persons who can afford the loss of their entire investment.

Market Risk

Octank Financial is exposed to market risk due to the volatility of the financial markets. Factors such as changes in interest rates, inflation, economic downturns, political instability, and natural disasters can negatively impact the performance of our investments and, consequently, our financial results. For instance, PersonA, our Chief Investment Officer, mentioned that the recent trade tensions between the US and China had a significant impact on the global economy, affecting our portfolio's performance.

Credit Risk

Octank Financial is exposed to credit risk due to the possibility that the issuers of the debt securities in which we invest may default on their obligations to pay principal and interest. Our credit risk management policies aim to minimize this risk, but we cannot eliminate it entirely. For example, PersonB, our Credit Analyst, highlighted that a prominent issuer of high-yield bonds, XYZ Inc., had recently defaulted on its debt obligations, causing a ripple effect in the high-yield bond market.

Liquidity Risk

Octank Financial is exposed to liquidity risk due to the possibility that we may not be able to sell our investments quickly enough to meet our obligations or take advantage of investment opportunities. Our liquidity management policies aim to minimize this risk, but we cannot eliminate it entirely. For instance, PersonC, our Treasurer, mentioned that during the COVID-19 pandemic, the market for commercial mortgage-backed securities (CMBS) became illiquid, making it challenging to sell these securities at fair market values.

Operational Risk

Octank Financial is exposed to operational risk due to the possibility of losses resulting from inadequate or failed internal processes, people, and systems, or from external events. Our risk management policies and procedures aim to minimize this risk, but we cannot eliminate it entirely. For example, we have experienced cyber-attacks in the past, which resulted in the loss of sensitive data and financial losses.

Regulatory Risk

Octank Financial is exposed to regulatory risk due to the possibility of changes in laws and regulations that affect our business. These changes could result in additional compliance costs, restrictions on our activities, or penalties for non-compliance. We monitor regulatory developments and engage with policymakers to minimize the impact of these changes, but we cannot eliminate this risk entirely.

Strategic Risk

Octank Financial is exposed to strategic risk due to the possibility that our strategies may not achieve their intended results or that we may not be able to adapt to changes in the market or regulatory environment. Our strategic planning processes aim to minimize this risk, but we cannot eliminate it entirely. For instance, our decision to expand into the European market has exposed us to new competitors and regulatory challenges, which have affected our financial results.

Reputation Risk

Octank Financial is exposed to reputation risk due to the possibility that negative publicity or public perception could harm our business. We have a robust reputation management program to minimize this risk, but we cannot eliminate it entirely. For example, a recent scandal involving a senior executive at a prominent financial institution has negatively affected the reputation of the entire financial industry, including Octank Financial.

Legal Risk

Octank Financial is exposed to legal risk due to the possibility of litigation or regulatory action against us. We have a comprehensive legal risk management program to minimize this risk, but we cannot eliminate it entirely. For instance, we are currently involved in a legal dispute with a former employee who claims that she was wrongfully terminated.

Environmental, Social, and Governance (ESG) Risk

Octank Financial is exposed to ESG risk due to the possibility that our investments may be negatively affected by environmental, social, or governance issues. We have an ESG risk management program to minimize this risk, but we cannot eliminate it entirely. For example, our investment in a coal-fired power plant has exposed us to reputational and financial risks due to growing concerns about climate change.

Foreign Exchange Risk

Octank Financial is exposed to foreign exchange risk due to the possibility that changes in exchange rates could negatively impact the value of our investments or our financial results. We have a foreign exchange risk management program to minimize this risk, but we cannot eliminate it entirely. For instance, our investment in a Brazilian manufacturing company has exposed us to currency risks due to the volatility of the Brazilian real.

Business details about Octank financial

Octank Financial is a leading financial services company that has been providing innovative and comprehensive financial solutions to its clients for over a decade. Founded in 2010 by a group of experienced financial professionals, including PersonA, PersonB, and PersonC, Octank Financial has grown to become a trusted name in the industry, with a reputation for excellence, integrity, and client satisfaction.

At Octank Financial, we specialize in providing a wide range of financial services to individuals, businesses, and institutions. Our services include investment banking, wealth management, asset management, corporate finance, and private equity. We have a team of highly skilled and experienced financial professionals who are dedicated to helping our clients achieve their financial goals.

Our investment banking division provides a full range of services to our clients, including mergers and acquisitions, capital markets, and financial advisory services. We have a proven track record of success in helping our clients navigate complex financial transactions and achieve their strategic objectives. Our wealth management division provides comprehensive wealth management services to high net worth individuals and families. We work closely with our clients to develop customized investment strategies that are tailored to their unique needs and goals.

Our asset management division manages assets for a diverse range of clients, including pension funds, endowments, foundations, and sovereign wealth funds. We have a disciplined investment approach that is focused on generating long-term risk-adjusted returns for our clients. Our corporate finance division provides financial advisory services to middle-market companies. We help our clients raise capital, evaluate strategic alternatives, and execute mergers and acquisitions. Our private equity division invests in growth-oriented companies across a range of industries.

At Octank Financial, we are committed to delivering exceptional service to our clients. We believe that our success is built on the success of our clients, and we are dedicated to helping them achieve their financial goals. We have a client-centric culture that is focused on building long-term relationships with our clients based on trust, transparency, and mutual respect.

Our company has a strong financial position, with robust revenue growth and a solid balance sheet. In 2021, we reported revenues of \$2.5 billion, representing a 15% increase over the previous year. Our net income for the year was \$500 million, up from \$400 million in 2020. We have a strong cash position, with \$1 billion in cash and cash equivalents on our balance sheet.

We are proud of our diverse and talented team of professionals, who come from a range of backgrounds and bring a wealth of experience and expertise to our company. Our team includes over 1,000 professionals, including investment bankers, wealth managers, asset managers, corporate financiers, and private equity investors. We are committed to creating a positive and inclusive workplace culture that values diversity, equity, and inclusion.

At Octank Financial, we are committed to giving back to our communities and making a positive impact on society. We have a corporate social responsibility program that is focused on supporting education, healthcare, and environmental sustainability. We believe that by investing in our

communities, we can help create a better future for everyone.

In conclusion, Octank Financial is a leading financial services company that is dedicated to providing innovative and comprehensive financial solutions to our clients. We have a strong financial position, a talented and diverse team of professionals, and a commitment to delivering exceptional service to our clients. We are proud of our track record of success and are excited about the opportunities that lie ahead.

Values of Octank financial

At Octank Financial, our values are the bedrock upon which we build our relationships with clients, employees, and the communities we serve. We believe that a strong commitment to our values is essential for long-term success and growth. Here are the core values that define who we are and what we stand for:

1. ****Integrity****: At Octank Financial, we hold ourselves to the highest ethical standards. We believe in doing the right thing, even when no one is watching. Our commitment to integrity is reflected in everything we do, from our interactions with clients to our financial reporting. We believe that transparency and honesty are essential for building trust, and we strive to earn our clients' trust every day.
2. ****Innovation****: We are committed to staying at the forefront of financial innovation. We believe that technology and creativity are essential for delivering the best possible solutions to our clients. Our team of experts is always looking for new ways to solve problems and create value. We invest in research and development to ensure that we are using the latest tools and techniques to help our clients achieve their financial goals.
3. ****Collaboration****: We believe that the best solutions are born out of collaboration. We work closely with our clients to understand their unique needs and challenges. We also collaborate with each other, sharing knowledge and expertise to ensure that we are delivering the best possible outcomes. Our culture of collaboration is reflected in our open and inclusive work environment, where everyone is encouraged to contribute their ideas and perspectives.
4. ****Excellence****: We strive for excellence in everything we do. We believe that our clients deserve the best possible service, and we are committed to delivering it. We hold ourselves to high standards, and we are always looking for ways to improve. Our commitment to excellence is reflected in our rigorous quality control processes, our focus on continuous learning, and our dedication to exceeding our clients' expectations.
5. ****Social Responsibility****: We believe that businesses have a responsibility to give back to their communities. At Octank Financial, we are committed to making a positive impact on the world around us. We support local charities and initiatives, and we encourage our employees to volunteer their time and talents. We also believe in sustainable business practices, and we are committed to reducing our carbon footprint and minimizing our impact on the environment.

To further illustrate our commitment to these values, let me share some examples of how we put them into practice:

* ****Integrity****: We have a strict code of ethics that governs our interactions with clients and colleagues. We also have a robust compliance program that ensures we are adhering to all relevant laws and regulations.

* ****Innovation****: We have developed several proprietary tools and technologies that help our clients make better financial decisions. For example, our predictive analytics platform uses machine learning algorithms to forecast market trends and identify investment opportunities.

* ****Collaboration****: We have a cross-functional team that works together to develop and implement customized financial solutions for our clients. We also have regular team-building activities and brainstorming sessions to foster a culture of collaboration and creativity.

* **Excellence**: We have a rigorous hiring process that ensures we are bringing on the best and brightest talent. We also have a comprehensive training program that helps our employees stay up-to-date on the latest industry trends and best practices.

* **Social Responsibility**: We have partnered with several local charities and non-profit organizations to support causes that are important to our employees and clients. We also have a sustainability committee that is responsible for reducing our environmental impact and promoting sustainable practices throughout the organization.

In conclusion, our values are the foundation of everything we do at Octank Financial. We believe that by staying true to our values, we can create a better future for ourselves, our clients, and our communities.

Value	Description
Integrity	Doing the right thing, even when no one is watching
Innovation	Staying at the forefront of financial innovation
Collaboration	Working closely with clients and colleagues
Excellence	Striving for the best possible service
Social Responsibility	Making a positive impact on the world around us

Table for CONSOLIDATED STATEMENTS OF OPERATIONS in In millions, except share amounts which are reflected in thousands, and per share amounts

Here is the Consolidated Statements of Operations table for Octank Financial for the year ended December 31, 2021 (in millions, except share amounts which are reflected in thousands, and per share amounts):

Item	2021 (in \$)	2020 (in \$)
Revenue	5,000	4,500
Cost of Revenue	(2,000)	(1,800)
Gross Profit	3,000	2,700
Operating Expenses	(1,200)	(1,000)
Operating Income	1,800	1,700
Interest Expense	(300)	(250)
Other Income/Expense	100	50
Income Before Tax	1,600	1,500
Income Tax Expense	(400)	(375)
Net Income	1,200	1,125
Earnings Per Share	\$3.20	\$3.00
Shares Outstanding	375,000	375,000

In 2021, Octank Financial reported total revenue of \$5,000 million, an increase of \$500 million or 11.1% compared to \$4,500 million in 2020. This growth was driven by strong performance in the company's core business segments, as well as the acquisition of several smaller companies.

Cost of revenue for 2021 was \$2,000 million, an increase of \$200 million or 11.1% compared to \$1,800 million in 2020. This increase was primarily due to higher raw material costs and increased labor costs associated with the company's growth.

Gross profit for 2021 was \$3,000 million, an increase of \$300 million or 11.1% compared to \$2,700 million in 2020. This growth was driven by the increase in revenue and a slight improvement in gross margin.

Operating expenses for 2021 were \$1,200 million, an increase of \$200 million or 20% compared to \$1,000 million in 2020. This increase was primarily due to higher marketing and advertising expenses, as well as increased research and development costs associated with the company's growth.

Operating income for 2021 was \$1,800 million, an increase of \$100 million or 6% compared to \$1,700 million in 2020. This growth was driven by the increase in gross profit, partially offset by the increase in operating expenses.

Interest expense for 2021 was \$300 million, an increase of \$50 million or 20% compared to \$250 million in 2020. This increase was primarily due to higher borrowing costs associated with the company's growth.

Other income/expense for 2021 was \$100 million, an increase of \$50 million or 100% compared to \$50 million in 2020. This increase was primarily due to gains on the sale of certain assets.

Income before tax for 2021 was \$1,600 million, an increase of \$100 million or 6% compared to \$1,500 million in 2020. This growth was driven by the increase in operating income and other income, partially offset by the increase in interest expense.

Income tax expense for 2021 was \$400 million, an increase of \$25 million or 6% compared to \$375 million in 2020. This increase was primarily due to the increase in income before tax.

Net income for 2021 was \$1,200 million, an increase of \$75 million or 6% compared to \$1,125 million in 2020. This growth was driven by the increase in income before tax, partially offset by the increase in income tax expense.

Earnings per share for 2021 was \$3.20, an increase of \$0.20 or 6.7% compared to \$3.00 in 2020. This growth was driven by the increase in net income, partially offset by an increase in shares outstanding.

Shares outstanding for 2021 were 375,000 thousand, an increase of 0 thousand compared to 375,000 thousand in 2020.

In conclusion, Octank Financial had a solid year in 2021 with revenue, gross profit, operating income, and net income all increasing compared to 2020. The company's growth was driven by strong performance in its core business segments and the acquisition of several smaller companies. However, the company also saw an increase in costs, including raw material costs, labor costs, marketing and advertising expenses, and research and development costs. Despite these increases, Octank Financial was able to maintain its gross margin and operating margin, and the company's net income and earnings per share both increased compared to 2020.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Octank Financial is committed to providing transparent and comprehensive disclosures about market risk, both quantitative and qualitative. This 10K report will detail the various market risks that Octank is exposed to, as well as the measures we have in place to manage these risks.

Quantitative Disclosures:

Octank Financial is exposed to various types of market risks, including interest rate risk, equity price risk, and foreign exchange risk. To provide a quantitative understanding of these risks, we have calculated the following value-at-risk (VaR) measures, which represent the worst-case loss over a one-day horizon with a 95% confidence level.

Interest Rate Risk:

- * \$10 million VaR for a \$1 billion portfolio of fixed-rate instruments
- * \$5 million VaR for a \$500 million portfolio of floating-rate instruments

Equity Price Risk:

- * \$8 million VaR for a \$1 billion portfolio of individual equity securities
- * \$6 million VaR for a \$500 million portfolio of equity index instruments

Foreign Exchange Risk:

- * \$7 million VaR for a \$1 billion portfolio of foreign currency-denominated instruments

These VaR measures are based on historical data and do not take into account any specific risk management actions that Octank may take to reduce market risk. They should therefore be viewed as a upper bound on potential losses.

Qualitative Disclosures:

In addition to the quantitative disclosures above, Octank Financial has a number of policies and procedures in place to manage market risk. These include:

- * A risk limit framework that sets explicit limits on the amount of market risk that can be taken by individual business units and traders.

- * A stress testing program that simulates adverse market conditions and assesses the potential impact on Octank's financial position.
- * A hedging program that uses derivatives to manage interest rate, equity price, and foreign exchange risks.
- * An independent risk management function that monitors market risk and reports to the Board of Directors on a regular basis.

These policies and procedures are designed to ensure that Octank Financial is able to manage market risk effectively and prudently. They are reviewed and updated on a regular basis to ensure that they remain appropriate in light of changing market conditions and Octank's risk profile.

Table: VaR Measures for Octank Financial

Risk Type	VaR (\$ millions)	Portfolio Size (\$ millions)
Interest Rate	10	1,000
Interest Rate	5	500
Equity Price	8	1,000
Equity Price	6	500
Foreign Exchange	7	1,000

This table provides a summary of the VaR measures for the different types of market risk that Octank Financial is exposed to. It shows the VaR for a given portfolio size, which allows for a comparison of the relative riskiness of different types of instruments.

In conclusion, Octank Financial takes market risk seriously and is committed to providing transparent and comprehensive disclosures about this risk. We have a robust risk management framework in place, which includes both quantitative and qualitative measures to manage market risk. We believe that this approach enables us to prudently manage market risk and protect the interests of our stakeholders.

Mission of the Octank financial

Octank Financial's mission is to empower businesses and individuals to achieve their financial goals through innovative, accessible, and customer-centric financial solutions. Our mission is underpinned by three core pillars: innovation, accessibility, and customer-centricity.

Innovation: At Octank Financial, we believe that innovation is the key to unlocking new possibilities and creating value for our customers. We are committed to harnessing the power of technology and data to develop cutting-edge financial products and services that meet the evolving needs of our customers. Our team of dedicated professionals, led by PersonA, our Chief Innovation Officer, is constantly exploring new ideas and experimenting with emerging technologies to stay ahead of the curve.

Accessibility: We are committed to making financial services accessible to everyone, regardless of their background, location, or financial status. Our digital-first approach enables us to reach a wider audience and provide them with the tools and resources they need to manage their finances effectively. We are also committed to promoting financial literacy and education, so that our customers can make informed decisions about their financial future. PersonB, our Head of Accessibility, leads our efforts to ensure that our products and services are accessible to all.

Customer-centricity: At Octank Financial, our customers are at the heart of everything we do. We are committed to providing exceptional customer service and building long-term relationships with our customers based on trust, transparency, and mutual respect. Our customer-centric approach is reflected in everything from our user-friendly interface to our personalized financial advice. PersonC, our Chief Customer Officer, oversees our customer experience team and ensures that we are always putting our customers first.

To achieve our mission, we have developed a comprehensive strategy that focuses on three key areas: product development, customer engagement, and community impact.

Product Development: We are committed to developing a range of financial products and services that meet the needs of our customers. Our product development process is customer-led, meaning that we start by understanding the needs and pain points of our customers and then design solutions that address those needs. We are currently working on several exciting new products, including a mobile app that provides personalized financial advice, a digital wallet that enables seamless payments and transfers, and a robo-advisory platform that provides low-cost investment advice.

Customer Engagement: We believe that engagement is key to building strong relationships with our customers. We are committed to providing our customers with regular updates, insights, and tips to help them manage their finances effectively. We also offer a range of engagement channels, including social media, email, and in-app messaging, to ensure that our customers can reach us whenever they need to. Our customer engagement team is led by PersonD, our Head of Customer Engagement.

Community Impact: We are committed to making a positive impact in the communities where we operate. We believe that financial empowerment is a key driver of social and economic development, and we are proud to support a range of initiatives that promote financial

literacy and education. We also partner with local organizations to provide financial support and resources to those in need. Our community impact team is led by PersonE, our Head of Community Impact.

In conclusion, Octank Financial's mission is to empower businesses and individuals to achieve their financial goals through innovative, accessible, and customer-centric financial solutions. We are committed to delivering exceptional value to our customers, supporting our communities, and making a positive impact on society.

| Pillar | Objective |

| --- | --- |

| Innovation | Develop cutting-edge financial products and services |

| Accessibility | Make financial services accessible to everyone |

| Customer-centricity | Provide exceptional customer service and build long-term relationships |

Whistleblower scandal with Person X, and its impact on the company

In a shocking turn of events, Octank Financial has recently been embroiled in a whistleblower scandal involving a high-ranking executive, Person X. The scandal has sent shockwaves through the company and the financial industry as a whole, raising serious concerns about corporate ethics and governance.

Person X, who served as Octank's Chief Financial Officer (CFO), was accused of engaging in insider trading and other illegal activities. The allegations were brought to light by an anonymous whistleblower, who provided evidence of Person X's wrongdoing to the Securities and Exchange Commission (SEC).

The impact of the scandal on Octank has been significant. The company's stock price plummeted following the news of the investigation, causing substantial losses for shareholders. Additionally, the company's reputation has taken a major hit, with many questioning its ability to maintain ethical standards and protect investors.

To make matters worse, the scandal has also had a ripple effect on Octank's employees. Morale has taken a hit, with many feeling demoralized and uncertain about the future of the company. Furthermore, the investigation has created a sense of unease and uncertainty, as employees worry about the potential fallout and impact on their jobs.

In response to the scandal, Octank has taken swift action to address the situation. The company has launched an internal investigation and has cooperated fully with the SEC's investigation. Person X has been placed on administrative leave and has since resigned from the company.

Octank has also taken steps to strengthen its corporate governance and ethical standards. The company has implemented new policies and procedures to prevent insider trading and other illegal activities. Additionally, Octank has established a whistleblower hotline, encouraging employees to report any concerns or suspicions of wrongdoing.

The scandal has also highlighted the importance of whistleblowers in uncovering fraud and other illegal activities. Whistleblowers play a critical role in holding corporations accountable and protecting investors. In fact, according to a study by the SEC, whistleblowers have helped the agency recover over \$1 billion in ill-gotten gains since the program's inception in 2011.

To further demonstrate its commitment to ethical standards and transparency, Octank has created a table outlining the number of whistleblower reports it has received since the scandal came to light:

Year	Number of Whistleblower Reports
2023	50
2024	75

As the table shows, the number of whistleblower reports has increased each year since the scandal, indicating that employees feel more comfortable coming forward with concerns and suspicions of wrongdoing.

In conclusion, the whistleblower scandal involving Person X has had a significant impact on Octank Financial. The company has suffered substantial losses and damage to its reputation, and employees have experienced a decline in morale. However, Octank has taken swift action to address the situation and has implemented new policies and procedures to prevent future wrongdoing. Furthermore, the scandal has highlighted the importance of whistleblowers in uncovering fraud and other illegal activities, and Octank has seen a steady increase in the number of whistleblower reports since the scandal.

List of 14 board of directors for Octank financial including their positions

The Board of Directors (BOD) at Octank Financial is a diverse and experienced group of individuals who bring a wealth of knowledge and expertise to the company. Here is a list of the 14 members of the Octank Financial BOD, along with their positions:

1. **John Doe, Chairman of the Board:** John has been with Octank Financial for over 20 years and has served as Chairman of the Board for the past 10 years. He has a deep understanding of the financial industry and has been instrumental in shaping the strategic direction of the company.
2. **Jane Smith, Vice Chairman:** Jane has been with Octank Financial for 15 years and has served as Vice Chairman for the past 5 years. She has extensive experience in the financial sector and has played a key role in the company's growth and success.
3. **Michael Johnson, Chief Executive Officer (CEO):** Michael has been with Octank Financial for 10 years and has served as CEO for the past 5 years. He has a strong background in finance and has been successful in driving the company's financial performance.
4. **Sarah Lee, Chief Financial Officer (CFO):** Sarah has been with Octank Financial for 8 years and has served as CFO for the past 3 years. She has a deep understanding of financial management and has been instrumental in the company's financial planning and budgeting.
5. **David Kim, Chief Operating Officer (COO):** David has been with Octank Financial for 7 years and has served as COO for the past 2 years. He has a strong background in operations management and has been successful in improving the company's operational efficiency.
6. **Emily Brown, Chief Marketing Officer (CMO):** Emily has been with Octank Financial for 6 years and has served as CMO for the past 2 years. She has a deep understanding of marketing and has been successful in driving the company's brand awareness and customer engagement.
7. **Daniel Park, Chief Information Officer (CIO):** Daniel has been with Octank Financial for 5 years and has served as CIO for the past 2 years. He has a strong background in technology and has been successful in driving the company's digital transformation.
8. **Jessica Kim, Chief Legal Officer (CLO):** Jessica has been with Octank Financial for 4 years and has served as CLO for the past 2 years. She has a deep understanding of legal and regulatory matters and has been instrumental in ensuring the company's compliance.
9. **Robert Lee, Chief Human Resources Officer (CHRO):** Robert has been with Octank Financial for 3 years and has served as CHRO for the past 1 year. He has a strong background in human resources and has been successful in driving the company's talent management and development.
10. **Peter Kim, Chief Risk Officer (CRO):** Peter has been with Octank Financial for 2 years and has served as CRO for the past 1 year. He has a deep understanding of risk management and has been instrumental in the company's risk assessment and mitigation.
11. **Maria Rodriguez, Independent Director:** Maria has been an independent director for 5 years. She has extensive experience in the financial sector and has been a valuable contributor to the company's strategic decision-making.
12. **Thomas Johnson, Independent Director:** Thomas has been an independent director for 3 years. He has extensive experience in the financial sector and has been a valuable contributor to the company's risk management and compliance.
13. **Jacob Lee, Independent Director:** Jacob has been an independent director for 2 years. He has extensive experience in the financial sector and has been a valuable contributor to the company's strategic planning and growth.
14. **Sophia Park, Independent Director:** Sophia has been an independent director for 1 year. She has extensive experience in the financial sector and has been a valuable contributor to the company's digital transformation and technology strategy.

The BOD at Octank Financial is committed to the company's success and works closely together to ensure that the company is well-positioned for growth and profitability. The diversity of experience and expertise on the BOD allows for a well-rounded and comprehensive approach to decision-making, which has been a key factor in the company's success.

PRINCIPAL ACCOUNTING FEES AND SERVICES

Octank Financial is a leading financial services firm that provides a wide range of accounting services to its clients. The company's principal accounting fees and services are designed to help businesses manage their financial operations efficiently and effectively. This section provides an overview of Octank's principal accounting fees and services.

Accounting Services

Octank offers a comprehensive suite of accounting services that cater to the unique needs of its clients. These services include:

Financial Statement Preparation

Octank's financial statement preparation service helps businesses to prepare accurate and timely financial statements that comply with relevant accounting standards. The company's team of experienced accountants works closely with clients to ensure that their financial statements provide a clear and accurate picture of their financial position.

Bookkeeping

Octank's bookkeeping service helps businesses to maintain accurate financial records. The company's team of bookkeepers uses the latest accounting software to record and categorize financial transactions, ensuring that clients have access to up-to-date financial information.

Tax Preparation

Octank's tax preparation service helps businesses to prepare and file their tax returns accurately and on time. The company's team of tax experts has a deep understanding of tax laws and regulations, ensuring that clients pay the right amount of tax and avoid penalties.

Audit and Assurance

Octank's audit and assurance service helps businesses to ensure that their financial statements are accurate and comply with relevant accounting standards. The company's team of auditors uses a risk-based approach to identify and assess potential risks, providing clients with an independent and objective assessment of their financial position.

Payroll Services

Octank's payroll service helps businesses to manage their payroll efficiently and accurately. The company's team of payroll experts uses the latest payroll software to calculate and process employee salaries, tax deductions, and benefits, ensuring that clients comply with relevant

employment and tax laws.

Fees

Octank's fees for its accounting services are competitive and transparent. The company charges clients based on the level of service required, the complexity of their financial situation, and the resources required to deliver the service.

Hourly Rates

Octank charges hourly rates for some of its accounting services, such as bookkeeping and tax preparation. The company's hourly rates vary depending on the level of expertise required and the complexity of the task. For example, Octank may charge a higher hourly rate for a tax return that requires complex calculations and deductions.

Fixed Fees

Octank charges fixed fees for some of its accounting services, such as financial statement preparation and audit and assurance. The company's fixed fees are based on the scope of the service and the level of expertise required. For example, Octank may charge a fixed fee for preparing financial statements for a small business with simple financial transactions.

Value-Based Pricing

Octank uses value-based pricing for some of its accounting services, such as financial planning and advisory services. The company's value-based pricing is based on the value that clients receive from the service. For example, Octank may charge a higher fee for financial planning services that help a business to increase its revenue and profitability.

Table: Principal Accounting Fees

Service	Hourly Rate	Fixed Fee	Value-Based Pricing
---	---	---	---
Bookkeeping	\$50 - \$100	-	-
Tax Preparation	\$75 - \$200	-	-
Financial Statement Preparation	-	\$500 - \$5,000	-
Audit and Assurance	-	\$5,000 - \$20,000	-
Payroll Services	\$50 - \$100	\$50 - \$500 per employee per month	-
Financial Planning and Advisory Services	-	-	\$2,000 - \$10,000 per year

In conclusion, Octank Financial provides a comprehensive suite of accounting services that cater to the unique needs of its clients. The company's principal accounting fees are competitive and transparent, with fees based on the level of service required, the complexity of the

financial situation, and the resources required to deliver the service.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Octank Financial is committed to maintaining high standards of corporate governance and transparency, particularly with regards to security ownership of beneficial owners and management. This report outlines the relevant information regarding the ownership of Octank's securities by our beneficial owners, management, and other related stockholder matters.

Beneficial Owners

As of the most recent reporting period, the following individuals and entities are considered beneficial owners of Octank Financial, holding more than 5% of our outstanding common stock:

- 1. PersonA: 6.5% ownership
- 2. PersonB: 7.2% ownership
- 3. Institutional Investor X: 8.1% ownership

These beneficial owners have direct or indirect control over the voting rights and/or investment decisions related to the shares they hold. The table below summarizes the ownership information for these beneficial owners:

Beneficial Owner	Ownership Percentage	Number of Shares
PersonA	6.5%	3,250,000
PersonB	7.2%	3,600,000
Institutional Investor X	8.1%	4,050,000

Management

Octank Financial's management team, including the executive officers and directors, hold a combined total of 2.3% of the outstanding common stock. The following table summarizes the holdings of the key members of Octank's management:

Manager	Position	Ownership Percentage	Number of Shares
CEO, PersonC	Chief Executive Officer	0.8%	400,000
CFO, PersonD	Chief Financial Officer	0.5%	250,000
COO, PersonE	Chief Operating Officer	0.4%	200,000

| Director, PersonF | Board of Directors | 0.3% | 150,000 |
| Director, PersonG | Board of Directors | 0.3% | 150,000 |

Stockholder Matters

Octank Financial has not entered into any material stockholder agreements or arrangements that would affect the voting or investment rights of our shareholders. Our shareholders are entitled to one vote per share and there are no restrictions on the transfer of our securities.

Our company has not experienced any significant changes in our shareholder base or security ownership during the past year. However, we continuously monitor these matters and engage in open communication with our shareholders to ensure their interests are aligned with the long-term success of Octank Financial.

In summary, Octank Financial maintains a strong commitment to transparency and corporate governance. We have provided detailed information on the security ownership of our beneficial owners, management, and related stockholder matters. We will continue to foster a strong relationship with our shareholders and ensure their interests are prioritized as we drive our business forward.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Octank Financial is committed to maintaining high standards of corporate governance and has a strong team of directors and executive officers to lead the company towards achieving its goals.

The board of directors at Octank Financial comprises of experienced and skilled individuals who bring a wealth of knowledge and expertise in their respective fields. The board is responsible for overseeing the management of the company and making strategic decisions that align with the best interests of the company and its stakeholders. The current members of the board are:

- * PersonA: Chairperson of the Board and a seasoned executive with over 30 years of experience in the financial services industry.
- * PersonB: Independent Director and a former partner at a leading audit firm with extensive experience in financial reporting and auditing.
- * PersonC: Independent Director and a renowned expert in the field of technology and innovation.

The executive officers at Octank Financial are responsible for the day-to-day operations of the company and implementing the strategies set by the board of directors. The current executive officers are:

- * PersonD: Chief Executive Officer (CEO) and a dynamic leader with a proven track record of driving growth and profitability.
- * PersonE: Chief Financial Officer (CFO) and a financial expert with extensive experience in financial planning and analysis.
- * PersonF: Chief Operating Officer (COO) and a operations specialist with a deep understanding of the company's business and operations.

Octank Financial is committed to ensuring that its corporate governance practices are transparent, accountable, and in compliance with all applicable laws and regulations. The company has established a number of committees to assist the board of directors in fulfilling its responsibilities, including an audit committee, a compensation committee, and a nominating and governance committee.

The audit committee is responsible for overseeing the company's financial reporting process and internal control systems, as well as monitoring the company's compliance with legal and regulatory requirements. The compensation committee is responsible for setting the compensation for the company's executive officers and reviewing the company's overall compensation policies. The nominating and governance committee is responsible for identifying and recruiting qualified individuals to serve on the board of directors and ensuring that the board is functioning effectively.

In addition to these committees, Octank Financial has also adopted a number of corporate governance guidelines and policies, including a code of ethics and a whistleblower policy. These guidelines and policies are designed to promote ethical behavior, transparency, and accountability throughout the organization.

To further enhance its corporate governance practices, Octank Financial has also implemented a number of initiatives, including:

- * Director training and development programs to ensure that the board of directors is well-informed and able to make informed decisions.
- * A robust risk management framework to identify and manage risks in a timely and effective manner.
- * Regular evaluations of the board's performance and effectiveness to ensure that it is functioning at a high level.

In conclusion, Octank Financial has a strong team of directors and executive officers and a robust corporate governance framework in place to ensure that the company is able to operate in a transparent, accountable, and ethical manner. The company is committed to maintaining high standards of corporate governance and will continue to review and enhance its practices to ensure that they are in line with best practices and regulatory requirements.

****Table: Board of Directors and Executive Officers****

Position	Name
---	---
Chairperson of the Board	PersonA
Independent Director	PersonB
Independent Director	PersonC
Chief Executive Officer	PersonD
Chief Financial Officer	PersonE
Chief Operating Officer	PersonF

Leases under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Octank Financial has several leases that are important to note in the consolidated financial statements. These leases include operating leases, financing leases, and sales-type leases. Each type of lease has its own unique characteristics and accounting treatment.

Operating leases are leases in which the underlying asset is used in the normal course of business and the lease payments are classified as operating expenses on the income statement. At the end of the lease term, Octank does not have the right to purchase the underlying asset. As of December 31, 2021, Octank has entered into operating leases with a total lease liability of \$50 million and a weighted-average remaining lease term of 5 years.

Financing leases are leases in which the underlying asset is used in the normal course of business, but the lease payments are structured in a way that provides Octank with the option to purchase the underlying asset at the end of the lease term. At the end of the lease term, Octank has the right to purchase the underlying asset for a nominal amount. As of December 31, 2021, Octank has entered into financing leases with a total lease liability of \$30 million and a weighted-average remaining lease term of 7 years.

Sales-type leases are leases in which Octank is the lessor and the underlying asset is sold to the lessee at the beginning of the lease term. The lease payments are structured in a way that provides Octank with a profit or loss on the sale of the underlying asset. As of December 31, 2021, Octank has entered into sales-type leases with a total lease receivable of \$20 million and a weighted-average remaining lease term of 3 years.

The following table summarizes Octank's lease portfolio as of December 31, 2021:

Lease Type	Total Lease Liability	Weighted-Average Remaining Lease Term
---	---	---
Operating Leases	\$50 million	5 years
Financing Leases	\$30 million	7 years
Sales-Type Leases	\$20 million	3 years

In addition to the above, it is important to note that Octank has adopted ASC 842, Leases, as of January 1, 2022. This new standard requires lessees to recognize a lease liability and a right-of-use (ROU) asset for all leases, with the exception of short-term leases. The new standard also requires lessees to classify leases as either finance or operating leases, with finance leases being those that transfer substantially all of the risks and rewards of ownership to the lessee.

As a result of adopting ASC 842, Octank has recorded a ROU asset of \$100 million and a lease liability of \$100 million as of January 1, 2022. The company has also reviewed its lease portfolio and determined that all of its operating leases and financing leases should be classified as finance leases under the new standard.

In conclusion, Octank has a significant lease portfolio that includes operating leases, financing leases, and sales-type leases. The company has adopted ASC 842, Leases, as of January 1, 2022, which has resulted in the recognition of a ROU asset and a lease liability for all leases, with the exception of short-term leases. The company will continue to monitor and manage its lease portfolio to ensure compliance with the new standard and to optimize its use of leased assets.

Restricted Cash and Cash Equivalents under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

****Restricted Cash and Cash Equivalents under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****

Restricted cash and cash equivalents refer to the portion of a company's cash or cash-like holdings that are not freely available for immediate use due to specific restrictions or limitations. These restrictions can be either contractual or imposed by regulatory authorities. At Octank Financial, restricted cash and cash equivalents comprise a small but significant portion of our total cash and cash equivalents. This note provides a detailed explanation of how we classify, manage, and report restricted cash and cash equivalents in our consolidated financial statements.

****Classification of Restricted Cash and Cash Equivalents****

At Octank Financial, we classify restricted cash and cash equivalents into two main categories:

1. Contractually Restricted Cash: These are funds that are held in escrow, pledged as collateral, or otherwise subject to contractual agreements with third parties. For instance, PersonA, our Chief Financial Officer, may have negotiated a contract with a vendor that requires Octank to maintain a minimum cash balance as collateral for a long-term supply contract.
2. Regulatory Restricted Cash: These are funds that are held in compliance with regulatory requirements, such as reserve requirements imposed by central banks or other financial authorities. For example, PersonB, our Risk Manager, may have determined that Octank needs to maintain a certain level of cash reserves to comply with capital adequacy ratios mandated by our primary regulator.

****Management of Restricted Cash and Cash Equivalents****

The management of restricted cash and cash equivalents at Octank Financial involves rigorous monitoring and reporting to ensure compliance with contractual obligations and regulatory requirements. Our Treasury department, led by PersonC, our Assistant Treasurer, is responsible for tracking and reporting on all restricted cash accounts on a daily basis. This includes:

- Ensuring that sufficient funds are available to meet contractual obligations and regulatory requirements.
- Monitoring the expiration or modification of contracts that impose restrictions on cash balances.
- Coordinating with other departments, such as Legal and Risk Management, to ensure that all restricted cash accounts are properly documented and reported.

****Reporting of Restricted Cash and Cash Equivalents****

In our consolidated financial statements, restricted cash and cash equivalents are reported separately from unrestricted cash and cash equivalents. This allows our stakeholders to better understand the liquidity and availability of our cash resources. Specifically, we report restricted cash and cash equivalents in the following line items:

- On the balance sheet, restricted cash and cash equivalents are reported as a separate line item under "Cash and Cash Equivalents."
- In the notes to the financial statements, we provide a detailed breakdown of restricted cash and cash equivalents, including the reasons for the restrictions and the expected duration of the restrictions.

****Table: Summary of Restricted Cash and Cash Equivalents as of December 31, 2022****

Category	Amount (\$)
---	---
Contractually Restricted Cash	15,000,000
Regulatory Restricted Cash	10,000,000
Total Restricted Cash and Cash Equivalents	**25,000,000**

In conclusion, Octank Financial takes a disciplined approach to managing and reporting restricted cash and cash equivalents. By classifying, monitoring, and reporting these funds separately from unrestricted cash, we aim to provide greater transparency and a more accurate representation of our liquidity and financial position.

Certain Significant Risks and Uncertainties under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Octank Financial, like any other company, faces various significant risks and uncertainties that could impact its financial performance and position. This section provides an overview of certain significant risks and uncertainties that Octank Financial management believes could have a material adverse effect on its financial condition, results of operations, and cash flows.

Economic and Industry Factors

Octank Financial operates in a highly competitive and dynamic industry. The company's financial performance is subject to various economic factors, including changes in interest rates, inflation, and global economic conditions. A downturn in the economy or a significant industry disruption could negatively impact Octank Financial's revenue and profitability.

Dependence on Key Personnel

Octank Financial's success depends on the expertise, skills, and efforts of its key personnel. The loss of any of these key personnel due to retirement, resignation, or other reasons could have a material adverse effect on the company's operations and financial performance. For instance, PersonA, Octank Financial's Chief Financial Officer, has been instrumental in the company's financial success. If PersonA were to leave the company, Octank Financial might face challenges in maintaining its financial performance.

Regulatory Compliance

Octank Financial operates in a highly regulated industry, and the company is subject to various laws and regulations. Non-compliance with these laws and regulations could result in fines, penalties, and reputational damage. For example, PersonB, Octank Financial's Compliance Officer, has been working diligently to ensure that the company complies with all relevant regulations. However, a failure to comply with even one regulation could have a material adverse effect on Octank Financial's financial condition and reputation.

Cybersecurity Risks

Octank Financial stores and processes sensitive customer and financial data, making it a potential target for cyber attacks. A successful cyber attack could result in the loss or theft of sensitive data, reputational damage, and legal liability. Octank Financial has implemented various cybersecurity measures to mitigate these risks. However, no system is foolproof, and a significant cyber attack could have a material adverse effect on the company's financial condition and reputation.

Dependence on Key Suppliers

Octank Financial depends on key suppliers for various critical components and services. The loss of any of these key suppliers due to bankruptcy, supply chain disruptions, or other reasons could have a material adverse effect on Octank Financial's operations and financial performance. For instance, PersonC, Octank Financial's Supply Chain Manager, has been working to diversify the company's supplier base to mitigate this risk. However, the company still faces significant risks if any of its key suppliers were to fail.

Market Risks

Octank Financial's financial performance is subject to various market risks, including changes in commodity prices, foreign exchange rates, and equity prices. For example, a significant decline in the price of oil could have a material adverse effect on Octank Financial's revenue and profitability. Similarly, changes in foreign exchange rates could impact the company's cost of goods sold and profitability.

Table: Market Risks

Risk Factor	Description	Potential Impact
Commodity Prices	Changes in commodity prices, such as oil, could impact Octank Financial's revenue and profitability.	Material adverse effect on revenue and profitability.
Foreign Exchange Rates	Changes in foreign exchange rates could impact the company's cost of goods sold and profitability.	Material adverse effect on cost of goods sold and profitability.
Equity Prices	Changes in equity prices could impact the company's investment portfolio and profitability.	Material adverse effect on investment portfolio and profitability.

In conclusion, Octank Financial faces various significant risks and uncertainties that could impact its financial performance and position. The company's management is committed to mitigating these risks through various measures, including diversification, cybersecurity measures, and regulatory compliance. However, the company still faces significant risks, and any material adverse effect on its financial condition, results of operations, or cash flows could have a material adverse effect on the company's stock price and financial position.

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Octank Financial stores and processes sensitive customer and financial data, making it a potential target for cyber attacks. A successful cyber attack could result in the loss or theft of sensitive data, reputational damage, and legal liability. Octank Financial has implemented various cybersecurity measures to mitigate these risks. However, no system is foolproof, and a significant cyber attack could have a material adverse effect on the company's financial condition and reputation.

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Table: Market Risks

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Foreign Exchange Rates	Changes in foreign exchange rates could impact the company's cost of goods sold and profitability.	Material adverse effect on cost of goods sold and profitability.
Equity Prices	Changes in equity prices could impact the company's investment portfolio and profitability.	Material adverse effect on investment portfolio and profitability.

In conclusion, Octank Financial faces various significant risks and uncertainties that could impact its financial performance and position. The company's management is committed to mitigating these risks through various measures, including diversification, cybersecurity measures, and regulatory compliance. However, the company still faces significant risks, and any material adverse effect on its financial condition, results of operations, or cash flows could have a material adverse effect on the company's stock price and financial position.

Restricted Cash and Cash Equivalents under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

****Restricted Cash and Cash Equivalents under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****

Restricted cash and cash equivalents refer to the portion of a company's cash or cash-like holdings that are not freely available for immediate use due to specific restrictions or limitations. These restrictions can be either contractual or imposed by regulatory authorities. At Octank Financial, restricted cash and cash equivalents comprise a small but significant portion of our total cash and cash equivalents. This note provides a detailed explanation of how we classify, manage, and report restricted cash and cash equivalents in our consolidated financial statements.

****Classification of Restricted Cash and Cash Equivalents****

At Octank Financial, we classify restricted cash and cash equivalents into two main categories:

1. Contractually Restricted Cash: These are funds that are held in escrow, pledged as collateral, or otherwise subject to contractual agreements with third parties. For instance, PersonA, our Chief Financial Officer, may have negotiated a contract with a vendor that requires Octank to maintain a minimum cash balance as collateral for a long-term supply contract.
2. Regulatory Restricted Cash: These are funds that are held in compliance with regulatory requirements, such as reserve requirements imposed by central banks or other financial authorities. For example, PersonB, our Risk Manager, may have determined that Octank needs to maintain a certain level of cash reserves to comply with capital adequacy ratios mandated by our primary regulator.

****Management of Restricted Cash and Cash Equivalents****

The management of restricted cash and cash equivalents at Octank Financial involves rigorous monitoring and reporting to ensure compliance with contractual obligations and regulatory requirements. Our Treasury department, led by PersonC, our Assistant Treasurer, is responsible for tracking and reporting on all restricted cash accounts on a daily basis. This includes:

- Ensuring that sufficient funds are available to meet contractual obligations and regulatory requirements.
- Monitoring the expiration or modification of contracts that impose restrictions on cash balances.
- Coordinating with other departments, such as Legal and Risk Management, to ensure that all restricted cash accounts are properly documented and reported.

****Reporting of Restricted Cash and Cash Equivalents****

In our consolidated financial statements, restricted cash and cash equivalents are reported separately from unrestricted cash and cash equivalents. This allows our stakeholders to better understand the liquidity and availability of our cash resources. Specifically, we report restricted cash and cash equivalents in the following line items:

- On the balance sheet, restricted cash and cash equivalents are reported as a separate line item under "Cash and Cash Equivalents."
- In the notes to the financial statements, we provide a detailed breakdown of restricted cash and cash equivalents, including the reasons for the restrictions and the expected duration of the restrictions.

****Table: Summary of Restricted Cash and Cash Equivalents as of December 31, 2022****

Category	Amount (\$)
---	---
Contractually Restricted Cash	15,000,000
Regulatory Restricted Cash	10,000,000
Total Restricted Cash and Cash Equivalents	**25,000,000**

In conclusion, Octank Financial takes a disciplined approach to managing and reporting restricted cash and cash equivalents. By classifying, monitoring, and reporting these funds separately from unrestricted cash, we aim to provide greater transparency and a more accurate representation of our liquidity and financial position.

Leases under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Octank Financial has several leases that are important to note in the consolidated financial statements. These leases include operating leases, financing leases, and sales-type leases. Each type of lease has its own unique characteristics and accounting treatment.

Operating leases are leases in which the underlying asset is used in the normal course of business and the lease payments are classified as operating expenses on the income statement. At the end of the lease term, Octank does not have the right to purchase the underlying asset. As of December 31, 2021, Octank has entered into operating leases with a total lease liability of \$50 million and a weighted-average remaining lease term of 5 years.

Financing leases are leases in which the underlying asset is used in the normal course of business, but the lease payments are structured in a way that provides Octank with the option to purchase the underlying asset at the end of the lease term. At the end of the lease term, Octank has the right to purchase the underlying asset for a nominal amount. As of December 31, 2021, Octank has entered into financing leases with a total lease liability of \$30 million and a weighted-average remaining lease term of 7 years.

Sales-type leases are leases in which Octank is the lessor and the underlying asset is sold to the lessee at the beginning of the lease term. The lease payments are structured in a way that provides Octank with a profit or loss on the sale of the underlying asset. As of December 31, 2021, Octank has entered into sales-type leases with a total lease receivable of \$20 million and a weighted-average remaining lease term of 3 years.

The following table summarizes Octank's lease portfolio as of December 31, 2021:

Lease Type	Total Lease Liability	Weighted-Average Remaining Lease Term
---	---	---
Operating Leases	\$50 million	5 years
Financing Leases	\$30 million	7 years
Sales-Type Leases	\$20 million	3 years

In addition to the above, it is important to note that Octank has adopted ASC 842, Leases, as of January 1, 2022. This new standard requires lessees to recognize a lease liability and a right-of-use (ROU) asset for all leases, with the exception of short-term leases. The new standard also requires lessees to classify leases as either finance or operating leases, with finance leases being those that transfer substantially all of the risks and rewards of ownership to the lessee.

As a result of adopting ASC 842, Octank has recorded a ROU asset of \$100 million and a lease liability of \$100 million as of January 1, 2022. The company has also reviewed its lease portfolio and determined that all of its operating leases and financing leases should be classified as finance leases under the new standard.

In conclusion, Octank has a significant lease portfolio that includes operating leases, financing leases, and sales-type leases. The company has adopted ASC 842, Leases, as of January 1, 2022, which has resulted in the recognition of a ROU asset and a lease liability for all leases, with the exception of short-term leases. The company will continue to monitor and manage its lease portfolio to ensure compliance with the new standard and to optimize its use of leased assets.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Octank Financial is committed to maintaining high standards of corporate governance and has a strong team of directors and executive officers to lead the company towards achieving its goals.

The board of directors at Octank Financial comprises of experienced and skilled individuals who bring a wealth of knowledge and expertise in their respective fields. The board is responsible for overseeing the management of the company and making strategic decisions that align with the best interests of the company and its stakeholders. The current members of the board are:

- * PersonA: Chairperson of the Board and a seasoned executive with over 30 years of experience in the financial services industry.
- * PersonB: Independent Director and a former partner at a leading audit firm with extensive experience in financial reporting and auditing.
- * PersonC: Independent Director and a renowned expert in the field of technology and innovation.

The executive officers at Octank Financial are responsible for the day-to-day operations of the company and implementing the strategies set by the board of directors. The current executive officers are:

- * PersonD: Chief Executive Officer (CEO) and a dynamic leader with a proven track record of driving growth and profitability.
- * PersonE: Chief Financial Officer (CFO) and a financial expert with extensive experience in financial planning and analysis.
- * PersonF: Chief Operating Officer (COO) and a operations specialist with a deep understanding of the company's business and operations.

Octank Financial is committed to ensuring that its corporate governance practices are transparent, accountable, and in compliance with all applicable laws and regulations. The company has established a number of committees to assist the board of directors in fulfilling its responsibilities, including an audit committee, a compensation committee, and a nominating and governance committee.

The audit committee is responsible for overseeing the company's financial reporting process and internal control systems, as well as monitoring the company's compliance with legal and regulatory requirements. The compensation committee is responsible for setting the compensation for the company's executive officers and reviewing the company's overall compensation policies. The nominating and governance committee is responsible for identifying and recruiting qualified individuals to serve on the board of directors and ensuring that the board is functioning effectively.

In addition to these committees, Octank Financial has also adopted a number of corporate governance guidelines and policies, including a code of ethics and a whistleblower policy. These guidelines and policies are designed to promote ethical behavior, transparency, and accountability throughout the organization.

To further enhance its corporate governance practices, Octank Financial has also implemented a number of initiatives, including:

- * Director training and development programs to ensure that the board of directors is well-informed and able to make informed decisions.
- * A robust risk management framework to identify and manage risks in a timely and effective manner.
- * Regular evaluations of the board's performance and effectiveness to ensure that it is functioning at a high level.

In conclusion, Octank Financial has a strong team of directors and executive officers and a robust corporate governance framework in place to ensure that the company is able to operate in a transparent, accountable, and ethical manner. The company is committed to maintaining high standards of corporate governance and will continue to review and enhance its practices to ensure that they are in line with best practices and regulatory requirements.

****Table: Board of Directors and Executive Officers****

Position	Name
---	---
Chairperson of the Board	PersonA
Independent Director	PersonB
Independent Director	PersonC
Chief Executive Officer	PersonD
Chief Financial Officer	PersonE
Chief Operating Officer	PersonF

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Octank Financial is committed to maintaining high standards of corporate governance and transparency, particularly with regards to security ownership of beneficial owners and management. This report outlines the relevant information regarding the ownership of Octank's securities by our beneficial owners, management, and other related stockholder matters.

Beneficial Owners

As of the most recent reporting period, the following individuals and entities are considered beneficial owners of Octank Financial, holding more than 5% of our outstanding common stock:

- 1. PersonA: 6.5% ownership
- 2. PersonB: 7.2% ownership
- 3. Institutional Investor X: 8.1% ownership

These beneficial owners have direct or indirect control over the voting rights and/or investment decisions related to the shares they hold. The table below summarizes the ownership information for these beneficial owners:

Beneficial Owner	Ownership Percentage	Number of Shares
PersonA	6.5%	3,250,000
PersonB	7.2%	3,600,000
Institutional Investor X	8.1%	4,050,000

Management

Octank Financial's management team, including the executive officers and directors, hold a combined total of 2.3% of the outstanding common stock. The following table summarizes the holdings of the key members of Octank's management:

Manager	Position	Ownership Percentage	Number of Shares
CEO, PersonC	Chief Executive Officer	0.8%	400,000
CFO, PersonD	Chief Financial Officer	0.5%	250,000
COO, PersonE	Chief Operating Officer	0.4%	200,000

| Director, PersonF | Board of Directors | 0.3% | 150,000 |
| Director, PersonG | Board of Directors | 0.3% | 150,000 |

Stockholder Matters

Octank Financial has not entered into any material stockholder agreements or arrangements that would affect the voting or investment rights of our shareholders. Our shareholders are entitled to one vote per share and there are no restrictions on the transfer of our securities.

Our company has not experienced any significant changes in our shareholder base or security ownership during the past year. However, we continuously monitor these matters and engage in open communication with our shareholders to ensure their interests are aligned with the long-term success of Octank Financial.

In summary, Octank Financial maintains a strong commitment to transparency and corporate governance. We have provided detailed information on the security ownership of our beneficial owners, management, and related stockholder matters. We will continue to foster a strong relationship with our shareholders and ensure their interests are prioritized as we drive our business forward.

PRINCIPAL ACCOUNTING FEES AND SERVICES

Octank Financial is a leading financial services firm that provides a wide range of accounting services to its clients. The company's principal accounting fees and services are designed to help businesses manage their financial operations efficiently and effectively. This section provides an overview of Octank's principal accounting fees and services.

Accounting Services

Octank offers a comprehensive suite of accounting services that cater to the unique needs of its clients. These services include:

Financial Statement Preparation

Octank's financial statement preparation service helps businesses to prepare accurate and timely financial statements that comply with relevant accounting standards. The company's team of experienced accountants works closely with clients to ensure that their financial statements provide a clear and accurate picture of their financial position.

Bookkeeping

Octank's bookkeeping service helps businesses to maintain accurate financial records. The company's team of bookkeepers uses the latest accounting software to record and categorize financial transactions, ensuring that clients have access to up-to-date financial information.

Tax Preparation

Octank's tax preparation service helps businesses to prepare and file their tax returns accurately and on time. The company's team of tax experts has a deep understanding of tax laws and regulations, ensuring that clients pay the right amount of tax and avoid penalties.

Audit and Assurance

Octank's audit and assurance service helps businesses to ensure that their financial statements are accurate and comply with relevant accounting standards. The company's team of auditors uses a risk-based approach to identify and assess potential risks, providing clients with an independent and objective assessment of their financial position.

Payroll Services

Octank's payroll service helps businesses to manage their payroll efficiently and accurately. The company's team of payroll experts uses the latest payroll software to calculate and process employee salaries, tax deductions, and benefits, ensuring that clients comply with relevant

employment and tax laws.

Fees

Octank's fees for its accounting services are competitive and transparent. The company charges clients based on the level of service required, the complexity of their financial situation, and the resources required to deliver the service.

Hourly Rates

Octank charges hourly rates for some of its accounting services, such as bookkeeping and tax preparation. The company's hourly rates vary depending on the level of expertise required and the complexity of the task. For example, Octank may charge a higher hourly rate for a tax return that requires complex calculations and deductions.

Fixed Fees

Octank charges fixed fees for some of its accounting services, such as financial statement preparation and audit and assurance. The company's fixed fees are based on the scope of the service and the level of expertise required. For example, Octank may charge a fixed fee for preparing financial statements for a small business with simple financial transactions.

Value-Based Pricing

Octank uses value-based pricing for some of its accounting services, such as financial planning and advisory services. The company's value-based pricing is based on the value that clients receive from the service. For example, Octank may charge a higher fee for financial planning services that help a business to increase its revenue and profitability.

Table: Principal Accounting Fees

Service	Hourly Rate	Fixed Fee	Value-Based Pricing
---	---	---	---
Bookkeeping	\$50 - \$100	-	-
Tax Preparation	\$75 - \$200	-	-
Financial Statement Preparation	-	\$500 - \$5,000	-
Audit and Assurance	-	\$5,000 - \$20,000	-
Payroll Services	\$50 - \$100	\$50 - \$500 per employee per month	-
Financial Planning and Advisory Services	-	-	\$2,000 - \$10,000 per year

In conclusion, Octank Financial provides a comprehensive suite of accounting services that cater to the unique needs of its clients. The company's principal accounting fees are competitive and transparent, with fees based on the level of service required, the complexity of the

financial situation, and the resources required to deliver the service.

List of 14 board of directors for Octank financial including their positions

The Board of Directors (BOD) at Octank Financial is a diverse and experienced group of individuals who bring a wealth of knowledge and expertise to the company. Here is a list of the 14 members of the Octank Financial BOD, along with their positions:

1. **John Doe, Chairman of the Board:** John has been with Octank Financial for over 20 years and has served as Chairman of the Board for the past 10 years. He has a deep understanding of the financial industry and has been instrumental in shaping the strategic direction of the company.
2. **Jane Smith, Vice Chairman:** Jane has been with Octank Financial for 15 years and has served as Vice Chairman for the past 5 years. She has extensive experience in the financial sector and has played a key role in the company's growth and success.
3. **Michael Johnson, Chief Executive Officer (CEO):** Michael has been with Octank Financial for 10 years and has served as CEO for the past 5 years. He has a strong background in finance and has been successful in driving the company's financial performance.
4. **Sarah Lee, Chief Financial Officer (CFO):** Sarah has been with Octank Financial for 8 years and has served as CFO for the past 3 years. She has a deep understanding of financial management and has been instrumental in the company's financial planning and budgeting.
5. **David Kim, Chief Operating Officer (COO):** David has been with Octank Financial for 7 years and has served as COO for the past 2 years. He has a strong background in operations management and has been successful in improving the company's operational efficiency.
6. **Emily Brown, Chief Marketing Officer (CMO):** Emily has been with Octank Financial for 6 years and has served as CMO for the past 2 years. She has a deep understanding of marketing and has been successful in driving the company's brand awareness and customer engagement.
7. **Daniel Park, Chief Information Officer (CIO):** Daniel has been with Octank Financial for 5 years and has served as CIO for the past 2 years. He has a strong background in technology and has been successful in driving the company's digital transformation.
8. **Jessica Kim, Chief Legal Officer (CLO):** Jessica has been with Octank Financial for 4 years and has served as CLO for the past 2 years. She has a deep understanding of legal and regulatory matters and has been instrumental in ensuring the company's compliance.
9. **Robert Lee, Chief Human Resources Officer (CHRO):** Robert has been with Octank Financial for 3 years and has served as CHRO for the past 1 year. He has a strong background in human resources and has been successful in driving the company's talent management and development.
10. **Peter Kim, Chief Risk Officer (CRO):** Peter has been with Octank Financial for 2 years and has served as CRO for the past 1 year. He has a deep understanding of risk management and has been instrumental in the company's risk assessment and mitigation.
11. **Maria Rodriguez, Independent Director:** Maria has been an independent director for 5 years. She has extensive experience in the financial sector and has been a valuable contributor to the company's strategic decision-making.
12. **Thomas Johnson, Independent Director:** Thomas has been an independent director for 3 years. He has extensive experience in the financial sector and has been a valuable contributor to the company's risk management and compliance.
13. **Jacob Lee, Independent Director:** Jacob has been an independent director for 2 years. He has extensive experience in the financial sector and has been a valuable contributor to the company's strategic planning and growth.
14. **Sophia Park, Independent Director:** Sophia has been an independent director for 1 year. She has extensive experience in the financial sector and has been a valuable contributor to the company's digital transformation and technology strategy.

The BOD at Octank Financial is committed to the company's success and works closely together to ensure that the company is well-positioned for growth and profitability. The diversity of experience and expertise on the BOD allows for a well-rounded and comprehensive approach to decision-making, which has been a key factor in the company's success.

Whistleblower scandal with Person X, and its impact on the company

In a shocking turn of events, Octank Financial has recently been embroiled in a whistleblower scandal involving a high-ranking executive, Person X. The scandal has sent shockwaves through the company and the financial industry as a whole, raising serious concerns about corporate ethics and governance.

Person X, who served as Octank's Chief Financial Officer (CFO), was accused of engaging in insider trading and other illegal activities. The allegations were brought to light by an anonymous whistleblower, who provided evidence of Person X's wrongdoing to the Securities and Exchange Commission (SEC).

The impact of the scandal on Octank has been significant. The company's stock price plummeted following the news of the investigation, causing substantial losses for shareholders. Additionally, the company's reputation has taken a major hit, with many questioning its ability to maintain ethical standards and protect investors.

To make matters worse, the scandal has also had a ripple effect on Octank's employees. Morale has taken a hit, with many feeling demoralized and uncertain about the future of the company. Furthermore, the investigation has created a sense of unease and uncertainty, as employees worry about the potential fallout and impact on their jobs.

In response to the scandal, Octank has taken swift action to address the situation. The company has launched an internal investigation and has cooperated fully with the SEC's investigation. Person X has been placed on administrative leave and has since resigned from the company.

Octank has also taken steps to strengthen its corporate governance and ethical standards. The company has implemented new policies and procedures to prevent insider trading and other illegal activities. Additionally, Octank has established a whistleblower hotline, encouraging employees to report any concerns or suspicions of wrongdoing.

The scandal has also highlighted the importance of whistleblowers in uncovering fraud and other illegal activities. Whistleblowers play a critical role in holding corporations accountable and protecting investors. In fact, according to a study by the SEC, whistleblowers have helped the agency recover over \$1 billion in ill-gotten gains since the program's inception in 2011.

To further demonstrate its commitment to ethical standards and transparency, Octank has created a table outlining the number of whistleblower reports it has received since the scandal came to light:

Year	Number of Whistleblower Reports
2023	50
2024	75

As the table shows, the number of whistleblower reports has increased each year since the scandal, indicating that employees feel more comfortable coming forward with concerns and suspicions of wrongdoing.

In conclusion, the whistleblower scandal involving Person X has had a significant impact on Octank Financial. The company has suffered substantial losses and damage to its reputation, and employees have experienced a decline in morale. However, Octank has taken swift action to address the situation and has implemented new policies and procedures to prevent future wrongdoing. Furthermore, the scandal has highlighted the importance of whistleblowers in uncovering fraud and other illegal activities, and Octank has seen a steady increase in the number of whistleblower reports since the scandal.

Mission of the Octank financial

Octank Financial's mission is to empower businesses and individuals to achieve their financial goals through innovative, accessible, and customer-centric financial solutions. Our mission is underpinned by three core pillars: innovation, accessibility, and customer-centricity.

Innovation: At Octank Financial, we believe that innovation is the key to unlocking new possibilities and creating value for our customers. We are committed to harnessing the power of technology and data to develop cutting-edge financial products and services that meet the evolving needs of our customers. Our team of dedicated professionals, led by PersonA, our Chief Innovation Officer, is constantly exploring new ideas and experimenting with emerging technologies to stay ahead of the curve.

Accessibility: We are committed to making financial services accessible to everyone, regardless of their background, location, or financial status. Our digital-first approach enables us to reach a wider audience and provide them with the tools and resources they need to manage their finances effectively. We are also committed to promoting financial literacy and education, so that our customers can make informed decisions about their financial future. PersonB, our Head of Accessibility, leads our efforts to ensure that our products and services are accessible to all.

Customer-centricity: At Octank Financial, our customers are at the heart of everything we do. We are committed to providing exceptional customer service and building long-term relationships with our customers based on trust, transparency, and mutual respect. Our customer-centric approach is reflected in everything from our user-friendly interface to our personalized financial advice. PersonC, our Chief Customer Officer, oversees our customer experience team and ensures that we are always putting our customers first.

To achieve our mission, we have developed a comprehensive strategy that focuses on three key areas: product development, customer engagement, and community impact.

Product Development: We are committed to developing a range of financial products and services that meet the needs of our customers. Our product development process is customer-led, meaning that we start by understanding the needs and pain points of our customers and then design solutions that address those needs. We are currently working on several exciting new products, including a mobile app that provides personalized financial advice, a digital wallet that enables seamless payments and transfers, and a robo-advisory platform that provides low-cost investment advice.

Customer Engagement: We believe that engagement is key to building strong relationships with our customers. We are committed to providing our customers with regular updates, insights, and tips to help them manage their finances effectively. We also offer a range of engagement channels, including social media, email, and in-app messaging, to ensure that our customers can reach us whenever they need to. Our customer engagement team is led by PersonD, our Head of Customer Engagement.

Community Impact: We are committed to making a positive impact in the communities where we operate. We believe that financial empowerment is a key driver of social and economic development, and we are proud to support a range of initiatives that promote financial

literacy and education. We also partner with local organizations to provide financial support and resources to those in need. Our community impact team is led by PersonE, our Head of Community Impact.

In conclusion, Octank Financial's mission is to empower businesses and individuals to achieve their financial goals through innovative, accessible, and customer-centric financial solutions. We are committed to delivering exceptional value to our customers, supporting our communities, and making a positive impact on society.

| Pillar | Objective |

| --- | --- |

| Innovation | Develop cutting-edge financial products and services |

| Accessibility | Make financial services accessible to everyone |

| Customer-centricity | Provide exceptional customer service and build long-term relationships |

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

Octank Financial is committed to providing transparent and comprehensive disclosures about market risk, both quantitative and qualitative. This 10K report will detail the various market risks that Octank is exposed to, as well as the measures we have in place to manage these risks.

Quantitative Disclosures:

Octank Financial is exposed to various types of market risks, including interest rate risk, equity price risk, and foreign exchange risk. To provide a quantitative understanding of these risks, we have calculated the following value-at-risk (VaR) measures, which represent the worst-case loss over a one-day horizon with a 95% confidence level.

Interest Rate Risk:

- * \$10 million VaR for a \$1 billion portfolio of fixed-rate instruments
- * \$5 million VaR for a \$500 million portfolio of floating-rate instruments

Equity Price Risk:

- * \$8 million VaR for a \$1 billion portfolio of individual equity securities
- * \$6 million VaR for a \$500 million portfolio of equity index instruments

Foreign Exchange Risk:

- * \$7 million VaR for a \$1 billion portfolio of foreign currency-denominated instruments

These VaR measures are based on historical data and do not take into account any specific risk management actions that Octank may take to reduce market risk. They should therefore be viewed as a upper bound on potential losses.

Qualitative Disclosures:

In addition to the quantitative disclosures above, Octank Financial has a number of policies and procedures in place to manage market risk. These include:

- * A risk limit framework that sets explicit limits on the amount of market risk that can be taken by individual business units and traders.

- * A stress testing program that simulates adverse market conditions and assesses the potential impact on Octank's financial position.
- * A hedging program that uses derivatives to manage interest rate, equity price, and foreign exchange risks.
- * An independent risk management function that monitors market risk and reports to the Board of Directors on a regular basis.

These policies and procedures are designed to ensure that Octank Financial is able to manage market risk effectively and prudently. They are reviewed and updated on a regular basis to ensure that they remain appropriate in light of changing market conditions and Octank's risk profile.

Table: VaR Measures for Octank Financial

Risk Type	VaR (\$ millions)	Portfolio Size (\$ millions)
Interest Rate	10	1,000
Interest Rate	5	500
Equity Price	8	1,000
Equity Price	6	500
Foreign Exchange	7	1,000

This table provides a summary of the VaR measures for the different types of market risk that Octank Financial is exposed to. It shows the VaR for a given portfolio size, which allows for a comparison of the relative riskiness of different types of instruments.

In conclusion, Octank Financial takes market risk seriously and is committed to providing transparent and comprehensive disclosures about this risk. We have a robust risk management framework in place, which includes both quantitative and qualitative measures to manage market risk. We believe that this approach enables us to prudently manage market risk and protect the interests of our stakeholders.

Table for CONSOLIDATED STATEMENTS OF OPERATIONS in In millions, except share amounts which are reflected in thousands, and per share amounts

Here is the Consolidated Statements of Operations table for Octank Financial for the year ended December 31, 2021 (in millions, except share amounts which are reflected in thousands, and per share amounts):

Item	2021 (in \$)	2020 (in \$)
Revenue	5,000	4,500
Cost of Revenue	(2,000)	(1,800)
Gross Profit	3,000	2,700
Operating Expenses	(1,200)	(1,000)
Operating Income	1,800	1,700
Interest Expense	(300)	(250)
Other Income/Expense	100	50
Income Before Tax	1,600	1,500
Income Tax Expense	(400)	(375)
Net Income	1,200	1,125
Earnings Per Share	\$3.20	\$3.00
Shares Outstanding	375,000	375,000

In 2021, Octank Financial reported total revenue of \$5,000 million, an increase of \$500 million or 11.1% compared to \$4,500 million in 2020. This growth was driven by strong performance in the company's core business segments, as well as the acquisition of several smaller companies.

Cost of revenue for 2021 was \$2,000 million, an increase of \$200 million or 11.1% compared to \$1,800 million in 2020. This increase was primarily due to higher raw material costs and increased labor costs associated with the company's growth.

Gross profit for 2021 was \$3,000 million, an increase of \$300 million or 11.1% compared to \$2,700 million in 2020. This growth was driven by the increase in revenue and a slight improvement in gross margin.

Operating expenses for 2021 were \$1,200 million, an increase of \$200 million or 20% compared to \$1,000 million in 2020. This increase was primarily due to higher marketing and advertising expenses, as well as increased research and development costs associated with the company's growth.

Operating income for 2021 was \$1,800 million, an increase of \$100 million or 6% compared to \$1,700 million in 2020. This growth was driven by the increase in gross profit, partially offset by the increase in operating expenses.

Interest expense for 2021 was \$300 million, an increase of \$50 million or 20% compared to \$250 million in 2020. This increase was primarily due to higher borrowing costs associated with the company's growth.

Other income/expense for 2021 was \$100 million, an increase of \$50 million or 100% compared to \$50 million in 2020. This increase was primarily due to gains on the sale of certain assets.

Income before tax for 2021 was \$1,600 million, an increase of \$100 million or 6% compared to \$1,500 million in 2020. This growth was driven by the increase in operating income and other income, partially offset by the increase in interest expense.

Income tax expense for 2021 was \$400 million, an increase of \$25 million or 6% compared to \$375 million in 2020. This increase was primarily due to the increase in income before tax.

Net income for 2021 was \$1,200 million, an increase of \$75 million or 6% compared to \$1,125 million in 2020. This growth was driven by the increase in income before tax, partially offset by the increase in income tax expense.

Earnings per share for 2021 was \$3.20, an increase of \$0.20 or 6.7% compared to \$3.00 in 2020. This growth was driven by the increase in net income, partially offset by an increase in shares outstanding.

Shares outstanding for 2021 were 375,000 thousand, an increase of 0 thousand compared to 375,000 thousand in 2020.

In conclusion, Octank Financial had a solid year in 2021 with revenue, gross profit, operating income, and net income all increasing compared to 2020. The company's growth was driven by strong performance in its core business segments and the acquisition of several smaller companies. However, the company also saw an increase in costs, including raw material costs, labor costs, marketing and advertising expenses, and research and development costs. Despite these increases, Octank Financial was able to maintain its gross margin and operating margin, and the company's net income and earnings per share both increased compared to 2020.

Values of Octank financial

At Octank Financial, our values are the bedrock upon which we build our relationships with clients, employees, and the communities we serve. We believe that a strong commitment to our values is essential for long-term success and growth. Here are the core values that define who we are and what we stand for:

1. ****Integrity****: At Octank Financial, we hold ourselves to the highest ethical standards. We believe in doing the right thing, even when no one is watching. Our commitment to integrity is reflected in everything we do, from our interactions with clients to our financial reporting. We believe that transparency and honesty are essential for building trust, and we strive to earn our clients' trust every day.
2. ****Innovation****: We are committed to staying at the forefront of financial innovation. We believe that technology and creativity are essential for delivering the best possible solutions to our clients. Our team of experts is always looking for new ways to solve problems and create value. We invest in research and development to ensure that we are using the latest tools and techniques to help our clients achieve their financial goals.
3. ****Collaboration****: We believe that the best solutions are born out of collaboration. We work closely with our clients to understand their unique needs and challenges. We also collaborate with each other, sharing knowledge and expertise to ensure that we are delivering the best possible outcomes. Our culture of collaboration is reflected in our open and inclusive work environment, where everyone is encouraged to contribute their ideas and perspectives.
4. ****Excellence****: We strive for excellence in everything we do. We believe that our clients deserve the best possible service, and we are committed to delivering it. We hold ourselves to high standards, and we are always looking for ways to improve. Our commitment to excellence is reflected in our rigorous quality control processes, our focus on continuous learning, and our dedication to exceeding our clients' expectations.
5. ****Social Responsibility****: We believe that businesses have a responsibility to give back to their communities. At Octank Financial, we are committed to making a positive impact on the world around us. We support local charities and initiatives, and we encourage our employees to volunteer their time and talents. We also believe in sustainable business practices, and we are committed to reducing our carbon footprint and minimizing our impact on the environment.

To further illustrate our commitment to these values, let me share some examples of how we put them into practice:

* ****Integrity****: We have a strict code of ethics that governs our interactions with clients and colleagues. We also have a robust compliance program that ensures we are adhering to all relevant laws and regulations.

* ****Innovation****: We have developed several proprietary tools and technologies that help our clients make better financial decisions. For example, our predictive analytics platform uses machine learning algorithms to forecast market trends and identify investment opportunities.

* ****Collaboration****: We have a cross-functional team that works together to develop and implement customized financial solutions for our clients. We also have regular team-building activities and brainstorming sessions to foster a culture of collaboration and creativity.

* **Excellence**: We have a rigorous hiring process that ensures we are bringing on the best and brightest talent. We also have a comprehensive training program that helps our employees stay up-to-date on the latest industry trends and best practices.

* **Social Responsibility**: We have partnered with several local charities and non-profit organizations to support causes that are important to our employees and clients. We also have a sustainability committee that is responsible for reducing our environmental impact and promoting sustainable practices throughout the organization.

In conclusion, our values are the foundation of everything we do at Octank Financial. We believe that by staying true to our values, we can create a better future for ourselves, our clients, and our communities.

Value	Description
Integrity	Doing the right thing, even when no one is watching
Innovation	Staying at the forefront of financial innovation
Collaboration	Working closely with clients and colleagues
Excellence	Striving for the best possible service
Social Responsibility	Making a positive impact on the world around us

Business details about Octank financial

Octank Financial is a leading financial services company that has been providing innovative and comprehensive financial solutions to its clients for over a decade. Founded in 2010 by a group of experienced financial professionals, including PersonA, PersonB, and PersonC, Octank Financial has grown to become a trusted name in the industry, with a reputation for excellence, integrity, and client satisfaction.

At Octank Financial, we specialize in providing a wide range of financial services to individuals, businesses, and institutions. Our services include investment banking, wealth management, asset management, corporate finance, and private equity. We have a team of highly skilled and experienced financial professionals who are dedicated to helping our clients achieve their financial goals.

Our investment banking division provides a full range of services to our clients, including mergers and acquisitions, capital markets, and financial advisory services. We have a proven track record of success in helping our clients navigate complex financial transactions and achieve their strategic objectives. Our wealth management division provides comprehensive wealth management services to high net worth individuals and families. We work closely with our clients to develop customized investment strategies that are tailored to their unique needs and goals.

Our asset management division manages assets for a diverse range of clients, including pension funds, endowments, foundations, and sovereign wealth funds. We have a disciplined investment approach that is focused on generating long-term risk-adjusted returns for our clients. Our corporate finance division provides financial advisory services to middle-market companies. We help our clients raise capital, evaluate strategic alternatives, and execute mergers and acquisitions. Our private equity division invests in growth-oriented companies across a range of industries.

At Octank Financial, we are committed to delivering exceptional service to our clients. We believe that our success is built on the success of our clients, and we are dedicated to helping them achieve their financial goals. We have a client-centric culture that is focused on building long-term relationships with our clients based on trust, transparency, and mutual respect.

Our company has a strong financial position, with robust revenue growth and a solid balance sheet. In 2021, we reported revenues of \$2.5 billion, representing a 15% increase over the previous year. Our net income for the year was \$500 million, up from \$400 million in 2020. We have a strong cash position, with \$1 billion in cash and cash equivalents on our balance sheet.

We are proud of our diverse and talented team of professionals, who come from a range of backgrounds and bring a wealth of experience and expertise to our company. Our team includes over 1,000 professionals, including investment bankers, wealth managers, asset managers, corporate financiers, and private equity investors. We are committed to creating a positive and inclusive workplace culture that values diversity, equity, and inclusion.

At Octank Financial, we are committed to giving back to our communities and making a positive impact on society. We have a corporate social responsibility program that is focused on supporting education, healthcare, and environmental sustainability. We believe that by investing in our

communities, we can help create a better future for everyone.

In conclusion, Octank Financial is a leading financial services company that is dedicated to providing innovative and comprehensive financial solutions to our clients. We have a strong financial position, a talented and diverse team of professionals, and a commitment to delivering exceptional service to our clients. We are proud of our track record of success and are excited about the opportunities that lie ahead.

Risk Factors about Octank financial

Risk Factors

Investing in Octank Financial involves various risks, including those outlined below. An investment in Octank Financial should be considered only by persons who can afford the loss of their entire investment.

Market Risk

Octank Financial is exposed to market risk due to the volatility of the financial markets. Factors such as changes in interest rates, inflation, economic downturns, political instability, and natural disasters can negatively impact the performance of our investments and, consequently, our financial results. For instance, PersonA, our Chief Investment Officer, mentioned that the recent trade tensions between the US and China had a significant impact on the global economy, affecting our portfolio's performance.

Credit Risk

Octank Financial is exposed to credit risk due to the possibility that the issuers of the debt securities in which we invest may default on their obligations to pay principal and interest. Our credit risk management policies aim to minimize this risk, but we cannot eliminate it entirely. For example, PersonB, our Credit Analyst, highlighted that a prominent issuer of high-yield bonds, XYZ Inc., had recently defaulted on its debt obligations, causing a ripple effect in the high-yield bond market.

Liquidity Risk

Octank Financial is exposed to liquidity risk due to the possibility that we may not be able to sell our investments quickly enough to meet our obligations or take advantage of investment opportunities. Our liquidity management policies aim to minimize this risk, but we cannot eliminate it entirely. For instance, PersonC, our Treasurer, mentioned that during the COVID-19 pandemic, the market for commercial mortgage-backed securities (CMBS) became illiquid, making it challenging to sell these securities at fair market values.

Operational Risk

Octank Financial is exposed to operational risk due to the possibility of losses resulting from inadequate or failed internal processes, people, and systems, or from external events. Our risk management policies and procedures aim to minimize this risk, but we cannot eliminate it entirely. For example, we have experienced cyber-attacks in the past, which resulted in the loss of sensitive data and financial losses.

Regulatory Risk

Octank Financial is exposed to regulatory risk due to the possibility of changes in laws and regulations that affect our business. These changes could result in additional compliance costs, restrictions on our activities, or penalties for non-compliance. We monitor regulatory developments and engage with policymakers to minimize the impact of these changes, but we cannot eliminate this risk entirely.

Strategic Risk

Octank Financial is exposed to strategic risk due to the possibility that our strategies may not achieve their intended results or that we may not be able to adapt to changes in the market or regulatory environment. Our strategic planning processes aim to minimize this risk, but we cannot eliminate it entirely. For instance, our decision to expand into the European market has exposed us to new competitors and regulatory challenges, which have affected our financial results.

Reputation Risk

Octank Financial is exposed to reputation risk due to the possibility that negative publicity or public perception could harm our business. We have a robust reputation management program to minimize this risk, but we cannot eliminate it entirely. For example, a recent scandal involving a senior executive at a prominent financial institution has negatively affected the reputation of the entire financial industry, including Octank Financial.

Legal Risk

Octank Financial is exposed to legal risk due to the possibility of litigation or regulatory action against us. We have a comprehensive legal risk management program to minimize this risk, but we cannot eliminate it entirely. For instance, we are currently involved in a legal dispute with a former employee who claims that she was wrongfully terminated.

Environmental, Social, and Governance (ESG) Risk

Octank Financial is exposed to ESG risk due to the possibility that our investments may be negatively affected by environmental, social, or governance issues. We have an ESG risk management program to minimize this risk, but we cannot eliminate it entirely. For example, our investment in a coal-fired power plant has exposed us to reputational and financial risks due to growing concerns about climate change.

Foreign Exchange Risk

Octank Financial is exposed to foreign exchange risk due to the possibility that changes in exchange rates could negatively impact the value of our investments or our financial results. We have a foreign exchange risk management program to minimize this risk, but we cannot eliminate it entirely. For instance, our investment in a Brazilian manufacturing company has exposed us to currency risks due to the volatility of the Brazilian real.

Property details

Octank Financial is proud to present a detailed overview of our company's property holdings, which are a vital component of our business operations and growth strategy. Our real estate portfolio is diverse, spanning multiple locations and property types, and plays a crucial role in supporting our workforce and enhancing our brand image.

****Headquarters: Octank Tower****

Our global headquarters, Octank Tower, is a 40-story state-of-the-art building located in the heart of downtown Metropolis. This iconic structure, designed by renowned architect PersonA, is a symbol of our commitment to innovation and sustainability. Octank Tower boasts 800,000 square feet of office space, housing more than 3,500 employees across various departments, including research and development, marketing, finance, and human resources.

The building is equipped with cutting-edge technology, including a sophisticated building management system that optimizes energy efficiency and indoor air quality. Octank Tower has received several awards for its green initiatives, including LEED Platinum certification, and features a range of eco-friendly amenities, such as solar panels, rainwater harvesting systems, and electric vehicle charging stations.

****Regional Offices: A Network of Strategic Locations****

Octank Financial has a strong presence in major cities across the globe, with 15 regional offices in North America, Europe, Asia, and Oceania. These offices range from 50,000 to 200,000 square feet and accommodate between 250 and 1,000 employees, depending on the location.

Some of our key regional offices include:

1. Octank West, located in San Francisco, California, is a 120,000-square-foot building that serves as our hub for software engineering and product management. This office is home to more than 600 employees, including PersonB, our Vice President of Software Engineering.
2. Octank Europe, situated in London, United Kingdom, is a 150,000-square-foot facility that houses our European sales, marketing, and customer support teams. PersonC, our Director of European Operations, leads a team of 700 professionals in this location.
3. Octank Asia, based in Singapore, is a 200,000-square-foot building that serves as our center of excellence for data analytics and artificial intelligence. This office is home to over 1,000 employees, including our Chief Data Scientist, Dr. PersonD.

****Research and Development Facilities: Innovation at the Core****

Octank Financial is committed to driving innovation in our industry, and our research and development (R&D;) facilities are a testament to this commitment. We operate four dedicated R&D; centers worldwide, focusing on cutting-edge technologies such as blockchain, artificial intelligence, and the Internet of Things (IoT).

Our primary R&D; center, Octank Labs, is located in Austin, Texas, and spans 100,000 square feet. This facility is home to more than 500 researchers, engineers, and scientists, including our Chief Technology Officer, PersonE.

****Data Centers: Powering Our Digital Infrastructure****

Octank Financial operates three Tier IV data centers, strategically located in the United States, Europe, and Asia. These data centers provide a combined 150,000 square feet of raised floor space and are designed to deliver the highest levels of availability, security, and performance.

Our data centers are equipped with advanced cooling, power, and networking systems, ensuring uninterrupted service for our mission-critical applications and data. They are also designed to meet stringent environmental and energy efficiency standards, reducing our carbon footprint and minimizing operational costs.

****Table: Octank Financial Property Portfolio****

Property Type	Square Feet	Employees	Key Location(s)
---	---	---	---
Headquarters	800,000	3,500+	Metropolis
Regional Offices	50,000 - 200,000	250 - 1,000	North America, Europe, Asia, Oceania
Research and Development	100,000	500+	Austin, Texas
Data Centers	150,000 (raised floor)	N/A	United States, Europe, Asia

In conclusion, Octank Financial's diverse property portfolio is a critical asset that supports our business operations, fosters innovation, and strengthens our presence in key markets. We are committed to investing in and maintaining our properties to ensure they meet the evolving needs of our employees, customers, and stakeholders.

Legal proceedings

As a publicly traded company, Octank Financial is subject to various legal proceedings and regulations. This section will provide an overview of the legal proceedings that Octank has been involved in, as well as any ongoing or potential legal issues.

In the past year, Octank has been involved in two major legal proceedings. The first was a lawsuit brought against the company by a former employee, PersonA, who claimed that they were wrongfully terminated due to their race. The lawsuit was settled out of court for an undisclosed sum.

The second legal proceeding was a patent infringement lawsuit brought against Octank by a rival company, PersonB Inc. PersonB Inc. claimed that Octank's flagship product, the Octank Financial Platform, infringed upon a patent they held for a similar financial platform. The case was settled out of court, with Octank agreeing to pay PersonB Inc. a licensing fee for the use of their patent.

In addition to these legal proceedings, Octank is also currently facing a regulatory investigation by the Securities and Exchange Commission (SEC). The investigation is related to allegations of insider trading by several high-ranking Octank executives. The SEC has not yet brought any charges against the company or the executives in question, and Octank is cooperating fully with the investigation.

Octank is also currently involved in a class-action lawsuit brought by a group of shareholders. The shareholders allege that Octank made false or misleading statements in its financial reports, which caused the share price to be artificially inflated. Octank has denied the allegations and is vigorously defending itself in the lawsuit.

In terms of potential legal issues, Octank is currently facing a potential lawsuit from a customer who claims that the company's financial advice caused them to lose a significant amount of money. The customer has not yet filed a lawsuit, but Octank's legal team is monitoring the situation closely.

To mitigate legal risks, Octank has implemented a comprehensive compliance program, which includes regular training for employees on legal and ethical issues, as well as a hotline for reporting suspected legal violations. The company also has a dedicated legal team that monitors legal developments and provides advice to management on legal and regulatory issues.

In conclusion, while Octank has been involved in several legal proceedings in the past year, the company is taking steps to mitigate legal risks and is cooperating fully with ongoing investigations. The company remains committed to operating in a legal and ethical manner and will continue to monitor legal developments closely.

Table of Legal Proceedings:

Legal Proceeding	Description	Status
------------------	-------------	--------

| --- | --- | --- |

| Former Employee Lawsuit | Lawsuit brought by a former employee alleging wrongful termination due to race | Settled out of court |

| Patent Infringement Lawsuit | Lawsuit brought by a rival company alleging patent infringement | Settled out of court |

| SEC Investigation | Regulatory investigation related to allegations of insider trading | Ongoing |

| Class-Action Lawsuit | Lawsuit brought by a group of shareholders alleging false or misleading financial statements | Ongoing |

| Potential Customer Lawsuit | Potential lawsuit from a customer claiming financial losses due to Octank's advice | Monitoring |

Financial securities and disclosures

At Octank Financial, we are committed to maintaining the highest standards of financial reporting and disclosure. In this section, we will discuss our approach to financial securities and disclosures.

Financial Securities

Octank Financial offers a range of financial securities to our investors, including stocks, bonds, and mutual funds. Our securities are designed to meet the diverse needs of our investors, providing them with opportunities for growth, income, and capital preservation.

Stocks: Octank Financial offers common and preferred stocks to our investors. Our stocks provide investors with ownership in the company and the potential for capital appreciation. We are proud to have a strong and growing dividend payout history, reflecting our commitment to creating value for our shareholders.

Bonds: Octank Financial offers both corporate and municipal bonds. Our corporate bonds provide investors with a fixed income stream and the potential for capital appreciation. Our municipal bonds are exempt from federal income tax and, in some cases, state and local income taxes, making them an attractive option for income-focused investors.

Mutual Funds: Octank Financial offers a range of mutual funds, including equity, fixed income, and balanced funds. Our mutual funds provide investors with diversified portfolios, professional management, and the potential for long-term growth.

Disclosures

Octank Financial is committed to providing timely and accurate disclosures to our investors. We provide regular financial reports, including quarterly and annual reports, that are filed with the Securities and Exchange Commission (SEC) and are available to the public. Our financial reports include detailed financial statements, management's discussion and analysis, and other important information about our company and our financial performance.

In addition to our regular financial reports, we also provide ad hoc disclosures as necessary. For example, we may disclose material information about our company, such as changes in our business strategy, acquisitions or dispositions of significant assets, or other significant events that may affect our financial performance.

We have established policies and procedures to ensure that our disclosures are accurate, complete, and not misleading. Our disclosure controls and procedures are designed to ensure that information is recorded, processed, summarized, and reported within the time periods specified in

our SEC filings.

Our disclosure committee is responsible for overseeing our disclosure process. The committee is comprised of senior executives from various departments, including finance, legal, and investor relations. The committee meets regularly to review our disclosure practices and to ensure that we are complying with all applicable laws and regulations.

Table: Disclosure Committee Members

Name	Role
---	---
PersonA	Chief Financial Officer
PersonB	General Counsel
PersonC	Vice President of Investor Relations

Conclusion

At Octank Financial, we are committed to maintaining the highest standards of financial reporting and disclosure. We offer a range of financial securities to our investors, and we provide timely and accurate disclosures to help them make informed investment decisions. Our disclosure committee oversees our disclosure process, ensuring that we are complying with all applicable laws and regulations.

Table for CONSOLIDATED STATEMENTS OF REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY in In millions, except share amounts which are reflected in thousands, and per share amounts

****Consolidated Statements of Redeemable Non-Controlling Interests and Equity****

Item (In millions, except share amounts which are reflected in thousands)	2022	2021
---	---	---
I. Stockholders' Equity		
A. Common stock	\$12,500	\$10,000
B. Additional paid-in capital	\$45,000	\$38,000
C. Retained earnings	\$110,000	\$90,000
D. Accumulated other comprehensive income (loss)	\$(2,000)	\$(1,000)
E. Less: Treasury stock (at cost), 1,000 shares	\$(5,000)	\$(4,000)
Total Octank Financial common stockholders' equity	\$156,500	\$135,000
II. Redeemable Non-Controlling Interests		
A. Redeemable non-controlling interests in subsidiaries		
1. Redeemable preferred shares, 1,500 shares	\$15,000	\$12,000
2. Less: Treasury shares, 100 shares	\$(1,000)	\$(800)
Total redeemable non-controlling interests in subsidiaries	\$14,000	\$11,200
B. Redeemable non-controlling interests in associates		
1. Redeemable preferred shares, 500 shares	\$5,000	\$4,000
2. Less: Treasury shares, 50 shares	\$(500)	\$(400)
Total redeemable non-controlling interests in associates	\$4,500	\$3,600
Total redeemable non-controlling interests	\$18,500	\$14,800
III. Total Equity	\$175,000	\$149,800
IV. Preferred stock dividends declared and unpaid	\$(1,000)	\$(800)
V. Weighted-average number of common shares outstanding	15,650,000	13,500,000
VI. Earnings per common share - basic	\$3.25	\$2.70
VII. Earnings per common share - diluted	\$3.18	\$2.64

The Consolidated Statements of Redeemable Non-Controlling Interests and Equity for Octank Financial provides detailed information about the company's equity, including redeemable non-controlling interests in subsidiaries and associates. The table shows a comparison of 2022 and 2021 data.

In 2022, Octank Financial's total common stockholders' equity amounted to \$156,500 million, an increase of \$21,500 million from the previous year. This growth was primarily driven by increased additional paid-in capital and retained earnings. The company's common stock increased by \$2,500 million, while accumulated other comprehensive income (loss) decreased by \$1,000 million. Treasury stock at cost decreased by \$1,000 million due to share buybacks.

Redeemable non-controlling interests in subsidiaries and associates amounted to \$18,500 million in 2022, up from \$14,800 million in 2021. This increase was mainly due to the growth in redeemable preferred shares in subsidiaries and associates. Treasury shares in both subsidiaries and associates also decreased, contributing to the overall rise in redeemable non-controlling interests.

The total equity for Octank Financial was \$175,000 million in 2022, a \$25,200 million increase from 2021. This growth reflects the combined increase in common stockholders' equity and redeemable non-controlling interests. The company's preferred stock dividends declared and unpaid decreased slightly from \$800 million in 2021 to \$1,000 million in 2022.

The weighted-average number of common shares outstanding was 15,650,000 in 2022, compared to 13,500,000 in 2021. This increase in shares outstanding resulted in a slight decrease in earnings per common share - basic and diluted from the previous year. Earnings per common share - basic was \$3.25 in 2022, while earnings per common share - diluted was \$3.18.

In summary, Octank Financial's Consolidated Statements of Redeemable Non-Controlling Interests and Equity demonstrate strong growth in common stockholders' equity and redeemable non-controlling interests, contributing to an overall increase in total equity. Despite the increase in shares outstanding, Octank Financial maintained solid earnings per share in 2022.

Table for CCONSOLIDATED STATEMENTS OF REDEEMABLE NON-CONTROLLING INTERESTS AND EQUITY in In millions, except share amounts which are reflected in thousands, and per share amounts

This 10K report includes the Consolidated Statements of Redeemable Non-Controlling Interests and Equity for Octank Financial. The table below presents the relevant financial data in millions, except for share amounts which are reflected in thousands, and per share amounts.

Item	Dec. 31, 2022	Dec. 31, 2021
----- ----- -----		
I. Share Capital		
- Common Shares, \$0.01 par value; outstanding:		
PersonA, 10,000 shares	100	100
PersonB, 20,000 shares	200	200
PersonC, 30,000 shares	300	300
- Total Common Shares Outstanding (thousands)	60,000	60,000
- Common Shares, \$0.01 par value; authorized but unissued:	1,000,000	1,000,000
II. Redeemable Non-Controlling Interests		
- Redeemable preferred shares, \$0.01 par value;		
outstanding:		
Investment Group X, 5,000 shares	50	50
Investment Group Y, 10,000 shares	100	100
- Total Redeemable Preferred Shares Outstanding (thousands)	15,000	15,000
- Redeemable preferred shares, \$0.01 par value;		
authorized but unissued:		
Investment Group Z, 5,000 shares	50	50
III. Accumulated Other Comprehensive Income (Loss)	(10)	20
IV. Retained Earnings	1,200	1,000
V. Total Octank Financial Equity	\$1,310	\$1,270

The table above consists of five main sections. Section I, Share Capital, displays the details of Octank Financial's common shares. The company has authorized 1,000,000 common shares with a par value of \$0.01, and 60,000 shares are currently outstanding. The shareholders include PersonA, PersonB, and PersonC.

Section II, Redeemable Non-Controlling Interests, shows the outstanding and authorized but unissued redeemable preferred shares. Octank

Financial has issued 15,000 redeemable preferred shares, with Investment Groups X and Y holding 5,000 and 10,000 shares, respectively. An additional 5,000 shares are authorized but unissued, held by Investment Group Z.

Section III, Accumulated Other Comprehensive Income (Loss), indicates the company's accumulated comprehensive income, which is currently at a loss of \$10 million.

Section IV, Retained Earnings, presents Octank Financial's accumulated earnings since its inception, which amounted to \$1,200 million as of December 31, 2022.

Finally, Section V, Total Octank Financial Equity, displays the total equity of the company, which is the sum of share capital, redeemable non-controlling interests, accumulated other comprehensive income (loss), and retained earnings. As of December 31, 2022, Octank Financial's total equity stands at \$1,310 million.

This table offers a clear and concise overview of Octank Financial's equity structure, allowing stakeholders to understand the company's financial position and performance.

Table for CONSOLIDATED STATEMENTS OF CASH FLOWS in In millions, except share amounts which are reflected in thousands, and per share amounts

****Octank Financial Consolidated Statements of Cash Flows****

The following table presents the consolidated statements of cash flows of Octank Financial for the fiscal years ended December 31, 2021, 2020, and 2019. All amounts are in millions, except share amounts which are reflected in thousands, and per share amounts.

(In millions)	2021	2020	2019
---	---	---	---
Cash flows from operating activities:			
Net income	\$1,200	\$900	\$700
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	\$250	\$220	\$190
Stock-based compensation	\$120	\$100	\$80
Deferred income tax benefit	(\$50)	(\$30)	(\$20)
Changes in operating assets and liabilities:			
Accounts receivable	(\$100)	(\$80)	(\$60)
Inventory	(\$150)	(\$130)	(\$110)
Prepaid expenses and other current assets	\$50	\$40	\$30
Accounts payable	\$100	\$80	\$60
Accrued liabilities and other	\$80	\$60	\$40
Net cash provided by operating activities	\$1,100	\$880	\$710
Cash flows from investing activities:			
Purchases of property, plant, and equipment	(\$300)	(\$250)	(\$200)
Proceeds from sales of property, plant, and equipment	20	30	40
Purchases of marketable securities	(\$100)	(\$80)	(\$60)
Maturing marketable securities	40	30	20
Net cash used in investing activities	(\$360)	(\$290)	(\$240)
Cash flows from financing activities:			
Proceeds from issuance of common stock	400	300	200
Repurchase of common stock	(\$150)	(\$100)	(\$50)
Proceeds from issuance of long-term debt	500	400	300

Payments of long-term debt	(\$200)	(\$150)	(\$100)
Net cash provided by financing activities	\$600	\$450	\$350
Net increase in cash and cash equivalents	\$130	\$140	\$120
Cash and cash equivalents, beginning of year	\$350	\$210	\$90
Cash and cash equivalents, end of year	\$480	\$350	\$210

The consolidated statements of cash flows provide information about the cash receipts and payments of Octank Financial during the fiscal years ended December 31, 2021, 2020, and 2019. The statement is divided into three main parts: cash flows from operating activities, investing activities, and financing activities.

In 2021, Octank Financial had net cash provided by operating activities of \$1,100 million, compared to \$880 million in 2020 and \$710 million in 2019. The increase in net cash provided by operating activities was primarily due to an increase in net income and favorable changes in operating assets and liabilities.

Cash flows from investing activities in 2021 resulted in net cash used of \$360 million, compared to \$290 million in 2020 and \$240 million in 2019. The decrease in net cash provided by investing activities was primarily due to an increase in purchases of property, plant, and equipment and marketable securities.

In 2021, Octank Financial had net cash provided by financing activities of \$600 million, compared to \$450 million in 2020 and \$350 million in 2019. The increase in net cash provided by financing activities was primarily due to an increase in proceeds from issuance of common stock and long-term debt.

Overall, Octank Financial had a net increase in cash and cash equivalents of \$130 million in 2021, compared to \$140 million in 2020 and \$120 million in 2019. The company's cash and cash equivalents at the end of 2021 were \$480 million, compared to \$350 million at the end of 2020 and \$210 million at the end of 2019.

In conclusion, Octank Financial's consolidated statements of cash flows demonstrate the company's ability to generate cash from its operations, invest in long-term assets, and finance its growth through various sources. The company's cash position has steadily increased over the past three years, providing a strong foundation for future growth and investment.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Octank Financial include the financial statements of Octank and its subsidiaries, which are fully owned by Octank. The financial statements of the subsidiaries have been combined with those of Octank to present a comprehensive picture of the financial position and performance of the company as a whole.

The preparation of consolidated financial statements requires the elimination of intercompany transactions and balances to avoid double-counting. For example, if Octank sells goods to one of its subsidiaries, the sale is eliminated from both the revenue of Octank and the expense of the subsidiary. Similarly, any intercompany balances, such as accounts receivable or payable, are also eliminated.

The consolidated financial statements are prepared using the acquisition method, which means that the assets and liabilities of the subsidiaries are recorded at their fair values as of the date of acquisition. Any goodwill arising from the acquisition is recognized as an intangible asset and amortized over a period of time.

The following table presents the significant subsidiaries of Octank as of December 31, 2021:

Subsidiary Name	Percentage Owned by Octank
---	---
Octank Energy	100%
Octank Technology	100%
Octank Services	100%
Octank Holdings	100%

The financial statements of Octank Energy, Octank Technology, Octank Services, and Octank Holdings have been consolidated with those of Octank for the year ended December 31, 2021.

The consolidated financial statements are presented in accordance with International Financial Reporting Standards (IFRS). The preparation of financial statements in conformity with IFRS requires the use of certain estimates and assumptions, which are based on the best available information at the time of preparation and which are expected to have a significant impact on the financial statements.

The significant accounting policies of Octank are disclosed in the separate financial statements of Octank. The accounting policies of the subsidiaries are consistent with those of Octank, except where otherwise noted.

The consolidated financial statements have been approved by the Board of Directors of Octank and authorized for issue on February 15, 2022. They are signed on behalf of the Board by PersonA, Chairperson, and PersonB, Chief Financial Officer.

Business details under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Basis of Presentation under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Business Details

Octank Financial is a leading financial services company that operates in the United States and Canada. The company was founded in 2010 by PersonA and PersonB, who saw an opportunity to provide innovative financial solutions to individuals and businesses. Today, Octank Financial is a publicly traded company with a market capitalization of \$5 billion.

Octank Financial's primary business is providing financial services to individuals and businesses. The company offers a range of products and services, including personal loans, business loans, credit cards, and investment services. Octank Financial's target market is middle-income individuals and small to medium-sized businesses.

Octank Financial has a strong reputation for providing excellent customer service and innovative financial solutions. The company has won numerous awards for its products and services, including the "Best Personal Loan Provider" award from Money Magazine in 2021.

Basis of Presentation

The consolidated financial statements of Octank Financial are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The financial statements include the accounts of Octank Financial and its subsidiaries, which are wholly owned by Octank Financial.

The financial statements are presented in U.S. dollars and are rounded to the nearest thousand dollars, except for per share amounts, which are presented in decimal form. The financial statements include notes, which provide additional information about the company's financial position, results of operations, and cash flows.

The consolidated financial statements include the following:

- * Balance sheets as of December 31, 2022, and 2021
- * Statements of comprehensive income for the years ended December 31, 2022, 2021, and 2020
- * Statements of cash flows for the years ended December 31, 2022, 2021, and 2020
- * Notes to consolidated financial statements

The financial statements are prepared on a historical cost basis, except for certain financial instruments that are measured at fair value. The

company's financial instruments include cash and cash equivalents, accounts receivable, accounts payable, and long-term debt.

The company's revenue is recognized when it is earned, and its expenses are recognized when they are incurred. The company's income tax expense is calculated using the liability method, which recognizes income taxes payable or refundable based on the company's taxable income.

The company's financial statements are audited by an independent accounting firm. The audit report is included in the company's annual report on Form 10-K, which is filed with the Securities and Exchange Commission.

In conclusion, Octank Financial is a leading financial services company that provides innovative financial solutions to individuals and businesses. The company's consolidated financial statements are prepared in accordance with U.S. GAAP and are audited by an independent accounting firm. The financial statements provide detailed information about the company's financial position, results of operations, and cash flows.

Use of Estimates under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Under the "Notes to Consolidated Financial Statements" section of Octank Financial's 10K report, the use of estimates is a critical component to accurately represent the company's financial position. Estimates are necessary due to the inherent uncertainty and complexity involved in financial reporting. The following outlines the use of estimates in various areas of Octank's financial statements.

1. Allowance for Doubtful Accounts:

Octank Financial extends credit to its customers, and it is inevitable that a portion of these accounts will become uncollectible. To account for this uncertainty, an allowance for doubtful accounts is established. This estimate is based on historical trends, current economic conditions, and specific customer information. For instance, PersonA, Octank's Credit Manager, reviews historical data and identifies a pattern of uncollectible accounts. Based on this analysis, she estimates that 1% of the outstanding accounts receivable will ultimately be uncollectible. As a result, Octank recognizes an allowance for doubtful accounts expense of \$100,000 in its income statement.

2. Inventory Valuation:

Octank Financial maintains an inventory of raw materials, work-in-progress, and finished goods. The company uses the Last In, First Out (LIFO) method for inventory valuation. This method assumes that the most recently produced items are the first to be sold. However, due to the volatile nature of raw material prices, Octank estimates the future cost of these materials to determine the value of its inventory. PersonB, Octank's Inventory Manager, analyzes historical trends and current market conditions to estimate future raw material costs. Based on this analysis, she estimates an average raw material cost of \$50 per unit for the upcoming year.

3. Depreciation Expense:

Octank Financial has various long-lived assets, such as property, plant, and equipment, that are subject to depreciation. The company uses the straight-line method for depreciation, which allocates an equal amount of the asset's cost over its useful life. However, the estimated useful life and residual value of these assets can vary, leading to differences in depreciation expense. PersonC, Octank's Asset Manager, evaluates the condition and remaining life of these assets to estimate their useful lives and residual values. Based on this analysis, she estimates a useful life of 10 years and a residual value of 10% for the company's production machinery.

4. Warranty Liability:

Octank Financial offers warranties on its products, which creates a potential obligation to provide future services or replacement parts. To estimate the warranty liability, Octank considers historical warranty data, product design, and manufacturing processes. Based on this analysis, the company estimates a warranty liability of \$250,000 for the current period.

5. Pension and Postretirement Benefits:

Octank Financial offers defined benefit pension plans and postretirement benefits to its employees. The company estimates the obligation for these benefits using actuarial assumptions, such as discount rates, expected salary increases, and employee turnover rates. Based on these assumptions, Octank estimates a pension and postretirement benefit obligation of \$5,000,000 for the current period.

In conclusion, the use of estimates in Octank Financial's consolidated financial statements is a critical component of accurate financial reporting.

By using estimates, Octank can provide a more realistic representation of its financial position, taking into account the inherent uncertainty and complexity involved in financial reporting.

Estimate Category	Estimated Amount
---	---
Allowance for Doubtful Accounts	\$100,000
Inventory Valuation (Raw Materials)	\$50 per unit
Depreciation Expense (Useful Life)	10 years
Depreciation Expense (Residual Value)	10%
Warranty Liability	\$250,000
Pension and Postretirement Benefits	\$5,000,000

Concentration of Credit Risk under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

The concentration of credit risk is a crucial aspect of Octank Financial's financial stability, and it is essential to understand how this risk is managed within the company. Credit risk refers to the potential loss that could occur if a borrower fails to meet its debt obligations. At Octank, we manage credit risk through a variety of methods, including diversification, credit analysis, and risk limits.

One of the ways we manage credit risk is by diversifying our portfolio. We lend to a wide range of borrowers across different industries, geographies, and credit qualities. This diversification helps to reduce the impact of any single borrower's default on our overall portfolio. For example, in the past year, our top five borrowers accounted for only 15% of our total loan portfolio, down from 18% the previous year. This reduction in concentration demonstrates our commitment to diversification and risk management.

Another way we manage credit risk is through rigorous credit analysis. Our team of experienced analysts evaluates each borrower's creditworthiness before extending credit. We consider a variety of factors, including the borrower's financial statements, industry trends, and economic conditions. We also use credit scoring models to help us assess the probability of default. For example, in the past year, our analysts reviewed over 500 credit applications, approving only 60% of them. This selective approach to lending helps to ensure that we are extending credit only to borrowers who are likely to repay their debts.

We also set risk limits to manage credit risk. These limits specify the maximum amount of credit that can be extended to any single borrower or group of related borrowers. Our risk limits are based on a variety of factors, including the borrower's creditworthiness, industry conditions, and the overall risk appetite of the company. For example, our risk limit for any single borrower is set at no more than 5% of our total capital. This limit helps to ensure that we are not over-exposed to any single borrower.

In addition to these methods, we also monitor our credit risk on an ongoing basis. We use a variety of tools and techniques to track the performance of our loan portfolio, including stress testing, scenario analysis, and credit rating migrations. These tools help us to identify potential risks and take action to mitigate them. For example, in the past year, we identified a potential risk in the oil and gas industry due to falling commodity prices. We proactively reduced our exposure to this industry, selling off loans to borrowers with high concentrations in this sector.

To further illustrate our concentration of credit risk, we have provided the following table:

Borrower Category Percentage of Loan Portfolio	
--- ---	
Top 5 Borrowers	15%
Top 10 Borrowers	25%
Top 20 Borrowers	40%

| Remaining Borrowers | 60% |

As shown in the table, our top five borrowers account for 15% of our loan portfolio, while our top 10 and 20 borrowers account for 25% and 40%, respectively. This concentration of credit risk is relatively low compared to industry peers, and we will continue to focus on diversification to further reduce our exposure to any single borrower.

In conclusion, Octank Financial takes credit risk management seriously. We manage credit risk through diversification, rigorous credit analysis, risk limits, and ongoing monitoring. Our concentration of credit risk is relatively low compared to industry peers, and we will continue to focus on risk management to ensure the stability and success of our company.

Cash and Cash Equivalents under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Cash and cash equivalents are current assets that include cash on hand, undeposited checks, and highly liquid investments with maturities of three months or less. These assets are reported on the balance sheet and are crucial for a company's daily operations and short-term liquidity. This section will discuss Octank Financial's cash and cash equivalents as presented in the notes to the consolidated financial statements.

As of December 31, 2021, Octank had cash and cash equivalents of \$12,567,000, compared to \$9,854,000 in the previous year, representing an increase of 27.5%. This growth can be attributed to PersonA, the Treasurer, who implemented a more aggressive cash management strategy, focusing on cash flow optimization and short-term investments.

The following table provides a breakdown of the cash and cash equivalents for the years ended December 31, 2021, and 2020:

Category	2021 (\$)	2020 (\$)
---	---	---
Cash on hand	3,500,000	3,000,000
Undeposited checks	520,000	450,000
Short-term investments	8,547,000	6,354,000
Total	**12,567,000**	**9,854,000**

Cash on hand includes currency, coins, and demand deposits in banks. Undeposited checks are checks received by Octank that have not been deposited in a bank. Short-term investments are highly liquid investments with original maturities of three months or less, which include commercial paper, treasury bills, and money market funds.

The increase in short-term investments is primarily due to PersonB, the Investment Manager, who focused on purchasing high-quality, short-term securities to maximize returns while maintaining liquidity. The investment portfolio's yield has increased from 1.2% in 2020 to 1.6% in 2021, contributing to Octank's net income growth.

Octank's cash and cash equivalents are managed in accordance with the company's cash management policy, which is reviewed and approved annually by the Board of Directors. The policy establishes guidelines for cash handling, investment objectives, and risk management. The policy aims to maintain sufficient liquidity to meet operational requirements, maximize returns on excess cash, and manage risk through diversification and prudent security selection.

Octank's cash and cash equivalents are held in various financial institutions, primarily in the United States. The company has established relationships with several reputable banks to ensure adequate liquidity and to diversify counterparty risk. To further mitigate risk, Octank

maintains bank relationships below the FDIC insurance limit of \$250,000 per account.

In conclusion, Octank Financial's cash and cash equivalents have increased significantly in 2021 due to strategic cash management and short-term investment decisions. The company's cash and cash equivalents are managed in accordance with a well-defined cash management policy, ensuring sufficient liquidity, maximized returns, and managed risk.

Table for Property and Equipment, Net under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

****Table for Property and Equipment, Net under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****

Asset Class	Cost	Accumulated Depreciation	Net Book Value
---	---	---	---
Land	\$50,000,000	\$0	\$50,000,000
Buildings	\$200,000,000	\$40,000,000	\$160,000,000
Machinery and Equipment	\$150,000,000	\$75,000,000	\$75,000,000
Furniture and Fixtures	\$20,000,000	\$10,000,000	\$10,000,000
Vehicles	\$15,000,000	\$7,500,000	\$7,500,000
Total Property and Equipment, Net	**\$440,000,000**	**\$132,500,000**	**\$307,500,000**

The following table provides a summary of Octank Financial's property and equipment, net, as of December 31, 2022. The table is organized by asset class and includes the cost, accumulated depreciation, and net book value of each class.

Land is recorded at its original cost, with no accumulated depreciation, as it is not subject to depreciation. The buildings, machinery and equipment, furniture and fixtures, and vehicles are subject to depreciation over their useful lives. The accumulated depreciation represents the total amount of depreciation expense that has been recognized on these assets since they were acquired. The net book value of each asset class is calculated as the cost less the accumulated depreciation.

The total property and equipment, net, as of December 31, 2022, is \$307,500,000, which represents a significant investment in the long-lived assets that Octank Financial uses in its operations. These assets are expected to provide benefits to the company for many years to come.

The property and equipment, net, is reported on the balance sheet under the non-current assets section. The net book value of these assets is used in the calculation of Octank Financial's shareholders' equity, which is an important measure of the company's financial position.

The property and equipment, net, is managed by the Octank Financial's finance and accounting team, led by PersonA, the Vice President of Finance. The team is responsible for the accurate accounting and reporting of these assets, as well as for developing and implementing policies and procedures to ensure the proper maintenance and use of these assets.

The property and equipment, net, is regularly reviewed by Octank Financial's management, including PersonB, the Chief Financial Officer, and PersonC, the Chief Operating Officer. The reviews include an analysis of the assets' useful lives, depreciation methods, and residual values. The reviews also consider the impact of changes in technology and industry trends on the assets' future usefulness and value to the company.

In conclusion, the table for property and equipment, net, provides important information about Octank Financial's long-lived assets. These assets are a significant investment in the company's future and are managed and reviewed regularly to ensure their continued value and usefulness.

Investments under NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Under the "Investments" section of the Notes to Consolidated Financial Statements, Octank Financial provides details on its investment portfolio, including the fair value, classification, and significant investment positions.

As of December 31, 2021, Octank Financial's investment portfolio had a fair value of \$5.2 billion, which represents an increase of 12% from the prior year. The portfolio is classified into three categories: available-for-sale (AFS), held-to-maturity (HTM), and trading securities.

The AFS portfolio consists of debt and equity securities that are not classified as HTM or trading securities. The fair value of the AFS portfolio was \$3.1 billion as of December 31, 2021, representing 60% of the total investment portfolio. The AFS portfolio had an unrealized gain of \$150 million as of December 31, 2021.

The HTM portfolio consists of debt securities that the company has the intent and ability to hold to maturity. The fair value of the HTM portfolio was \$1.2 billion as of December 31, 2021, representing 23% of the total investment portfolio.

The trading securities portfolio consists of debt and equity securities that the company actively manages for short-term gains. The fair value of the trading securities portfolio was \$900 million as of December 31, 2021, representing 17% of the total investment portfolio. The trading securities portfolio had an unrealized loss of \$50 million as of December 31, 2021.

Octank Financial's investment portfolio includes significant investment positions in the following companies:

- * Company A: \$400 million
- * Company B: \$350 million
- * Company C: \$250 million

These significant investment positions represent 22% of the total investment portfolio.

The company's investment strategy is to generate long-term capital appreciation and income while managing risk. The investment portfolio is diversified across various sectors, including technology, healthcare, financial services, and consumer goods. The company's investment policy requires that the investment portfolio be diversified and that no single investment position exceeds 10% of the total investment portfolio.

The company's investment policy also requires that the investment portfolio be valued at fair value, which is defined as 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 fair value of the investment portfolio is determined using quoted market prices, observable inputs, and unobservable inputs.

The company's investment portfolio is subject to various risks, including market risk, credit risk, and liquidity risk. Market risk is the risk that the

value of the investment portfolio will decrease due to changes in market prices. Credit risk is the risk that the issuer of a security will default on its obligations. Liquidity risk is the risk that the company will not be able to sell securities in a timely manner or at a price that reflects fair value.

The company manages these risks by diversifying the investment portfolio, monitoring the creditworthiness of issuers, and regularly assessing the liquidity of the investment portfolio. The company also has policies and procedures in place to manage the risks associated with the investment portfolio.

In conclusion, Octank Financial's investment portfolio had a fair value of \$5.2 billion as of December 31, 2021, representing an increase of 12% from the prior year. The portfolio is classified into three categories: available-for-sale, held-to-maturity, and trading securities. The company's investment strategy is to generate long-term capital appreciation and income while managing risk. The investment portfolio is diversified across various sectors and is subject to various risks, which are managed through diversification, monitoring, and policies and procedures.

EXECUTIVE COMPENSATION

Octank Financial is committed to attracting, retaining, and motivating top talent by offering competitive executive compensation packages. Our compensation program is designed to align the interests of our executives with the long-term success of the company and its shareholders. This report provides an overview of Octank's executive compensation practices.

Executive Compensation Components

Our executive compensation program consists of the following components:

- Base Salary:** The fixed component of compensation, determined based on the executive's role, responsibilities, and performance.
- Annual Bonus:** A performance-based cash award tied to the achievement of specific individual and company-wide objectives.
- Long-Term Incentives (LTIs):** Equity-based awards designed to incentivize long-term value creation and alignment with shareholder interests.
- Benefits and Perquisites:** A comprehensive benefits package, including health insurance, retirement plans, and other perquisites.

Executive Compensation Philosophy

Our compensation philosophy is to:

- Attract, retain, and motivate high-performing executives.
- Align executives' interests with the long-term success of the company and its shareholders.
- Reward performance and contributions to Octank's growth and financial performance.
- Ensure that compensation practices are transparent, fair, and competitive within the industry.

Executive Compensation Data

We have compiled the following data to provide a snapshot of Octank's executive compensation practices (all figures are in USD):

Position	Base Salary	Annual Bonus	LTIs (Stock Options)	Total Compensation
---	---	---	---	---
CEO (PersonA)	2,000,000	1,500,000	3,000,000	6,500,000
CFO (PersonB)	1,200,000	800,000	1,500,000	3,500,000
COO (PersonC)	1,400,000	1,000,000	2,000,000	4,400,000

Peer Group Comparison

To ensure our compensation practices are competitive within the industry, we regularly compare our executive compensation packages to those of our peers. Our peer group includes the following companies:

- Acme Corp
- Initech
- GlobalTech
- Innovatech

Based on our analysis, Octank's total executive compensation is within the median range compared to our peer group.

Say-on-Pay Vote

In accordance with regulatory requirements, Octank holds an annual Say-on-Pay vote, allowing shareholders to express their opinions on our executive compensation practices. In the most recent vote, 89% of shareholders approved of Octank's executive compensation program.

Conclusion

Octank Financial's executive compensation program is designed to attract, retain, and motivate top talent while aligning executives' interests with the long-term success of the company and its shareholders. Our compensation practices are transparent, fair, and competitive within the industry, as evidenced by our peer group comparison and Say-on-Pay vote results.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Certain Relationships and Related Transactions, and Director Independence

At Octank Financial, we are committed to maintaining the highest standards of corporate governance and transparency. In this section, we will discuss certain relationships and related transactions, as well as director independence.

Certain Relationships and Related Transactions

Octank Financial is committed to ensuring that all related party transactions are conducted at arm's length and on normal commercial terms. During the fiscal year, the company entered into the following material related party transactions:

* **Lease Agreement with PersonA**: Octank Financial leased office space from PersonA, who is a significant shareholder of the company. The lease agreement was entered into on January 1, 2021, and will expire on December 31, 2023. The annual rent is \$500,000, which is consistent with market rates for similar properties in the area.

* **Service Agreement with PersonB**: Octank Financial entered into a service agreement with PersonB, who is a director of the company. PersonB provided consulting services to the company for a fee of \$100,000. The fee was approved by the board of directors, excluding PersonB, and was consistent with the market rate for similar services.

* **Loan to PersonC**: Octank Financial provided a loan to PersonC, who is an employee of the company. The loan was granted for personal reasons and has a interest rate of 5%. The loan amount is \$50,000 and is repayable over a period of 5 years.

The audit committee of the board of directors reviews all related party transactions on a quarterly basis to ensure that they are conducted at arm's length and on normal commercial terms.

Director Independence

The board of directors of Octank Financial is committed to maintaining its independence. The board has adopted a policy that requires all directors to be independent, except for the CEO and CFO. The board has determined that the following directors are independent:

* **PersonD**: PersonD has been a director of the company since 2018. She is the founder and CEO of XYZ Corporation, a company that is not a significant shareholder of Octank Financial and does not have any business relationship with the company.

* **PersonE**: PersonE has been a director of the company since 2019. He is a partner at ABC Law Firm, a law firm that does not have any business relationship with Octank Financial.

* **PersonF**: PersonF has been a director of the company since 2020. She is the founder and CEO of LMN Inc., a company that is not a significant shareholder of Octank Financial and does not have any business relationship with the company.

The board of directors has established the following committees, each of which is composed entirely of independent directors:

* **Audit Committee**: The audit committee is responsible for overseeing the company's financial reporting process, internal control system, and audit process.

* **Compensation Committee**: The compensation committee is responsible for determining the compensation of the company's executive officers.

* **Nominating and Corporate Governance Committee**: The nominating and corporate governance committee is responsible for identifying and recommending candidates to serve on the board of directors and for developing and recommending corporate governance principles.

The following table sets forth the membership of the committees of the board of directors:

Committee	Members
---	---
Audit	PersonD, PersonE
Compensation	PersonD, PersonF
Nominating and Corporate Governance	PersonE, PersonF

In conclusion, Octank Financial is committed to maintaining the highest standards of corporate governance and transparency. We have established policies and procedures to ensure that all related party transactions are conducted at arm's length and on normal commercial terms, and that our board of directors is independent.

EXHIBITS, FINANCIAL STATEMENT SCHEDULES including Financial Statement Schedules, Exhibits, Signatures, Power of Attorney

Octank Financial's 10K report includes several financial statement schedules and exhibits that provide important information to investors and other stakeholders. These schedules and exhibits are essential components of the report, offering detailed data and insights that supplement the financial statements.

****Financial Statement Schedules****

Financial statement schedules offer additional information about specific line items in the financial statements. At Octank, we provide the following financial statement schedules:

1. ****Schedule of Assets:**** This schedule provides a detailed breakdown of our assets, including a list of our major customers, the carrying amounts and fair values of our financial assets, and the gross and net amounts of our impaired assets.
2. ****Schedule of Liabilities:**** This schedule offers a comprehensive view of our liabilities, including a list of our major suppliers, the carrying amounts and fair values of our financial liabilities, and the gross and net amounts of our contingent liabilities.
3. ****Schedule of Stockholders' Equity:**** This schedule details the changes in our stockholders' equity during the reporting period, including the number of shares issued, repurchased, and outstanding, as well as the changes in our accumulated other comprehensive income.
4. ****Schedule of Cash Flows:**** This schedule provides a detailed analysis of our cash flows, including the cash flows from operating, investing, and financing activities, as well as the changes in our cash and cash equivalents.

****Exhibits****

Exhibits are supplementary documents that provide additional information about various aspects of our business. At Octank, we include the following exhibits in our 10K report:

1. ****Articles of Incorporation and Bylaws:**** These documents outline the legal structure and governance of our company, including our purpose, powers, and the rights and duties of our officers and directors.
2. ****List of Subsidiaries:**** This exhibit provides a comprehensive list of our subsidiaries, including their names, locations, and the percentage of ownership that Octank holds.

3. ****Management's Discussion and Analysis (MD&A):**** This section provides an overview of our financial condition and operating results, as well as a discussion of the key factors that have affected our performance.
4. ****Market Information:**** This exhibit includes information about our stock, including the high and low sales prices for the reporting period, the number of shares outstanding, and the names of our stock exchanges.
5. ****Legal Proceedings:**** This exhibit provides a list of any legal proceedings in which Octank is involved, including the nature of the proceedings, the parties involved, and the estimated costs and potential outcomes.
6. ****Executive Compensation:**** This exhibit details the compensation paid to our executive officers, including their base salaries, bonuses, stock options, and other benefits.

****Signatures and Power of Attorney****

The 10K report is signed by our principal executive officer, principal financial officer, and principal accounting officer, as well as our chairman of the board, chief executive officer, and chief financial officer. These individuals attest to the accuracy and completeness of the report, as well as their responsibility for its preparation.

In addition, our report includes a power of attorney, which authorizes certain individuals to sign the report on behalf of the company. This power of attorney is typically granted to our chief financial officer and chief legal officer.

In conclusion, Octank's 10K report includes a variety of financial statement schedules and exhibits that provide important information about our financial condition, operating results, and other aspects of our business. These schedules and exhibits are essential components of the report, offering detailed data and insights that supplement the financial statements. Our report is signed by our principal executive officer, principal financial officer, and principal accounting officer, as well as our chairman of the board, chief executive officer, and chief financial officer, and includes a power of attorney that authorizes certain individuals to sign the report on behalf of the company.