



# SECURITIES AND EXCHANGE COMMISSION

THE SEC HEADQUARTERS 7907 Makati Avenue, Salcedo Village, Bel-Air, Makati City  
1209 Trunk Line No: 02-5322-7696 Email Us: [www.sec.gov.ph](http://www.sec.gov.ph) / [messages@sec.gov.ph](mailto:messages@sec.gov.ph)



**The following document has been received:**

**Receiving:** RICHMOND CARLOS AGTARAP

**Receipt Date and Time:** May 09, 2025 04:51:17 PM

## Company Information

---

**SEC Registration No.:** 0000136529

**Company Name:** A & A SECURITIES, INC.

**Industry Classification:** J66930

**Company Type:** Stock Corporation

## Document Information

---

---

**Document ID:** OST10509202583303918

**Document Type:** Annual Audited Financial Report

**Document Code:** SEC\_Form\_52-AR

**Period Covered:** December 31, 2024

**Submission Type:** Annual

**Remarks:** None

---

---

Acceptance of this document is subject to review of forms and contents



Zainee Go &lt;zai.aasec@gmail.com&gt;

**SEC eFast Final Acceptance**

1 message

noreply-cifssost@sec.gov.ph &lt;noreply-cifssost@sec.gov.ph&gt;

Wed, May 14, 2025 at 4:49 PM

Greetings!

**SEC Registration No:** 0000136529**Company Name:** A & A SECURITIES, INC.**Document Code:** SEC\_Form\_52-AR

Your submission has been reviewed and accepted. Please see attached file as proof of acceptance. You can also generate your QR Code page in your account.

Thank you.

**REMINDER:** TO ALL FILERS OF REPORTS IN THE e-FAST Please strictly follow the instruction stated in the form. Filings not in accordance with the prescribed template for the following reports will be automatically reverted by the system to the filer. 1. General Information Sheet (GIS-Stock) 2. General Information Sheet (GIS-Non-stock) 3. General Information Sheet (GIS- Foreign stock & non-stock) 4. Broker Dealer Financial Statements (BDFS) 5. Financing Company Financial Statements (FCFS) 6. Investment Houses Financial Statements (IHFS) 7. Publicly – Held Company Financial Statement 8. General Form for Financial Statements 9. Financing Companies Interim Financial Statements (FCIF) 10. Lending Companies Interim Financial Statements (LCIF) Per Section 18 of SEC Memorandum Circular No. 3 series of 2021, the reckoning date of receipt of reports is the date the report was initially submitted to the eFast, if the filed report is compliant with the existing requirements. A report, which was reverted or rejected, is considered not filed or not received. A notification will be sent to the filer, stating the reason for the reports rejection in the remarks box.

**SECURITIES AND EXCHANGE COMMISSION**

SEC Headquarters, [7907 Makati Avenue](#),  
Salcedo Village, Barangay Bel-Air, Makati City,  
1209, Metro Manila, Philippines

THIS IS AN AUTOMATED MESSAGE - PLEASE DO NOT REPLY DIRECTLY TO THIS EMAIL

**OST10509202583303918.pdf**

67K

## Your BIR AFS eSubmission uploads were received

From: eafs@bir.gov.ph (eafs@bir.gov.ph)  
To: settlements@aasecurities.ph  
Cc: lizaaasec@yahoo.com  
Date: Wednesday, April 30, 2025 at 01:58 PM GMT+8

Hi A & A SECURITIES, INC.,

### Valid files

- EAFS000103110ITRTY122024.pdf
- EAFS000103110AFSTY122024.pdf
- EAFS000103110TCRTY122024-10.pdf

### Invalid file

- <None>

Transaction Code: **AFS-0-BKEKFCC80QW13VT3VNTNQ3ZN1078H7B8L6**

Submission Date/Time: **Apr 30, 2025 01:57 PM**

Company TIN: **000-103-110**

Please be reminded that you accepted the terms and conditions for the use of this portal and expressly agree, warrant and certify that:

- The submitted forms, documents and attachments are complete, truthful and correct based on the personal knowledge and the same are from authentic records;
- The submission is without prejudice to the right of the BIR to require additional document, if any, for completion and verification purposes;
- The hard copies of the documents submitted through this facility shall be submitted when required by the BIR in the event of audit/investigation and/or for any other legal purpose.

This is a system-generated e-mail. Please do not reply.

**A & A SECURITIES, INC.**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

**ANNUAL AUDITED FINANCIAL STATEMENT**

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

Report for the Fiscal year ended December 31, 2024

**IDENTIFICATION OF BROKER OR DEALER**

Name of Broker/Dealer:	A&A SECURITIES, INC.		
Address of Principal Place of Business:	Unit 2608 Jollibee Plaza #F Ortigas Center, Barangay San Antonio, Pasig City		
Name and Phone Number of persons to Contact in Regards to this Report:			
Name:	Zhainee Rose S. Go	Tel. No.	891-10-08 to 10
		Fax No.	891-10-15

**IDENTIFICATION OF ACCOUNTANT**

Name of Independent Certified Public Accountants whose opinion is contained in this report:		
Name:	TEODORO SANTAMARIA AND CO.	Tel. No. 8812-4202
Address:	Suite 2108 Cityland 10 Tower 1, 156 H.V. Dela Costa Street, Salcedo Village Makati City	
CPA Certificate Number:	7468	Valid until: June 5, 2026
SEC Accreditation No.	5593	Valid until: 2025
PTR Number:	10487187	Date Issued: January 17, 2025



**STATEMENT OF MANAGEMENT RESPONSIBILITY  
FOR THE FINANCIAL STATEMENTS**

**SECURITIES AND EXCHANGE COMMISSION**

Philippine International Convention Center  
Pasay City

The management of A & A Securities, Inc. (the Company) is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2024 and 2023, in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

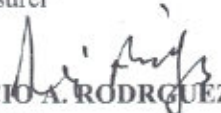
The Board of Directors is responsible for overseeing the Company's financial reporting process.

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

Teodoro Santamaria and Co., the independent auditor appointed by the stockholders, has audited the financial statements of the company in accordance with Philippine Standards on Auditing, and in its report to the stockholders or members, has expressed its opinion on the fairness of presentation upon completion of such audit.

  
**CINDY THERESE B. CHAN**  
President

  
**LUCIO R. RODRIGUEZ, JR.**  
Treasurer

  
**LUCIO A. RODRIGUEZ**  
Director

Signed this 30th day of April.



**TEODORO SANTAMARIA AND Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Suite 2108 Cityland 10 Tower 1  
156 H.V. Dela Costa St.  
Salcedo Village 1226  
Makati City, Philippines

Tel : (632) 8812 - 4202  
(632) 8553 - 4845

Email: tscocpas@gmail.com

**Trust Service Commitment**

**Supplemental Written Statement Accompanying**  
**Report of Independent Auditors**

**The Board of Directors and Stockholders**

**A & A Securities, Inc.**

Unit 2608 Jollibee Plaza,  
#10 F Ortigas Center,  
Barangay San Antonio, Pasig City

We have audited the financial statements of **A & A Securities, Inc.** for the year ended December 31, 2024, on which we have rendered the attached report dated April 30, 2025.

In compliance with Revised SRC Rule 68, we are stating that the above Company has eleven (11) stockholders, nine (9) of whom owning one hundred (100) or more shares each.

**TEODORO SANTAMARIA AND CO.**

  
**By: Arsenio M. Dimagiba, Jr.**

Partner

CPA License No. 007468

Valid until June 5, 2026

BOA Accreditation No. 5593 (Firm)

Valid until September 26, 2027

BOA Accreditation No. 5593/P-002 (Individual)

Valid until September 26, 2027

SEC Accreditation No. 5593-SEC (Firm)

Valid until 2025 Financial Statements of SEC

covered institutions

SEC Accreditation No. 07468-SEC (Individual)

Valid until 2025 Financial Statements of SEC

covered institutions

BIR A.N. 08-008055-002-2023 (Individual)

Valid until April 12, 2026

BIR A.N. 08-008055-000-2022 (Firm)

Valid until March 11, 2028

T.I.N. 106-713-002

PTR No. 10487187 / Makati City

January 17, 2025

April 30, 2025

Makati City, Philippines



**TEODORO SANTAMARIA AND Co.**  
**CERTIFIED PUBLIC ACCOUNTANTS**

Suite 2108 Cityland 10 Tower 1  
156 H.V. Dela Costa St.  
Salcedo Village 1226  
Makati City, Philippines

Tel : (632) 8812 - 4202  
(632) 8553 - 4845

Email: tscocpas@gmail.com

**Trust Service Commitment**

### Report of Independent Auditors

#### **The Board of Directors and Stockholders**

##### **A & A Securities, Inc.**

Unit 2608 Jollibee Plaza,  
#10 F Ortigas Center,  
Barangay San Antonio, Pasig City

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the accompanying financial statements of **A & A Securities, Inc.** ("the Company"), which comprise the statements of financial position as at **December 31, 2024 and 2023**, and the related statements of comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and a summary of material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

##### Basis for Opinion

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

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

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

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

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

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

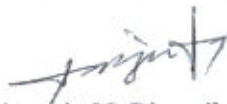
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on Other Regulatory Requirements**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information disclosed in Note 29 of the Notes to financial statements is presented for the purpose of filing with the Bureau of Internal Revenue under Revenue Regulation No. 15-2010 and the supplementary information provided in Schedules 1 to 8 as at December 31, 2024 and for the year then ended as required by the Securities and Exchange Commission under the Revised Securities Regulation Code (SRC) Rule 68 are presented as additional analysis and are not a required part of the basic financial statements. Such supplementary information is the responsibility of the management and has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**TEODORO SANTAMARIA AND CO.**



**By: Arsenio M. Dimagiba, Jr.**

Partner

CPA License No. 007468

Valid until June 5, 2026

BOA Accreditation No. 5593 (Firm)

Valid until September 26, 2027

BOA Accreditation No. 5593/P-002 (Individual)

Valid until September 26, 2027

SEC Accreditation No. 5593-SEC (Firm)

Valid until 2025 Financial Statements of SEC  
covered institutions

SEC Accreditation No. 07468-SEC (Individual)

Valid until 2025 Financial Statements of SEC  
covered institutions

BIR A.N. 08-008055-002-2023 (Individual)

Valid until April 12, 2026

BIR A.N. 08-008055-000-2022 (Firm)

Valid until March 11, 2028

T.I.N. 106-713-002

PTR No. 10487187 / Makati City

January 17, 2025

April 30, 2025

Makati City, Philippines

**A & A SECURITIES, INC.**

**STATEMENTS OF FINANCIAL POSITION**

		Market value of securities					
	Notes	December 31		December 31, 2024		December 31, 2023	
		2024	2023	Long	Short	Long	Short
		(In Philippine Peso)					
<u>Assets</u>							
<b>Current assets</b>							
Cash and cash equivalents	7	562,846,026	697,962,838				
Receivable from customers and clearing house	8	261,221,266	35,219,449	83,962,101		327,748,501	
Other receivables	9	157,225	154,238				
Financial assets at FVPL	10	19,680,000	20,400,000	19,680,000		20,400,000	
Prepayments	11	90,692	2,102,587				
Total current assets		843,995,205	755,839,110				
<b>Non-current assets</b>							
Investment property, net	12	8,681,802	8,681,802				
Property and equipment, net	13	21,489,840	23,329,490				
Exchange trading rights	3	528,000	528,000				
Prepaid retirement	24	1,107,600	1,223,391				
Deferred income tax asset	25	2,260,510	1,713,375				
Total non-current assets		34,067,752	35,476,058				
Total assets		878,062,958	791,315,168				
Securities in Vault and Philippine Central Depository, Inc.					6,993,294,027		7,661,119,365
-forward-							

-brought forward-

		Market value of securities					
		December 31		December 31, 2024		December 31, 2023	
	Notes	2024	2023	Long	Short	Long	Short
(In Philippine Peso)							
<b>Liabilities and equity</b>							
<b>Current liabilities</b>							
Payable to customers and clearing house	14	784,775,821	692,280,451	6,889,651,926		7,347,977,148	
Income tax payable		131,595	-				
Other current liabilities	15	8,299,124	3,700,013				
		793,206,540	695,980,463				
<b>Non-current liabilities</b>							
Deferred income tax liability	25	77,522	81,842				
Total liabilities		793,284,062	696,062,305				
<b>Equity</b>							
Share capital	16	39,455,800	39,455,800				
Actuarial gains/(losses) on defined benefits plan	24	(3,601,479)	(3,686,327)				
Retained earnings	17	48,924,575	59,483,390				
Total equity		84,778,896	95,252,863				
Total liabilities and equity		878,062,958	791,315,168	6,993,294,027	6,993,294,027	8,885,238,482	8,885,238,482

See accompanying notes to financial statements.

**A & A SECURITIES, INC.**

**STATEMENTS OF COMPREHENSIVE INCOME**

		For the years ended December 31	
	Notes	2024	2023
(In Philippine Peso)			
Revenue	19	20,541,981	18,319,351
Cost of services	21	(5,816,952)	(4,582,170)
Gross profit		14,725,029	13,737,182
Unrealized (loss)/ gain on financial asset at FVPL	10	(720,000)	1,440,000
(Provision)/ recovery of credit losses	8	(1,511)	7,782
Other revenue, net	22	1,620,550	1,781,583
Gross income		15,624,068	16,966,547
Administrative expenses	23	(16,468,119)	(14,966,264)
(Loss)/ income before income tax		(844,051)	2,000,283
Income tax benefit	25	285,236	267,405
Net (loss)/ profit		(558,815)	2,267,688
Other comprehensive income/ (loss)	24	84,848	(201,690)
Total comprehensive (loss)/ income		(473,967)	2,065,998

See accompanying notes to financial statements.

**A & A SECURITIES, INC.**

**STATEMENTS OF CHANGES IN EQUITY**

	Share Capital Paid up	Actuarial gains /(losses) on defined benefit plan	Retained Earnings		
	(Note 16)	(Note 24)	Appropriated (Note 17)	Unappropriated (Note 17)	Total
(In Philippine Peso)					
Balance as of December 31, 2022	39,455,800	(3,484,637)	25,868,659	43,347,043	105,186,865
Cash dividend	-	-	-	(12,000,000)	(12,000,000)
Total comprehensive (loss)/income	-	(201,690)	-	2,267,688	2,065,998
Appropriation per SRC Rule 49.1 (b)	-	-	165,538	(165,538)	0
Balance as of December 31, 2023	39,455,800	(3,686,327)	26,034,197	33,449,193	95,252,863
Cash dividend	-	-	-	(10,000,000)	(10,000,000.00)
Total comprehensive income/ (loss)	-	84,848	-	(558,815)	(473,966.55)
Balance as of December 31, 2024	39,455,800	(3,601,479)	26,034,197	22,890,379	84,778,896

See accompanying notes of financial statements.

**A & A SECURITIES, INC.**

**STATEMENTS OF CASH FLOWS**

	Notes	<b>For the years ended December 31</b>	
		<b>2024</b>	<b>2023</b>
		(In Philippine Peso)	
<b>Cash flows from operating activities</b>			
Profit before income tax		<b>(844,051)</b>	2,000,283
Adjustments for:			
Depreciation and amortization	12,13,23	<b>1,839,650</b>	1,921,615
Provision/ (recovery) of credit losses	8	<b>1,511</b>	(7,782)
Retirement expense	23,24	<b>228,922</b>	148,877
Unrealized (gain)/loss in financial assets at fair value through profit or loss	10	<b>720,000</b>	(1,440,000)
Dividend income	10,22	<b>(1,200,000)</b>	(1,200,000)
Interest income	7,22	<b>(527,779)</b>	(621,102)
Operating income before working capital changes		<b>218,252</b>	801,892
Decrease/(Increase) in:			
Receivable from customers and clearing house	8	<b>(226,003,328)</b>	23,144,296
Other receivables	9	<b>(2,987)</b>	99,819
Prepayments	11	<b>1,848,990</b>	355,797
Increase/(Decrease) in:			
Payable to customers and clearing house	14	<b>92,495,370</b>	43,370,178
Income tax payable		<b>131,595</b>	(8,800,345)
Other current liabilities	15	<b>4,599,111</b>	946,077
Cash (absorbed by)/ generated from operations		<b>(126,712,997)</b>	59,917,713
Dividends received	10,22	<b>1,200,000</b>	1,200,000
Interest received	7,22	<b>527,779</b>	621,102
Income tax paid		<b>(131,595)</b>	-
Net cash (used in)/ provided by operating activities		<b>(125,116,813)</b>	61,738,815
<b>Cash flows from investing activity</b>			
Acquisition of investment property and property, plant and equipment		-	(372,824)
Net cash used in investing activity	12,13	-	(372,824)
<b>Cash flows from financing activity</b>			
Cash dividend paid	17	<b>(10,000,000)</b>	<b>(12,000,000)</b>
Net cash used in financing activity		<b>(10,000,000)</b>	(12,000,000)
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(135,116,813)</b>	49,365,993
Cash and cash equivalents, January 1	7	<b>697,962,838</b>	648,596,845
<b>Cash and cash equivalents, December 31</b>	7	<b>562,846,026</b>	<b>697,962,838</b>

See accompanying notes to financial statements.

---

## A & A SECURITIES, INC.

---

### NOTES TO FINANCIAL STATEMENTS

**December 31, 2024 and 2023**

(Amounts in Philippines Peso, unless otherwise stated.)

---

#### **1. Corporate Information**

A & A Securities, Inc. (the Company) is a domestic corporation registered with the Securities and Exchange Commission (SEC) on November 18, 1986 primarily to create an institutional medium which will engage in and carry on the business of securities brokerage as defined in BP 178 and toward this end to buy, sell or deal with all other transactions relating for the account of others or its own securities.

As of December 31, 2023, of the Company's total paid-up capital, 30% is owned by Mr. Sheen Charm Louis Chiu, 20% is owned by Ms. Shirley Young Bangayan, 20% is owned by Mr. Lucio Rodriguez, Sr. The rest of the stockholders are all individuals whose ownership ranges from less than 1% to 5%.

The Company amended Article III of its Articles of Incorporations, and approved by the SEC on October 28, 2022, changing its principal place of business from Suite 1906 19<sup>th</sup> Floor Security Bank Center, 6776 Ayala Avenue, Makati City to Unit 2608 Jollibee Plaza, #10 F Ortigas Center, Barangay San Antonio, Pasig City.

#### **2. Summary of Material Accounting Policies**

##### Statement of Compliance

The accompanying financial statements were prepared in accordance with Philippine Financial Reporting Standards (PFRS). The term PFRS in general includes all applicable PFRS, Philippine Accounting Standards (PAS), Interpretations of the Philippine Interpretations Committee (PIC), Standing Interpretations Committee (SIC), and International Financial Reporting Standards Interpretations Committee (IFRS IC) which have been adopted by the Financial and Sustainability Reporting Standards Council (FSRSC) and approved by the Board of Accountancy (BOA) and the SEC.

##### Basis of Preparation

The accompanying financial statements have been prepared on historical cost basis except for financial assets at fair value and the present value of the retirement benefits liability(assets), less fair value of plan assets, if any. The preparation of these financial statements in accordance with PFRS requires the use of critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in Note 3.

##### Functional and Presentation Currency

These financial statements are presented in Philippine Peso, the Company's functional currency and all values are in rounded to the nearest Peso, except when otherwise indicated.

##### Current Versus Non-Current Classification

The Company presents assets and liabilities in the statement of financial position on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed within a normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

- A liability is current when:
- It is expected to be settled within a normal operating cycle;
- It is held primarily for trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### Adoption of Amended PFRS Accounting Standards

Effective in 2024, the Company adopted for the first time the following amendments to PFRS Accounting Standards, which are mandatorily effective for annual periods beginning on or after January 1, 2024:

PAS 1 (Amendments), *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current. The amendments provide guidance on whether a liability should be classified as either current or non-current. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that the classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. The application of these amendments had no significant impact on the Company's 2 financial statements.

PAS 1 (Amendments), *Presentation of Financial Statements - Noncurrent Liabilities with Covenants*. The amendments specifies that if the right to defer settlement for at least 12 months is subject to an entity complying with conditions after the reporting period, then those conditions would not affect whether the right to defer settlement exists at the end of the reporting period for the purposes of classifying a liability as current or non-current. For non-current liabilities subject to conditions, an entity is required to disclose information about the conditions, whether the entity would comply with the conditions based on its circumstances at the reporting date and whether and how the entity expects to comply with the conditions by the date on which they are contractually required to be tested. The application of these amendments had no significant impact on the Company's financial statements.

PAS 7 and PFRS 7 (Amendments), *Statement of Cash Flows, Financial Instruments: Disclosures - Supplier Finance Arrangements*. The amendments add a disclosure objective to PAS 7 stating that an entity is required to disclose information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows. In addition, PFRS 7 is amended to add supplier finance arrangements as an example within the requirements to disclose information about an entity's exposure to concentration of liquidity risk. The application of these amendments had no significant impact on the Company's financial statements.

PFRS 16 (Amendments), *Leases - Lease Liability in a Sale and Leaseback*. The amendments requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it

retains. In addition, the new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease. The application of these amendments had no significant impact on the Company's financial statements

#### Future Adoption of New or Revised and Amendments to Standards Effective Subsequent to 2024

There are new standards and amendments to existing standards effective for annual periods subsequent to 2024, which are adopted by the ESRSC. Management will adopt the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these are expected to have significant impact on the Company's financial statements.

- *PFRS 17 Insurance Contracts - Insurance Contracts* (effective from January 1, 2025).  
The new standard for insurance contracts, which covers recognition, measurement, presentation and disclosure, will replace PFRS 4, *Insurance Contracts*. On December 15, 2021, the FSRSC amended the effective date of PFRS 17 from January 1, 2023 to January 1, 2025. In line with this, the Insurance Commission (IC) issued Circular Letter No. 2020-62 on May 18, 2020 providing further deferral of the implementation of PFRS 17 for life insurance and non-life insurance industry by two years after the IASB effective date.

This new standard requires a current measurement model where estimates are remeasured in each reporting period. Moreover, contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- an explicit risk adjustment; and,
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognized as revenue over the coverage period.

PFRS 17 further allows a choice between recognizing changes in discount rates either in the statement of income or directly in other comprehensive income. The choice is likely to reflect how insurers account for financial assets under PFRS 9, *Financial Instruments*.

In addition, the standard provides an optional simplified premium allocation approach for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers. A modification of the general measurement model called the variable fee approach is also introduced by PFRS 17 for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

In preparation for the adoption of PFRS 17, the Company continues to perform end to end system tests, preparing policy and accounting data required for these tests and updating the accounting and actuarial policies and processes to comply with PFRS 17 requirements. Also, the Company is still assessing the quantitative impact of the initial application of the new standard to its financial statements.

- *PFRS 17 (Amendments), Insurance Contracts - Initial Application of PFRS 17 and PFRS 9 - Comparative Information* (effective from January 1, 2025)
- *PAS 21 (Amendments), The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability* (effective from January 1, 2025)

- PFRS 9 and PFRS 7 (Amendments), *Financial Instruments, and Financial Instruments: Disclosures - Amendments to the Classification and Measurement of Financial Instruments* (effective from January 1, 2026)
- PFRS 18, *Presentation and Disclosure in Financial Statements* (effective from January 1, 2027). The new standard impacts the classification of profit or loss items (i.e., into operating, investing and financing categories) and the presentation of subtotals in the statement of income (i.e., operating profit and profit before financing and income taxes). The new standard also changes the aggregation and disaggregation of information presented in the primary financial statements and in the notes. It also introduces required disclosures about management-defined performance measures. The amendments, however, do not affect how an entity recognizes and measures its financial condition, financial performance and cash flows.
- PFRS 19, *Subsidiaries without Public Accountability: Disclosures* (effective from January 1, 2027)
- PFRS 10 and PAS 28 (Amendments), *Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* (effective date deferred indefinitely)

## **Material Accounting Policies**

### **Cash and Cash Equivalents**

Cash includes cash on hand and with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less from dates of acquisition and that are subject to an insignificant risk of changes in value.

### **Financial Instruments**

#### **Date of Recognition**

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental or directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

### **Classification, Measurement and Reclassification of Financial Assets**

The classification and measurement of financial assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The classification and measurement of financial assets are described below and in the succeeding pages.

#### Financial Assets at Amortized Cost

Financial assets are measured at amortized cost if both of the following conditions are met:

- the asset is held within the company's business model whose objective is to hold financial assets in order to collect contractual cash flows ("held to collect"); and,
- the contractual terms of the instrument give rise, on specified dates, to cash flows that are Solely payments of principal and interest (SPPI) on the principal amount outstanding.

All financial assets meeting these criteria are measured initially at fair value plus transaction costs. These are subsequently measured at amortized cost using the effective interest method, less any impairment in value. Where the business model is to hold assets to collect contractual cash flows, the Company assesses whether the financial instruments' cash flows represent SPPI. In making this assessment, the Company considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e., interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

The Company's financial assets at amortized cost are presented in the statement of financial position as Cash and Cash Equivalents, Loans and Other receivables, Investment securities at amortized cost and certain accounts under Other Resources account in the statement of financial position. For purposes of reporting cash flows, cash and cash equivalents include cash and other cash items, and investment securities at amortized cost with original maturities of three months or less from placement date.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for those that are subsequently identified as credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance). The interest earned is recognized in the statement of income as part of Interest Income.

#### Financial Assets at Fair Value Through Profit or Loss

Financial assets that are held within a different business model other than "hold to collect" or "hold to collect and sell" are categorized at FVPL. Further, irrespective of business model, financial assets whose contractual cash flows are not SPPI are accounted for at FVPL. Also, equity securities are classified as financial assets at FVPL, unless the Company designates an equity investment that is not held for trading as at FVOCI at initial recognition. The Company's financial assets at FVPL include equity securities which are held for trading purposes or designated as at FVPL. Financial assets at FVPL are measured at fair value with gains or losses recognized in profit or loss as part of Trading Gain – net under Other Operating Income in the statements of income. Related transaction costs are recognized directly as expense in profit or loss. The fair values of these financial assets are determined by reference to active market transactions or using valuation technique when no active market exists. Interest earned on these investments is recorded as Interest Income while dividend income is reported as Dividends under Other revenue account in the statements of income. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

The Company can only reclassify financial assets if the objective of its business model for managing those financial assets changes. Accordingly, the Company is required to reclassify financial assets:

- (i) from amortized cost to FVPL, if the objective of the business model changes so that the amortized cost criteria are no longer met; and,
- (ii) from FVPL to amortized cost, if the objective of the business model changes so that the amortized cost criteria start to be met and the characteristic of the instrument's contractual cash flows meet the amortized cost criteria.

A change in the objective of the Company's business model will take effect only at the beginning of the next reporting period following the change in the business model.

#### Derecognition of Financial Assets

The financial assets (or where applicable, a part of a financial asset or part of a group of financial assets) are derecognized when the contractual rights to receive cash flows from the financial instruments expire, or when the financial assets and all substantial risks and rewards of ownership have been transferred to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

#### Impairment of Financial Assets

The Company assesses its expected credit loss (ECL) on a forward-looking basis associated with its financial assets carried at amortized cost and other contingent accounts. No impairment loss is recognized on equity investments. Recognition of credit losses or impairment is no longer dependent on the Company's identification of a credit loss event. Instead, the Company considers a broader range of information in assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect collectability of the future cash flows of the financial assets. The Company measures loss allowances at an amount equal to lifetime ECL, except for the following financial instruments for which they are measured as 12-month ECL:

- debt securities that are identified to have 'low credit risk' at the reporting date; and,
- other financial instruments (other than lease receivables) on which credit risk has not increased significantly since their initial recognition.

For these financial instruments, the allowance for impairment is based on 12-month ECL associated with the probability of default of a financial instrument in the next 12 months (referred to as 'Stage 1' financial instruments). Unless there has been a significant increase in credit risk subsequent to the initial recognition of the financial asset, a lifetime ECL (which are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial asset) will be recognized (referred to as 'Stage 2' financial instruments). 'Stage 2' financial instruments also include those loan accounts and facilities where the credit risk has improved and have been reclassified from 'Stage 3'. A lifetime ECL shall be recognized for 'Stage 3' financial instruments, which include financial instruments that are subsequently credit-impaired, as well as purchased or originated credit impaired (POCI) assets.

**Measurement of ECL** The key elements used in the calculation of ECL are as follows:

- **Probability of Default (PD)** – it is an estimate of likelihood of a borrower defaulting on its financial obligation over a given time horizon, either over the next 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.
- **Loss Given Default (LGD)** – it is an estimate of loss arising in case where a default occurs at a given time (either over the next 12 months or 12-month LGD), or over the remaining lifetime or lifetime LGD). It is based on the difference between the contractual cash flows of a financial instrument due from a counterparty and those the Company would expect to receive, including the realization of any collateral. It is presented as a percentage loss per unit of exposure at the time of default.
- **Exposure at Default (EAD)** – it represents the gross carrying amount of the financial instruments subject to impairment calculation; hence, this is the amount that the Group expects to be owed at the time of default over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD). In case of a loan commitment, the Company shall include the undrawn balance (up to the current contractual limit) at the time of default should it occur.

The measurement of the ECL reflects:

- (i) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- (ii) the time value of money; and,
- (iii) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

#### Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a nonfinancial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets or liability and the level of the fair value hierarchy.

#### Classification and Measurement of Financial Liabilities

Financial liabilities include trade payables, and other liabilities (including derivatives with negative fair values, except taxes payable, unearned income and capitalized interest and other charges).

- Payable to customers and clearing house and other liabilities are recognized initially at fair value and subsequently measured at amortized cost less settlement payments.
- Derivatives with negative fair values are recognized initially and subsequently measured at fair value with changes in fair value recognized in profit or loss.
- Lease deposits from operating leases are initially recognized at fair value. The excess of the principal amount of the deposits over its fair or present value is immediately recognized as day-one gain and is included as part of Miscellaneous – net under Other Operating Income account in the statement of income. Meanwhile, interest expense on the subsequent amortization of the lease deposits is accrued using the effective interest method and is included as part of Interest Expense account in the statement of income.

As at December 31, 2024 and 2023, the Company's other financial liabilities include trade payables and other current liabilities.

#### Derecognition of Financial Liabilities

Financial liabilities are derecognized in the statement of financial position only when the obligations are extinguished either through discharge, cancellation or expiration. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit or loss.

#### Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the resulting net amount, considered as a single financial asset or financial liability, is reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The right of set-off must be available at the end of the reporting period, that is, it is not contingent on future event. It must also be enforceable in the normal course of business, in the event of default, and in the event of insolvency or bankruptcy; and must be legally enforceable for both entity and all counterparties to the financial instruments.

#### Investment Property

Investment property is held to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or service or for administrative purposes; or (b) sale in the ordinary course of business. The Company adopted the cost model of investment property to be measured at cost less any accumulated depreciation or impairment losses.

Investment property is derecognized upon disposal or when permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognized in the statement of comprehensive income in the year of retirement or disposal. Investment property is depreciated using straight line basis and has 26 years of useful life.

### Property and Equipment

Property and equipment are carried at cost, net of accumulated depreciation and any impairment in value. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, as follows:

Transportation Equipment	5 years
Office Equipment and Furniture and Fixtures	3-5 years
Office Improvements	5 years

The initial cost of property and equipment comprises its purchase price and all directly attributable cost necessary to bring an asset to its working condition and location for its intended use. Repairs and maintenance, and overhaul costs, are normally charged to operations in the period they are incurred. However, subsequent expenditures incurred for an item in the property and equipment are capitalized and added to the carrying amount of the asset when it is probable that the future economic benefits have been increased beyond its originally assessed standard of performance.

### Derecognition of Property and Equipment

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the assets (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the statement of comprehensive income in the year the item is derecognized.

### Exchange Trading Rights

The demutualization of the Philippine Stock Exchange (PSE) has resulted to the conversion of the “Membership Seat in Exchange” account into two asset accounts in the books of the Company – “Investment in PSE shares” and “Trading Rights” accounts. The cost of the “Membership Seat in Exchange” account was allocated between the Investment in PSE shares and Trading Rights based in their relative fair values.

The Company considered the Trading Rights as an intangible asset having an indefinite useful life, as there is no foreseeable limit to the period over which the asset is expected to generate net cash inflow to the Company. Trading Rights is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Company has no intention to sell the Trading Rights in the near future.

### Impairment of Non-financial Assets

At each reporting date, the Company assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists (or when annual impairment testing for an asset is required), the Company estimates the recoverable amount of the impaired assets. The recoverable amount is the higher of fair value less costs of disposal and value in use. Value in use is the present value of future cash flows expected to be derived from an asset while fair value less costs to sell is the amount obtainable from the sale of an asset in an arm’s length transaction between knowledgeable and willing parties less cost of disposal. Where the carrying amount of an asset exceeds its recoverable amount, the impaired asset is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

An impairment loss is charged to profit or loss in the period when it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged directly to the revaluation increment of the said asset.

For non-financial assets, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the net recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its net recoverable amount. The reversal can be made only to the extent that the resulting carrying value does not exceed the carrying value that would have been determined, net of depreciation and amortization, had no impairment loss been recognized. Such reversal is recognized in profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining life.

#### Equity

Share capital is determined using the par value of shares that have been issued.

Retained earnings include all current and prior period results as disclosed in the statement of comprehensive income.

#### Related Parties

Parties are considered to be related if one party has the ability to control or exercise significant influence over the party in making financial and operating decisions. This includes: (1) individual owning, directly or indirectly through one or more intermediaries, control, or are controlled by, or under common control with, the Company; (2) associates; (3) individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company and close members of the family of any such individual.

#### Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

- Commission income – revenue is recognized when stock brokerage services were rendered to customers and trade deals are confirmed, computed on a flat rate for every trade transaction.
- Interest – revenue is recognized as the interest accrues (taking into account the effective yield on the interest)
- Dividend – revenue is recognized when the shareholders' right to receive the payment is established.
- Realized gain on sale of held for trading financial assets is recognized upon actual derecognition of financial assets.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for brokerage services provided, excluding value added tax (VAT) and trade discounts.

#### Cost and Expenses

Costs and expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants. Cost and expenses are recognized when the related revenue is earned or when the service is incurred.

## Employee Benefits

### Retirement Benefits

Under its DC plan, the Company pays fixed contributions based on the employee's monthly salaries. The Company, however, is covered under Republic Act (RA) No. 7641, *The Philippine Retirement Law*, which provides for its qualified employees a defined benefit (DB) minimum guarantee. The DB minimum guarantee is equivalent to a certain percentage of the monthly salary payable to an employee at normal retirement age with the required credited years of service based on the provisions of RA No. 7641.

Accordingly, the Company accounts for its retirement obligation under the higher of the DB obligation relating to the minimum guarantee and the obligation arising from the DC plan. For the DB minimum guarantee plan, the liability is determined based on the present value of the excess of the projected DB obligation over the projected DC obligation at the end of the reporting period. The DB obligation is calculated annually by a qualified independent actuary using the projected unit credit method. The Company determines the net interest expense (income) on the net DB liability (asset) for the period by applying the discount rate used to measure the DB obligation at the beginning of the annual period to the then net DB liability (asset), taking into account any changes in the net DB liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to the DB plan are recognized in profit or loss.

The DC liability, on the other hand, is measured at the fair value of the DC assets upon which the DC benefits depend, with an adjustment for margin on asset returns, if any, where this is reflected in the DC benefits.

Remeasurements of the net DB liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income.

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

### Income Taxes

Current tax assets or liabilities comprise those claims from, or obligation to, taxation authorities relating to the current or prior reporting period, that are uncollected or unpaid at the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year.

Deferred tax is provided, using the balance sheet liability method on all temporary differences at the reporting period between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Under the balance sheet liability method, with certain exceptions, deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against deductible temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

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

Most changes in deferred tax assets or liabilities are recognized as a component of tax expense in profit or loss. Only changes in deferred tax assets or liabilities that relate to items recognized in other comprehensive income or directly in equity are recognized in other comprehensive income or directly in equity.

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

#### Earnings Per Share

Earnings per share is computed by dividing net profit by the weighted average number of issued and outstanding shares at the end of the year.

#### Provisions and Contingencies

Provisions are recognized when present obligation will probably lead to an outflow of economic resources and they can be estimated reliably even if the timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at reporting period, including the risks and uncertainties associated with the present obligation. Any reimbursement expected to be received in the course of settlement of the present obligation is recognized, if virtually certain as a separate asset, not exceeding the amount of the related provision. Where there are a number of similar obligations, the likelihood that an outflow will be required if settlement is determined by considering the class of obligations as a whole. In addition, long-term provisions are discounted to their present values, where time value of money is material.

Provisions are reviewed at each reporting period and adjusted to reflect the current best estimate.

Probable inflows of economic benefits that do not yet meet the recognition criteria of an asset are considered contingent assets, hence, are not recognized in the financial statements.

Contingent liabilities are not recognized in the financial statements. In cases where the possible outflow of economic resource as a result of present obligations is considered improbable or remote, or the amount to be provided for cannot be measured reliably, no liability is recognized in the financial statements.

#### Events After the Reporting Period

Events after reporting period that provide additional information about the Company's position at reporting period (adjusting events) are reflected in the financial statements. Post year-end non-adjusting events are disclosed in the notes to financial statements when material.

### **3. Significant Accounting Judgments and Estimates**

The Company's financial statements prepared in accordance with PFRS require management to make judgments and estimates that affect amounts in the financial statements and related notes. Judgments and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under circumstances. Actual results may ultimately differ from these estimates.

#### Judgments

In the process of applying the Company's accounting policies, management has made the following judgments, apart from those involving estimation, which have the most significant effect on the amounts recognized in the financial statements:

*Determination of Functional Currency and Presentation Currency*

The Company has determined that its functional currency is the Philippine peso, which is the currency of the primary environment in which the Company operates.

*Categories of Financial Instruments*

The Company classifies a financial instrument, or its component parts, on initial recognition as financial assets, a financial liability or an equity instrument based with the substance of the contractual arrangement and the definitions of financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classifications in the statement of financial position. The Company determines the classification at initial recognition and re-evaluates this designation at every financial reporting date (Please see Note 5).

*Provisions and Contingencies*

Judgment is exercised by management to distinguish between provisions and contingencies. Policies on recognition and disclosure of provision and disclosure of contingencies are discussed in Note 2 – Provisions.

Estimates

The estimates and assumptions used in the financial statements are based upon management's evaluation of relevant facts and circumstances of the Company's financial statements. Actual results could differ from those estimates. The following are the relevant estimates performed by Management on its December 31, 2024 and 2023 financial statements:

*Valuation of Financial Instruments*

The Company carries certain financial assets at fair value, which requires the extensive use of accounting estimates and judgment. Significant components of fair value measurement were determined using verifiable objective evidence from observable active markets and other valuation techniques including the use of mathematical models. However, the amount of changes in fair value would differ if the Company utilized different valuation methods and assumptions. Any change in fair value of these financial assets and liabilities would affect profit and loss and equity.

Management valuation methods and assumptions in determining the fair value of the Company's financial instruments are summarized in Note 5.

*Allowance for Credit Losses of Trade and Other Receivables*

Allowance for credit losses is made for specific and groups of accounts, where objective evidence of impairment exists. The Company evaluates these accounts using the ECL method and based on available facts and circumstances, including, but not limited to, the length of the Company's relationship with the customers, the customers' current credit status based on third party credit reports and known market forces, average age of accounts, collection experience and historical loss experience.

Allowance for credit losses amounted to P 3,713 in 2024 and P2,201 in 2023. (Please see Note 8).

*Useful Life of Property and Equipment*

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of assets. In addition, estimation of the useful lives of property and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in estimates brought about by changes in

factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in estimated useful lives of property and equipment would increase recorded operating expenses and decrease non-current assets.

Property and equipment, net of accumulated depreciation, amounted to P21,489,840 in 2024 and P23,329,490 in 2023. (Please see Note 13)

*Useful life of Investment Property*

Investment property is depreciated using straight line basis and has 26 years of useful life. Investment property, net of accumulated depreciation, amounted to P8,681,802 both in 2024 and 2023. (Please see Note 12)

*Realizable Amount of Deferred Income Tax Assets and Liabilities*

The Company reviews its deferred income tax assets and liabilities at each statement of financial position date and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax asset, net amounted to P2,260,510 in 2024 and P1,713,375 in 2023. Deferred tax liability amounted to P77,522 in 2024 and P81,842 in 2023. (Please see Note 25)

*Retirement Benefits*

The determination of the Company's obligation, cost of pension and other retirement benefits depends on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions are described in Note 24 and include, among others, discount rates and salary increase rate. In accordance with PFRS, actual results that differ from the assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

*Impairment of Non-financial Assets*

PFRS requires that an impairment review be performed when certain impairment indicators are present. The Company's policy on estimating the impairment of non-financial asset is discussed in detail in Note 2 – Impairment of non-financial assets. Though management believes that the assumptions used in the estimation of fair values reflected in the financial statements are appropriate and reasonable, significant changes in these assumptions may materially affect the assessment of recoverable values and any resulting impairment loss could have a material adverse effect on the results of operations. Based on Management assessment, there is no impairment loss on non-financial assets needed to be recognized.

*Exchange Trading Rights*

As at December 31, 2024 and 2023, the fair value less costs to sell of the exchange trading right amounted to P8,000,000 representing the transacted price of the exchange trading right of the most recent sale approved by the PSE on November 16, 2022. As at December 31, 2024 and 2023, the carrying value of the exchange trading right amounted to P528,000 in 2024 and 2023.

#### **4. Financial Risk Management Objectives and Policies**

The Company's principal financial instruments comprise of financial assets at FVPL. The Company has also various financial assets such as cash and cash equivalents, receivable from customers and clearing house and other receivables, while its financial liabilities are payable to customers and clearing house, other current liabilities and subordinated loan.

Since the Company is exposed to a variety of risks such as credit risk, liquidity risk, and market risk, the Board of Directors (BOD) makes it a point to have adequate risk management guiding

principles, which will institutionalize a focused approach in addressing its exposure to different business risks.

The Company's risk management policy is addressed as follows:

#### Credit Risks

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due.

It is inherent to the stock brokerage business that potential losses may arise due to the failure of its customer and counterparties to fulfill their trading obligation on settlement date or the possibility that the value of collateral held to secure obligations becoming inadequate due to adverse market conditions.

The Company has no significant concentration of credit risk. Its day to day transactions of buying and selling of equity securities in the Philippine Stock Exchange are made through a reputable stock broker whose qualifications were reviewed and approved by the BOD.

The Company manages credit risk by setting limits for individual customers and group of customers. The Company monitors credit exposures and continually assesses the credit worthiness of counterparties.

The Company's financial assets that have the maximum exposure to credit risk as presented in the financial statements as summarized as follows:

	Notes	2024	2023
Cash and cash equivalents	7	<b>562,846,026</b>	697,932,838
Receivable from customers and clearing house	8	<b>261,221,266</b>	35,219,449
Other receivables	9	<b>157,225</b>	154,238
Financial assets at FVPL	10	<b>19,680,000</b>	20,400,000
<b>Total</b>		<b>843,904,517</b>	<b>753,706,524</b>

The table below shows the credit quality of financial assets as at December 31, 2024 and 2023:

2024	Notes	Neither past due nor impaired		Past due but not impaired	Allowance for impairment	
		High grade	Standard grade			Total
Loans and receivable						
Cash and cash equivalents	7	<b>562,846,026</b>				<b>562,846,026</b>
Receivable from customers and clearing house	8	<b>261,124,188</b>	<b>95,282</b>	<b>5,508</b>	<b>(3,713)</b>	<b>261,221,266</b>
Other receivables	9		<b>157,225</b>			<b>157,225</b>
Financial assets at FVPL	10	<b>19,680,000</b>				<b>19,680,000</b>
<b>Total</b>		<b>843,650,214</b>	<b>252,507</b>	<b>5,508</b>	<b>(3,713)</b>	<b>843,904,517</b>

2023	Notes	Neither past due nor impaired		Past due but not impaired	Allowance for impairment	Total
		High grade	Standard grade			
Loans and receivable						
Cash and cash equivalents	7	697,932,838	-	-	-	697,932,838
Receivable from customers and clearing house	8	35,194,939	21,135	5,576	(2,201)	35,219,449
Other receivables	9	-	154,238	-	-	154,238
Financial assets at FVPL	10	20,400,000	-	-	-	20,400,000
Total		753,527,776	175,373	5,576	(2,201)	753,706,524

Cash and cash equivalents are limited to reputable banks duly approved by the Board of Directors, hence, high grade.

High grade receivables are active accounts with a remote likelihood of payment defaults.

Standard grade receivables are active accounts with minimal instances of payment defaults.

High grade financial assets at FVPL represent equity investment in PSE.

#### Liquidity Risks

Liquidity risks or funding risks is the risk that the Company will encounter in raising funds to meet its commitments and obligations. Liquidity risks may result from difficulty in collections or inability to generate cash inflows as anticipated.

The Company's objectives in managing its liquidity profile are:

- Ensure that adequate funding is available at all times;
- Meet commitments as they arise without incurring unnecessary cost;
- Be able to access funding when needed at the least possible cost;
- Regularly monitor and evaluate its projected cash flow.

The following are the Company's contractual maturities of the financial liabilities as of December 31, 2024 and 2023.

<u>2024</u>	<u>Notes</u>	<u>Within one year</u>	<u>Two to Five years</u>
Payable to customers and and clearing house	14	784,775,821	-
Other current liabilities	15	8,229,124	-
Total		793,004,945	-

<u>2023</u>	<u>Notes</u>	<u>Within one year</u>	<u>Two to Five years</u>
Payable to customers and and clearing house	14	692,280,451	-
Other current liabilities	15	3,700,013	-
Total		695,980,464	-

As at December 31, 2024 and 2023, the Company has sufficient financial assets that can be used to manage its liquidity risk consisting of cash and cash equivalents, receivable from

customers and clearing house, other receivables and financial assets at fair value through profit or loss. Liquidity ratios for the years ended 2024 and 2023 are 248 % and 109%, respectively.

#### Market Risk

Market risk is the risk of loss to future earnings, to fair values or to future cash flows that may result from changes in the price of a financial instrument. The value of a financial instrument may change as a result of changes in interest rates, foreign currency exchange rates, equity prices and other market changes. The Company's market risk originates from cash and cash equivalents and financial assets at FVPL.

The Company utilizes market risk factor sensitivities as a tool to manage market risk. Market risk factor sensitivities of a position are defined as a change in the value of a position caused by a unit shift in a given market factor. Market risk factor sensitivities include interest rate and foreign exchange sensitivities. The calculation of the factor sensitivities is obtained by measuring the effect of a one (1) unit increase in current interest rates and current foreign exchange rates or volatilities upon various product types.

#### Foreign Currency Risk

The Company has no significant exposure to foreign currency risks as most transactions are denominated in Philippine peso, its functional currency.

#### Other Market Price Risk

The Company's management monitors market price risk from its financial assets classified as financial assets at fair value through profit or loss. The management monitors the market price in daily-published quotations and regularly reports the results to the Board of Directors.

The following table demonstrates the sensitivity to reasonably possible changes in market value of financial assets at FVPL, with all variable held constant, of net results and equity.

<b>2024</b>	Change	Effect on net results	Effect on Equity	Change	Effect on net results	Effect on Equity
Financial assets at FVPL	8%	1,574,400	1,180,800	-8%	(1,574,400)	(1,180,800)

<b>2023</b>	Change	Effect on net results	Effect on Equity	Change	Effect on net results	Effect on Equity
Financial assets at FVPL	8%	1,632,000	1,224,000	-8%	(1,632,000)	(1,224,000)

#### Interest Rate Risks

This risk arises when there is a possible change on interest rate of +10 basis points and -10 basis points on December 31, 2024 and 2023 which will affect the future cash flows or fair value of financial instruments. These changes are considered to be reasonably possible based on observation of current market conditions. All other variables are held constant.

<b>2024</b>	Change in +10 basis points		Change in -10 basis points	
	Effect on net results	Effect on Equity	Effect on net results	Effect on Equity
Cash and cash equivalents	562,846	450,277	(562,846)	(450,277)

<b>2023</b>	Change in +10 basis points		Change in -10 basis points	
	Effect on net results	Effect on Equity	Effect on net results	Effect on Equity
Cash and cash equivalents	697,933	558,346	(697,933)	(558,346)

## 5. Categories and Fair Values of Financial Assets and Liabilities

### Comparison of Carrying Values and Fair Values

The carrying amounts and fair values of the categories of assets and liabilities presented in the statements of financial position are shown below:

		2024		2023	
	Notes	Carrying values	Fair values	Carrying values	Fair values
Financial assets					
Loans and receivables:					
Cash and cash equivalents	7	562,849,026	562,849,026	697,962,838	697,962,838
Receivable from customers					
and clearing house	8	261,221,266	261,221,266	35,219,449	35,219,449
Other receivables	9	157,225	157,225	154,238	154,238
Total		824,227,517	824,227,517	733,336,524	733,336,524
Financial assets at FVPL	10	19,680,000	19,680,000	20,400,000	20,400,000
Other financial liabilities					
Current					
Payable to customers					
and clearing house	14	784,775,821	784,775,821	692,280,451	692,280,451
Other current liabilities	15	8,430,719	8,430,719	3,700,013	3,700,013
		793,206,540	793,206,540	695,980,463	695,980,463

Management considers that the carrying amounts recognized in the statement of financial position to be reasonable estimates of the fair values of cash and cash equivalents, receivable from customers and clearing house, other receivables, payable to customers and clearing house, payables to non-customers and other current liabilities because of their short period term.

The fair value of financial assets at FVPL are based on the quoted market price in the PSE as at December 31, 2024 and 2023 or on the last trading day of the year.

### Fair Value Hierarchy Measurements

The table below presents the hierarchy of fair value measurements used by the Company:

	Level 1	Level 2	Level 3	Total
<b>December 31, 2024</b>				
Financial assets at FVPL	19,860,000	-	-	19,860,000
<b>December 31, 2023</b>				
Financial assets at FVPL	20,400,000	-	-	20,400,000

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable input).

There was no transfer of financial instruments between levels 1, 2 and 3 in 2024 and 2023.

## 6. Capital Management Objectives, Policies and Procedures

The Company's objective when managing capital is to maintain its ability to continue as a going concern entity and to maintain optimal capital structure so as to maximize shareholder value.

In order to achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	2024	2023
Net debt	230,360,514	(1,982,374)
Net equity	84,778,896	95,252,863
Total capital	315,139,410	93,270,489
<b>Gearing ratio</b>	<b>73%</b>	<b>-2%</b>

The Company manages its capital structure and makes adjustments to it as changes in economic conditions arise.

#### Minimum Capital Requirement

On December 30, 2003, the SEC passed the Amended Implementing Rules and Regulations (IRR) of the SRC effective February 28, 2004. Significant changes include, among others, revisions in the terms and conditions for registration and subsequent renewal of license applicable to both exchange trading participants and non-exchange broker dealers as follows: (a) to allow a net capital of P2,500,000 or 2.5% of aggregate indebtedness, whichever is higher, for broker dealers dealing only in proprietary shares and not holding securities, (b) to allow the SEC to set a different net capital requirement for those authorized to use the risk-based capital adequacy model, and (c) to require unimpaired paid-up capital of P100,000,000 for broker dealers firms and will participate in a registered clearing agency; P10,000,000 plus a surety bond for existing broker dealers not engaged in market making transactions; and P2,500,000 for broker dealing only in proprietary shares and not holding securities. The Company posted a surety bond amounting P12,000,000 in compliance with the Amended IRR of the SRC Rule 28.1.

On May 28, 2009, the Securities and Exchange Commission (“SEC”) approved Memorandum Circular No. 2009-0316 or Rules Governing Trading Rights and Trading Participants, Art. III, Sec. 8(c). The guidelines states that “Trading Participants shall have a minimum unimpaired paid-up capital, as defined by the SEC of Twenty Million Pesos (P20,000,000) effective December 31, 2009. Provided further that effective December 31, 2010 and onwards, the minimum unimpaired paid-up capital shall be Thirty Million Pesos (P30,000,000).”

On April 15, 2010, PSE issued Memorandum Circular No.2010-0158 or Deferment of the Rule on Minimum Unimpaired Paid-up Capital for Trading Participants previously set to take effect on December 31, 2010.

On October 22, 2010, SEC approved Memorandum Circular No. 2010-0494 or Deferment on the Minimum Unimpaired Paid-up Capital for Trading Participants (TPs). The Memo states that “TPs with Unimpaired Paid-up Capital (“UPC”) falling below Thirty Million pesos (P30,000,000) shall post surety bond amounting to Ten Million (P10,000,000) for the period covering 1 January 2011 to 31 December 2011 until securities held and controlled by the TPs shall be recorded under the name of the individual clients in the books of the Transfer Agent.” The deferral granted by the Commission is effective only for the period January 2011 until December 31, 2011. However, on November 8, 2010, the Commission has adopted SEC Resolution No. 489, series of 2010 stating the effectivity of the deferment from 01 January

2011 until 30 November 2011. Hence, all TPs must have complied with the Thirty Million UPC requirement by December 2011.

The Company is in compliance with the minimum unimpaired paid-up capital as at December 31, 2024 and 2023.

On November 11, 2004, the SEC approved Memorandum Circular No. 16, which provides the guidelines on the adoption in the Philippines of the Risk Based Capital Adequacy (RBCA) Framework for all registered brokers dealers in accordance with SRC. These guidelines cover the following: (a) position or market risk, (b) credit risks such as counter party, settlement, large exposure, and margin financing risks, and (c) operational risk. Among others, the RBCA rules provide for specific guidelines on the treatment of new subordinated loan agreements and investment in PSE shares. The Circular provides for a transition period from net capital to RBCA until November 30, 2005. During the transition period, the broker dealer is required to comply with the continuing reportorial requirements if the SRC and its IRR, including the RBCA rules. Starting December 1, 2005, every broker dealer is expected to comply with all the requirements of the RBCA rules. The first filing of the RBCA report, postposition, shall reflect the computed RBCA ratio as of December 31, 2005.

The Company being a registered broker in securities is subject to the stringent rules of the SEC and other regulatory agencies with respect to the maintenance of specific levels of RBCA ratios. RBCA is a ratio that compares the broker or dealer's total measured risk to its liquid capital. As a rule, the company must maintain an RBCA ratio of at least 120% and a net liquid capital (NLC) of at least P5.0 million or five percent (5%) of its aggregate indebtedness, whichever is higher. Also, the aggregate indebtedness (AI) of every stockbroker should not exceed two thousand percent (2,000%) of its NLC. In the event that the minimum RBCA ratio of 120% or the minimum NLC is breached, the Company shall immediately cease doing business as a broker and shall notify the PSE and SEC.

The RBCA of the Company as of December 31, 2024 and 2023 are as follows:

	2024	2023
Equity eligible for net liquid capital	82,518,387	93,539,488
Less: Ineligible assets	32,055,159	36,019,508
Total	50,463,228	57,519,980
Position risks	6,888,000	7,140,000
Operational risks	9,233,764	9,378,988
Counterparty risks	-	-
Large exposure risks	3,904,150	3,878,460
Total Risk Capital Requirement	20,025,914	20,397,448
AI	793,206,540	695,980,463
5% of AI	39,660,327	34,799,023
Required NLC	39,660,327	34,799,023
Net Risk-Based Capital Excess	10,802,900	22,720,957
Ratio of AI to NLC	1572%	1210%
RBCA Ratio	252%	282%

The following are the definition of terms used in the above computation:

Ineligible Asset

This pertains to fixed assets and assets which cannot be readily converted into cash.

Operational Risk Requirement

The amount required to cover a level of operational risk which is the exposure associated with commencing and remaining in business arising separately from exposures covered by other risk requirements. It is the risk of loss resulting from inadequate or failed internal processes, people and systems which include, among others, risk of fraud, operational or settlement failure and storage of liquid resources, or from external events.

Position Risk Requirement

The amount necessary to accommodate a given level of position risk which is a risk a broker dealer is exposed to and arising from securities held by it as a principal or in its proprietary dealer account.

Counterparty Risk Requirement

The amount necessary to accommodate a given level of risk of a counterparty defaulting on its financial obligation to a broker dealer.

Large Exposure Risk

It is a risk to which a broker dealer is exposed to a single equity security or single issuer group. This is the maximum permissible large exposure and calculated as a percentage of core equity. The Company has a Large Exposure relative to its particular issuer company amounting to P3,904,150 in 2024 and P3,878,460 in 2023 which is not beyond the maximum permissible large exposure.

### Aggregate Indebtedness

Total money liabilities of a broker dealer arising in connection with any transaction whatsoever, and includes, among other things, money borrowed, money payable against securities loaned and securities failed to receive, the market value of securities borrowed to the extent which no equivalent value is paid or credited (other than market value of margin securities borrowed from customer and margin securities borrowed from non-customer), customers' and non-customers' free credit balances, and credit balances in customers' and non-customers' account having short position in securities subject to the exclusions provided in the said SEC Memorandum.

As at December 31, 2024 and 2023, the Company is in compliance with the RBCA ratios, Net Liquid Capital (NLC), Total Risk Capital Requirement, and Ratio of AI to NLC, and other ratios required under the RBCA rule.

## **7. Cash and Cash Equivalents**

Cash and cash equivalents consist of:

	2024	2023
Cash on hand	30,000	30,000
Cash in bank	10,712,012	21,219,660
Special reserve account	549,586,135	674,195,299
Deposit-surety bond collateral	2,517,878	2,517,878
<b>Total</b>	<b>562,846,026</b>	<b>697,962,838</b>

Cash in banks and cash equivalents earns interest at the respective bank deposit rates from .25% to .50% in 2024 and 2023. Short-term cash investments are made for varying period of up to three months depending on the Company's immediate cash requirements and earn interest at the respective short-term cash investment ranging from 1% to 4.44% in 2024 and 2023. Interest earned amounted to P527,779 in 2024 and P621,102 in 2023 (Note 22).

Special Reserve Bank Account created and maintained for the exclusive benefit of customers as prescribed under SRC Rule 49.2 (Customer Protection Reserves and Custody of Assets) and mentioned in Part I (Rule 49.C) of this rule.

## **8. Receivable from Customers and Clearing House**

This account consists of:

	2024	2023
<b>Receivable from customers and clearing house</b>		
Receivable from customers	10,049,252	6,630,226
Less: Allowance for credit losses	(3,713)	(2,201)
	<b>10,045,539</b>	<b>6,628,024</b>
Receivable from clearing house	251,175,727	28,591,424
<b>Total</b>	<b>261,221,266</b>	<b>35,219,449</b>

Receivable from customers and clearing house are usually due within two days from transaction date and do not bear any interest. These are subject to credit risks exposure.

Receivable from clearing house pertains to the Company's receivable from Securities Clearing Corporation of the Philippines (SCCP). "Receivable from clearing house" arises when total selling transactions, i.e. shares of stock sold by customers exceeds total buying transactions within the last two trading days of the year.

The security values of the debit balance of customers' account follow:

	2024		2023	
Ratio of Market Value of securities to Debit Balance	Debit Balances	Market Value of Securities	Debit Balances	Market Value of Securities
250% or more	560,311	74,016,444	383,640	321,449,778
200% to 250%	-	-	277	611
150% to 200%	-	-	-	-
100% to 150%	9,486,311	9,944,504	6,243,578	6,297,272
Less than 100%	1,296	1,152	1,078	840
Unsecured	1,333	-	1,652	-
Total	10,049,252	83,962,101	6,630,226	327,748,501
Allowance for impairment	(3,713)	-	(2,201)	-
	10,045,539	83,962,101	6,628,024	327,748,501

Receivable from customers as at December 31, 2024 and 2023 amounting to P10,045,539 and P6,628,024, respectively, is secured by collateral comprising of equity securities of listed companies owned by the customers with the total fair values of P83,962,101 and P327,748,501, respectively. The collateral's fair value (market value) is based on the quoted market price at the PSE as at December 31, 2024 and 2023 or on the last trading day of each year.

In the event the customers failed to pay on due date, the Company is authorized to sell, even without notice, the equity securities held as collateral at prices prevailing on the date of securities are sold to cover the cost of the equity securities purchased for the client.

Allowance for credit losses is provided for when objective evidence is received that the Company will not be able to collect certain amounts due to it in accordance with original term of the receivables.

Movements of the allowance for credit losses follow:

	2024	2023
Balance, January 1	2,201	9,984
Provision/ (recovery) of credit losses	1,511	(7,782)
Balance, December 31	3,713	2,201

The table below shows the aging of receivables as of December 31, 2024 and 2023, respectively:

	2024	2023
0 to 1 day	9,948,462	6,603,514
2 to 12 days	93,504	20,123
13 days	1,778	1,012
Past due	5,508	5,576
Total	10,049,252	6,630,226

#### 9. Other Receivables

This account consists of:

	2024	2023
Advances to employees	71,257	62,865
Advances for expenses	48,658	54,063
Stock subscription receivables	37,310	37,310
Total	157,225	154,238

#### 10. Financial Assets at Fair Value Through Profit or Loss (FVPL)

Reconciliation of the carrying amount of financial assets at FVPL follows:

	2024	2023
Balance, January 1	20,400,000	18,960,000
Unrealized (loss)/ gain	(720,000)	1,440,000
Balance, December 31	19,680,000	20,400,000

Financial assets at FVPL represents the Company's investment in equity securities (120,000 PSE shares) being traded at the Philippine Stock Exchange and is carried at fair value. Fair value is based on the quoted market price at the PSE as at December 31, 2024 and 2023 or on the last trading day of the year.

Reconciliation of cost to fair value follows:

	2024	2023
Cost	6,759,700	6,759,700
Fair value adjustment	12,920,300	13,640,300
Fair value	19,680,000	20,400,000

Dividend income earned amounting to P1,200,000 in 2024 and 2023. (See Note 22).

## 11. Prepayments

This account consists of the following:

	2024	2023
Prepaid taxes and licenses	44,500	44,500
Prepaid insurance	29,616	38,616
Refundable deposit	16,576	16,576
Payable to clients - cash dividend	(1)	(1)
Input VAT	-	1,862,169
Creditable tax at source	-	140,726
	<b>90,692</b>	<b>2,102,587</b>

## 12. Investment Property, Net

The Investment property account under the cost model represents the carrying value of land owned by the Company amounting to P8,681,802.

As of December 31, 2024, the condominium unit amounting to P19,642,857 was reclassified under property and equipment and the corresponding accumulated depreciation amounting to P1,888,737. (See Note 13)

The land has been appraised using Market Data Approach by First Centennial Property Appraisal, Inc. in 2010 and were estimated to be valued at P31,323,000.

In Market Data Approach, the value is based on sales and listings of comparable property registered within the vicinity. The technique of this approach requires the establishing of comparable sales and listings to a common denominator. This is done by adjusting the differences between the subject property and those actual sale and listings regarded as comparable. Our comparison was premised on the factors of location, size and shape of the unit, time element and facilities offered.

In 2024, the depreciated condominium located in Suite 1906, 9<sup>th</sup> Floor Security Bank Center 6776 Ayala Avenue, Makati City was sold, resulting to nil. (Note 22)

### 13. Property and Equipment, Net

Property and equipment are summarized as follows:

	Transportation Equipment	Condominium unit	Office Equipment and Furnitures and Fixtures	Office Improvements	Computer Software	Total
<b>Cost</b>						
January 1, 2023	4,059,473	-	4,675,735	2,930,971	1,457,589	13,123,768
Acquisition	-	-	44,643	328,181	-	372,824
Reclassification	-	19,642,857	-	-	-	19,642,857
December 31, 2023	4,059,473	19,642,857	4,720,378	3,259,152	1,457,589	33,139,449
Acquisition	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-
<b>December 31, 2024</b>	<b>4,059,473</b>	<b>19,642,857</b>	<b>4,720,378</b>	<b>3,259,152</b>	<b>1,457,589</b>	<b>33,139,449</b>
<b>Accumulated depreciation</b>						
January 1, 2023	3,977,508	-	3,241,880	40,577	250,632	7,510,597
Reclassification	-	377,747	-	-	-	377,747
Depreciation	81,965	755,495	575,361	217,277	291,518	1,921,616
December 31, 2023	4,059,473	1,133,242	3,817,241	257,854	542,150	9,809,960
Depreciation	-	755,495	575,361	217,277	291,518	1,839,650
<b>December 31, 2024</b>	<b>4,059,473</b>	<b>1,888,737</b>	<b>4,392,602</b>	<b>475,131</b>	<b>833,668</b>	<b>11,649,610</b>
<b>Net book value, 2024</b>	<b>-</b>	<b>17,754,120</b>	<b>327,776</b>	<b>2,784,021</b>	<b>623,921</b>	<b>21,489,839</b>
Net book value, 2023	-	18,509,616	903,137	3,001,298	915,439	23,329,490

Property and equipment include fully depreciated items which are still in use, as follows:

	Cost	Accumulated Depreciation	Net Book Value
<b>2024</b>			
Transportation equipment	-	-	-
Office equipment	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>2023</b>			
Transportation equipment	4,059,473	4,059,473	-
Office equipment	-	-	-
<b>Total</b>	<b>4,059,473</b>	<b>4,059,473</b>	<b>-</b>

#### 14. Payable to Customers and Clearing House

Details of payable to customers are as follows:

	2024		2023	
Ratio of Market Value of securities to Debit Balance	Credit Balances	Market Value of Securities	Credit Balances	Market Value of Securities
Free				
with money balances	784,775,821	5,420,344,655	692,280,451	5,694,035,673
with zero balances		1,469,307,271		1,558,373,046
	784,775,821	6,889,651,926	692,280,451	7,252,408,719
Payable to clearing house	-	-	-	-
	784,775,821	6,889,651,926	692,280,451	7,252,408,719

Payables to customers and clearing house are usually due within 2 days and 31 days from transaction date and do not bear any interest.

Payable to clearing house pertains to the Company's payable to Securities Clearing Corporation of the Philippines (SCCP). "Payable to clearing house" arises when total buying transactions exceeds total selling transactions, i.e. shares of stock sold by customers within the last two trading days of the year.

#### 15. Other Current Liabilities

This account consists of the following:

	2024	2023
Staled payable	6,261,295	2,228,402
Due to BIR - VAT	234,041	565,256
Due to BIR - STT	1,354,666	510,832
Accrued expense	89,394	154,093
Due to BIR - Withholding tax expanded	128,398	90,532
Clearing House fee payable	82,155	50,475
Statutory benefits payable	26,967	31,732
Due to BIR - Withholding tax compensation	5,770	2,298
Unidentified deposit	116,437	65,932
PSE online payable	-	460
Total	8,299,124	3,700,013

Staled payable pertain to unclaimed stale check payable to suppliers.

Accrued expenses consist of PCD fee, CTGF contribution, professional fee and PSE transfer fee and charges. Other payables consist of advances from customers for future services. Other current liabilities are expected to be settled within the next operating cycle of the Company.

## 16. Share Capital

The details of the Company's share capital are shown below, thus:

	2024	2023
Authorized - par value, P100 per share:		
678,000 shares	<u><u>P67,800,000</u></u>	
Issued and paid up		
394,558 shares	<u><u>39,455,800</u></u>	<u><u>39,455,800</u></u>

The authorized capital stock of the Company is Sixty-Seven Million Eight Hundred Thousand Pesos (P67,800,000) divided into Six Hundred Seventy-Eight Thousand (678,000) common shares with par value of One Hundred (100) per share.

As of December 31, 2024, the Company has eleven (11) stockholders, nine (9) of whom owning one hundred (100) or more shares each of the Company's capital stock.

## 17. Retained Earnings

At the special meeting of the stockholders and Board of Directors of A & A Securities, Inc. conducted through internet conference on March 16, 2024 and March 15, 2023 the Board of Directors has resolved to declare cash dividends for distribution in the amount of Ten Million Pesos (P10,000,000) from 2024 and Twelve Million Pesos (P12,000,000) from 2023 unappropriated retained earnings, respectively.

As mentioned in Note 6, the Securities and Exchange Commission on November 11, 2004 has issued SEC memorandum Circular No. 16, Series of 2004 which approved the adoption of RBCA for Broker Dealers. Rule 49.1 (B) "Reserve Fund" of the RBCA. This provides that (1) every Broker Dealer shall annually appropriate a certain minimum percentage of its audited profit after tax and transfer the same to the Appropriated Retained Earnings account. Appropriation shall be 30%, 20%, 10% of profit after tax for broker dealers with unimpaired paid-up capital between P10,000,000 to 30,000,000, between P30,000,000 to 50,000,000 and above P50,000,000 respectively, (2) the amount appropriated shall not be available for payment of dividends, (3) where in any financial year the Broker Dealer's paid up capital is impaired, the Broker Dealer is required to transfer from Appropriated Retained Earnings to the capital account an amount equivalent to the impairment, such amount so transferred out shall not be available for payment of dividend, (4) consistent with the general usage under SRC Rule 28.1 (E) (v), the term "Unimpaired Paid Up Capital" shall refer to the firm's Total Paid Up Capital less any deficiency in the Retained Earnings account, (5) a Broker Dealer may submit to the Commission for approval its own capital build up plan in lieu of the requirements of this provision, (6) notwithstanding the requirements of this section, the Commission may prescribe a different capital build up plan for all Broker Dealers, specifically those incurring net losses during the period, which may include the programmed infusion of fresh capital.

In compliance with the above mentioned rule, the Company appropriated nil in 2024 and P165,538 in 2023. The total appropriated retained earnings amounting P26,034,197 both in 2024 and 2023.

## 18. Earnings Per Share

The computation of earnings per share follows:

	2024	2023
Net (loss)/ profit	(558,815)	2,267,688
Weighted average number of shares		
Issued and outstanding	394,558	394,558
Earnings per share	(1.42)	5.75

## 19. Revenue

The breakdown of Revenue follows:

	2024	2023
Commission income - transactions	20,461,386	18,068,739
Other commission income	80,595	250,613
Net Commission	20,541,981	18,319,351

## 20. Personnel Cost

The breakdown of personnel costs is as follows:

	Notes	2024	2023
Salaries and wages		2,176,031	2,371,746
13th month and other benefits		1,549,680	1,549,541
Total		3,725,712	3,921,287
Less: Charged as part of			
direct operating cost	21	1,868,731	2,118,685
Total charged as part of			
operating expenses	23	1,856,980	1,802,602

## 21. Cost of Services

The breakdown of cost of services follows:

	Note	2024	2023
Personnel costs -operations	20	1,868,731	2,118,685
Stock exchange dues and fees		755,244	721,844
Central depository fees expense		810,120	778,186
Research Fees		844,759	813,454
Professional Fees-Non opex		1,440,000	100,000
Other services-Non-opex		98,098	50,000
Total		5,816,952	4,582,170

Breakdown of Personnel cost-operations:

	2024	2023
Salaries and wages- operations	1,081,817	1,278,451
13th month and compensation-related benefits	637,544	669,114
SSS contribution - operations	99,330	118,590
Philhealth contribution- operations	26,940	25,440
HD MF fund contribution - operations	21,480	25,440
EC- contributions - operations	1,620	1,650
Total	1,868,731	2,118,685

**22. Other Revenues, Net**

The breakdown of other income follows:

	Note	2024	2023
Dividend revenue	10	1,200,000	1,200,000
Interest revenue	7	527,779	621,102
Loss on sale of other assets		(107,229)	(40,168)
Miscellaneous		-	650
Total		1,620,550	1,781,583

Interest revenue is net of final withholding tax of P131,945 in 2024 and P155,275 in 2023. Miscellaneous income pertains to trading gain of a certain clients absorbed by the company and subjected to stock transaction tax.

## 23. General and Administrative Expenses

The breakdown of this account is as follows:

	Note	2024	2023
Commission expense		<b>8,644,817</b>	7,701,300
Personnel cost - administrative	20	<b>1,856,980</b>	1,802,602
Depreciation expense	12, 13	<b>1,839,650</b>	1,921,615
Management fee	26	<b>1,365,000</b>	1,388,463
Penalties		<b>499,245</b>	8,413
Office supplies		<b>401,481</b>	241,520
Taxes and licenses	29	<b>337,806</b>	315,982
Professional fees		<b>237,000</b>	314,779
Retirement expense	24	<b>228,922</b>	148,877
Condominium dues and fees		<b>198,724</b>	194,275
Utilities		<b>184,568</b>	198,799
Insurance		<b>172,216</b>	74,366
Repairs and maintenance		<b>128,607</b>	252,491
Transportation and travel		<b>119,098</b>	118,015
Postage, telephone and communication		<b>106,689</b>	138,618
Director's fee		<b>48,000</b>	-
Meetings and conference		<b>21,040</b>	33,600
Entertainment, amusement and recreation		<b>20,597</b>	21,854
Trainings and seminars		<b>3,125</b>	-
Bank charges		<b>700</b>	8,450
Photocopies		<b>30</b>	33
Miscellaneous		<b>53,824</b>	82,212
<b>Total</b>		<b>16,468,119</b>	14,966,264

Breakdown of Personnel cost-administrative:

	2024	2023
Salaries and wages- administrative	<b>1,094,214</b>	1,093,295
13th month and compensation-related benefits	<b>610,896</b>	562,707
SSS contribution- administrative	<b>101,040</b>	101,490
Philhealth contribution- administrative	<b>27,300</b>	21,840
HDMF fund contribution- administrative	<b>1,690</b>	1,430
EC- contributions- administrative	<b>21,840</b>	21,840
<b>Total</b>	<b>1,856,980</b>	1,802,602

## 24. Retirement Benefits

The Company maintains defined contribution (DC) plan that cover all regular full time employee. However, under Republic Act (RA) No. 7641, The Philippine Retirement Law, which provides for its qualified employees a defined benefit (DB) minimum guarantee. Accordingly, the Company accounts for its retirement obligation under the higher of the DB obligation relating to the minimum guarantee and the obligation arising from the DC plan. Since the defined contribution (DC) plan is more than sufficient than the required by the RA No. 7691". The Philippine Retirement Law", The company's employee retirement benefits are accounted under defined benefit contribution plan.

The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The principal assumptions used for the purposes of the actuarial valuations are as follows:

Changes in Present Value of the Defined Benefit Obligation

	<b>2024</b>	<b>2023</b>
Defined benefit obligation, beginning	<b>4,466,484</b>	3,661,517
Interest expense	<b>270,222</b>	261,798
Current service cost	<b>302,937</b>	266,223
Actuarial (gain)/loss	<b>(234,131)</b>	276,946
Defined benefit obligation, ending	<b>4,805,512</b>	4,466,484

Changes in the Fair Value of Plan Assets

	<b>2024</b>	<b>2023</b>
Fair value of plan assets, beginning	<b>5,903,140</b>	5,834,739
Interest income	<b>357,140</b>	417,184
Remeasurement gain/(loss)- return on plan assets	<b>(171,599)</b>	(348,783)
Fair value of plan assets, ending	<b>6,088,681</b>	5,903,140

Liability/ (Asset) Recognized in the Statement of Financial Position

	<b>2024</b>	<b>2023</b>
Defined benefit obligation, ending	<b>4,805,512</b>	4,466,484
Fair value of plan assets, ending	<b>(6,088,681)</b>	(5,903,140)
Funded status - deficit / (surplus)	<b>(1,283,169)</b>	(1,436,656)
Asset ceiling adjustment	<b>175,569</b>	213,265
Liability/ (asset), ending	<b>(1,107,600)</b>	(1,223,391)

Amount to be Recognized in Profit or Loss

	<b>2024</b>	<b>2023</b>
Current service cost	<b>302,937</b>	266,223
Interest expense	<b>283,125</b>	299,838
Interest income	<b>(357,140)</b>	(417,184)
Total	<b>228,922</b>	148,877

Amount to be Recognized in Other Comprehensive Income (OCI)

	2024	2023
Balance, January 1	4,915,103	4,646,183
Actuarial Gain/ (Loss) - DBO	(234,131)	276,946
Remeasurement - Plan Assets	171,599	348,783
Remeasurement - Changes in the Effect of Asset Ceiling	(50,599)	(356,809)
Defined benefit cost in OCI	(113,131)	268,920
Balance, December 31	4,801,972	4,915,103

Movement in Net Liability/ (Asset)

	2024	2023
Opening Net Liability/ (Asset)	(1,223,391)	(1,641,188)
Amount to be Recognized in Profit or Loss	228,922	148,877
Amount to be Recognized in Other Comprehensive Income	(113,131)	268,920
Closing Net Liability/ (Asset)	(1,107,600)	(1,223,391)

Financial Assumptions

	2024	2023
Discount rate	6.11%	6.05%
Salary increase rate	5.00%	5.00%

Sensitivity Analysis of Defined Benefit Obligation

2024

Decrease in DBO due to 100 bps increase in discount rate	(359,190)	; (7.5%)
Increase in DBO due to 100 bps decrease in discount rate	404,536	; 8.4%
Increase in DBO due to 100 bps increase in salary increase rate	404,981	; 8.4%
Decrease in DBO due to 100 bps decrease in salary decrease rate	(366,057)	; (7.6%)
Increase in DBO, no attrition rates	63,786	; 1.3%

2023

Decrease in DBO due to 100 bps increase in discount rate	(394,421)	; (8.8%)
Increase in DBO due to 100 bps decrease in discount rate	450,949	; 10.1%
Increase in DBO due to 100 bps increase in salary increase rate	451,178	; 10.1%
Decrease in DBO due to 100 bps decrease in salary decrease rate	(401,690)	; (9.0%)
Increase in DBO, no attrition rates	97,169	; 2.2%

## 25. Income Taxes

Income tax benefit/ (expense) consists of the following:

	2024	2023
Current	280,538	277,990
Changes in tax rates	-	-
Regular corporate income tax (RCIT)	280,538	277,990
Deferred:		
Unrealized (loss)/gain on financial assets at FVPL	4,320	(8,640)
Provision/(Reversal) of credit losses	378	(1,946)
Total deferred tax	4,698	(10,586)
Total	285,236	267,405

A reconciliation income tax on pretax income computed at the applicable statutory rates to income tax expense reported in the Statement of comprehensive income is as follows:

	2024	2023
Income before income tax	211,013	(500,071)
Tax effect of:		
Non-taxable income		
Dividend income	300,000	300,000
Interest income	131,945	155,275
Other miscellaneous income	-	163
Non-deductible expenses		
Unrealized market (loss)/ gain	(175,680)	351,360
Retirement expense	(57,231)	(37,219)
Penalty	(124,811)	(2,103)
Total	285,236	267,405

As provided by BIR Revenue Regulations No. 25-2020 (Section 4) dated September 30, 2020, the business or enterprise which incurred net operating loss for taxable years 2020 and 2021 shall be allowed to carry over the same as a deduction from its gross income for the next five (5) consecutive taxable years immediately following the year of such loss. The net operating loss for said taxable years may be carried over as a deduction even after the expiration of RA No. 11494 provided the same are claimed within the next five (5) consecutive taxable years immediately following the year of such loss.

A minimum corporate income tax (MCIT) of 2% of the gross income as defined in Republic Act No. 8424. is imposed when MCIT is greater than the RCIT.

### CREATE Act

On March 26, 2021, the Republic Act (RA) 11534, known as “The Corporate Recovery or Tax incentives for Enterprises Act” (Create Act), was passed into law. The salient provisions of the Create Act applicable to the Company are as follow:

1. Effective July 1, 2020, the corporate income tax rate is reduced from 30% to 20% for domestic corporations with net taxable income not exceeding P5,000,000 and with total assets not exceeding P100,000,000, excluding land on which the particular business entity’s office, plant, and equipment are situated during the taxable year for which the tax is imposed at 20%. All other domestic corporations and resident foreign corporations will be subject to 25% income tax;
2. Minimum corporate income tax (MCIT) rate reduced from 2% to 1% effective July 1, 2020, to June 30, 2023;
3. Percentage tax reduced from 3% to 1% effective July 1, 2020, to June 30, 2023; and
4. The imposition of improperly accumulated earnings is repealed.

### Deferred Income Tax Assets

The component of deferred income tax assets follows:

<b>2024</b>				
	Balance at the beginning of year	Charged to OCI	Charged to P/L	Balance at the end of the year
<u>Deferred tax assets</u>				
Allowance for credit losses	551	-	378	<b>929</b>
Actuarial gain/(loss)	1,228,777	(28,283)	-	<b>1,200,494</b>
NOLCO	277,990	-	280,538	<b>558,528</b>
MCIT	206,058	294,501	-	<b>500,559</b>
Deferred tax assets	1,713,375	266,218	280,916	<b>2,260,510</b>
<u>Deferred tax liability</u>				
Unrealized market gain	(81,842)	4,320	-	<b>(77,522)</b>
Deferred tax assets/(liability), net	1,631,533	270,538	280,916	<b>2,182,988</b>

<b>2023</b>				
	Balance at the beginning of year	Charged to OCI	Charged to P/L	Balance at the end of the year
<u>Deferred tax assets</u>				
Allowance for credit losses	2,496	-	(1,946)	551
Actuarial gain/(loss)	1,161,547	67,230	-	1,228,777
NOLCO	-	-	277,990	277,990
MCIT	-	206,058	-	206,058
Deferred tax assets	1,164,043	273,288	276,045	1,713,375
<u>Deferred tax liability</u>				
Unrealized market gain	(73,202)	(8,640)	-	(81,842)
Deferred tax assets/(liability), net	1,090,841	264,648	276,045	1,631,533

Validity of NOLCO follows:

Year Incurred	Validity	Amount	Applied Previous year	Applied Current year	Expired	Net Operating Loss (Unapplied)	Deferred Tax Asset
2024	2027	1,122,151	-	-	-	1,122,151	280,538
2023	2026	1,111,961	-	-	-	1,111,961	277,990
		2,234,112	-	-	-	2,234,112	558,528

The carrying benefit of MCIT is presented below:

Year Incurred	Validity	MCIT	Applied Previous year	Applied Current year	Expired	Excess MCIT
2024	2027	294,501	-	-	-	294,501
2023	2026	206,058	-	-	-	206,058
		500,559	-	-	-	500,559

## 26. Related Party Transactions

### Selling and Buying of Equity Securities

Certain shareholders and officers of the Company buy and sell equity securities in the Company. The transactions for 2024 and 2023 are summarized as follows:

	2024	2023
Selling	155,209,744	67,820,938
Buying	169,191,690	78,100,443

All charges and expenses related with the selling and buying of equity securities of related parties were treated as non-related party transactions.

### Key Management Personnel Compensation

The key management personnel of the Company do not receive compensation. The Company's Executive Vice President received management fees of P1,365,000 in 2024 and P1,388,463 in 2023.

## 27. Approval of Financial Statements

The financial statements of the Company for the year ended December 31, 2024 were authorized for issue by the Board of Directors on April 30, 2025.

## 28. Supplementary Information Required by the Bureau of Internal Revenue

### Revenue Regulations No. 15-2010

The following information on taxes, duties and license fees paid or accrued during the year is presented for the purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements.

Value-Added Tax

			Output tax	
			2024	2023
Commission income	20,541,969	12%	2,465,036	2,198,317
Sale of land	-	12%	-	-
Rental Income	-	12%	-	-
<b>Output VAT for the year</b>	<b>20,541,969</b>		<b>2,465,036</b>	<b>2,198,317</b>
			Input tax	
			2024	2023
Balance, January 31				
Purchase of capital goods	-	12%	-	2,357,143
Domestic purchases of goods other than capital goods	1,772,462.21	12%	212,695	29,804
Domestic purchases of services	4,324,077	12%	518,889	1,216,219
Importation of Goods	-	12%	-	-
<b>Input VAT for the year</b>	<b>6,096,539</b>		<b>731,585</b>	<b>3,603,166</b>
<b>Applied against Output tax</b>			<b>1,733,452</b>	<b>(1,404,849)</b>

Withholding Taxes

	2024	2023
Tax withheld by the company on:		
Compensation	56,182	53,184
Expanded	1,642,588	5,513,559
Final tax	1,450,000	1,740,000
	<b>3,148,770</b>	<b>7,306,743</b>

Taxes and Licenses

	Date paid	O.R Number	2024	2023
Municipal license	various	various	167,289	122,656
Real property tax	various	various	120,490	126,740
SEC license renewal/salesman	various	various	44,500	51,435
Others	various	various	5,014	1,000
Annual registration fee	no attachment		514	500
<b>Total</b>			<b>337,806</b>	<b>302,331</b>

As of the year ended December 31, 2024, the Company has no pending tax assessment and litigation.

--oOo--

---

**A & A SECURITIES, INC.**

---

**STATEMENT OF CHANGES IN LIABILITIES  
SUBORDINATED TO CLAIMS OF GENERAL CREDITORS  
DECEMBER 31, 2024**

---

---

There are no subordinated liabilities to claims of general creditors and no changes were presented as required under Rules 49.1.2 and 52.1.5 of the Securities Regulation Code.

---

---

Schedule 1

**A & A SECURITIES, INC.**  
**RISK-BASED CAPITAL ADEQUACY WORKSHEET**  
**December 31, 2024**

<b>Assets</b>	<b>878,062,958</b>
<b>Liabilities</b>	<b>793,284,062</b>
<b>Equity as per books</b>	<b>84,778,896</b>
<b>Adjustments to Equity per books</b>	
Add (Deduct):	
Allowance for market decline	
Subordinated Liabilities	
Unrealized Gain / ( Loss ) in proprietary accounts	
Deferred Income Tax	(2,260,510)
Revaluation Reserves	
Deposit for Future Stock Subscription (No application with SEC)	
Minority Interest	
<b>Total Adjustments to Equity per books</b>	<b>(2,260,510)</b>
<b>Equity Eligible For Net Liquid Capital</b>	<b>82,518,387</b>
<b>Contingencies and Guarantees</b>	
Deduct: <a href="#">Contingent Liability</a>	
<a href="#">Guarantees or indemnities</a>	
<b>Ineligible Assets</b>	
a. Trading Right and all Other Intangible Assets (net)	528,000
b. Intercompany Receivables	
c. Fixed Assets, net of accumulated and excluding those used as collateral	30,171,642
d. All Other Current Assets	1,355,516
e. Securities Not Readily Marketable	
f. Negative Exposure (SCCP)	
g. Notes Receivable (non-trade related)	
h. Interest and Dividends Receivables outstanding for more than 30 days	
i. <a href="#">Ineligible Insurance claims</a>	
j. <a href="#">Ineligible Deposits</a>	
k. Short Security Differences	
l. Long Security Differences not resolved prior to sale	
m. Other Assets including Equity Investment in PSE	
<b>Total ineligible assets</b>	<b>32,055,159</b>
<b>Net Liquid Capital (NLC)</b>	<b>50,463,228</b>
<b>Less:</b>	
<a href="#">Operational Risk Req't (Schedule ORR-1)</a>	9,233,764
<a href="#">Position Risk Req't (Schedule PRR-1)</a>	6,888,000
<a href="#">Counterparty Risk (Schedule CRR-1 and detailed schedules)</a>	
<b>Large Exposure Risk (Schedule LERR-1, LERR-2, LERR-3)</b>	
<a href="#">LERR to a single client (LERR-1)</a>	
<a href="#">LERR to a single debt (LERR-2)</a>	
<a href="#">LERR to a single issuer and group of companies (LERR-3)</a>	3,904,150
<b>Total Risk Capital Requirement ( TRCR )</b>	<b>20,025,914</b>
<b>Net RBCA Margin (NLC-TRCR)</b>	<b>30,437,314</b>
<b>Liabilities</b>	<b>793,284,062</b>
<b>Add: Deposit for Future Stock Subscription (No application with SEC)</b>	
<b>Less: Exclusions from Aggregate Indebtedness</b>	
<a href="#">Subordinated Liabilities</a>	
<a href="#">Loans secured by securities</a>	
<a href="#">Loans secured by fixed assets</a>	
<a href="#">Others</a>	77,522
<b>Total adjustments to AI</b>	<b>(77,522)</b>
<b>Aggregate Indebtedness</b>	<b>793,206,540</b>
<b>5% of Aggregate Indebtedness</b>	<b>39,660,327</b>
<b>Required Net Liquid Capital (&gt; of 5% of AI or P5M)</b>	<b>39,680,931</b>
<b>Net Risk-based Capital Excess / ( Deficiency )</b>	<b>10,802,901</b>
<b>Ratio of AI to Net Liquid Capital</b>	<b>1572%</b>
<b>RBCA Ratio (NLC / TRCR)</b>	<b>252%</b>

---

**A & A SECURITIES, INC.**

---

**INFORMATION RELATING TO THE POSSESSION OR CONTROL  
REQUIREMENTS UNDER SRC RULE 49.2 ANNEX 49.2 - A  
DECEMBER 31, 2024**

---

---

Customers' fully paid securities and excess margin securities not in the broker's or dealer's possession or control as of the report date but for which the required action was not taken by respondent within the time frame specified under SRC Rule 49.2 and 52.1.5:

Market Valuation	N/A
Number of items	N/A

Customers' fully paid securities and excess margin securities for which instructions to reduce to possession or control had not been issued as part of the report date, excluding items arising from "temporary lags which result from normal business operations" as permitted under Annex F of Rule 52.1-5:

Market Valuation	N/A
Number of items	N/A

---

---

**A & A SECURITIES, INC.**

**COMPUTATION FOR DETERMINATION OF RESERVE REQUIREMENTS  
UNDER ANNEX G OF RULE 49.2 ANNEX 49.2 – B  
DECEMBER 31, 2024**

		CREDITS		DEBITS
Free credit balances and other credit peso balances in customer's security account	P	783,901,895		
Debit balances in customers cash or margin accounts excluding unsecured accounts doubtful of collection				9,946,317
Due from clearing house		-		251,122,390
TOTALS	P	783,901,895	P	261,068,707
Excess of credit balances over debit balances				522,833,188
Required Reserve				-
"Special Reserved Bank Account"				549,535,942

**A & A SECURITIES, INC.**

---

**A REPORT DESCRIBING ANY MATERIAL INADEQUACIES FOUND TO  
EXIST OR FOUND TO HAVE EXISTED SINCE THE DATE OF THE  
PREVIOUS AUDIT  
DECEMBER 31, 2024**

---

---

During the current year audit, no material inadequacies were found to exist or found to have existed since the date of the previous audit.

---

---

**A & A SECURITIES, INC.**

---

**RESULTS OF MONTHLY SECURITIES COUNT CONDUCTED PURSUANT TO  
SRC RULE 52.1-10, AS AMENDED, AS OF THE DATE OF THE STATEMENTS  
OF FINANCIAL CONDITION IN THE ANNUAL AUDITED FINANCIAL  
STATEMENTS  
DECEMBER 31, 2024**

---

---

There is no discrepancy in the result of the securities count conducted. Refer to the attached summary.

---

---

**A&A SECURITIES INC.**  
**SECURITIES POSITION REPORT**  
**As of December 31, 2023**

			CUSTOMERS ACCOUNT		DEALER'S/INVESTMENT		WITH CLEARING		IN BOX		TRANSFER OFFICE		IN PCD	
	PSE													
	CODE	STOCK NAME	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value	No. of Shares	Market Value
1.6100	AAA	ASIA AMALGAMATED	39,700	63,917.00							-	39,700	63,917.00	
5.4400	AB	ATOK-BIG WEDGE CO.,INC	121,050	658,512.00							-	121,050	658,512.00	
0.5300	ABA	ABACORE CAPITAL HOLDINGS, INC.	2,620,864	1,389,057.92							-	2,620,864	1,389,057.92	
26.2000	ABG	ASIABEST GROUP INTERNATIONAL INC.	52,500	1,375,500.00							-	52,500	1,375,500.00	
4.2000	ABS	ABS-CBN CORPORATION	370,133	1,554,558.60							-	370,133	1,554,558.60	
3.8000	ABSP	ABS-CBN HLDGS. (PDR)	3,500	13,300.00							-	3,500	13,300.00	
-	ABSP2	ABS-CBN PREF.2	19,803	-							-	19,803	-	
599.0000	AC	AYALA CORP.	628,356	376,385,244.00							-	628,356	376,385,244.00	
1.7800	ACE	ACESITE PHILS. HOTEL CORP.	615,000	1,094,700.00							-	615,000	1,094,700.00	
4.0000	ACEN	ACEN CORPORATION	13,976,116	55,904,464.00							-	13,976,116	55,904,464.00	
1,056.0000	ACENB	ACEN CORP SERIES B PREFERRED SHARES	13,625	14,388,000.00							-	13,625	14,388,000.00	
2,052.0000	ACPB3	AYALA CORP. PREFERRED SERIES 3	5,495	11,275,740.00							-	5,495	11,275,740.00	
0.4600	ACR	ALSONS CONS.RES.,INC.	7,969,000	3,665,740.00							-	7,969,000	3,665,740.00	
-	ACVP	AYALA CORP. VOTING PREF.	50,243	-							-	50,243	-	
34.3500	AEV	ABOITIZ EQUITY	696,982	23,941,331.70							-	696,982	23,941,331.70	
9.0000	AGI	ALLIANCE GLOBAL GROUP, INC.	1,021,002	9,189,018.00							-	1,021,002	9,189,018.00	
0.3650	ALCO	ARTHALAND CORPORATION	3,296,499	1,203,222.14							-	3,296,499	1,203,222.14	
464.4000	ALCPD	ARTHALAND CORP SERIES D PREF	340	157,896.00							-	340	157,896.00	
490.0000	ALCPF	ARTHALAND CORP SERIES F PREF SHARES	200	98,000.00							-	200	98,000.00	
26.2000	ALI	AYALA LAND, INC.	13,753,383	360,338,634.60							-	13,753,383	360,338,634.60	
0.1330	ALLDY	ALLDAY MARTS, INC.	5,534,000	736,022.00							-	5,534,000	736,022.00	
1.7000	ALLHC	AYALAND LOGISTICS HOLDINGS CORP.	4,800,200	8,160,340.00							-	4,800,200	8,160,340.00	
1.2000	ALTER	ALTERNERGY HOLDINGS CORPORATION	193,000	231,600.00							-	193,000	231,600.00	
0.5100	ANI	AGRINURTURE, INC.	144,620	73,756.20							-	144,620	73,756.20	
13.6800	ANS	A. SORIANO CORPORATION	1,055,160	14,434,588.80							-	1,055,160	14,434,588.80	
37.7000	AP	ABOITIZ POWER CORP.	1,415,100	53,349,270.00							-	1,415,100	53,349,270.00	
0.1850	APC	APC GROUP, INC.	27,373,000	5,064,005.00							-	27,373,000	5,064,005.00	
0.0040	APL	APOLLO GLOBAL CAPITAL, INC.	244,589,800	978,359.20							-	244,589,800	978,359.20	
0.4500	APO	ANGLO PHIL HOLDINGS	204,552	92,048.40							-	204,552	92,048.40	
8.3200	APVI	ALTUS PROPERTY VENTURES, INC.	2,423	20,159.36							-	2,423	20,159.36	
3.4500	APX	APEX MINING - A	36,119,702	124,612,971.90							-	36,119,702	124,612,971.90	
0.0032	AR	ABRA MINING & INDUSTRIAL	698,100,000	2,233,920.00							-	698,100,000	2,233,920.00	
0.5100	ARA	ARANETA PROPERTIES	454,044	231,562.44							-	454,044	231,562.44	
37.9500	AREIT	AREIT, INC.	816,500	30,986,175.00							-	816,500	30,986,175.00	
1.0300	ASLAG	RASLAG CORPORATION	148,000	152,440.00							-	148,000	152,440.00	
4.3800	AT	ATLAS CONS. MINING & DEV.	2,081,944	9,118,914.72							-	2,081,944	9,118,914.72	
17.0000	ATI	ASIAN TERMINALS INC	36,503	620,551.00							-	36,503	620,551.00	
0.5200	ATN	ATN HOLDINGS, INC.	1,130,000	587,600.00							-	1,130,000	587,600.00	
0.5200	ATNB	ATN HOLDINGS INC."B"	208,000	108,160.00							-	208,000	108,160.00	
61.5000	AUB	ASIA UNITED BANK	33,967	2,088,970.50							-	33,967	2,088,970.50	
2.5900	AXLM	AXELUM RESOURCES CORP.	446,200	1,155,658.00							-	446,200	1,155,658.00	
0.3600	BALAI	BALAI NI FRUITAS, INC	10,000	3,600.00							-	10,000	3,600.00	
3.9700	BC	BENGUET CORP-A	92,490	367,185.30							-	92,490	367,185.30	
3.9400	BCB	BENGUET CORP.-B	42,400	167,056.00							-	42,400	167,056.00	
9.8000	BCOR	BERJAYA PHILIPPINES, INC.	50,000	490,000.00							-	50,000	490,000.00	
144.0000	BDO	BDO UNIBANK, INC	3,488,729	502,376,976.00							-	3,488,729	502,376,976.00	
1.6600	BEL	BELLE CORPORATION	41,120,213	68,259,553.58							-	41,120,213	68,259,553.58	
-	BFC	BANCO FIL CONV. PREF.	1	-							-	1	-	

0.0740	BHI	BOULEVARD HOLDNGS, INC.	61,060,000	4,518,440.00									61,060,000	4,518,440.00
0.9900	BKR	BRIGHT KINDLE RESOURCES&INVEST.,INC	423,600	419,364.00								-	423,600	419,364.00
4.5800	BLOOM	BLOOMBERRY RESORTS	25,681,911	117,623,152.38								-	25,681,911	117,623,152.38
6.7500	BNCOM	BANK OF COMMERCE	51,100	344,925.00								-	51,100	344,925.00
122.0000	BPI	BANK OF THE PHIL. ISLAND	4,447,155	542,552,910.00								-	4,447,155	542,552,910.00
0.5600	BRN	A BROWN COMPANY INC.	749,077	419,483.12								-	749,077	419,483.12
92.0000	BRNPB	A BROWN COMPANY INC SERIES B PREF	7,000	644,000.00								-	7,000	644,000.00
0.1400	BSC	BASIC ENERGY CORPORATION	17,664,151	2,472,981.14								-	17,664,151	2,472,981.14
1.3100	C	CHELSEA LOGISTICS HOLDINGS, CORP.	1,538,500	2,015,435.00								-	1,538,500	2,015,435.00
54.3000	CAB	CONCRETE AGGREGATES-B	200	10,860.00								-	200	10,860.00
2.2600	CAL	CALATA CORPORATION	1,152,480	2,604,604.80								-	1,152,480	2,604,604.80
11.2000	CAT	CEN AZUCAR DE TARLAC	4,700	52,640.00								-	4,700	52,640.00
63.5000	CBC	CHINA BANKING CORPORATION	3,128,723	198,673,910.50								-	3,128,723	198,673,910.50
0.6800	CDC	CITYLAND DEVT. CORP.	500,369	340,250.92								-	500,369	340,250.92
28.2500	CEB	CEBU AIR, INC.	761,150	21,502,487.50								-	761,150	21,502,487.50
34.5000	CEBCP	CEBU AIR INC CONVERTIBLE PREFERRED	15,944	550,068.00								-	15,944	550,068.00
0.0560	CEI	CROWN EQUITIES INC.	983,276	55,063.46								-	983,276	55,063.46
13.8000	CEU	CENTRO ESCOLAR UNIV.	162,002	2,235,627.60								-	162,002	2,235,627.60
1.7800	CHP	CEMEX HOLDINGS PHILIPPINES, INC.	4,636,016	8,252,108.48								-	4,636,016	8,252,108.48
13.3800	CIC	CONCEPCION INDUSTRIAL CORP.	1,202,120	16,084,365.60								-	1,202,120	16,084,365.60
2.6500	CLI	CEBU LANDMASTERS, INC.	186,999	495,547.35								-	186,999	495,547.35
1,000.0000	CLIAI	CEBU LANDMASTERS INC SERIES A PREF	1,000	1,000,000.00								-	1,000	1,000,000.00
41.9500	CNPF	CENTURY PACIFIC FOOD, INC.	4,170,358	174,946,518.10								-	4,170,358	174,946,518.10
16.1400	CNVRG	CONVERGE INFORMATION & COMM.	10,167,169	164,098,107.66								-	10,167,169	164,098,107.66
0.1540	COAL	COAL ASIA HOLDINGS INC.	9,769,000	1,504,426.00								-	9,769,000	1,504,426.00
1.6500	COL	COL FINANCIAL GROUP, INC.	2,500	4,125.00								-	2,500	4,125.00
5.3800	COSCO	COSCO CAPITAL, INC.	3,947,097	21,235,381.86								-	3,947,097	21,235,381.86
-	COSMOS	COSMOS BOTTLING CORP	21,600	-								-	21,600	-
0.4200	CPG	CENTURY PROPERTIES GROUP, INC.	15,743,870	6,612,425.40								-	15,743,870	6,612,425.40
101.0000	CPGPB	CENTURY PROPERTY GROUP PREF. SERIES	7,000	707,000.00								-	7,000	707,000.00
2.5000	CPM	CENTURY PEAK HLDGS CORP.	285,000	712,500.00								-	285,000	712,500.00
3.2100	CREC	CITICORE RENEWABLE ENERGY CORP.	404,200	1,297,482.00								-	404,200	1,297,482.00
3.0500	CREIT	CITICORE ENERGY REIT CORP	5,192,500	15,837,125.00								-	5,192,500	15,837,125.00
1.7100	CROWN	CROWN ASIA CHEMICALS CORP.	31,000	53,010.00								-	31,000	53,010.00
0.6500	CTS	CTS GLOBAL EQUITY GROUP, INC	1,091,000	709,150.00								-	1,091,000	709,150.00
0.5600	CYBR	CYBER BAY CORPORATION	11,402,810	6,385,573.60								-	11,402,810	6,385,573.60
10.2000	DD	DOUBLEDRAGON PROPERTIES CORP.	479,547	4,891,379.40								-	479,547	4,891,379.40
1.0300	DDMPR	DDMP REIT INC	8,661,000	8,920,830.00								-	8,661,000	8,920,830.00
97.2000	DDPR	DOUBLEDRAGON PROPERTIES CORP. PREF.	12,500	1,215,000.00								-	12,500	1,215,000.00
3.9000	DELM	DEL MONTE PACIFIC LIMITED	44,300	172,770.00								-	44,300	172,770.00
2.8500	DFNN	DFNN INC.	270,600	771,210.00								-	270,600	771,210.00
-	DGTL	DIGITAL TELECOM	210,000	-								-	210,000	-
1.6000	DHI	DOMINION HOLDINGS, INC	126,005	201,608.00								-	126,005	201,608.00
1.6400	DITO	DITO CME HOLDINGS CORP.	7,298,986	11,970,337.04								-	7,298,986	11,970,337.04
2.0300	DIZ	DIZON COPPER SILVER MINES, INC.	87,733	178,097.99								-	87,733	178,097.99
10.8200	DMC	DMCI HOLDINGS, INC.	8,299,395	89,799,453.90								-	8,299,395	89,799,453.90
5.5200	DMW	D.M WENCESLAO & ASSOCIATES, INC.	1,325,600	7,317,312.00								-	1,325,600	7,317,312.00
2.8600	DNA	PHILAB HOLDINGS CORP.	216,400	618,904.00								-	216,400	618,904.00
6.0900	DNL	D&L INDUSTRIES, INC.	41,301,878	251,528,437.02								-	41,301,878	251,528,437.02
2.2100	ECP	EASYCALL P-COMMON	32,600	72,046.00								-	32,600	72,046.00
0.3100	ECVC	EAST COAST MINING VULCAN CORP	452,400	140,244.00								-	452,400	140,244.00
5.1500	EDC	ENERGY DEVELOPMENT CORPORATION	14	72.10								-	14	72.10
3.6000	EEL	EEL CORPORATION	1,241,673	4,470,022.80								-	1,241,673	4,470,022.80
98.4500	EELPB	EEL CORPORATION PREFERRED SHARES	9,300	915,585.00								-	9,300	915,585.00
0.0090	EG	IP E-GAME VENTURES, INC.	211,450,000	1,903,050.00								-	211,450,000	1,903,050.00
-	EIBA	EXPORT & INDUSTRY BANK	17,640,627	-								-	17,640,627	-
0.2600	EIBB	EXPORT AND INDUSTRY BANK INC. - B	200,000	52,000.00								-	200,000	52,000.00
0.1200	ELI	EMPIRE EAST LAND	10,197,254	1,223,670.48								-	10,197,254	1,223,670.48

18.0600	EMI	EMPERADOR, INC	275,200	4,970,112.00							-	275,200	4,970,112.00
5.0000	ENEX	ENEX ENERGY CORPORATION	241,504	1,207,520.00							-	241,504	1,207,520.00
-	ETON	ETON PROPERTIES PHILS. INC.	2,170	-							-	2,170	-
0.8200	EURO	EURO-MED LABORATORIES	10,678	8,755.96							-	10,678	8,755.96
0.2550	EVER	EVER GOTESCO RESOURCES	754,000	192,270.00							-	754,000	192,270.00
9.8500	EW	EAST WEST BANKING CORPORATION	1,017,554	10,022,906.90							-	1,017,554	10,022,906.90
52.7500	FB	SAN MIGUEL FOOD & BEVERAGE, INC.	36,040	1,901,110.00							-	36,040	1,901,110.00
0.8600	FCG	FIGARO COFFEE GROUP INC	833,000	716,380.00							-	833,000	716,380.00
4.9400	FDC	FILINVEST DEV CORP	44,551	220,081.94							-	44,551	220,081.94
5.3500	FERRO	FERRONOUX, INCORPORATED	184,000	984,400.00							-	184,000	984,400.00
5.8700	FFI	FILIPINO FUND INC	27,447	161,113.89							-	27,447	161,113.89
16.1200	FGEN	FIRST GEN CORPORATION	94,900	1,529,788.00							-	94,900	1,529,788.00
2.9500	FILRT	FILINVEST REIT CORPORATION	2,538,880	7,489,696.00							-	2,538,880	7,489,696.00
2.5000	FJP	F&J PRINCE HOLDINGS	195,000	487,500.00							-	195,000	487,500.00
0.7300	FLI	FILINVEST LAND INC	3,885,148	2,836,158.04							-	3,885,148	2,836,158.04
105.6000	FMETF	FIRST METRO PHIL ETF	9,010	951,456.00							-	9,010	951,456.00
1.0400	FNI	GLOBAL FERRONICKEL HOLDINGS, INC.	7,406,690	7,702,957.60							-	7,406,690	7,702,957.60
0.3800	FOOD	ALLIANCE SELECT FOODS INT'L, INC.	1,862,808	707,867.04							-	1,862,808	707,867.04
59.0000	FPH	FIRST PHIL HLDGS CORP	251,569	14,842,571.00							-	251,569	14,842,571.00
0.2460	FPI	FORUM PACIFIC, INC.	5,220,680	1,284,287.28							-	5,220,680	1,284,287.28
0.6400	FRUIT	FRUITAS HOLDINGS, INC.	2,062,000	1,319,680.00							-	2,062,000	1,319,680.00
0.0880	GEO	GEOGRACE RESOURCES PHILS., INC.	10,465,784	920,988.99							-	10,465,784	920,988.99
0.6400	GERI	GLOBAL-ESTATE RESORTS, INC.	1,071,568	685,803.52							-	1,071,568	685,803.52
2,184.0000	GLO	GLOBE TELECOM, INC	67,199	146,762,616.00							-	67,199	146,762,616.00
6.1100	GMA7	GMA NETWORK, INC.	899,400	5,495,334.00							-	899,400	5,495,334.00
6.2600	GMAP	GMA HOLDINGS, INC.	194,100	1,215,066.00							-	194,100	1,215,066.00
-	GO	GOTESCO LAND INC-A	444,220	-							-	444,220	-
-	GOB	GOTESCO LAND INC-B	4,006	-							-	4,006	-
0.1900	GREEN	GREENENERGY HOLDINGS INCORPORATED	1,836,661	348,965.59							-	1,836,661	348,965.59
275.0000	GSMI	GINEBRA SAN MIGUEL INC	2,760	759,000.00							-	2,760	759,000.00
658.0000	GTCAP	GT CAPITAL HOLDINGS, INC.	282,585	185,940,930.00							-	282,585	185,940,930.00
990.0000	GTPPB	GT CAP SERIES B PERPETUAL SHARES	1,380	1,366,200.00							-	1,380	1,366,200.00
3.3800	HI	HOUSE OF INVESTMENTS	16,300	55,094.00							-	16,300	55,094.00
0.6400	HOME	ALLHOME CORP.	821,300	525,632.00							-	821,300	525,632.00
-	HP	HIGHLANDS PRIME, INC.	1,000	-							-	1,000	-
1.0500	HTI	HAUS TALK, INC.	100,000	105,000.00							-	100,000	105,000.00
0.2330	I	I-REMIT, INC.	247,379	57,639.31							-	247,379	57,639.31
386.0000	ICT	INTERNATIONAL CONTAINER	1,180,918	455,834,348.00							-	1,180,918	455,834,348.00
1.3000	IDC	ITALPINAS DEVELOPMENT CORPORATION	394,195	512,453.50							-	394,195	512,453.50
1.4900	IMI	INTEGRATED MICRO-ELECTRONICS, INC	883,672	1,316,671.28							-	883,672	1,316,671.28
0.6300	IMP	IMPERIAL RESOURCES-A	1,625,000	1,023,750.00							-	1,625,000	1,023,750.00
0.3000	INFRA	PHILIPPINE INFRADEV HOLDINGS INC	5,204,074	1,561,222.20							-	5,204,074	1,561,222.20
0.8400	ION	IONICS, INC.	628,450	527,898.00							-	628,450	527,898.00
3.0000	IPM	IPM HOLDINGS, INC.	96,000	288,000.00							-	96,000	288,000.00
6.7900	IPO	IPEOPLE INC.-A	49,574	336,607.46							-	49,574	336,607.46
0.2060	IS	ISLAND INFO AND TECH	2,080,000	428,480.00							-	2,080,000	428,480.00
269.0000	JFC	JOLIBEE FOODS CORP.	1,702,256	457,906,864.00							-	1,702,256	457,906,864.00
984.0000	JFCPB	JFC PREFERRED SERIES B	1,730	1,702,320.00							-	1,730	1,702,320.00
20.5500	JGS	J.G. SUMMIT HOLDINGS, INC.	813,546	16,718,370.30							-	813,546	16,718,370.30
2.2300	KEEPR	THE KEEPERS HOLDINGS, INC.	1,970,848	4,394,991.04							-	1,970,848	4,394,991.04
2.7900	KEP	KEPPEL PHILS PROPERTIES	1,207,756	3,369,639.24							-	1,207,756	3,369,639.24
16.4600	KPH	KEPPEL PHILIPPINES HOLDINGS-A	16,830	277,021.80							-	16,830	277,021.80
18.8400	KPHB	KEPPEL HOLDINGS "B"	100	1,884.00							-	100	1,884.00
-	KPM	KEPPEL PHILS. MARINE, INC.	2	-							-	2	-
1.2600	KPPI	KEPWEALTH PROPERTY PHILS., INC.	500	630.00							-	500	630.00
0.6800	LAND	CITY AND LAND DEVELOPERS, INC.	186,094	126,543.92							-	186,094	126,543.92
0.0670	LC	LEPANTO CONS MNG-A	819,796,742	54,926,381.71							-	819,796,742	54,926,381.71
0.0670	LCB	LEPANTO CONS MNG-B	295,576,085	19,803,597.70							-	295,576,085	19,803,597.70

17.9200	LFM	LIBERTY FLOUR MILLS	1,400	25,088.00								-	1,400	25,088.00
1.5600	LIB	LIBERTY TELECOMS	300,000	468,000.00								-	300,000	468,000.00
0.1900	LMG	LMG CORP.	1,106,000	210,140.00								-	1,106,000	210,140.00
0.2800	LODE	LODESTAR INVESTMENT HOLDINGS CORP	2,285,000	639,800.00								-	2,285,000	639,800.00
2.6500	LOTO	PACIFIC ONLINE	25,500	67,575.00								-	25,500	67,575.00
0.0460	LPC	LFM PROPERTIES CORPORATION	100,000	4,600.00								-	100,000	4,600.00
2.7000	LPZ	LOPEZ HOLDINGS CORPORATION	1,419,300	3,832,110.00								-	1,419,300	3,832,110.00
-	LRC	LANDOIL - A	3,308,000	-								-	3,308,000	-
-	LRCB	LANDOIL - B	3,000,000	-								-	3,000,000	-
0.8600	LSC	LORENZO SHIPPING	109,750	94,385.00								-	109,750	94,385.00
10.5000	LTG	LT GROUP, INC.	3,315,340	34,811,070.00								-	3,315,340	34,811,070.00
0.0030	MA	MANILA MINING - A	767,196,630	2,301,589.89								-	767,196,630	2,301,589.89
0.0030	MAB	MANILA MINING - B	319,938,706	959,816.12								-	319,938,706	959,816.12
5.4400	MAC	MACROASIA CORPORATION	119,800	651,712.00								-	119,800	651,712.00
7.5200	MACAY	MACAY HOLDINGS, INC.	4,057	30,508.64								-	4,057	30,508.64
-	MAH	METRO ALLIANCE HOLDGS.	164,650	-								-	164,650	-
0.7500	MARC	MARCVENTURES HOLDINGS, INC.	2,248,420	1,686,315.00								-	2,248,420	1,686,315.00
2.6700	MAXS	MAX'S GROUP, INC.	3,820,200	10,199,934.00								-	3,820,200	10,199,934.00
0.1880	MB	MANILA BULLETIN PUB.	1,258,117	236,526.00								-	1,258,117	236,526.00
6.4000	MBC	MLA BROADCASTING	1,233,604	7,895,065.60								-	1,233,604	7,895,065.60
72.0000	MBT	METROPOLITAN BANK & TRUST CO.	3,392,811	244,282,392.00								-	3,392,811	244,282,392.00
-	MC	MARSTEEL CONS., INC-A	2,500,000	-								-	2,500,000	-
-	MCB	MARSTEEL CONS., INC-B	8,000,000	-								-	8,000,000	-
0.1200	MED	MEDCO HOLDINGS	2,000	240.00								-	2,000	240.00
0.3100	MEDIC	MEDILINES DISTRIBUTORS INCORPORATED	1,028,000	318,680.00								-	1,028,000	318,680.00
2.0500	MEG	MEGAWORLD CORPORATION	12,319,305	25,254,575.25								-	12,319,305	25,254,575.25
488.0000	MER	MANILA ELECTRIC COMPANY	378,451	184,684,088.00								-	378,451	184,684,088.00
1,760.0000	MFC	MANULIFE FINANCIAL	3,489	6,140,640.00								-	3,489	6,140,640.00
0.0940	MG	MILLENNIUM GLOBAL HOLDINGS, INC.	6,489,000	609,966.00								-	6,489,000	609,966.00
-	MGH	METRO GLOBAL HOLDINGS CORPORATION	307,000	-								-	307,000	-
0.1610	MHC	MABUHAY HOLD CORP-A	235,319	37,886.36								-	235,319	37,886.36
2.0000	MJC	MLA JOCKEY CLUB	435,822	871,644.00								-	435,822	871,644.00
3.4900	MJIC	MJC INVESTMENT CORP.	22,500	78,525.00								-	22,500	78,525.00
0.6000	MM	MERRYMART COSUMER CORP.	9,076,000	5,445,600.00								-	9,076,000	5,445,600.00
8.6000	MONDE	MONDE NISSIN CORPORATION	965,950	8,307,170.00								-	965,950	8,307,170.00
6.6600	MPI	METRO PACIFIC INVSTMNT CORP.	625	4,162.50								-	625	4,162.50
0.8400	MRC	MRC ALLIED, INC.	2,031,400	1,706,376.00								-	2,031,400	1,706,376.00
13.3400	MREIT	MREIT, INC.	552,000	7,363,680.00								-	552,000	7,363,680.00
-	MRP	MELCO RESORTS AND ENT.(PHIL.)CORP.	479,250	-								-	479,250	-
1.2000	MRSGL	METRO RETAIL STORES GROUP, INC.	445,320	534,384.00								-	445,320	534,384.00
5.3900	MVC	MABUHAY VINYL CORP.	84,400	454,916.00								-	84,400	454,916.00
27.0000	MWC	MANILA WATER COMPANY	1,428,870	38,579,490.00								-	1,428,870	38,579,490.00
2.4300	MWIDE	MEGAWIDE CONSTRUCTION CORP.	869,351	2,112,522.93								-	869,351	2,112,522.93
95.0000	MWP2B	MEGAWIDE PREFERRED SERIES 2B	10,000	950,000.00								-	10,000	950,000.00
97.9500	MWP4	MEGAWIDE CONSTRUCTION CORP SERIES 4	6,000	587,700.00								-	6,000	587,700.00
100.8000	MWP5	MEGAWIDE CONSTRUCTION CORP SERIES 5	12,870	1,297,296.00								-	12,870	1,297,296.00
0.3850	NI	NIHAO MINERAL RESOURCES INTL, INC	342,000	131,670.00								-	342,000	131,670.00
3.4900	NIKEL	NICKEL ASIA CORPORATION	12,373,424	43,183,249.76								-	12,373,424	43,183,249.76
-	NN	NEGROS NAVIGATION CO.	300	-								-	300	-
0.5900	NOW	NOW CORPORATION	5,272,500	3,110,775.00								-	5,272,500	3,110,775.00
0.6900	NRCP	NATIONAL REINSURANCE CORP.	3,210,000	2,214,900.00								-	3,210,000	2,214,900.00
-	NXGEN	NEXT GENESIS CORPORATION	166,000	-								-	166,000	-
14.0200	OGP	OCEANAGOLD (PHILIPPINES), INC.	407,300	5,710,346.00								-	407,300	5,710,346.00
0.1330	OM	OMICO CORPORATION	3,687,971	490,500.14								-	3,687,971	490,500.14
0.0074	OPM	ORIENTAL PETROLEUM-A	680,352,679	5,034,609.82								-	680,352,679	5,034,609.82
0.0075	OPMB	ORIENTAL PETROLEUM-B	226,303,530	1,697,276.48								-	226,303,530	1,697,276.48
0.4400	ORE	ORIENTAL PENINSULA RES. GRP., INC.	2,310,200	1,016,488.00								-	2,310,200	1,016,488.00
0.0075	OV	PHILODRILL CORP.	920,136,812	6,901,026.09								-	920,136,812	6,901,026.09

1.6000	PA	PACIFICA HOLDINGS, INC.	249,150	398,640.00							-	249,150	398,640.00
4.9500	PAL	PAL HOLDINGS, INC.	518,886	2,568,485.70							-	518,886	2,568,485.70
1.7000	PAX	PAXYS, INC.	271,201	461,041.70							-	271,201	461,041.70
9.7000	PBB	PHILIPPINE BUSINESS BANK	1,726,743	16,749,407.10							-	1,726,743	16,749,407.10
15.5800	PBC	PHIL BANK OF COMM	41,028	639,216.24							-	41,028	639,216.24
2.4300	PCOR	PETRON CORPORATION	5,803,153	14,101,661.79							-	5,803,153	14,101,661.79
-	PCP	PICOP RESOURCES, INC.	6,095,555	-							-	6,095,555	-
-	PECB	PNOC EXPLORATION-B	800	-							-	800	-
3.4500	PERC	PETROENERGY RES. CORP.	277,933	958,868.85							-	277,933	958,868.85
30.8500	PGOLD	PUREGOLD PRICE CLUB INC.	425,300	13,120,505.00							-	425,300	13,120,505.00
0.1740	PHA	PREMIERE HORIZON ALLIANCE CORP.	6,145,000	1,069,230.00							-	6,145,000	1,069,230.00
-	PHC	PHILCOMSAT HOLDINGS	152,000	-							-	152,000	-
0.2550	PHES	PHIL ESTATES CORP	1,768,000	450,840.00							-	1,768,000	450,840.00
19.0000	PHN	PHINMA CORPORATION	13,355	253,745.00							-	13,355	253,745.00
0.5400	PHR	PH RESORTS GROUP HOLDINGS, INC.	825,000	445,500.00							-	825,000	445,500.00
3.2400	PIP	PEPSI-COLA PROD. PHILS., INC.	59,000	191,160.00							-	59,000	191,160.00
7.9900	PIZZA	SHAKEY'S PIZZA ASIA VENTURES, INC.	23,175,219	185,169,999.81							-	23,175,219	185,169,999.81
27.1500	PLUS	DIGIPLUS INTERACTIVE CORP	1,180,376	32,047,208.40							-	1,180,376	32,047,208.40
5.4800	PMPC	PANASONIC MFG PHIL CORP	341,169	1,869,606.12							-	341,169	1,869,606.12
-	PMT	PRIMETOWN PROPERTY	452,500	-							-	452,500	-
27.7000	PNB	PHILIPPINE NATIONAL BANK	1,472,975	40,801,407.50							-	1,472,975	40,801,407.50
-	PNC	PHIL NAT'L CONST. CORP	22,000	-							-	22,000	-
4.1700	PNX	PHOENIX PETROLEUM PHILS.	11,708,007	48,822,389.19							-	11,708,007	48,822,389.19
24.9500	PNX3B	PHOENIX PETROLEUM PHILIPPINES, INC.	5,700	142,215.00							-	5,700	142,215.00
177.9000	PNX4	PHOENIX SERIES 4 PREFERRED	1,670	297,093.00							-	1,670	297,093.00
-	PORT	GLOBALPORT 900, INC.	400	-							-	400	-
10.6800	PPC	PRYCE CORPORATION	1,080	11,534.40							-	1,080	11,534.40
-	PPI	PHILTOWN PROPERTIES, INC.	24,697	-							-	24,697	-
2.2100	PREIT	PREMIERE ISLAND POWER REIT CORP	164,000	362,440.00							-	164,000	362,440.00
1,005.0000	PRF4A	PCOR SERIES 4 PREFERRED SHARES	180	180,900.00							-	180	180,900.00
1,050.0000	PRF4D	PCOR SERIES 4D PREFERRED SHARES	5,000	5,250,000.00							-	5,000	5,250,000.00
1,050.0000	PRF4E	PCOR SERIES 4E PREFERRED SHARES	890	934,500.00							-	890	934,500.00
2.1300	PRIM	PRIME MEDIA HLDGS. INC	228,769	487,277.97							-	228,769	487,277.97
1.8100	PRMX	PRIMEX CORPORATION	135,000	244,350.00							-	135,000	244,350.00
58.2000	PSB	PHIL SAVINGS BANK	22,079	1,284,997.80							-	22,079	1,284,997.80
164.0000	PSE	THE PHIL. STOCK EXCHANGE, INC.	372,568	61,101,152.00	120,000.00	19,680,000.00					-	492,568	80,874,953.92
119.0000	PTC	PHIL. TRUST CO.	750	89,250.00							-	750	89,250.00
-	PTT	PT&T CORP	912,833	-							-	912,833	-
2.7900	PX	PHILEX MINING CORP	26,896,460	75,041,123.40							-	26,896,460	75,041,123.40
2.8700	PXP	PXP ENERGY CORPORATION	2,390,723	6,861,375.01							-	2,390,723	6,861,375.01
23.8500	RCB	RIZAL COMM. BANKING CORP	714,741	17,046,572.85							-	714,741	17,046,572.85
2.7200	RCI	ROXAS & COMPANY, INC.	34,486	93,801.92							-		
5.8500	RCR	RL COMMERCIAL REIT INC	1,706,000	9,980,100.00							-	1,706,000	9,980,100.00
2.7500	REG	REPUBLIC GLASS HLDGS.	143,250	393,937.50							-	143,250	393,937.50
3.8700	RFM	RFM CORPORATION	123,100	476,397.00							-	123,100	476,397.00
13.3000	RLC	ROBINSON LAND CORPORATION	853,071	11,345,844.30							-	853,071	11,345,844.30
0.1200	RLT	PHIL. REALTY & HOLDGS.	787,825	94,539.00							-	787,825	94,539.00
1.5100	ROCK	ROCKWELL	732,935	1,106,731.85							-	732,935	1,106,731.85
1.4500	ROX	ROXAS HOLDINGS, INC.	114,988	166,732.60							-	114,988	166,732.60
36.0000	RRHI	ROBINSONS RETAIL HOLDINGS, INC.	22,100	795,600.00							-	22,100	795,600.00
4.9500	SBS	SBS PHILIPPINES CORPORATION	665,800	3,295,710.00							-	665,800	3,295,710.00
34.9000	SCC	SEMIARA MINING AND POWER CORP.	2,682,959	93,635,269.10							-	2,682,959	93,635,269.10
87.0000	SECB	SECURITY BANK CORP.	297,061	25,844,307.00							-	297,061	25,844,307.00
67.8000	SEVN	PHIL. SEVEN CORP.	6,690	453,582.00							-	6,690	453,582.00
0.0580	SFI	SWIFT FOODS, INC.	4,406,957	255,603.51							-	4,406,957	255,603.51
1.6800	SFIP	SFI PREFERRED	1,811	3,042.48							-	1,811	3,042.48
1.0300	SGI	SOLID GROUP INC	716,000	737,480.00							-	716,000	737,480.00
9.8000	SGP	SYNERGY GRID & DEV PHILS., INC	3,066,100	30,047,780.00							-	3,066,100	30,047,780.00

7.5000	SHLPH	PILIPINAS SHELL PETROLEUM CORP.	309,650	2,322,375.00								309,650	2,322,375.00
3.9400	SHNG	SHANG PROPERTIES INC.	1,183,507	4,663,017.58							-	1,183,507	4,663,017.58
3,028.0000	SLF	SUN LIFE FINANCIAL INC.	4,038	12,227,064.00								4,038	12,227,064.00
2.9000	SLI	STA. LUCIA LAND, INC.	22,000	63,800.00							-	22,000	63,800.00
899.0000	SM	SM INVESTMENTS CORP.	57,298	51,510,902.00							-	57,298	51,510,902.00
86.0000	SMC	SAN MIGUEL CORP."A"	259,533	22,319,838.00							-	259,533	22,319,838.00
73.3000	SMC2F	SAN MIGUEL CORP. PREF. 2F	13,000	952,900.00							-	13,000	952,900.00
72.2500	SMC2I	SAN MIGUEL CORP. SERIES 2I PREF.	17,800	1,286,050.00							-	17,800	1,286,050.00
70.5000	SMC2J	SAN MIGUEL CORP. SERIES 2-J PREF.	18,700	1,318,350.00								18,700	1,318,350.00
70.0000	SMC2K	SAN MIGUEL CORP. SERIES 2K PREF.	9,500	665,000.00								9,500	665,000.00
77.6500	SMC2L	SAN MIGUEL CORP PREF SERIES 2L	28,700	2,228,555.00								28,700	2,228,555.00
25.1500	SMPH	SM PRIME HOLDINGS INC.	15,966,282	401,551,992.30								15,966,282	401,551,992.30
0.1840	SOC	SOCRESOURCES, INC.	179,000	32,936.00								179,000	32,936.00
9.0100	SPC	SALCON POWER CORP.	173,000	1,558,730.00								173,000	1,558,730.00
1.5100	SPM	SEAFRONT RESOURCES-A	256,829	387,811.79								256,829	387,811.79
1.0200	SPNEC	SP NEW ENERGY CORPORATION	3,605,898	3,678,015.96								3,605,898	3,678,015.96
3.1800	SSI	SSI GROUP, INC.	18,967,695	60,317,270.10								18,967,695	60,317,270.10
1.3400	STI	STI EDUCATION SYSTEMS HOLDINGS, INC	7,668,000	10,275,120.00								7,668,000	10,275,120.00
-	STN	STENIEL MANUFACTURING	128,749	-								128,749	-
1.4700	STR	STARMALLS, INC.	27,000	39,690.00								27,000	39,690.00
0.9000	SUN	SUNTRUST RESORT HOLDINGS, INC.	6,459,600	5,813,640.00								6,459,600	5,813,640.00
0.2900	T	TKC METALS CORPORATION	566,000	164,140.00								566,000	164,140.00
0.1350	TBGI	TRANSPACIFIC BROADBAND	2,153,526	290,726.01								2,153,526	290,726.01
46.1000	TCB2C	CIRTEK HLDGS CORP PREF B2 SERIES C	3,000	138,300.00								3,000	138,300.00
1.3200	TECH	CIRTEK HOLDINGS PHIL. CORPORATION	129,417	170,830.44								129,417	170,830.44
1,295.0000	TEL	PLDT INC.	58,837	76,193,915.00								58,837	76,193,915.00
63.1000	TFHI	TOP FRONTIER INVESTMENT HOLDINGS IN	18,750	1,183,125.00								18,750	1,183,125.00
0.6200	TUGS	HARBOR STAR SHIPPING SERVICES, INC.	25,000	15,500.00								25,000	15,500.00
36.0000	UBP	UNION BANK OF THE PHIL.	270,898	9,752,328.00								270,898	9,752,328.00
133.2000	UNH	UNI HOLDINGS INC.	60	7,992.00								60	7,992.00
0.0028	UPM	UNITED PARAGON MNG.	247,517,500	693,049.00								247,517,500	693,049.00
79.0000	URC	UNIVERSAL ROBINA CORPORATION	1,102,350	87,085,650.00								1,102,350	87,085,650.00
-	UW	UNI WIDE HOLDINGS	9,454,000	-								9,454,000	-
0.7000	V	IVANTAGE CORP.	1,202,500	841,750.00								1,202,500	841,750.00
0.5400	VITA	VITARICH CORPORATION	374,900	202,446.00								374,900	202,446.00
1.4800	VLL	VISTA LAND & LIFESCAPES, INC.	2,449,990	3,625,985.20								2,449,990	3,625,985.20
102.5000	VLL2B	VISTA LAND & LIFESCAPES INC 2B PREF	18,300	1,875,750.00								18,300	1,875,750.00
2.0000	VMC	VICTORIAS MILLING	202,744	405,488.00								202,744	405,488.00
1.8900	VREIT	VISTAREIT, INC	20,000	37,800.00								20,000	37,800.00
18.0200	VVT	VIVANT CORPORATION	2,387	43,013.74								2,387	43,013.74
1.4000	WEB	PHILWEB.COM, INC.	329,756	461,658.40								329,756	461,658.40
0.2110	WIN	WELLEX INDUSTRIES, INC.	650,200	137,192.20								650,200	137,192.20
14.3000	WLCON	WILCON DEPOT, INC.	863,400	12,346,620.00								863,400	12,346,620.00
0.3750	WPI	WATERFRONT PHILS.	845,200	316,950.00								845,200	316,950.00
0.1820	X	XURPAS INC.	12,236,833	2,227,103.61								12,236,833	2,227,103.61
2.4700	XG	NEXGEN ENERGY CORPORATION	30,000	74,100.00								30,000	74,100.00
0.0720	ZHI	ZEUS HOLDINGS, INC.	43,590,000	3,138,480.00								43,590,000	3,138,480.00
			6,294,944,844	6,973,614,027	120,000	19,680,000	-	-	-	-	-	6,295,030,358	6,993,294,027

Customer's account	6,973,614,027	Transfer office	
Dealer's account	19,680,000	In PCD	6,993,294,027
	6,993,294,027	In BOX	-
			6,993,294,027

**A & A SECURITIES, INC.**

Unit 2608 Jollibee Plaza #10 F Ortigas Center,  
Barangay San Antonio, Pasig City

**RECONCILIATION OF RETAINED EARNINGS FOR DIVIDEND DECLARATION**

December 31, 2024

(Figures based on  
functional currency audited  
financial statements)

Unappropriated retained earnings, beginning	33,449,193.35
Less: Fair value adjustment, prior years	(12,200,300.00)
Less: Deferred income tax asset, prior year	(1,713,375.35)
Unappropriated retained earnings, as adjusted to available for dividend distribution, beginning	19,535,518
Net income during the period closed to RE	(558,815)
Add/(less): Fair value adjustment loss/(gain) for the year	720,000
Add/(less): Deferred tax asset decrease/(increase) for the year	(547,134)
<b>Net income actually earned during the period</b>	<b>(385,949)</b>
Add (Less):	
Dividend declarations during the period	(10,000,000)
Appropriations of Retained Earnings during the period	-
<b>TOTAL RETAINED EARNINGS, END</b>	<b>(10,000,000)</b>
<b>AVAILABLE FOR DIVIDEND</b>	<b>9,149,569</b>

**A & A SECURITIES, INC.**  
**FINANCIAL SOUNDNESS INDICATORS**  
**December 31, 2024**

Ratio	Formula	2024	2023
Current Ratio	Total Current Assets divided by Total Current Liabilities	1.06	1.10
	Total Current Assets 843,995,204.66		
	Divided by: Total Current Liabilities 793,206,539.78		
	Current Ratio 1.06		
Acid test Ratio	Quick Assets (Total Current Assets less Inventories and Other Current Assets) divided by Total Current Liabilities	1.04	1.07
	Total Current Assets 843,995,204.66		
	Less: Inventories -		
	Other Current Assets 19,927,916.28		
	Quick Assets 824,067,288.38		
	Divide by: Total Current Liabilities 793,206,539.78		
	Acid test Ratio 1.04		
Working Capital to Total Asset	Working Capital divided by Total Asset	0.06	0.09
	Working Capital 50,788,664.88		
	Divided by: Total Asset 878,062,957.56		
	0.06		
Debt to Total Assets Ratio	Total Debt Divided by Total Asset	0.90	0.86
	Total Debt 793,284,061.58		
	Divided by: Total Asset 878,062,957.56		
	0.90		
Debt to Equity Ratio	Total Debt divided by Total Equity	9.36	6.28
	Total Debt 793,284,061.58		
	Divided by: Total Equity 84,778,896.09		
	9.36		
Asset to Equity Ratio	Total Asset divided by Total Equity	10.36	7.28
	Total Asset 878,062,957.56		
	Divided by: Total Equity 84,778,896.09		
	10.36		
Interest Coverage Ratio	EBIT divided by Interest Expense	N/A	N/A
	EBIT -		
	Divided by: Interest Expense -		
	N/A		

Gross Profit Margin	Gross Profit Divided by Revenue  Gross Profit 14,725,028.69 Divided by: Revenue 20,541,980.64 0.72	0.72	0.76
Profit Margin	Net Income/(Loss) Divided by: Revenue  Net Income/(Loss) (558,814.80) Divided by: Revenue 20,541,980.64 (0.03)	(0.03)	1.62
Return on Asset (ROA)	Net Income/(Loss) Divided by: Average Asset  Net Income/(Loss) (558,814.80) Divided by: Average Asset 834,689,063 (0.00)	(0.00)	0.05
Return on Equity	Net Income/(Loss) Divided by: Average Equity  Net Income/(Loss) (558,814.80) Divided by: Average Equity 90,015,879.37 (0.01)	(0.01)	0.33
Solvency Ratio	Net Profit after tax add Depreciation Divided by Total Liabilities  Net Profit after tax add Depreciation 1,280,835 Divided by: Total Liabilities 793,284,062 0.00	0.00	0.05